



Date: July 18, 2023

To: Mayor and City Council

From: Grace Hancock, Sustainability Manager

Subject: Proposed Carryout Bag Fee Ordinance

Information / Background:

City Council approved a 2022 work plan initiative for Edina's resident volunteer Energy & Environment Commission (EEC) to "Revise and update EEC's 2017 report on possible recommendations for a plastic bag ordinance" with a deliverable of an "updated report with recommendation."

The EEC recommended to City Council at their February 7, 2023 meeting that *"the City require that merchants charge a \$.05 fee to customers for carryout bags. EEC asks Council to direct staff to write an ordinance that updates City Code to include this requirement and implement an outreach plan to inform residents and businesses of this requirement."* Council received this recommendation and directed staff to draft an ordinance and seek public feedback. Council approved a public participation plan to support staff work at their April 18th regular meeting.

Executive Summary:

Staff conducted a public input process based on the Council-approved public participation plan from mid-April to mid-June. Staff also reviewed the draft [Hennepin County Zero Waste Plan](#) and the [draft MPCA Metro Solid Waste Management Plan](#), released to the public this spring. Staff interviewed implementors of carryout bag fee ordinances in both Minneapolis and Duluth along with the lead author of the Hennepin County Zero Waste Plan, and conferred internally with City departments that are affected by this discussion.

Staff does not recommend that Council implement a carryout bag fee ordinance for the following reasons:

- It has a low impact on the broader goal to reduce solid waste according to solid waste experts at the county and state level.
- A carryout bag fee only indirectly contributes to Edina's climate action to *"eliminate petroleum-based, single use products through the phasing out of single-use plastics including plastic bags by 2025"* since shoppers can pay to still use a carryout bag.
- Public input received does not support implementation of a carryout bag fee.

- And, it would require significant City resources to effectively implement, thanks to the need to regulate a new segment of Edina businesses – retail - who are not currently licensed or inspected on any regular basis.

To meet Edina’s waste reduction goals, the City should pursue organized trash collection, implement a yard waste collection program, increase participation in the existing organics recycling program, and advocate for a repeal of the ban on bag bans with the state legislature. Further, the City should implement a holistic awareness and action campaign to help residents use less and reuse more, in order to reduce the amount of waste generated and the demand for extraction and production of new products. These activities are challenging, but are the highest impact actions City leadership can take to effectively pivot Edina toward a zero waste community and meet its climate action goals.

Discussion:

Climate Action Plan Waste Management goals:

- *Decrease total per capita municipal solid waste handled 5% by 2030. (Based on Edina’s 2021 GHG inventory, residents generated ~1,000 lbs. of waste per capita.)*
 - Eliminate petroleum-based, single-use products through phasing out the use of single-use plastics including plastic bags by 2025. Require food service retailers to use re-usable, biodegradable, compostable or recyclable packaging and utensils (including for take-out). Explore the feasibility of establishing a reusable takeout container service.
- *Achieve 70% organics landfill waste diversion by 2030*
- *Increase recycling from 32% to 35% of total MSW handled by 2030*
- *Increase diversion of potential recoverables by 15% by 2030*

What’s the problem we’re trying to solve?

Both the Climate Action Plan and the specific recommendation from the EEC recommending a carryout bag fee aim to reduce waste. When an item is wasted, the resources used to produce it are lost, yet its impact on the planet and on people continues whether it’s burned or buried. Edina’s 2021 greenhouse gas inventory estimates that 2% of the community’s emissions profile comes from solid waste. Solid waste emits greenhouse gases in two main ways. First, solid waste contains organic materials – for example, paper towels and banana peels – which release GHGs like CO₂, N₂O, and CH₄ as they break down over time. This process usually occurs within landfills or compost facilities. Second, the process of managing solid waste also releases GHGs, because transporting waste in fossil-fuel powered vehicles and combusting waste to generate electricity releases GHGs, particularly CO₂ (Met Council, 2023). But emissions associated with the waste itself is just one part of the challenge of overconsumption and irresponsible disposal; the full lifecycle of an item has a planetary impact: from raw materials extraction to processing, manufacturing, transportation and disposal.

Carryout bags are a microcosm of this larger issue. The EEC’s February 2023 report describes the environmental issues of single or short-term use bags, whether they are made of paper, plastic or other materials. Microplastics from plastic bags is a contaminant of emerging concern in Edina’s draft Clean Water Strategy. Methane from paper bags rotting in landfills rapidly warms the planet and increases demand for deforestation when not properly recycled. It’s costly when plastic bags are incorrectly placed in a recycling bin, as they cause recycling equipment to snarl and require time-consuming equipment shutdown and constant maintenance.

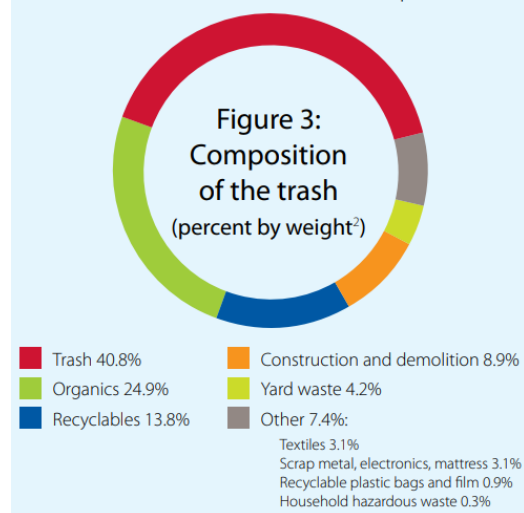
At both the large and small scale, waste management affects people’s health and well-being in inequitable ways. People living near waste disposal sites contend with high truck traffic and the noise and pollution that come with it. When waste is burned, particulate matter is released into the air in sizes small enough to enter people’s respiratory systems and cause asthma rates in surrounding neighborhoods that are higher than the average for that community. Unsurprisingly, proximity to waste disposal sites depresses property values, resulting in lower-income people living by them, and a reduced ability to move away or sell their property for a fair price. Waste disposal sites are often sited in areas where land is cheap, which results in many sites being placed in Black, Indigenous and other communities of color thanks to a history of racist land valuation practices such as redlining. The modern environmental justice movement began as a waste disposal protest.

A progressive waste reduction strategy is not only an environmental imperative but provides a way for the City to improve equity outcomes for residents in Edina and for community members in neighboring communities who receive Edina’s waste.

Would a carryout bag fee solve this problem?

Consideration #1: Not compared to other waste reduction actions. Comparatively, it has a low impact on the broader goal to reduce solid waste according to solid waste experts at the county and state level.

Waste composition studies show that about 25% of what is currently trashed is compostable, 15% is recyclable, 20% is potentially divertible, and 40% has no current viable diversion options.



Edina needs to use less, and waste less. Where waste is generated, it should be recycled in some way. So, what is the biggest source of waste in Edina’s trash? Without an organized trash collection system, Edina must rely on county-wide statistics to estimate this. Hennepin County’s Zero Waste Plan shows that recyclable plastic bags and film make up less than 1% of items in the trash, but organics and other recyclables – programs Edina already has in place – make up nearly 40% of what is put in the trash. **Helping residents and businesses effectively recycle and participate in organics recycling would have an outsized impact on reducing trash in Edina without introducing a new program or regulatory procedure.**

In late spring, 2023, the Edina Health Division conducted a limited waste characterization study to build a demonstrative sample of what makes up waste in Edina’s bins. The results of this study can be reviewed in the appendix of this report.

Consideration #2: A carryout bag fee only indirectly contributes to Edina’s climate action to “eliminate petroleum-based, single use products through the phasing out of single-use plastics including plastic bags by 2025” since shoppers can pay to still use a carryout bag.

The full climate action referenced here states “Eliminate petroleum-based, single-use products through phasing out the use of single-use plastics including plastic bags by 2025. Require food service retailers to use re-usable, biodegradable, compostable or recyclable packaging and utensils (including for take-out). Explore the feasibility of establishing a reusable takeout container service.” A fee on carryout bags does not eliminate petroleum-based single-use products. Removing plastic bags from the supply chain is what’s needed to phase out single-use plastic bags. The Council showed foresight and leadership when it adopted EEC’s 2021 recommended [Green To Go ordinance](#), which requires that takeout food materials be recyclable or compostable. This ordinance is expected to reduce petroleum-based single use products, without putting the onus on individual consumers to make environmentally-friendly decisions. **Advocating with state legislators to repeal the ban on bag bans would pave the way for governments to take meaningful action here.**

Consideration #3: Public input received does not support implementation of a carryout bag fee.

The City’s public input process included two primary invitations for input – an online survey geared toward residents, and a series of 30-minute interviews with businesses. 201 residents completed the survey, while 5 businesses completed the survey and 24 businesses were interviewed along with two special-interest organizations, Hospitality Minnesota and the MN Retailers Association. A summary of the public input process can be reviewed in the appendix “City of Edina Community Engagement Summary;” a complete catalog of all responses can be viewed in the “Helpful Documents” section of the [Better Together Edina project page](#). In general, neither resident respondents nor business representatives favor a carryout bag fee.

For residents, one of the primary concerns was that merchants would retain the fee without guaranteeing that the fee revenue would go toward environmental action. The City cannot retain the fee except if needed to administer the ordinance, nor can it direct fee use by the merchant. If a bag fee were required, the preference by survey respondents was for it to only apply to plastic bags. Finally, when asked, residents commented most often that the City could reach its waste goals by banning plastic bags, offering weekly recycling, and providing more education.

For businesses interviewed, one of the primary concerns was business worker experience if customers were unkind when charged for a bag. While implementation of a point-of-sale system change was not considered a significant hurdle, businesses expressed concern around employee training and any reporting requirement. Smaller and more independent businesses were especially unsupportive of such an ordinance.

Public input should not be the sole guide when developing City policies, it should be considered in the context of science-backed research such as that which informs the County and State draft solid waste management plans. In this case, the **public input received provides a sense of community support or lack thereof, and gives City decision-makers an idea of ways that constituents would prefer that the City address waste issues.**

Consideration #4: The proposed carryout bag fee would require significant City resources to effectively implement, thanks to the need to regulate a new segment of Edina businesses – retail sales. These businesses are not currently licensed or inspected by the City, so there would be a the need to coordinate with state regulatory agencies like the MN Department of Agriculture (MDA), which regulates grocery stores.

The City regularly inspects and licenses food establishments, like restaurants. Other entities that distribute carryout bags are regulated by the MDA; these include grocery stores, convenience stores, bakeries, and meat markets. The City does not offer a general business license for other entities that might distribute carryout bags, such as a retail store, and does not inspect these businesses on a regular basis. Any regulation

of carryout bags in these facilities would be an additional responsibility for City staff and may require additional FTE's.

Broadly, effective implementation of any new regulation requires staff for:

- **Communications:** Develop and implement a plan to raise awareness, communicate requirements and answer questions.
- **Implementation:** Access the staff capacity, technical resources and expertise to manage the day-to-day of engaging regulated entities and ensuring compliance.
- **Enforcement:** Develop and implement an enforcement plan with non-compliant entities.
- **Evaluation:** Assess success of the regulation. Identify regulation goals that originally motivated passage and measure progress on these goals, usually through some kind of data gathering and reporting.

Edina Sustainability Manager interviewed implementors of carryout bag fee ordinances in both Minneapolis and Duluth along with the lead author of the Hennepin County Zero Waste Plan. The two cities in Minnesota with a current bag fee have some similarities related to this topic. In both cases, cities passed an ordinance without any resources or formal plan to communicate, implement, enforce and evaluate it. In particular:

- Neither city dedicated measurable resources to a communications campaign when the ordinance was passed. There is no ongoing education or awareness.
- Neither city took action on new staffing needs when the ordinance was passed.
- Because of the low resourcing related to education and implementation, the ordinance is not meaningfully enforced. When a complaint is made to either City, the complaint is *investigated* by staff, meaning a visit is made to the business or a letter is mailed. However, both city representatives commented that rarely is a step taken in enforcement.
- Neither city requires any kind of regular reporting by businesses to measure effectiveness of the ordinance on reaching stated goals.

The City of Edina should pass ordinances that are backed by research showing they will meaningfully help the City reach its goals, and should include approval of needed resources in order to effectively implement and measure success. If the City were to pass a carryout bag fee ordinance, it would need:

- A new general business license that applies to retail entities and adequate expansion of existing software resources to manage it. The City Attorney would need to advise on adding any new business licenses.
- Up to two dedicated staff to administer the day-to-day implementation. With 300+ retailers and 120+ restaurants in Edina, staff would be needed to help educate business workers and owners, proactively inspect businesses for compliance, respond to resident complaints regarding non-compliance, and to gather a regular (likely annual) report from businesses to analyze and evaluate for progress on stated goals.
- Financial resources and staff time, or time from a contractor, to develop and implement an awareness campaign that is multi-lingual and tailored for multiple audiences including business owners, workers, residents and shoppers.
- The above resources are estimated to cost up to \$600,000 annually (two staff, expanded software and communication support).

Consideration #5: Are there more targeted ways to fee carryout bags beyond a blanket ordinance?

18 interviewed businesses provided an estimated number of bags distributed on a monthly basis. Slightly more paper (~55%) than plastic (~45%) bags are distributed from these businesses, which are generally representative of the kind of commerce in Edina from small and large restaurant, retail and grocery businesses.

The City estimates there are 120 restaurants in Edina; based on the reported bag distribution by interviewed restaurants, roughly 360,000 bags are estimated to be distributed monthly by restaurants across Edina. The City estimates there are 300 retailers in Edina; based on the reported bag distribution by interviewed retailers (excluding groceries), roughly 366,000 bags are estimated to be distributed monthly by retailers across Edina. There are around six grocery stores in Edina; based on reporting from two, roughly 600,000 bags are estimated to be distributed monthly at grocery stores across Edina. Across these three sectors, then, around 1,300,000 bags are distributed monthly in Edina. If \$0.05 were charged per bag, this carryout bag fee would result in ~\$65,000 in new revenue for these businesses monthly, or \$780,000 annually. With an estimated implementation cost of \$600,000, the City would need to retain \$0.04/bag distributed to administer the ordinance. If bag use reduced over time, as would be the intent, the City would need to find other sources of funding to support ongoing ordinance enforcement.

Staff identified a few policy options if Council wished to pursue a carryout bag fee that is more targeted than the original EEC recommendation to fee all carryout bags. In all cases, the City should retain 80% of the fee to implement the ordinance:

- I. Only put a fee on plastic bags, applied to all businesses in Edina.
 - a. Benefits:
 - i. Residents prefer – based on survey results – a fee on plastic bags over a broad fee that affects all kinds of bags.
 - ii. This would affect around half the bags that are distributed in Edina monthly
 - b. Risks:
 - i. Retailers may simply switch to free paper bags, so bag use might not actually diminish.
 - ii. The City does not regulate grocery or retail stores, so would need to implement a new process with new resources to do so.

2. Only put a fee on bags distributed from grocery stores.
 - a. Benefits:
 - i. This would affect around half the bags distributed in Edina monthly, but would require regulation on fewer than 10 entities in Edina.
 - ii. Most grocery stores operating in Edina already implement a bag fee in other Minnesota cities.
 - b. Risks:
 - i. This could concentrate the fee on basic shopper needs, food.
 - ii. It could cause customer confusion about when to pay for a bag or not, resulting in poor treatment of grocery workers and resident complaints.
 - iii. The City does not regulate grocery stores, so would need to implement a new process with new resources to do so.

3. Amend Edina's Green to Go ordinance to require that restaurant carryout bags also be recyclable or compostable.
 - a. Benefits:
 - i. The City regulates restaurants, and already has an ordinance in place to regulate take-out food implements.
 - b. Risks
 - i. Would have limited to no effect on the issue of carryout bags:
 1. Around 25% of monthly bag distribution comes from restaurants.
 2. This likely would not reduce carryout bag use, since customers would still receive a bag for their take-out order.
 3. Restaurateurs could argue that plastic bags are recyclable, along with paper bags. Thus, bag type may not change.

While these are more targeted pathways to put a fee on carryout bags, staff are skeptical that options #1 and #3 would meaningfully reduce carryout bag use and meet the intent of the fee proposal. Option #2 has the best chance of meaningfully reducing carryout bag use in a cost-effective manner, but disproportionately affects shoppers' necessary spending (food) versus discretionary (restaurants and retail). **Any option would require new resource investments and processes from the City to be successful.**

How might a carryout bag fee affect equity outcomes in Edina?

1. All of Edina's waste goes somewhere:
 - Landfills in Burnsville and Inver Grove Heights
 - Hennepin Energy Recovery Center (HERC) in North Minneapolis
 - Recycling goes to various materials recovery facilities in Minnesota, such as in Eureka, MN
 - Organics recycling goes to Shakopee Mdewakanton Sioux Community Organics Recycling Facility

These communities experience the detrimental impacts of Edina's waste although they did not produce it, including noise and air pollution from trucks transporting waste, particulate matter air pollution that can affect people's health living near facilities, along with general nuisance issues like odor. A carryout bag fee would not meaningfully reduce the amount of waste transported to these communities from Edina.

2. A carryout bag fee would be felt unevenly by shoppers since it is a flat fee no matter the shoppers' economic circumstances. Some ordinance provisions such as exempting shoppers who use SNAP or WIC can help offset this issue, along with the fact that this fee can be avoided if a shopper refuses a bag. A carryout bag fee should also be considered in context of other new taxes being assessed on shoppers.

How else could the City meet its goals?

Through its Climate Action Plan, the City has goals to reduce overall waste and increase the share of that waste which is recycled or managed through organics recycling. These goals – reduce and recycle – begin to reflect the MPCA's hierarchy of preferred waste management methods:

Figure 4. Minnesota's solid waste management hierarchy of preferred methods



Using this waste hierarchy as a framework, the City can:

- Reduce
 - Edina relies on Hennepin County data to estimate its current waste load. Without accurate figures, the City has a limited ability to set a waste reduction goal and measure progress. **The City should pursue organized trash collection** so that it can accurately gather information on how much waste is generated in Edina. An additional benefit of implementing organized trash collection is that the City can add yard waste collection as a service. The County estimates yard waste – which has an outsized impact on climate change since it is organic material - makes up 4% of current trash, even though yard waste is required by law to be separate from solid waste.
 - The County's draft Zero Waste Plan lists transitioning to an organized system as one of the highest impact actions a city can take.
 - The Minnesota Chamber of Commerce provides no-cost waste audits to businesses through its [Waste Wise](#) program. Hennepin County supports restaurants and businesses to incentivize reducing single-waste plastics through its [MNimize](#) program, and offers [grants](#) to businesses to implement waste reduction solutions. **The City should ensure these programs are known and embraced by Edina businesses**, to help them reduce waste, save money and participate in achieving Edina's goals.
 - The draft Hennepin County Zero Waste Plan recommends advocacy to repeal the state's ban on bag bans, in order to reduce waste. **The City should support this advocacy effort.**
 - One area of increased waste in recent years is the waste associated with online ordering: the packaging items are mailed in along with the additional vehicle miles traveled by delivery trucks. Residents can reduce their consumption waste as well as the GHGs associated with consumption by supporting the local economy and buying local. **The City should emphasize the value of buying nothing, buying less and buying local through a targeted messaging campaign.**
- Reuse
 - When an item has already been produced, it should be reused before being wasted. The City has some existing programming to promote reuse, such as its successful Earth Day

Clothing Swap. Additionally, “Buy Nothing” groups are prevalent in Edina, where neighbors organize to share items among themselves to prolong an item’s life and avoid buying new. The Hennepin County Library system offers regular “Fix It” clinics to promote repair rather than waste. **The City should tighten connections with these partners to promote reuse programs**, and consider whether new high impact programming to promote reuse is warranted, such as a community garage sale or providing a tool library, as suggested in the draft Hennepin County Zero Waste Plan.

- Recycle
 - The City’s Green to Go ordinance requires that all take-out containers be recyclable or compostable. Edina staff have used the last year to alert restaurants to the requirement and advise on compliance. In its second year, **the City should continue to robustly support the implementation of its Green to Go ordinance** to reduce unnecessary waste and increase recycling rates.
 - Hennepin County estimates that 14% of waste currently trashed is actually recyclable. The City of Minneapolis recently found through a [community waste sort](#) that only 50% of aluminum cans are recycled, while less than 50% of cardboard is recycled. Minneapolis also found that households who participate in organics recycling are more accurate recyclers. The success of these programs are tied together.
- Organics Recycling
 - Hennepin County estimates that 25% of waste currently trashed could be processed through organics recycling. This not only represents an opportunity to increase Edina’s organics recycling rate and the valuable end product of compost, but it demonstrates the need to reduce food waste in the first place and avoid wasting all of the resources that go into food production. **The City should invest in more education and deep engagement to drive participation in these existing programs.**

To reduce waste and increase participation in organics and recycling, the City should develop and implement a communication campaign to raise awareness of the problem of waste, and connect community members with programs they can participate in to make a difference. This can and should include a “bring your own bag” message to encourage shoppers to refuse a disposable bag when shopping, along with other messages detailed in above points.

Conclusion:

A carryout bag fee would have a low impact on Edina’s waste-reduction goals but would require a large amount of new resources to implement. There are other actions the City can take which have a higher impact to meet its goals.

To meet Edina’s waste reduction goals, the City should pursue organized trash collection, implement a yard waste collection program, increase participation in the organics recycling program, and advocate for a repeal of the ban on bag bans with the state legislature. Further, the City should implement a holistic awareness and action campaign to help residents use less and reuse more, in order to reduce the amount of waste generated and the demand for extraction and production of new products. These activities are challenging but are the highest impact actions City leadership can take to effectively pivot Edina toward a zero waste community and meet its climate action goals.

Appendix:

- EEC Feb 2023 report

- Public Participation Plan
- Consultant public input process summary
- Edina Waste Characterization Study
- Climate Action Plan Waste Management Excerpt
- Community comments: EEC carryout bag working group and EEC Chair