JOHN J. DOHERTY

Commissioner

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February 14, 2008

Hon. Christine C. Quinn Speaker New York City Council City Hall New York, New York 10007

Re: Report to City Council on Future Manhattan Capacity for Commercial Waste and West 59th Street Marine Transfer Station Progress

Dear Speaker Quinn:

In July 2006, the City Council adopted the Solid Waste Management Plan (SWMP), which was approved by the New York State Department of Environmental Conservation in October 2006. The SWMP fundamentally changes the way the City handles its solid waste. Under the plan, which addresses both residential and commercial waste, as well as waste prevention and recycling, the vast majority of the City's residential waste will be exported by barge or rail. This will result in cleaner air and far fewer trucks on the road.

Under the SWMP, the Department of Sanitation (DSNY) is required to make annual reports to the City Council on its efforts to identify additional locations to develop Manhattan's capacity to process and transfer its own waste and recyclables, and to further reduce truck-hauling from Manhattan to the Bronx, Brooklyn and New Jersey. SWMP § 3.6 requires that "DSNY seek a location or locations with the collective capacity to transfer up to 3,000 tons per day of commercial waste." Additionally, this section requires that the City provide the Council with a progress report on the Request for Proposals (RFP) process and other approval needed to use the West 59th Street Marine Transfer Station (MTS) to process Manhattan's commercial waste.

Over the last several months, the Administration has moved forward with the development of the MTSs identified in the SWMP, including the Gansevoort peninsula in Manhattan, as well as East 91st Street, North Shore in College Point, Queens, and

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Hamilton Avenue and Southwest Brooklyn. We have also continued to evaluate the feasibility of additional transfer station sites in Manhattan. These efforts are described below.

I. Determining Capacity at Planned Facilities

Exploring opportunities to increase the collective commercial waste capacity in Manhattan is tied to the implementation of several SWMP initiatives already underway. The two planned facilities that directly impact Manhattan's collective capacity are the MTS at Pier 52 on the Gansevoort Peninsula and the West 59th Street MTS on Pier 99. Once operational, the Gansevoort MTS will handle (i) recyclable metal, glass and plastic generated in Manhattan that is currently trucked to facilities in the Bronx and New Jersey; and (ii) recyclable paper, which will free-up capacity at the West 59th Street MTS to handle additional commercial waste. DSNY has moved forward with plans to reactivate both of these facilities.

A. Gansevoort MTS

As you know, SWMP identifies the Gansevoort peninsula as the most promising location for a Manhattan recyclables acceptance facility. The facility has not been operational since 1991and reopening the site requires an amendment to the 1998 Hudson River Park Act. Over the last year, the Administration has worked with you, other members of the City Council and State Senate and Assembly, the Governor's Office, environmentalists, and community advocates to convince state legislators to amend the Hudson River Park Act so this critical facility can move forward.

On June 18, 2007 the City moved one step closer to receiving approval from the State Legislature when the State Senate passed Bill 5988, amending the Act. We are confident the State Senate will again pass this bill in the current legislative session, and that passage of a State Assembly bill will be the only remaining legislative hurdle to reactivating the facility. If this legislation is not passed and the facility cannot be reopened, Manhattan's recyclable paper will continue to go to the West 59th Street MTS, severely limiting the facility's commercial waste capacity, and consequently limiting the borough's overall capacity to handle its own waste. Additionally, metal, glass and plastic generated in Manhattan will continue to be trucked to facilities in the Bronx and New Jersey, which amounts to over 30,000 truck miles on our roads each year.

B. West 59th Street MTS

Concurrent with the City's efforts to reactive the Gansevoort MTS, DSNY has moved forward with developing the West 59th Street MTS to serve as a transfer point for Manhattan commercial waste. On January 17, 2007, DSNY issued an RFP to determine the best way to use the site to achieve the goals laid out in the SWMP. The RFP yielded six responses, and after an extensive review, the Sims Group was judged to have submitted the best proposal and was selected for negotiations. Sims' selection was

announced on October 14, 2007 and outlines a two-phased approach to using the facility as a site to transfer Manhattan's commercial waste.

During the first phase, the West 59th Street MTS will serve as a transfer point for commercial waste (more specifically, construction and demolition debris) as well as recyclable paper. This usage will continue until the Gansevoort facility is reactivated, after which the West 59th Street MTS will be used solely to transfer construction and demolition debris. The West 59th Street MTS will be able to handle substantially more commercial waste during the second, or exclusive-use phase, when Manhattan's recyclables will be processed at the reactivated Gansevoort MTS.

II. Ongoing Review of Additional Manhattan Sites

Even with the facilities described above, Manhattan needs additional capacity to process commercial waste. As required by SWMP, DSNY has continued to assess alternative sites, including proposals brought forward by various stakeholders since the passage of the SWMP.

A. Pier 76 Siting Study

As you know, last year the Friends of Hudson River Park (FOHRP) presented a proposal to process Manhattan commercial waste and recyclables at Pier 76. Last summer, DSNY commissioned a study undertaken by the engineering firm Greeley and Hansen to review the proposal, which included maintaining the existing NYPD tow pound and mounted police facility, and development of a new rooftop park on the combined waste-processing facilities. Under the FOHRP plan, this facility would replace the Gansevoort and West 59th Street MTSs. Greeley and Hansen's study is attached, and assesses the operational and financial feasibility of the proposal.

Greeley and Hansen reviewed the original 1961 plans for Pier 76 and other pier inspection reports prepared by private consultants in 2001 (by Goodkind & O'Dea for the State Department of Transportation) and 2006 (by HPA Engineers, P.C. for the Hudson River Park Trust), and conducted analyses on MTS design requirements for solid waste and recycling. In short, the study concludes that the proposal is not operationally feasible at Pier 76, and that even if all operational concerns could be addressed, the proposal would cost \$311 million more to implement than reactivating the Gansevoort MTS and rehabilitating West 59th Street to accept Manhattan's commercial waste.

Among other things, the study finds that the "substructure and concrete deck structure of Pier 76, as they currently exist, are not capable of carrying the expected loads from a DSNY containerization facility." Additionally, operational and technical issues with the FOHRP proposal would severely diminish or eliminate essential functions of any MTS facility at Pier 76, including (i) insufficient vertical clearance from the solid waste tipping floor to the top of the proposed rooftop; (ii) insufficient space for weigh scales;

¹ Greeley and Hansen, Study of the Friends of the Hudson River Park Pier 76 Concept (the "Greely and Hansen Study") at 1.

(iii) truck ramps that do not meet DSNY design criteria and are too steep to safely operate equipment; and (iv) inadequate space for emergency-vehicle access to critical locations throughout the proposed facilities.²

Even assuming these operational, technical and design issues could be resolved (which FOHRP has not addressed since they were presented last summer), the study estimates that the FOHRP proposal will cost \$436 million, approximately \$311 million more than the current plan to reactive the Gansevoort and West 59th Street MTSs.³ Even after considering alternative Pier 76 renovations recommended by FOHRP in a follow-up proposal, which reduced the estimated cost of the proposal to \$308 million, the proposal costs \$183 million more than the Gansevoort and West 59th Street MTSs.⁴ In the current fiscal environment, with the Department is being forced to make difficult choices about what capital priorities will be funded in the next five to ten years, the City simply cannot afford the additional expense of this proposal.

III. Next Steps

Over the next year, DSNY will move forward with the design of the Gansevoort MTS, contract negotiations with the Sims Group for the West 59th Street MTS, as well as the required environmental review and permitting of the Sims Group proposal for the site. In addition, we will continue to explore ways to further increase Manhattan's commercial waste capacity. We will examine the need for additional siting studies, Requests for Expressions of Interest and any other means deemed appropriate. DSNY will continue to work with stakeholders across the City and will continue to report to City Council on its findings.

Sincerely,

John Dohert

c: Ed Skyler, Deputy Mayor for Operations
Haeda Mihaltses, Director, Mayor's Office of Intergovernmental Affairs
Michael E. McMahon, Council Member, Chairman, Sanitation & Solid Waste
Management Committee

² Greeley and Hansen Study at 19-23.

³ Greeley and Hansen Study at 27.

⁴ These savings are generated by substituting a repair to the existing timber piles at Pier 76 instead of a complete demolition and rebuild of the timber piles, which Greeley and Hansen find would be necessary to create sufficient load bearing capacity to support a DSNY containerization facility.