



CITY OF ATLANTA

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DEPARTMENT OF PUBLIC WORKS
James A. Jackson, Jr.
Interim Commissioner

September 27, 2018

Dear Commercial Property Owner:

The City of Atlanta Department of Public Works Solid Waste Services (SWS) fee has had no significant adjustments since 2004. SWS has operated with a deficit over the last several years due to increases in wages, fuel, disposal costs, and other expenses. Operations are also negatively affected by the cost of replacing an aging fleet with new trucks.

The proposed Solid Waste Services fees add approximately \$22.1M to the SWS operating budget (*Image 1. in appendix*). The proposed fees increase the total SWS fees by \$9, on average, for residents. Proposed fees include a commercial lot assessment fee according to parcel size across commercial businesses within city limits for front footage services. Most of the services provided under front footage (*Image 2. in appendix*) are performed in commercial areas, currently funded by residents (*Image 3. in appendix*) for front footage expenses. Additionally, the proposed fees introduce a fee for vacant lots of \$500 per year, offsetting the costs of enforcement, clean-up, disposal, and monitoring clean-up of illegal dumping associated with vacant lots.

We have introduced a flat rate, two-tier commercial fee structure defined by the Zoning Enforcement Commission's future land use definitions (*Image 4. in appendix*). Commercial properties in Tier 1 are in commercial corridors and will receive a higher frequency of service (*Image 5. in appendix*). **Find which tier you have been identified as being a part of at <http://bit.ly/DPWATL>.**

The proposed adjustment fee would:

1. Eliminate enterprise dependence on General Fund - The proposed SWS fee increase will bring the current dependency on the City's General Fund to a state of parity. Solid Waste ran a \$13M deficit in FY17, with a current total deficit of \$82.8M over previous years.
2. Restructure an aging garbage truck fleet - The proposed fees will pay for new trucks over the next two years, adding approximately \$1.9M to the Department's annual debt service. Presently, SWS has no funding available for routine replacement.
3. Account for the minimum wage increase - The proposed fees compensate for the approximately \$2.1M increase in personnel expenses for the on-going compression from the rise in minimum wage; increasing from \$13 to \$15 per hour for city workers, per recent legislation (Ordinance 16O171).

4. Account for an increase in disposal fees - The proposed fees will consider the recent 22 percent increase in disposal fees from the City of Atlanta's landfill vendor, saving the General Fund \$800K in annual expenses.
5. Fund CHaRM Drop-off Centers, SWEET Enforcement Officers, APS Partnership, and Solid Waste website - \$1.2M

Key Dates for City Council Vote on Solid Waste Services Fee Adjustments:

- Tuesday, September 18, 2018 - City Council Work Session (SWS fee adjustment)
9:00 a.m. – 12:00 p.m., Atlanta City Hall, Committee Room 1, Second Floor
- Tuesday, October 9, 2018 - City Utilities Committee Vote (scheduled)
9:30 a.m., Atlanta City Hall, Committee Room 1, Second Floor
- Monday, October 15, 2018 - Full City Council Vote (scheduled)
1:00 p.m., Atlanta City Hall, Council Chambers, Second Floor

If the substitute passes, you should expect to receive your solid waste bill in January 2019. You will have 45 days to pay. This bill will be for services from January 2018 to December 2018. The new rates will be retroactive to July 1, 2018; therefore, you will receive a combined prorated bill 50% of your current annual rate, plus 50% of your future annual rate.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Jackson, Jr.", written in a cursive style.

James A. Jackson, Jr.

Appendix

Image 1: Solid Waste Service Fees

Solid Waste Services	FY 2018 (Current)	FY 2019
<i>Residential Fees</i>		
Residential Recycling	\$88	\$88
Residential Single-Family Base Fee	\$307	\$366
Residential Front Footage (Avg)	\$50	\$0
Residential Total (Avg)	\$445	\$454
<i>Residential Backyard (Optional)</i>	\$962	\$1,146
<i>Residential Vacant Lot</i>	\$0	\$500
<i>Commercial Fees Tier 1</i>		
Commercial Parcel Lot Fee (1 - 100 ft.)	\$7.6 - \$760*	\$1,200
Commercial Parcel Lot Fee (101 - 200 ft.)	\$768 - \$1520*	\$2,400
Commercial Parcel Lot Fee (201 - 450 ft.)	\$1,528 - \$3,420*	\$5,400
Commercial Parcel Lot Fee (451 - 700 ft.)	\$3,428 - \$5,320*	\$8,400
Commercial Parcel Lot Fee (701 - 850 ft.)	\$5,328 - \$6,460*	\$10,200
Commercial Parcel Lot Fee (>850 ft.)	\$6,460+*	\$14,400
<i>Commercial Fees Tier 2</i>		
Commercial Parcel Lot Fee (1 - 100 ft.)	\$3.7 - \$370**	\$500
Commercial Parcel Lot Fee (101 - 200 ft.)	\$374 - \$740**	\$1,000
Commercial Parcel Lot Fee (201 - 450 ft.)	\$744 - \$1,665**	\$2,250
Commercial Parcel Lot Fee (451 - 700 ft.)	\$1,669 - \$2,590**	\$3,500
Commercial Parcel Lot Fee (701 - 850 ft.)	\$2,594 - \$3,145**	\$4,250
Commercial Parcel Lot Fee (>850 ft.)	\$3,145+**	\$6,000
<i>Commercial Fees Tier 3</i>		
Commercial Parcel Lot Fee (1 - 100 ft.)	\$2.89 - \$289***	N/A
Commercial Parcel Lot Fee (101 - 200 ft.)	\$292 - \$578***	N/A
Commercial Parcel Lot Fee (201 - 450 ft.)	\$581 - \$1,300***	N/A
Commercial Parcel Lot Fee (451 - 700 ft.)	\$1,303 - \$2,023***	N/A
Commercial Parcel Lot Fee (701 - 850 ft.)	\$2,025 - \$2,456***	N/A
Commercial Parcel Lot Fee (>850 ft.)	\$2,456+***	N/A

\$9 Increase

*Commercial Tier 1: \$7.60 per foot of street frontage property located in central business/downtown district receiving street cleaning.
 **Commercial Tier 2: \$3.70 per foot of street frontage for property located in all areas receiving special thoroughfare street cleaning.
 ***Commercial Tier 3: \$2.89 per foot of street frontage for all other commercial and industrial property receiving regular street cleaning.
 Eliminating this tier under the new rate

Image 2: Solid Waste Services

Collections		<ul style="list-style-type: none"> > Curbside Waste > Curbside Recycling > Curbside Yard Trimming > Backyard Collections > City Facility 	<ul style="list-style-type: none"> > Residential Multi-Family > Government District > Bin Delivery > Bulk Waste Collection
Front Footage (Special Ops) Services		<ul style="list-style-type: none"> > Right-of-Way Maintenance > Dead Animal Removal > Street Sweeping > Illegal Dumping 	<ul style="list-style-type: none"> > Illegal Sign Removal > Special Event Staffing > Vacant Lot Cut & Clean

Image 3: Solid Waste Service Projected Expenses

PROJECTED FISCAL YEAR 2019				
Service	On Going O&M Expenses	Legacy Costs	City Overhead Charges	Total Expenses
COLLECTIONS	\$ 37,384,102	\$ 5,524,060	\$ 2,207,968	\$ 45,116,130
FRONT FOOTAGE	\$ 18,889,170	\$ 3,165,936	\$ 1,806,519	\$ 23,861,624
TOTAL	\$ 56,273,272	\$ 8,689,996	\$ 4,014,487	\$ 68,977,754
PROJECTED FISCAL YEAR 2020				
Service	On Going O&M Expenses	Legacy Costs	City Overhead Charges	Total Expenses
COLLECTIONS	\$ 38,934,742	\$ 5,820,055	\$ 2,260,959	\$ 47,015,756
FRONT FOOTAGE	\$ 19,877,127	\$ 3,282,772	\$ 1,849,876	\$ 25,009,775
TOTAL	\$ 58,811,870	\$ 9,102,827	\$ 4,110,834	\$ 72,025,531

Image 4: Tier 1 vs Tier 2 Definitions

Tier 1 commercial properties are located within the defined City of Atlanta future land use zones below:

- Land Use Description is 'High-Density Commercial'
- Land Use Description is 'High-Density Mixed-Use'
- Land Use Description is 'Low-Density Commercial'
- Land Use Description is 'Low-Density Mixed-Use'
- Land Use Description is 'Medium-Density Mixed-Use'
- Land Use Description is 'Mixed-Use'
- Land Use Description is 'Mixed Use-High Density'
- Land Use Description is 'Mixed Use-Low Density'
- Land Use Description is 'Industrial'
- Land Use Description is 'Office/Institutional'
- Land Use Description is 'Office/Institutional/Residential'

All commercial properties are designated as Tier 2

Image 5: Tier 1 vs Tier 2 Service Levels

Commercial Property Service Levels		
Services	Future Service Level	
	Tier 1	Tier 2
Street Sweeping	At least 2x per week	1x per week
Trash Receptacle Pick-up	1x per day	2x per week
Right of Way Grass Cutting	2x per month	1x per month