

20-0927 - Resolution to Approve an Operating Agreement and Land and Building Lease with Recycle Ann Arbor (RAA) for Materials Recovery Facility (MRF) Transloading, Re-Equipping and Recyclables Processing (10-Year term, with two Potential 3-Year Extensions)

The below breakdown of the estimated annual costs for this work is based on the processing charge for City-only tonnage, and does not include potential revenue share from commodity values or potential host fee revenues from third-party tonnages:

Fiscal Year	Anticipated Processing Cost*	Estimated Annual Cost
FY21	\$147.38/ton**	\$2,092,796
FY22	\$151.98/ton	\$2,158,116
FY23	\$155.02/ton	\$2,201,284
FY24	\$158.12/ton	\$2,245,304
FY25	\$161.28/ton	\$2,290,176
FY26	\$164.51/ton	\$2,336,042
FY27	\$167.80/ton	\$2,382,760
FY28	\$171.15/ton	\$2,430,330
FY29	\$174.58/ton	\$2,479,036
FY30	\$178.07/ton	\$2,528,594
TOTAL		\$23,144,438

*Based on average of 14,200 tons per year of City recyclables; annual increases to be based on CPI, capped at 2%; 2% max increases shown in estimated annual cost.

** First year of contract to be Transloading Operation during re-equipping with different rate schedule