

**Excerpt from the
CITY PLANNING COMMISSION MINUTES
Minneapolis Community Planning & Economic Development (CPED)**

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MEMORANDUM

DATE: May 1, 2014

TO: Zoning and Planning Committee

FROM: Jason Wittenberg, Manager, Community Planning & Economic Development – Land Use, Design and Preservation

SUBJECT: Planning Commission decisions of April 7, 2014

The following actions were taken by the Planning Commission on April 7, 2014. As you know, the Planning Commission's decisions on items other than rezonings, text amendments, vacations, 40 Acre studies and comprehensive plan amendments are final subject to a ten calendar day appeal period before permits can be issued.

Commissioners present: President Tucker, Bender, Brown, Forney, Gagnon, Kronzer, Luepke-Pier and Slack
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Not present: Gisselman (excused)

Committee Clerk: Lisa Kusz (612) 673-3710

8. Zoning Code Text Amendment (Ward: All) (Andrew Liska).

A. Text Amendment: Amending Title 20 of the Minneapolis Code of Ordinances as follows:

Chapter 537 related to the Zoning Code: Accessory Uses and Structures

The purpose of the amendment is to allow donation collection bins to be operated by for-profit entities as an accessory use.

Action: The City Planning Commission recommends that the City Council **approve** the proposed zoning code text amendment, amending Chapter 537, noting the following amendment:

1. Language shall be added to subsection (5) requiring that the operator identify whether the entity is a for-profit or non-profit organization.

Aye: Bender, Brown, Forney, Kronzer, Luepke-Pier and Slack

Nay: Gagnon

Absent: Gisselman

Staff Liska presented the staff report.

Commissioner Brown: I just want to make sure I understand what the primary reason is for not making a recommendation. Do you have concerns about the potential for visual clutter or are there other concerns you're not necessarily recommending approval of for this text amendment?

Staff Liska: There is that. You don't see too many of these in the area and abroad. It can be kind of a touchy subject in terms of being considered just an accessory use. Many cities will just consider these an accessory use and will let their code dictate...well, it will basically limit what can be stored outside. If there is no push for these bins, they won't have anything specific. Minneapolis is in a unique situation being that we have decided that donation collection bins are a specific use rather than just a standard accessory use and we have limited those to nonprofit. It's just kind of an uncharted territory.

Commissioner Kronzer: Question about the labeling of these bins. Is there anything in the proposed ordinance change that requires notice that you're donating to a for-profit entity versus a non-profit entity? What kinds of thought have City staff had on that?

Staff Liska: As it's currently written, it does note that bins shall be clearly marked to identify the specific items and materials, including the name, address, email and phone number. It could just be a name and you wouldn't know. There's no current regulation that states that they'd have to be labeled as for-profit or non-profit.

Commissioner Gagnon: Did you guys look at reactions from other big cities that have done this? I haven't found any positive news media that it has been very hurtful to things like Goodwill, that people have been confused that they're for-profit, that money from the sale of these goes overseas and it doesn't circulate back through the community, and it doesn't create jobs. I just haven't found anything that's positive in other cities like New York or Syracuse that have done this.

Staff Liska: I would agree. I looked at several big communities around the country and it was difficult to find positive reactions to these donation collection bins and that is, in part, why we have no recommendation. Cities like St Paul don't actively prohibit donation collection bins for for-profit sectors and they do have some messy bins, to be honest.

Commissioner Slack: Are there any issues or concerns with the existing boxes related to code enforcement?

Staff Liska: I did talk to our Zoning inspectors and they said that they've received maybe five or six complaints regarding the donation collection bins in the last few years. They did note that a few complaints did stem around people just not thinking they were permitted after they were. It was more the use itself rather than clutter outside or sidewalks being blocked. Our city has five operating donation collection bins that are licensed.

President Tucker opened the public hearing.

Carlo Cavallaro (USAgain): I'm the Director of Government Affairs and in-house attorney for USAgain. Our warehouse is in New Brighton. It's 80 2nd Ave SE in New Brighton. I want to thank Councilwoman Glidden for bringing this issue to staff and for staff's work in regard to this. My main role is I work with our national association which is SMART: Secondary Materials & Recycled Textiles Association to advocate the collection bins are not always identified specifically. What we've done is gone around the country and advocated and successfully passed ordinances and regulations...and actually, the City's ordinance contains most of the provisions. One item is missing and it should be identified that every operator...there are state laws in California and Missouri that mandate the specific labeling of those bins. The only piece that's missing is the tax status of the operator. We support that and advocate that. This process started with us sharing an

ordinance that we had developed with SMART and Council Member Glidden. A lot of the concerns raised really come down to the specifics of the operator. Yes, we're a for-profit operator. The advantages we have in that regard is we are 100% employee based. We're local and we operate in every county in MN and as well as virtually every community. Minneapolis seems to be the anomaly. Bins are allowed, but we're not allowed to operate them based on our tax status. We do partner with Eureka Recycling in St Paul. We collect the textiles at the curb. We also have bins in St Paul. The curbside collection process is possible in St Paul due to the unique trucks that they utilize. The textile material is placed within the cardboard material which goes into a clean separate section of the truck so the material is still useful. We operate the same as many of our competitors that would be in the City and throughout the nation. Everyone aggregates the same material and it's all sold whole style in the same markets. A lot of our material is returned wholesale. The Savers in your area are one of our main customers out of our warehouse. We have loads going there every week, that's how they stock their stores. Some of the other non-profit thrift stores do rely on donations, that's how they stock their store. Their castoffs or items that aren't sold are sold in that secondary market as well. With that said, I'm here to answer questions. We support the ordinance. The regulations are on hand and the difference comes down to the operators.

Commissioner Kronzer: The bins that you operate, are you allowed to donate something you know is not wearable that you know will be recycled?

Carlo Cavallaro: Yes. Textile material is really the next big thing. In the grand waste scheme you have organics or the big items, textiles are the next percentage. We have a national recycling rate of about 15%; MN is right about 9%. We're actually supporting legislation to create a textile recycling goal with the state legislature so we don't know if that's going to pass yet or not. About 90% of all textile material is recyclable and reusable. The vast majority of what everyone collects is really resold as clothes. Then you have the items turned into wiping rags and then we enjoy quieter cars and dishwashers because of the insulation blankets.

Commissioner Kronzer: So the bins are labeled "donate your unwearable clothes"?

Carlo Cavallaro: No, they're labeled for all the textile material. It's not that specific because you want the whole mix.

Commissioner Brown: I'm wondering if you could talk a little bit about your firm's protocol for dealing with some of the code enforcement issues elsewhere in the metro area. If someone drops furniture or something next to the bin are you prepared to respond to that and clean it up or do you rely more on the property owner?

Carlo Cavallaro: Under our agreements we maintain 10-15 feet around every bin area. Whatever is there, we remove. That's the big concern. Our commitment is not only to the community, but to that specific site so we don't become a hassle for them. Within 24 hours of us being notified of any issue...the bin could be damaged because of an accident, weather or graffiti and we'll take care of it.

Commissioner Slack: How do you select a location for a box? I think you mentioned that you have some in St Paul, how many do you have there?

Carlo Cavallaro: There are 75 in St Paul. We have community recycling specialists or territory managers and they go out and talk to the site host. They negotiate the agreement for approval. The sites are selected by where a bin can operate. We know we need a certain amount of space and we have a truck that needs to service it. We have to have easy access and place the bin so it's not in a site line or in the right-of-way. If there is a large shopping center you want to be where the traffic is so that it's convenient. If you're where the public is generally going, it just makes it easier for them to discard their items instead of throwing them in the trash.

Patrick Kvidera (3041 Grand St NE): The labeling for the public should be the same size as the company name so it's not lost someplace. You can specify a size, but make sure it's a size people are going to look at.

President Tucker closed the public hearing.

Commissioner Brown: I will recommend approval of this text amendment (Bender seconded). Reading through the changes, I'm generally comfortable with this. It seems that since we have been allowing this type of activity for non-profit organizations, it seems that the City's regulations and standards have been working fairly well. It's something that we can continue to monitor so I don't have a big concern about opening that up to for-profit corporations as well.

Staff Wittenberg: Just a couple of quick things...in your folders today there is an updated version that has the exact same language, but just some formatting changes. There is one very minor formatting change that I'd like to also add if the commission moves this forward with a recommendation. After the italicized "donation collection bin" that was added with a colon rather than a period consistent with the rest of the chapter.

Commissioner Gagnon: You may also want to 10 "the" instead of "he". I am going to pushback that if we have five registered bins right now and I know the City staffing...I don't think we have the capacity to look after 75 more potentially. They aren't the prettiest [tape ended]...I feel like there is a different way that clothes can be recycled in the city of Minneapolis. I think it needs to be thoughtful. I think it's a fabulous idea. I don't mind getting for-profit businesses involved in the recycling of textiles, but I don't think this is the way to go about it.

Commissioner Luepke-Pier: Should this pass, I would like to see number five where they talk about the information contained on the bins...I think that Commissioner Kronzer's idea of clearly labeling whether it's for-profit or non-profit would be a piece of information that would be helpful for the public to have. I guess I'd like that added where it mentions the name, address, email and phone number.

Aye: Bender, Brown, Forney, Kronzer, Luepke-Pier and Slack

Nay: Gagnon

Absent: Gisselman