



## Legislation Text

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**File #:** 08-1031, **Version:** 1

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Recommendation to authorize City Manager to execute a permit with Shoreline Media, LLC, to furnish and maintain a recycling program in the Tidelands areas, using media-capable recyclable/trash receptacles for a five-year term, with two five-year renewal options at the discretion of the City Manager or his designee. (Districts 2,3)

Marine debris is a major threat to our Nation's coastal resources and to human health and safety along our shorelines. It is estimated that only five percent of this debris is ever collected or recycled. Federal, state, and local government entities have expressed concerns over these environmental issues and have initiated many programs intended to increase home and business recycling. The reason public beach recycling in the City of Long Beach (City) is not a part of these programs is simply because the cost of developing and maintaining an effective recycling program in these areas is prohibitive. In order to create a public beach recycling policy, it has become evident that an income-based self-sustaining program is required.

Shoreline Media, LLC, (Shoreline) was formed to increase environmental stewardship in California, through the establishment of municipal recycling programs, funded by the sale and operation of environmentally friendly outdoor media platforms. Its programs are 100 percent self-sustaining, through a combination of revenue from advertising on recyclable/trash receptacles (Green Bins) and processing of recyclables. Shoreline will deliver, install, and maintain the Green Bins in the impacted areas and share a significant portion of their gross advertising revenues with the City (see revenue projections below).

Aside from being self-sustaining, the proposed project will have a positive environmental impact along our shoreline. The program proposal has even garnered written endorsements from some prominent environmental advocacy groups prior to City approval of the concept. Public endorsers include:

- Ocean Conservancy
- Ocean Conservation Society
- Surfrider Foundation - Long Beach Chapter
- Heal the Bay
- Santa Monica Baykeeper
- Conservation Corps of Long Beach
- City of Long Beach Office of Sustainability
- Earth Resource Foundation

The proposed project will add a new recycling program to the Tidelands areas, specifically, to the City's beaches, marinas, and esplanades, and will include the furnishing and maintenance of the Green Bins. The placement and types of Green Bins will be dictated by the Department of Parks, Recreation and Marine (PRM), and will be based upon need and use patterns within the permitted areas. The Green Bins have been designed to be seamlessly integrated into the City's current waste

removal infrastructure, either as a replacement or to co-exist with the current trash receptacles. The scope of the program will be limited to the City's Tidelands areas (Attachments A 1, A2, and A3).

The Green Bins come in two sizes: a large size (A-Bin) and a small size (B-Bin) (Attachments B and C). Both Green Bin sizes will accept general refuse, as well as recyclables, such as paper, plastic, bottles, and aluminum. All of the receptacles are separated for easy removal and disposal. Each Green Bin will incorporate separate receptacles for refuse and recyclables. Shoreline anticipates that one-third of the Green Bins will require replacement within two years and that this replacement cycle will remain constant over the length of service. Shoreline will be required to maintain a back stock of Green Bins greater than or equal to ten percent of the total number of deployed Green Bins. Shoreline will secure storage of the units at their sole cost within the city of Long Beach.

The Green Bins are designed to target "green" and potentially "green" consumers. A key objective of Shoreline is to pair eco-friendly and environmentally responsible advertising campaigns with its Green Bins. Shoreline has identified, or has working relationships with a growing number of large corporate brands and agencies, that intend to bridge the gap between the "green" consumer and their products. Shoreline's officers have extensive experience and current backgrounds in outdoor advertising (Attachment D).

PRM received administrative approval of this program, with no issue, from the California Coastal Commission on April 11 , 2008.

The following are major provisions of the proposed permit:

- Green Bin Costs: Shoreline shall pay all costs associated with the furnishing and maintenance of the Green Bins. Maintenance shall be on an ongoing basis, as warranted, including, but not limited to, graffiti removal, weather damage, unit replacement, etc.
- Grffiti Removal/Maintenance Reporting: Shoreline shall be required to remove, replace, or repair any Green Bin due to graffiti within 48 hours of the report. Shoreline will maintain a toll free (800) number and a website, which will be posted on each Green Bin to receive reports of repair and/or maintenance requirements. The toll free number will have a live operator to receive calls 365 days per year. The operator will document the date and time of the reported issue and shall inform Shoreline on a daily basis of all calls received.
- Permitted Areas: Beaches, marinas, and esplanades, as specified in Attachments A1, A2, and A3.
- Permitted Use: Furnishing and maintenance of media-capable Green Bins and the collection and processing of recyclables. Quantity and location shall be determined by PRM.
- Term: Five years, through December 31,2013.
- Renewal Options: Two five-year renewal options at the discretion of the City Manager or his designee.

· Minimum Rent: Shoreline shall either pay an annual minimum guaranteed amount of \$750 per A-Bin and \$500 per B-Bin for each year of the permit (approximately \$76,000 per year), or a percentage of gross advertising sales, whichever is greater. However, in the initial year (calendar year 2009), the annual minimum rent shall be \$375 per A-Bin and \$250 per B-Bin.

· Revenue Sharing Percentages:

17% of gross advertising sales revenue from \$0 to \$1,000,000;  
19% of gross advertising sales revenue from \$1,000,000 to \$2,000,000;  
21 % of gross advertising sales revenue from \$2,000,000 to \$3,000,000;  
23% of gross advertising sales revenue from \$3,000,000 to \$4,000,000;  
25% of gross advertising sales revenue over \$4,000,000.

· \*Projected City Revenue from Revenue Sharing:

CY 09: \$123,114 in City revenue;  
CY 10: \$401,995 in City revenue;  
CY 11: \$405,670 in City revenue;  
CY 12: \$443,974 in City revenue;  
CY 13: \$443,974 in City revenue.

\*Projected City revenue from revenue sharing amounts was provided by Shoreline and based upon an 80 percent advertising occupancy rate.

· Recyclable Collection: Shoreline or its agents shall accept sole responsibility for the collection of recycled goods from the Green Bins. Service levels and liability shall be the sole responsibility of Shoreline or its agents, as defined by the City's Risk Manager. PRM has determined that additional truck trips (light "green" vehicles, aka alternative fuel vehicles) will be needed to pick up recycling; however, the total number of truck trips may decrease because, due to the separation of refuse from recyclables, the trash may not need to be emptied as often. Shoreline shall partner with the Conservation Corps of Long Beach to collect recyclables from the Green Bins. Pickup schedules will be monitored on an ongoing basis to ensure proper disposal.

· Refuse Collection: The City shall be solely responsible for the removal of refuse from the Green Bins.

· City-Sponsored Advertising: Shoreline shall make available and maintain a panel on each of the B-Bins for City-sponsored promotional items for four months per calendar year at no cost to the City. In addition, the City shall receive advanced notice of any unused panels on any of the deployed A-Bins and BBins, and shall have the first right of refusal of the opportunity to post City-sponsored promotional items at its discretion. Shoreline shall install and maintain, at its sole expense, the City-sponsored promotional items; however, the City shall pay the direct production costs for these items.

· Advertising Content Oversight: PRM shall have oversight of all advertising content.

- Insurance/Program Liability: Shoreline shall provide insurance coverage, as defined by the City's Risk Manager. Shoreline shall assume all fiscal and operational liability for the proposed program.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on May 6, 2008 and August 25, 2008, and Budget Management Officer Victoria Bell on May 7, 2008 and August 25, 2008.

## SUSTAINABILITY

To date, Long Beach's recycling efforts have given the City one of the highest waste diversion rates in the State. The City's 2006 waste diversion rate is 69 percent, up from 66 percent in 2005. The proposed permit will augment the City's waste diversion efforts by adding a turnkey recycling program to the City's beaches, marinas, and esplanades, where presently, there is no means of recycling in these areas.

The proposed permit provides an opportunity to collect both trash and recyclable materials, resulting in cleaner beaches, marinas, and esplanades that are free from litter. The Green Bins, aside from being an aesthetic improvement over PRM's current trash receptacles in the permitted areas, will be manufactured using environmentally friendly materials, such as recycled aluminum, recycled polyethylene, and polypropylene to mitigate any potential adverse environmental footprint.

The Green Bins have a large capacity to contribute to a litter-free Long Beach. Each 55-gallon recycling receptacle (one per Green Bin) will have the capacity to hold approximately 150 12-ounce aluminum cans or 162 12-ounce plastic bottles. Shoreline estimates that it will collect approximately 2,247,167 CRV beverage containers annually, and estimates that 80 percent of these beverage containers will be plastic and that 20 percent will be aluminum. This equates to approximately 449,433 aluminum cans and 1,797,734 plastic bottles annually.

City Council action is requested on October 7, 2008, in order to enable execution of the permit. In addition, the City Manager requests the authorization to enact the permit term earlier than the intended start date of January 1, 2009, contingent upon Shoreline's receipt of project materials earlier than anticipated.

All revenues will accrue to the Tidelands Fund (TF) in the Department of Parks, Recreation and Marine (PR).

Approve recommendation.

Phil T. Hester  
Director of Parks, Recreation and Marine

NAME  
TITLE

APPROVED:

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PATRICK H. WEST

CITY MANAGER