

David R. Martin
Mayor
Thomas Madden,
AICP
Director of Economic
Development



CITY OF STAMFORD
ECONOMIC DEVELOPMENT COMMISSION
OFFICE OF ECONOMIC DEVELOPMENT

COMMISSION
Jonathan Winkel
Chairman
Stephen Fischer
Vice Chairman
James Huerta
Secretary-Treasurer
Mark Diamond ESQ. Member
Taylor R. Molgano
Member

INTEROFFICE MEMORANDUM

TO: MATT QUINONES, President of the Board

FROM: JONATHAN WINKEL, Chairman and the Economic Development Commission Board

DATE: June 4, 2018

RE: Plastic Bag Ordinance Referral to EDC

Findings

It is the finding of the Commission that the proposed ordinance would likely have a diminutive impact and we believe that the economic effect of a plastic bag ban on retail stores in the city should be manageable. The Commission expects an insignificant rise in prices for some businesses to offset the initial cost of switching bags from the research that was done. Creating a fee for each paper bag would ultimately decrease the demand of all single use bags and increase the use of reusable bags in the long run, however, the commission takes no position on the creation of a fee.

Background

The goal of this proposal is to significantly reduce the use of disposable plastic bags in the City of Stamford. The general belief is that by imposing a ban on single use plastic bags, Stamford residents will be more inclined to use 100 percent recyclable or reusable bags. There are both environmental and economic benefits to implementing a restriction on the distribution of disposable bags. Adopting a single use plastic bag ordinance is one way of reducing the amount of litter in our water, parks, and streets. This will ultimately lead to a reduction of containments that can impact our ground water, the Long Island Sound and other bodies of water in the city.

Single use plastic bags are commonly used in the retail industry as a convenient solution for consumers to bring home goods. For the last 65 years, plastic production has increased at a rate faster than that of any other manufactured material.¹ Over 100 billion plastic bags are used in the United States every year.² The average American family uses 1500 single- plastic bags a year and they are only used for an average of 12 minutes each. In Stamford, it is reported that fewer than 40 percent of plastic

¹ New York State Plastic Bag Task Force Report (Jan 2018)

² New York State Plastic Bag Task Force Report (Jan 2018)

bags in Stamford are recycled.³ Only approximately 12% of post-consumer plastic bags and other film plastics are being recovered for recycling each year in the U.S.⁴

Single use retail bags are made from a multitude of different materials. Plastic bags are created using differently density levels of polyethylene, which are all derived from fossil fuels. These high or low-density polyethylene bags are made out of film, which means that they cannot be recycled the same way as other forms of plastic. The thin quality of the plastic bags makes processing the material at recycling facilities difficult for a multitude of reasons. Plastic bags are usually mixed in with other recyclable objects such as a plastic bag with bottles inside. They are placed into a recyclable bin where the film can become tangled in processing machines, which can cost time and money to fix. A recycling facility in New York State cited that plastic bags cost them more than \$300,000 dollars a year for reasons including screen cleaning, employee time spent, fixing jams and wear on parts.⁵

The other issue with plastic bags in the recyclable market place is the lack of market for them. The Clean Air Council reported that recycling one ton of plastic bags costs 4,000 dollars, but the recycled product can only be sold for \$32.⁶ The effort and cost of recycling the plastic film are often not worth the economic benefit. The inputs are cheap and it's more expensive to clean and recycle them than to make new bags.

The negative impact plastic bags have on our environment is a crucial factor in adopting new ordinances on plastic retail bags. Reducing the use of single-use plastic bags in Stamford will more than likely reduce the amount of litter in the city. The light nature of the plastic film means even if bags are properly recycled, they can blow away and become litter throughout the city, as seen at the City's transfer center.

Plastic bags interfere with wastewater treatment plants, pose a threat to fish and wildlife, and break down into microplastics. These microplastics, which can be millimeters to micrometers in size, can absorb toxins and leach chemicals. When ingested by wildlife, such as fish, these chemicals and toxins bioaccumulate up the food chain to humans. The contaminants can also degrade into ground water, impacting wells and reservoirs in the city.

Opinion

The EDC were presented with two unique ordinances to provide our opinion on the economic development implications. One ordinance prohibits "any person engaged in retail sales from providing a checkout bag unless it is made from 100% recyclable paper bag or a reusable bag that is cloth/fabric or reusable plastic more than 2.25 mils thick. The other creates a ban on all plastic bags that are not 100 percent recyclable and creates a 10 cents tax with profits being shared between the City and the retail store. As a result of the legal opinion of the City of Stamford's law department, the City is unable to implement such a tax. The Commission will thus be only considering the first ordinance in our evaluation.

³ <https://www.stamfordadvocate.com/local/article/Ban-fans-Stamford-residents-back-officials-12871631.php>

⁴ EPA. https://www.epa.gov/sites/production/files/2016-11/documents/2014_smm_tablesfigures_508.pdf

⁵ New York State Plastic Bag Task Force Report (Jan 2018)

⁶ Clean Air Council. (2009 May). Why Plastic Bag Fees Work

The most immediate cost that businesses will have to take on is the higher cost of purchasing reusable or paper bags. The estimated cost of a single use plastic bag to retailers is 1 to 1.5 cents per bag. Paper bags range in price, with handleless paper bags costing around 5 to 6 cents per bag and paper bags with handles cost from 7 to 10 cents per bag. Heavy reusable plastic bags costs fall between 50 to 70 cents per bag.⁷ This suggests a manageable cost for both residents and retailers to take on. It is reasonable to suggest that some of this cost will be taken on by residents in the short run. In 2010 before a California state ban was implemented, Los Angeles County passed their own ban that also implemented a 10 cent fee on recyclable paper bags. This fee makes up the cost for retailers to purchase these new bags, and not only did the ban see a 94% reduction in single-use bag use, but the per resident economic impact was estimated to be less than \$4.00 per year.⁸

If the City is unable to mandate retail stores to implement a fee, there are a few problems that arise as a result of a straight bag ban. The retail stores in our town would have to pay approximately 3 to 5 times more for bags. This would put some smaller retailers in the position to potentially move costs on to consumers, while larger retail stores would elect to potentially take on the cost themselves. This puts these smaller retail stores at a potential competitive disadvantage to not only stores in neighboring cities, but with larger retail stores in Stamford. However, in 2008 when the Town of Westport instituted a bag ban, they reported that no businesses went out of businesses as a result of their ordinances.⁹

The increase in baggage costs will ideally be offset in the future by the increase use of reusable bags by consumers. However, the lack of a fee on paper bags and reusable plastic bags discourages residents from purchasing a cloth recyclable bag. The law department stated that it is unclear if Stamford is able to implement a fee for paper and high-density plastic bags in which retailers would collect all of the profit. If the city is indeed able to implement a fee on paper bags and high-density polyethylene bags, it would increase demand for reusable bags, which would not only lessen the environmental impact but lower the cost for businesses and the consumer.

Providing a suitable amount of time for retail stores to clear out their existing supply of single use plastic bags is important to mitigate costs. It will normally take around 4 to 6 months for this transition to take place, so the presented ordinance should be adequate. It would be helpful if the city provides retail stores a list of vendors that sell compliant bags to provide a smoother transition.

⁷ New York State Plastic Bag Task Force Report (Jan 2018)

⁸ "Implementation of the County of Los Angeles Plastic and Paper Carryout Bag Ordinance "

⁹ RETAIL SHOPPING BAG ORDINANCE – FAQs-Town of Mamaroneck