



DATE: September 16, 2014

CATEGORY: Public Hearing

DEPT.: Public Works

TITLE: **Amend Chapter 16, Section 16.82, of the Mountain View City Code to Retain Current Charges for Carry-Out Bags**

RECOMMENDATION

Introduce an Ordinance Amending Section 16.82 of the Mountain View City Code Related to Charges for Carry-Out Bags, to be read in title only, further reading waived, and set second reading for October 14, 2014 (Attachment 1 to the Council report).

BACKGROUND

On December 11, 2012, the City Council adopted an ordinance adding Article IV to Chapter 16 of the Mountain View City Code related to reusable bags (Attachment 2). The ordinance became effective on April 22, 2013, to coincide with Earth Day and the effective date of similar ordinances in other jurisdictions. The purpose of the ordinance was to decrease the distribution of single-use, carry-out bags to protect the environment and improve water quality as required under the Municipal Stormwater Permit.

Section 16.82 of the Mountain View City Code provides that retail establishments may only make recycled-content paper bags or reusable bags available to customers. A minimum charge for the permitted bags was established to create an economic incentive for shoppers to avoid paper bags by bringing their own bags or hand-carrying small items. Under the ordinance as adopted, the minimum charge per bag will increase from ten cents (\$0.10) to twenty-five cents (\$0.25) on January 1, 2015. Retailers keep the bag revenue to compensate for recordkeeping requirements.

ANALYSIS

To evaluate the effectiveness of the minimum charge per bag, staff observed shoppers exiting Mountain View grocery and retail stores and reviewed store records. Staff also analyzed litter diverted from entering the City's stormwater system by a trash capture device (more fully described below).

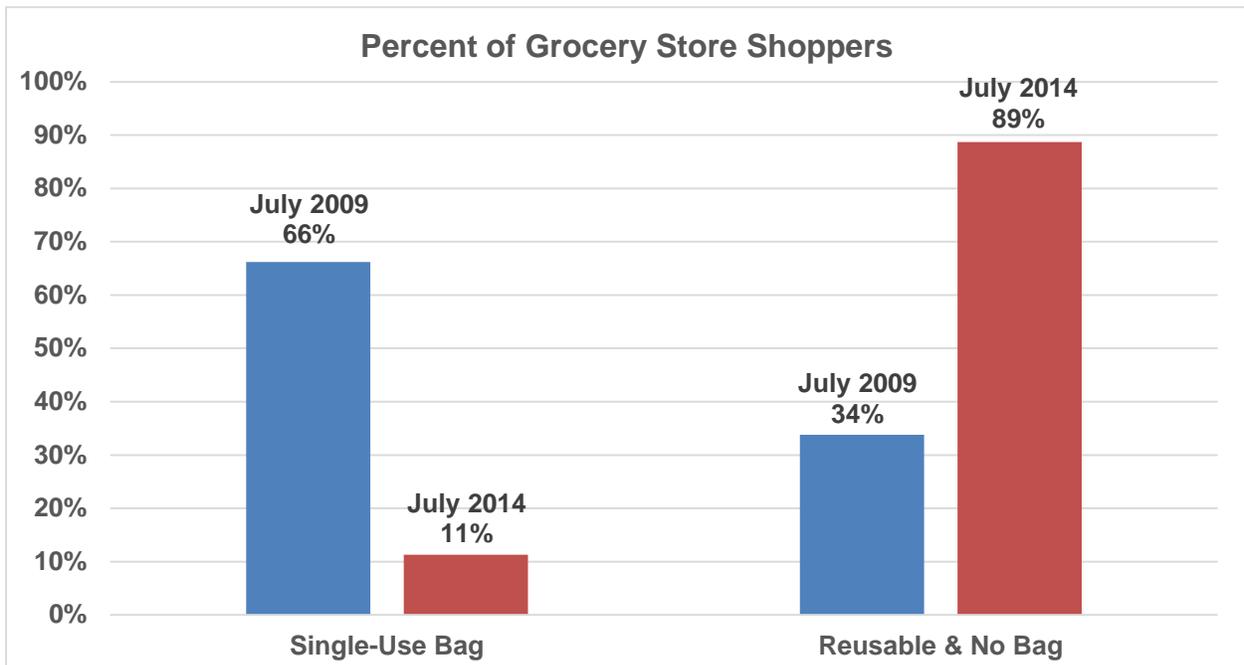
The scheduled increase to the minimum charge for bags was initially proposed to mitigate the potential increase in the use of paper bags. However, during the first year of the ordinance, there has been a 9 percent decrease in the number of paper bags purchased by shoppers according to records obtained from four major grocery stores in Mountain View.

Overall, there has been a significant decrease in single-use bags and a significant increase in the number of shoppers using reusable bags or hand-carrying small items at grocery and retail stores. Also, fewer bags are ending up as litter in the City's trash capture device. Staff has determined the current minimum charge of \$0.10 per bag is adequately serving as a sufficient economic incentive to motivate shoppers to avoid single-use bags and therefore recommends retaining the current charge.

Grocery Stores

Staff and volunteers observed shoppers exiting grocery stores in July 2009 and again in July 2014 (including ethnic and specialty groceries). Chart 1 shows that the number of shoppers choosing single-use bags decreased from 66 percent in 2009 to 11 percent in 2014, while the number of shoppers choosing reusable bags or no bags increased from 34 percent to 89 percent.

Chart 1



Retail Stores

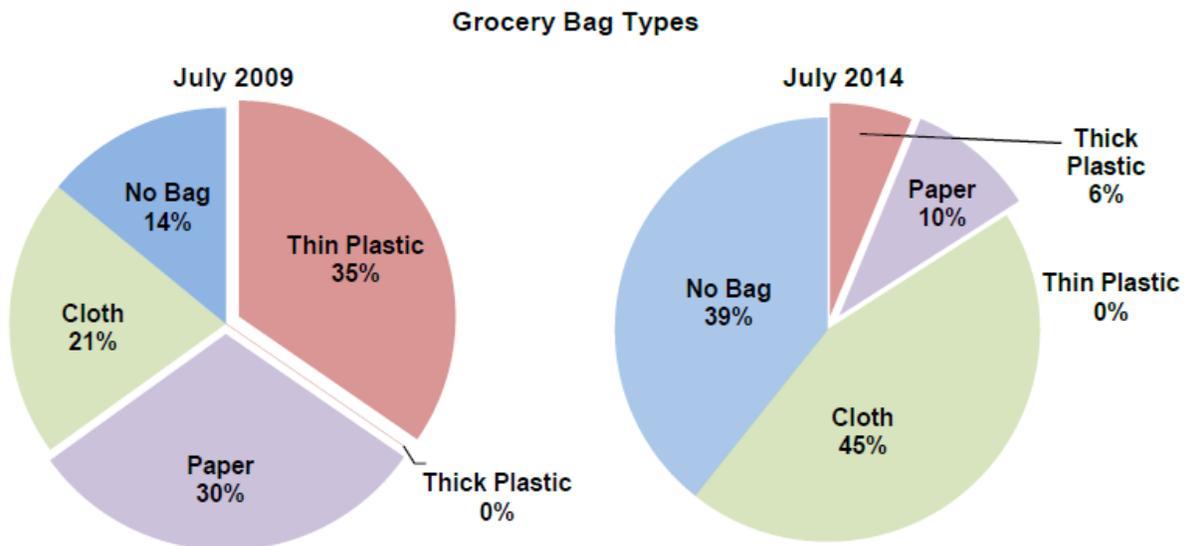
In July 2014, staff also observed shoppers exiting a variety of retail stores, including department stores and pharmacies (no observations of retail stores were made in 2009). Only 9 percent of shoppers used a paper bag, while 91 percent of shoppers used reusable bags or no bags to carry items.

Paper Bags

Grocery store records and observations revealed that the anticipated demand for paper bags did not materialize. Based on observations, Chart 2 shows the number of shoppers choosing paper bags decreased while the number of shoppers choosing no bags to hand-carry items increased significantly. Both of these choices are a more environmentally beneficial outcome than originally anticipated.

In addition, based on records of four major grocery stores in Mountain View, there was an average decrease of 9 percent in paper bags provided to shoppers during the first year of the ordinance. (Some stores experienced as much as a 17 percent to 21 percent decrease in paper bag purchases.) In the chart below, “cloth bag” includes all types of reusable bags and “thick plastic” bags are those that meet the definition of reusable bag under the ordinance.

Chart 2



Stormwater Trash Capture Device

Before and after the ordinance was effective, staff analyzed debris and litter materials collected and removed from the City's stormwater system through its trash capture device. Located on Leland Avenue near Rengstorff Park, the device diverts stormwater runoff from 125 acres in Mountain View.

In March 2013 (before the ordinance), approximately 10 single-use plastic bags were found in the top few inches of the pile of debris removed from the trash capture device. After the ordinance, the number of plastic bags found in the device began to decrease. By March 2014, no plastic bags were found in materials removed from the trash capture device.

Other Cities

The cities of San Jose, Sunnyvale, and Cupertino recently amended their ordinances to eliminate the automatic increase to \$0.25, thereby keeping the minimum \$0.10 bag charge. These cities also found that the current \$0.10 bag charge was sufficient to change shoppers' behaviors.

Of the remaining cities in Santa Clara County that have bag ordinances, Los Altos, Los Gatos, and Campbell have not yet indicated whether they will make this same amendment. In Morgan Hill and Palo Alto, no amendment is necessary as their ordinances did not include an increase to \$0.25. The City of Santa Clara recently adopted a bag ordinance with a minimum \$0.10 bag charge and no automatic increase. The Santa Clara County ordinance (which regulates the unincorporated areas) also does not include an automatic increase; however, the minimum bag charge is \$0.15.

Possible State-wide Bag Law

Senate Bill 270 was approved by the California Assembly and Senate in August 2014. The bill is expected to be forwarded to the Governor for signature soon. If this bill is enacted into law, as appears likely, it will require many stores (groceries, pharmacies, convenience, and liquor stores) to only provide reusable or recyclable paper bags for a minimum charge of \$0.10. There is no provision to escalate the fee over time, so by keeping the Mountain View fee at \$0.10, the City will be consistent with bag charges throughout the State.

ENVIRONMENTAL IMPACT

The proposed amendment is a minor change to the existing ordinance. Under the Final Program Environmental Impact Report (EIR), the proposed bag use assumptions analyzed a \$0.10 charge on recyclable paper bags. Under a \$0.10 charge, more customers would likely pay for recyclable paper bags in comparison to a \$0.25 charge. Because more paper bags would be used under a \$0.10 charge rather than \$0.25 (and thus greater environmental impacts associated with paper bags under a \$0.10 charge), the Final Program EIR used the \$0.10 charge as a “worst-case” scenario in analyzing environmental impacts.

In Section 6.0, Alternatives, of the County of San Mateo’s Draft EIR, Alternative 3 considered a \$0.25 charge on recyclable paper bags. This alternative was considered “environmentally superior” compared to a proposed ordinance with a \$0.10 charge because the \$0.25 charge would result in the use of fewer recyclable paper bags and more reusable bags. However, the \$0.10 charge was determined not to have any significant impacts; therefore, adopting an environmentally superior alternative with a \$0.25 charge would not avoid any significant environmental effects. As such, the EIR analysis and California Environmental Quality Act (CEQA) findings that were adopted by the County of San Mateo, as lead agency, were based on the environmental impacts associated with a \$0.10 fee, the worst-case scenario. Therefore, the proposed amendment to the City’s ordinance to eliminate the increase in the minimum fee from \$0.10 to \$0.25 is similar to the project considered in the County of San Mateo’s EIR and no additional CEQA analysis is warranted. The County of San Mateo’s Program EIR is adequate to include the proposed changes to the City’s ordinance.

FISCAL IMPACT

There is no fiscal impact to the City because all bag charges are retained by the store to compensate for recordkeeping requirements.

ALTERNATIVES

1. Do not amend the ordinance. In this case, the minimum charge for a paper single-use bag or a reusable bag will increase from \$0.10 to \$0.25 on January 1, 2015.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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CP-LT/3/CAM
920-09-16-14CR-E

Attachments: 1. Proposed Ordinance Amendment
2. [Adopted Reusable Bag Ordinance](#)