

**NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - MAY 24, 2018 - 8:30 A.M.
ROOM 204 - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510**

WORKSHOP AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
2. ROLL CALL
3. DISCUSSION ITEMS
 - 3.A. Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items.
 - 3.B. Discussion Of A Text Amendment To The Galveston Land Development Regulations, Article 9, Division 9.500 Tree Preservation To Add Protections For Palm Trees And Clarification On Required Mitigation. (Gorman, 15 Minutes)

Documents:

[18ZA-004 MEMO.PDF](#)

- 3.C. Discussion Of An Ordinance Of The City Of Galveston, Texas, Amending The 2015 Galveston Land Development Regulations (LDR's), As Amended, To Update, Revise And Clarify Those Provisions Regulating Land Development Activity Within The City. (A. Montalvan - 1 Hour)

Documents:

[CITY OF GALVESTON LDR FINAL PC DRAFT 5-8-18.PDF](#)

- 3.D. Discussion Of An Ordinance Of The City Council Of The City Of Galveston, Texas, Granting An Exclusive, Revocable Franchise Agreement To BFI Waste Services Of Texas, LP, To Provide A Garbage And Refuse (Waste) Collection Service For Commercial Accounts, Within The City Of Galveston For Five Years; Terminating All Prior Franchise Grants For Commercial Garbage And Refuse Collection Services; Providing For The Scope And Nature Of The Operation; Providing For Fees; Providing For A Penalty Provision; Providing Findings Of Fact; And Providing For An Effective Date. (B. Cook - 30 Minutes)

Documents:

[COG TRANSFER STATION AND RECYCLING CENTER OPERATIONS RFP 17-23.PDF](#)

- 3.E. Receive And Discuss An Update On Pelican Island Bridge, And Discuss The City Of Galveston's Role In A New Pelican Island Bridge (Yarbrough - 30 Minutes)
 - 3.F. Receive And Discuss A Report On Phase 1 Of Assets Managed By The Beach Park Board Of Trustees And The Port Of Galveston (D. Buckley - 30 Minutes)

- 3.G. Discussion Of Providing And Requiring The Galveston City Marshall's Office With Body Cameras To Be Worn During Working Hours (Tarlton-Shannon/Yarbrough - 20 Minutes)
- 3.H. Receive And Discuss A Detailed Update On All Of Terrilyn Tarlton-Shannon-District 5 Neighborhood Improvement Projects (Tarlton-Shannon/Yarbrough - 20 Minutes)

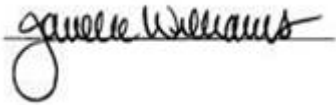
4. EXECUTIVE SESSION

- 4.A. Pursuant To Texas Gov't Code 551.071- Consultation With Attorney, An Executive Session Will Be Conducted To Discuss And Receive Legal Advice Concerning Pending Litigation And/Or A Settlement Offer, Or On A Matter In Which The Duty Of The Attorney To The Governmental Body Under The Texas Disciplinary Rules Of Professional Conduct Of The State Bar Of Texas Clearly Conflicts With This Chapter, Related To The Following:

- 4.A.1. Cause No. 13-CV-0844; CDM Smith Inc. Vs. City Of Galveston Et Al; In The 56th Judicial District Court Of Galveston County Texas

5. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on May 18, 2018 at 3:00 P.M.

A handwritten signature in black ink, appearing to read "Janelle Williams", written over a horizontal line.

Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550 (409-797-3510).



18ZA-004

MEMORANDUM

TO: Mayor Yarbrough and Galveston City Council

FROM: Catherine Gorman, AICP, Assistant Director/HPO
Development Services Department

DATE: May 16, 2018

RE: **18ZA-004** Request for a text amendment to the Galveston Land Development Regulations, Article 9, Division 9.500 Tree Preservation to add protections for palm trees and clarification on required mitigation.
Applicant: City of Galveston

Background:

At the October 12, 2017 Workshop, the City Council discussed including palm trees as a protected tree. The Tree Committee was instructed to review and bring forward a recommendation to City Council. The Tree Commission discussed at the following meetings: October 24, 2017, November 20, 2017, January 23, 2018, February 27, 2018, March 27, 2018, and April 24, 2018. Staff and the Tree Committee will brief City Council on the proposal at the May 24, 2018 Workshop and will schedule for adoption on June 21, 2018.

Executive Summary:

The Tree Committee has been working on revisions to the Tree Protection section of the Land Development Regulations (LDR) since the Fall of 2017. At their March 27, 2018 meeting, the Committee voted to recommend the following modifications to the LDR:

1. Include palm trees in the definition of trees. While commonly referred to as trees, palm trees are technically classified as a grass. Due to the fact that palm trees are not technically trees, the Tree Protection section of the LDR do not apply. The purpose of adding palm trees into the definition of trees is to extend protections to include palms.
2. Provide a height for significant palm trees. The draft revisions establish 14 feet as the height a palm must be to be considered a "significant tree" and to have protection from removal.
3. Provide an exemption for trees being removed for agricultural purposes from the Tree Protection requirements. This will allow for the removal of trees that are specifically being grown for agricultural reasons from the removal and mitigation requirements.
4. Mitigation. Provide more specific guidance on appropriate mitigation measures when trees are removed.
5. Provide exemptions from the mitigation requirements. Currently, the code requires mitigation for all tree removals regardless of the reason for removal. The draft revisions provide an exemption for mitigation in the case of removal of a tree when the tree is dead or dying, or being removed for safety reasons.

Please see Attachment A for the proposed text changes.

Division 9.500 Tree Preservation

SEC. 9.501 PROTECTION OF EXISTING SIGNIFICANT TREES

A. Generally. Sites shall be designed to preserve existing trees and tree stands that are considered “significant” as provided in this Section. Although not included in this Section, small trees provide benefits to the community as well. Species such as Yaupon, Possumhaw, Flameleaf Sumac, Wax Myrtle, and Redbud are native to the Island and Texas and highly adapted to the coastal environment. Small trees such as these with a 3 inch diameter at breast height (DBH) of the largest stem are encouraged to be preserved and are eligible for planting credits in Table 9.303, Mature Tree Preservation Standards.

For the purposes of this Division:

1. A tree is any self-supporting woody perennial plant, usually having a single main axis or trunk that has a diameter at breast height (DBH) of two or more inches with a minimum height of twelve feet above grade. Palms shall have a minimum height of 14 feet in order to be classified as a tree. Palm height shall be measured from ground level to the base of the growth point. This definition excludes plants which are defined as shrubs, hedges, vines, or ground covers.

2. A significant tree has a diameter at breast height (DBH) of 10 inches or greater. To be classified as a significant tree, a palm tree shall have a height of 14 feet measured from ground level to the base of the growth point; and

~~23.~~ A significant tree stand is a group of trees with interconnected canopies that cover a total of at least 10,000 square feet of ground area.

B. Removal of Significant Trees and Stands of Trees. The City Manager or City Arborist, if applicable, may approve the removal of a significant tree or tree stand if it is demonstrated that:

1. No reasonable alternative site design at the same development intensity could be approved that:
 - a. Would preserve the tree(s);
 - b. If large-scale preservation is not possible, would preserve the largest of the trees; or
 - c. If protection of the largest tree(s) is not possible, would preserve a greater number of trees than the proposed development design.
2. It is located within 10 feet of an approved building footprint of new construction or addition;
3. It is located within 6 feet of a utility easement and would interfere with the use of the easement as determined by the City Engineer;
4. It is located within 8 feet of an approved outdoor recreation area that by its nature requires the removal of the trees, such as ball fields;
5. It is ordered removed by the City Manager for other emergency reasons;
6. It is being grown and removed for agricultural purposes; or
- ~~67.~~ It is certified to the City by an International Society of Arboriculture Certified Arborist or degreed Forester as having one or more of the following conditions:

- a. Unhealthy or structurally unsound;
- b. Damaged by natural causes beyond the point of recovery;
- c. Diseased beyond the point of recovery;
- d. Poses a threat to the public and must be removed as a safety measure; or
- e. No longer living.

C. Removal of Tree Stands. Tree stands may be located across multiple parcels. In the event of an approved removal of a portion of a tree stand, the owner is encouraged to coordinate with adjacent property owners in order to reduce negative effects to the overall tree stand.

D. Exempted Trees. Trees of any size that appear on the Invasive and Noxious Weeds list for the State of Texas promulgated by the United States Department of Agriculture or on the Texas Noxious and Invasive Plants list promulgated by the Texas Department of Agriculture are exempted from this Section and may be removed. Identification by an International Society of Arboriculture Certified Arborist and/or degreed Forester is recommended.

SEC. 9.502 TREE REPLACEMENT

A. Generally. The removal of significant trees or tree stands must be mitigated. All requests for the removal of significant trees or tree stands shall be accompanied by a tree mitigation plan. Mitigation shall be achieved by the planting of the same number of caliper inches removed, payment to the tree mitigation fund, or combination thereof.

B. Tree Replacement Required. Significant trees or tree stands that are approved for removal shall be replaced based on one caliper inch of tree planted for one caliper inch of tree removed. All replacement shall occur on the property on which the removal occurred. All new tree species shall be from among tree species on a City approved plant list.

Trees planted as a requirement of this Section shall be inspected by the City Arborist, if applicable, for viability two years after planting. If the replacement trees are found to be dead or dying, they must be replaced following notification by the City. A planting plan and schedule shall be submitted within 45 days from the notification by the City. Failure to replace according to the approved planting plan and schedule shall constitute a violation of these regulations.

The tree replacement chart, below, shall be used to determine the total number and size of trees that shall be planted as replacement trees for all trees permitted to be removed. The replacement trees are based on the diameter in inches (DBH) of the trees to be removed. To determine the required replacement trees, calculate the total sum in inches of the diameters of all trees to be removed. This sum will result in one (1) single number in inches that represents the combined total of the diameters of all trees to be removed. Diameter measurement shall be rounded up to the nearest inch.

<u>Total diameter of tree(s) to be removed (Sum of inches at DBH)</u>	<u>Total number of replacement trees required (2" DBH minimum each: 12' minimum height) required</u>		<u>Total number of replacement trees required (4" DBH minimum each: 16' minimum height) required</u>
<u>10"-12"</u>	<u>4</u>	<u>or</u>	<u>2</u>
<u>13"-18"</u>	<u>6</u>	<u>or</u>	<u>3</u>
<u>19"-24"</u>	<u>8</u>	<u>or</u>	<u>4</u>
<u>25"-30"</u>	<u>10</u>	<u>or</u>	<u>5</u>
<u>31"-36"</u>	<u>12</u>	<u>or</u>	<u>6</u>
<u>37"-42"</u>	<u>14</u>	<u>or</u>	<u>7</u>
<u>43"-48"</u>	<u>16</u>	<u>or</u>	<u>8</u>
<u>49"-60"</u>	<u>20</u>	<u>or</u>	<u>10</u>

Up to 30 percent of the two-inch DBH replacement tree requirement may be met by native species with a minimum height of eight feet and a minimum DBH of one inch at time of planting.

Palms of a 14-foot minimum overall height and minimum DBH of three inches at time of planting shall count as a required two-inch DBH replacement tree on the basis of two palms per required tree. No more than 30 percent of the required replacement trees shall be palms.

C. Tree Mitigation Fund. In lieu of the tree replacement requirements, mitigation may be achieved through the contribution to an account dedicated to landscaping and trees for the City. The mitigation amount shall be established by the City Council as part of the annual budget process:

1. \$125 per caliper inch of tree removed for 10 inch DBH to 12 inch DBH caliper trees.
2. \$200 per caliper inch of tree removed for over 12 inch DBH caliper trees.

D. Combination. Mitigation may be achieved through a combination of tree replacement and payment to the tree mitigation fund provided that the total of caliper inches approved for removal are mitigated.

E. Exempted Trees. Trees that are being grown and removed for agricultural purposes; or trees that are certified to the City by an International Society of Arboriculture Certified Arborist or degreed Forester as having one or more of the following conditions are exempted from the tree replacement requirements of this section:

- a. Unhealthy or structurally unsound;
- b. Damaged by natural causes beyond the point of recovery;
- c. Diseased beyond the point of recovery;

d. Poses a threat to the public and must be removed as a safety measure; or

e. No longer living.

COMMUNITY ARTICLE 1. JURISDICTION AND ZONING DISTRICTS

Division 1.100 Title; Authority; Purposes; Jurisdiction; Construction

SEC. 1.101 TITLE VAGUE

The Land Development Regulations of the City of Galveston, Texas (the City) shall be known and may be cited as “these regulations”.

SEC. 1.102 AUTHORITY

These regulations are adopted pursuant to the authority contained in the U.S. Constitution, the Texas Constitution, the laws of the State of Texas, and the City Charter of the City and in accordance with the *City of Galveston 2011 Comprehensive Plan*.

SEC. 1.103 PURPOSES

- A. **General Purposes.** These regulations provide guidance and standards for the orderly development and redevelopment of land and associated public infrastructure, facilities, and amenities in accordance with the *City of Galveston 2011 Comprehensive Plan* and other adopted plans and policies. Other general purposes include:
1. Promoting the public health, safety, morals, or general welfare;
 2. Promoting the safe, orderly, and healthy development of the municipality; and
 3. Specifically with regard to the zoning regulations herein:
 - a. Lessen congestion in the streets; or
 - b. Secure from fire, panic, and other dangers;
 - c. Provide adequate light and air;
 - d. Prevent terrestrial overcrowding;
 - e. Avoid undue concentration of population; and
 - f. Facilitate the adequate provision of transportation, water, sewers, schools, parks, and other public requirements
- B. **Promotion of the City.** These regulations aim to promote the quality of life of its residents by:
1. Ensuring a predictable and efficient development, review, and approval process;
 2. Maintaining and stabilizing the value of property;
 3. Encouraging the most appropriate uses of land and minimizing conflicts among adjacent and nearby land uses including the protection and enjoyment of public beaches and other natural assets;
 4. Providing for commercial and industrial investment and expansion to promote the City's ongoing economic development;
 5. Promoting decent, affordable housing;
 6. Protecting and preserving places and areas of historical, cultural, or architectural importance and significance;

7. Enhancing circulation within the community, including opportunities for and the safety of biking and walking; and
8. Promoting the City's positive image and esthetics.

C. **Specific Purposes.** Specific purposes of these regulations are set out in individual articles and in some divisions.

SEC. 1.104 JURISDICTION

These regulations apply within the municipal boundaries of the City. Where authorized by state law, certain provisions shall apply to land located within the City's Extraterritorial Jurisdiction (ETJ).

SEC. 1.105 APPLICATION TO GOVERNMENTAL UNITS

To the extent allowed by law these regulations shall apply to all land, buildings, structures, and uses owned by government agencies, including city, county, state, and federal lands within the corporate limits of the City and its ETJ.

SEC. 1.106 CONSTRUCTION

- A. These regulations establish minimum requirements for land development activities in the City and its ETJ, and its terms shall be liberally construed to give full effect to the purposes and goals of these regulations and the *City of Galveston 2011 Comprehensive Plan*.
- B. Pictures and graphic illustrations are included throughout these regulations to assist users in understanding and applying the terms. In the event of any inconsistency or conflict between the text and the picture or graphic illustration, the text shall control.

Division 1.200 Establishment of Zoning Districts; Official Zoning Map

SEC. 1.201 ZONING DISTRICTS

A. **General.** The city is divided into districts and the boundaries of the zoning districts set out in this Section are as shown on the Official Zoning Map of the City of Galveston (the Map).

B. **Districts.** The following zoning districts are established:

- | | |
|--|------------------|
| 1. Residential <u>Restricted</u> , Single-Family | (R-0) |
| 2. Residential, Single-Family | (R-1) |
| 3. Residential, General Duplex — Eightplex <u>Townhouse</u> | (R-2) |
| <u>4. Residential, Single-Family - Historic</u> | <u>(R-3)</u> |
| 4. <u>5.</u> Multifamily | (MF) |
| 5. <u>6.</u> Urban Neighborhood | (UN) |
| <u>7. Neighborhood Services</u> | <u>(NS)</u> |
| 6. Historic Zoning District | (HZD) |
| 7 <u>8.</u> Traditional Neighborhood | (TN) |
| 8 <u>9.</u> Commercial-Mixed Use | (C) |
| 9 <u>10.</u> Central Business | (CB) |
| 10 <u>11.</u> Resort/Recreation | (RES/REC) |

11 <u>12</u> . Industrial, Light	(LI)
12 <u>13</u> . Industrial, Heavy	(HI)
13 <u>14</u> . Planned Unit Development	(PUD) <i>Overlay</i>
14 <u>15</u> . Historic	(H) <i>Overlay</i>
15 <u>16</u> . Neighborhood Conservation District	(NCD) <i>Overlay</i>
16 <u>17</u> . Height and Density Development Zone	(HDDZ) <i>Overlay</i>

SEC. 1.202 OFFICIAL ZONING MAP

- A. **General.** The locations and boundaries of the zoning districts that are established by these regulations are shown on the digital map entitled *Official Zoning Map of the City of Galveston*, (the Map) which is made part of these regulations.
- B. **References and Notations.** All notations, references, and other information shown on the Map are a part of these regulations and have the same force and effect.
- C. **Primacy of the Map.** The digital file of the Map is maintained by the Technology Services Division whom shall assume control in the event of a conflict between the Map that is on file and any other reproduction of said Map.
- D. **Zoning Map Amendments.** The reclassification of property to a new zoning district or classification shall be considered an amendment to the Map in accordance with Section 13.203.A, Rezoning and Section 13.601, Procedures for Map Amendments and shall be recorded as such.

SEC. 1.203 INTERPRETING THE OFFICIAL ZONING MAP

The following rules shall be used to determine the precise location of any zoning district boundary line shown on the Map:

- A. **Property Lines.** Boundary lines shown as following or approximately following platted lot lines, other property lines, or city limit lines shall be construed as following such lines.
- B. **Right-of-Ways.** Boundary lines shown as following or approximately following highways, streets, alleys, railroad tracks, or utility lines shall be construed as following the centerline of the right-of-way. Where any of these physical features on the ground differ from the representation of such features on the Map, the physical features on the ground control.
- C. **Shore Lines and Water Features.** Boundary lines shown as following or approximately following shorelines, the centerline of streams, canals, or other watercourses or the centerline of lakes, bays, or other bodies of water shall be construed as following the shoreline, the channel, or the centerline of water bodies. In the event of a natural change in the location of such shorelines, watercourses, or water bodies, the zoning district boundary shall be construed as moving with the shorelines or the channel or water body centerline.
- D. **Parallel to Features.** Boundary lines shown as separated from and parallel or approximately parallel to any of the features listed in subsections 1.203.A through 1.203.C above shall be construed to be parallel to such features and at such distances as are shown on the Map. The same shall apply for boundaries shown as extensions of any of the features listed in subsections 1.203.A through 1.203.C above.

- E. **Un-subdivided Land or No Identifiable Feature.** On un-subdivided land or when a district boundary follows no identifiable feature the location of district boundaries shall be determined by applying the following rules in order until the boundaries are known:
1. First, by reference to the legal description in the ordinance establishing the district boundaries;
 2. Second, by referring to dimensions shown on the Map; and
 3. Third, by using the scale appearing on the Map.

SEC. 1.204 TEMPORARY ZONING OF ANNEXED TERRITORY

- A. **Temporary Classification.** All territory hereafter annexed to the City shall be temporarily classified as Single-Family Residential (R-1) until other zoning is established by the City Council, as appropriate, through the usual procedure for amending the Map.
- B. **Required Approvals.** In an area temporarily classified as Single-Family Residential (R-1) district:
1. No person shall erect, construct, or add to any building or structure or cause the same to be done in any newly annexed territory to the City without first applying for and obtaining a building permit or certificate of occupancy from the Building Official or the City Council as required herein.
 2. The Building Official shall issue permits allowing for the construction of a building in the Single-Family Residential (R-1) district unless and until such territory has been classified in a zoning district other than the Single-Family Residential (R-1) district by the City Council as provided in this Section.

Division 1.300 Zoning District Purposes

SEC. 1.301 RESTRICTED RESIDENTIAL, SINGLE-FAMILY (R-0)

The R-0 district is intended to provide for single-family detached dwellings.

SEC. 1.302 RESIDENTIAL, SINGLE-FAMILY (R-1)

The R-1 district is intended to provide for single-family detached dwellings with complementary civic, recreational, and institutional uses.

SEC. 1.303 RESIDENTIAL, ~~DUPLEX – EIGHTPLEX~~ TOWNHOUSE (R-2)

The R-2 district provides for attached forms of single-family ~~dwellings such as two-family dwellings (also known as duplexes) and~~ townhomes style dwellings. ~~up to a maximum of eight units.~~

SEC. 1.304 RESIDENTIAL, SINGLE-FAMILY (R-3)

The R-3 district is intended to preserve the residential uses found in the City's historic districts.

SEC. 1.304~~5~~ MULTI-FAMILY DISTRICT (MF)

The MF district is intended to provide for multifamily housing developments representing a variety of housing options including rental apartments, condominiums, and a range of institutional and residential uses.

SEC. 1.3056 URBAN NEIGHBORHOOD – NEIGHBORHOOD COMMERCIAL DISTRICT (UN)

The UN district is intended to accommodate the range and pattern of residential uses found in the City's oldest, established Urban Core neighborhoods together with limited nonresidential uses, such as corner stores, that benefit nearby residents in a neighborhood setting conducive to walking and biking as much as vehicular circulation.

~~SEC. 1.306 HISTORIC ZONING DISTRICT (HZD)~~

~~The HZD district is intended to preserve the residential uses found in the City's historic districts.~~

SEC. 1.307 NEIGHBORHOOD SERVICES DISTRICT (NS)

The NS district is intended to serve as a buffer zone between residential and certain commercial uses for the convenience of people living in surrounding residential areas without undue harmful effects to neighboring residential uses.

SEC. 1.3078 TRADITIONAL NEIGHBORHOOD DISTRICT (TN)

The TN district is intended to promote development that reflects the layout and planning principles of traditional neighborhoods and the historic residential sections of the City.

SEC. 1.3089 COMMERCIAL-MIXED USE DISTRICT (C)

The C district is intended to accommodate a wide range of retail, service, and office uses while also providing for a variety of housing options.

SEC. 1.30910 CENTRAL BUSINESS DISTRICT (CB)

The CB district encompasses much of the City's historic downtown area and is intended to provide for the intensive, mixed-use development pattern found in urban central business districts. Within this district, a Special Character District is established between 21st Street and 23rd Street, and approximately 160 feet north and south of the centerline of the Post Office Street right-of-way.

SEC. 1.3101 RESORT/RECREATION DISTRICT (RES/REC)

The RES/REC district is intended to provide a variety of housing options and tourist oriented developments for residents and tourists.

SEC. 1.3112 INDUSTRIAL-LIGHT DISTRICT (LI)

The LI district is intended to accommodate a variety of manufacturing uses such as processing, assembling, warehousing, research, and development that have fewer offsite impacts such as noise, air pollution, and vibrations on adjoining properties.

SEC. 1.3123 INDUSTRIAL-HEAVY DISTRICT (HI)

The HI district is intended to accommodate intense industrial uses plus certain other activities that require careful location to limit risks to public health and safety.

SEC. 1.3134 PLANNED UNIT DEVELOPMENT OVERLAY DISTRICT (PUD)

The PUD is a floating zoning district intended to create a mixture of uses, density, and infrastructure standards.

SEC. 1.3145 HISTORIC OVERLAY DISTRICT (H)

The H overlay district encompasses locally-designated Galveston Historic Districts and properties designated as Galveston Landmarks (GL).

SEC. 1.3156 NEIGHBORHOOD CONSERVATION OVERLAY DISTRICT (NCD)

The NCD overlay district is intended to identify property to which additional standards are applied to preserve unique and distinctive neighborhoods in the City.

SEC. 1.3167 HEIGHT AND DENSITY DEVELOPMENT ZONE OVERLAY DISTRICT (HDDZ)

The HDDZ overlay district is intended to identify key areas of the City located in and subject to additional site development and design standards.

ARTICLE 2. USES AND SUPPLEMENTAL STANDARDS

Division 2.100 Purpose

SEC. 2.101 PURPOSE

- A. **Permitted Uses.** This Article sets out the uses that are permitted in each zoning district.
- B. **Limited Uses.** This Article identifies other uses that have been determined to be appropriate in one or more zoning districts but only when they comply with certain criteria itemized in these regulations. Applications for Limited Uses are reviewed and approved by the Development Services Director.
- C. **Specific Uses.** This Article establishes a process through which additional standards may be appropriate on a particular site subject to conditions so they are not incompatible with surrounding uses. These additional standards may provide limitations on the intensity of use, land area, site design, and other factors that are appropriate to each class of use. Applications for Specific Uses are approved by the City Council upon recommendation of the Planning Commission.

Division 2.200 Uses by District

SEC. 2.201 PERMITTED, RESTRICTED, AND SPECIFIC USES

- A. **Symbols in Uses Table.** The following symbols are used in Table 2.201 to indicate whether a particular use is permitted, limited, permitted by specific use review, or prohibited within each zoning district:
 - 1. **“P”** indicates a Permitted Use where the use is permitted as a matter of right.
 - 2. **“L”** indicates a Limited Use that is subject-to-review by the Development Services Director for compliance.
 - 3. **“S”** indicates a Specific Use that is allowed only upon the granting of a specific use permit as provided in Section 13.203, Specific Use Permit. The Planning Commission and then the City Council review specific use permit applications.
 - 4. **“-”** indicates a prohibited use.

Within the ~~HZD~~ R-3, the uses identified as Permitted (P) or Limited (L) in the Commercial Land Uses section of the following Table are applicable to corner store locations identified in Article 3, ~~HZD~~ R-3 zone.

Table 2.201															
Permitted Uses: Agricultural and Residential Uses															
P = permitted use; L = limited use; S = specific use review; "-" = prohibited use															
Zoning Districts															
Agricultural Land Use	R-0	R-1	R-2	<u>R-3</u>	MF	UN	<u>NS</u>	HZD	TN	C	CB	RES/ REC	LI	HI	Use Standard
Agricultural Support	-	-	-	-	-	-	-	-	-	-	-	-	L	L	
Agriculture/Urban Farming	-	<u>L</u>	-	-	P	P	<u>L</u>	-	P	P	P	P	P	P	<u>LIMITED</u>
Commercial Stable	-	-	-	-	-	-	-	-	-	-	-	-	P	P	
Residential Stable	-	-	L	-	L	-	<u>S</u>	-	P	-	-	P	-	-	LIMITED
Nursery or Greenhouse, Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	L	L	LIMITED
Veterinarian, Large Animal	-	-	-	-	-	-	-	-	-	-	-	-	P	P	
Residential Land Uses	R-0	R-1	R-2	<u>R-3</u>	MF	UN	<u>NS</u>	HZD	TN	C	CB	RES/ REC	LI	HI	Use Standard
Accessory Dwelling Unit	-L	P-L	L	<u>L</u>	L	L	<u>L</u>	L	L	L	-L	-	-	-	LIMITED
Bed and Breakfast	-	-	-	<u>L</u>	L	L	<u>L</u>	L	P	P	P	L	-	-	LIMITED
Boarding House, Dormitory, Fraternity or Sorority	-	-	-	-	P	L	<u>L</u>	-	P	P	P	P	P	-	LIMITED
Child Care Facility, Residential (Day Care)	-	-	L	<u>L</u>	P	L	<u>L</u>	L	L	P	P	P	-	-	LIMITED
Community Garden	-	<u>L</u>	L	<u>L</u>	L	L	<u>L</u>	L	L	P	L	P	P	P	LIMITED
Cottage Food Production	P	P	P	<u>P</u>	P	P	<u>P</u>	P	P	P	P	P	P	P	State Law
Home Based Occupation /Business	-	-	-	-	P	L	<u>L</u>	-	P	P	P	P	P	P	LIMITED
Home Based Occupation	L	P	P	<u>L</u>	P	P	<u>P</u>	L	P	P	P	P	P	P	
Hospital House Establishment	-	-	-	-	L	L	<u>L</u>	-	P	P	P	P	P	-	LIMITED
Live-Work Unit	-	-	-	-	P	L	<u>L</u>	L	P	P	P	P	P	P	LIMITED
Manufactured Housing Development	-	-	-	-	S	-	-	-	-	-	-	S	S	-	SUP

Residential Land Uses	R-0	R-1	R-2	<u>R-3</u>	MF	UN	<u>NS</u>	HZD	TN	C	CB	RES/ REC	LI	HI	Use Standard
<u>Condominium</u>	-	-	-	-	P	L	<u>L</u>	-	P	P	L	P	-	-	<u>LIMITED</u>
<u>Duplex</u>	-	-	-	-	<u>P</u>	<u>P</u>	<u>P</u>	-	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	-	-	
Multi-Family Residential	-	-	L -	-	P	L	<u>L</u>	-	P	P	L	P	-	-	LIMITED
Personal Care Homes (DADS)	P	P	P	<u>P</u>	P	P	<u>P</u>	P	P	P	P	P	P	P	State Law
Short Term Rental Residential Dwelling	-	P	P	<u>L</u>	P	P	<u>P</u>	L	P	P	P	P	P	P	
Single-Family Attached	-	-	-	L	P	L	—	L	P	P	L	P	-	-	LIMITED
Single-Family Detached	P	P	P -	<u>P</u>	P	P	<u>P</u>	P	P	P	L	P	-	-	LIMITED
<u>Townhouse</u>	-	-	<u>P</u>	-	P	P	<u>P</u>	-	P	P	P	P	-	-	

Table 2.201															
Permitted Uses: Commercial Uses															
P = permitted use; L = limited use; S = specific use review; “-” = prohibited use															
Zoning Districts															
Commercial Land Uses	R-0	R-1	R-2	<u>R-3</u>	MF	UN	<u>NS</u>	HZD	TN	C	CB	RES/ REC	LI	HI	Use Standard
Adult Day Care	-	-	-	-	P	L	<u>L</u>	-	P	P	P	P	P	-	LIMITED
Adult Use (SOB)	-	-	-	-	-	-	-	-	-	S	-	-	S	S	SUP
Alcoholic Beverage Sales, Liquor Store or Package	-	-	-	-	P	S	-	-	P	P	P	P	P	P	SUP
Arena / Stadium	-	-	-	-	-	-	-	-	-	P	P	P	P	P	
Auto Service/Fueling or Charging Station	-	-	-	-	-	-	-	-	P	L	L	L	L	P	LIMITED
Bar	-	-	-	-	-	S	-	-	P	P	L	P	P	P	LIMITED/ SUP
<u>Boat Repair Facility</u>	-	-	-	-	-	-	-	-	-	L	-	-	<u>P</u>	<u>P</u>	
<u>Boat Sales or Rental</u>	-	-	-	-	-	-	-	-	-	<u>L</u>	-	<u>L</u>	<u>L</u>	<u>P</u>	<u>LIMITED</u>
Child Care Facility, Day Care (Commercial)	-	-	-	-	P	L	<u>L</u>	-	P	P	P	P	-	-	LIMITED

Commercial Land Uses	R-0	R-1	R-2	R-3	MF	UN	NS	H2D	TN	C	CB	RES/ REC	LI	HI	Use Standard
Cleaning / laundry pick-up station	-	-	-	P	P	L	L	P	P	P	P	P	P	P	LIMITED
Cleaning / laundry-mat self service	-	-	-	-	P	L	L	-	P	P	P	P	P	P	LIMITED
College / University / Vo-Tech	-	-	-	-	P	P	P	-	P	P	P	P	P	P	
Commercial Amusement/ Recreation , Indoor	-	-	-	-	-	L	L	-	L	L	L	L	L	P	LIMITED
Commercial Amusement/ Recreation , Outdoor	-	-	-	-	-	-	-	-	L	L	L	L	P	P	LIMITED
Commercial Lodging (Hotel)	-	-	-	-	-	S	-	-	P	P	P	P	P	P	SUP
Commercial Warehousing and Logistics	-	-	-	-	-	-	-	-	-	-	-	-	P	P	
Correctional or Rehabilitation Facility	-	-	-	-	-	-	-	-	-	S	-	-	S	S	SUP
Credit Access Business	-	-	-	-	-	-	-	-	-	L	-	-	-	-	
Family Care Facility	-	-	-	-	-	-	S	-	-	S	S	S	P	P	SUP
Flea Market	-	-	-	-	-	-	-	-	-	L	L	L	L	L	LIMITED
Golf Carts, Sales and Service	-	-	-	-	-	-	-	-	-	L	L	L	P	P	LIMITED
Gun Shop	-	-	-	-	-	-	-	-	-	L	L	L	L	L	LIMITED
Heavy Vehicle, Manufactured Home, Watercraft or Aircraft Sales or Rental	-	-	-	-	-	-	-	-	-	-	-	L	L	L	LIMITED
Homeless Shelter	-	-	-	-	-	-	-	-	-	S	S	S	P	P	SUP
Hospital	-	-	-	-	-	-	-	-	P	P	P	P	P	-	
Kennel	-	-	-	-	-	-	-	-	-	L	-	L	L	P	LIMITED
Library	-	-	P	-	P	P	P	-	P	P	P	P	P	P	
Medical Office / Clinic / Lab	-	-	-	-	P	L	L	-	P	P	P	P	P	-	LIMITED
Music Instruction - Fine Arts Instruction	L	L	P	P	P	P	P	P	P	P	P	P	P	P	

Nursery or Greenhouse, Retail	-	-	-	P	-	-	P	P	-	P	P	P	P	P	
Commercial Land Uses	R-0	R-1	R-2	<u>R-3</u>	MF	UN	<u>NS</u>	HZD	TN	C	CB	RES/ REC	LI	HI	Use Standard
Nursing / Convalescent Home	-	-	S	-	L	L	<u>L</u>	-	P	P	P	P	P	P	LIMITED/SUP
Office	-	-	-	-	-	L	<u>L</u>	-	L	P	L	L	L	L	LIMITED
<u>Outdoor Storage</u>	-	-	-	-	-	-	-	-	-	<u>L</u>	-	<u>L</u>	<u>L</u>	<u>L</u>	<u>Limited</u>
Parking Lot, Commercial Surface Parking Area	-	-	-	-	-	-	-	-	-	-	-	-	L	L	LIMITED
Parking Structure or Lot Incidental to Main Use	-	-	-	-	P	L	<u>L</u>	-	P	L	P	L	P	P	LIMITED
Parking Structure – Mixed Use	-	-	-	-	L	L	<u>L</u>	-	L	L	L	L	L	-	LIMITED
Passenger Motor Vehicle Sales or Rental	-	-	-	-	-	-	-	-	-	L	L	-	P	P	LIMITED
Pawn Shop	-	-	-	-	-	-	-	-	-	P	P	-	P	-	
Personal Fitness	-	-	-	P	L	L	<u>L</u>	P	L	P	P	P	P	-	LIMITED
Pet Grooming Services	-	-	-	P	-	L	<u>L</u>	P	P	P	P	P	-	-	LIMITED
Place of Private Assembly	-	-	-	L	S	S	<u>S</u>	L	P	P	P	P	P	P	SUP
Place of Public Assembly	-	-	L	P	L	L	<u>L</u>	P	P	P	P	P	P	P	LIMITED
Private Club	-	-	-	-	S	S	<u>S</u>	-	P	P	P	P	P	-	SUP
Professional Services, Instruction/Counseling	-	-	-	P	L	L	<u>L</u>	P	P	P	P	P	P	P	LIMITED
Public Safety Facility	-	-	-	-	P	P	<u>P</u>	-	P	P	P	P	P	P	
Recreation Indoor	-	L	L	-	L	L	<u>L</u>	-	P	P	P	P	P	P	LIMITED
Recreation Outdoor	-	L	L	L	L	L	<u>L</u>	L	P	P	P	P	P	P	LIMITED
Recycling Center	-	-	-	-	L	L	-	-	L	L	-	L	P	P	LIMITED
Restaurant, Drive-In / Through	-	-	-	-	-	-	-	-	-	L	-	P	P	P	LIMITED
Restaurant, No Drive-In / Through	-	-	-	P	L	L	<u>L</u>	P	P	P	P	P	P	P	LIMITED
Retail - Big Box	-	-	-	-	-	-	-	-	L	L	-	L	L	L	LIMITED
Retail - Commercial	-	-	-	P	-	P	<u>P</u>	P	P	P	P	P	P	P	
RV Park	-	-	-	-	-	-	-	-	-	L	-	L	-	-	LIMITED

School: Private	-	-	L	<u>L</u>	L	L	<u>L</u>	<u>L</u>	P	P	P	P	-	-	LIMITED
Commercial Land Uses	R-0	R-1	R-2	<u>R-3</u>	MF	UN	<u>NS</u>	<u>HZD</u>	TN	C	CB	RES/ REC	LI	HI	Use Standard
Short Term Rental Residential Dwelling	-	P	P	<u>L</u>	P	P	<u>P</u>	<u>L</u>	P	P	P	P	-	-	
Substance Abuse Facility	-	-	-	-	-	-	-	-	-	S	S	-	-	-	SUP
Vehicle Wash	-	-	-	-	-	-	-	-	P	P	P	P	P	P	
Vending Kiosk/ATM	-	-	-	-	L	L	<u>L</u>	-	L	L	L	L	P	P	LIMITED
Veterinarian, Small Animal	-	-	-	-	-	-	<u>L</u>	-	P	P	P	P	P	P	
Wholesale	-	-	-	-	-	-	-	-	-	L	L	P	P	P	LIMITED

Table 2.201

Permitted Uses: Industrial, Public/Private Uses

P = permitted use; L = limited use; S = specific use review; “-” = prohibited use

Zoning Districts

Industrial Land Use	R-0	R-1	R-2	<u>R-3</u>	MF	<u>NS</u>	UN	<u>HZD</u>	TN	C	CB	RES/ REC	LI	HI	Use Standard
Automotive Wrecking and Salvage Yard; Junkyard; Recycling Business	-	-	-	-	-	-	-	-	-	-	-	-	P	P	
<u>Excavation</u>	<u>L</u>	<u>L</u>	<u>L</u>	<u>L</u>	<u>L</u>	<u>L</u>	<u>L</u>	-	<u>L</u>	<u>L</u>	<u>L</u>	<u>L</u>	<u>L</u>	<u>L</u>	LIMITED
Heavy Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	L	LIMITED
Light Industry	-	-	-	<u>L</u>	-	-	-	<u>L</u>	-	-	-	-	L	L	LIMITED
Mining / Extraction	-	-	-	-	-	-	-	-	-	-	-	-	P	P	
Research and Testing Laboratory	-	-	-	-	-	-	-	-	-	P	P	P	P	P	
Parking and/or Multimodal Transportation Facility	-	-	-	-	-	-	-	-	-	P	P	P	P	P	
Power Generation	-	-	-	-	-	-	-	-	-	-	-	-	P	P	
Public Utility Facility, Neighborhood	-	-	P	-	P	<u>P</u>	P	-	P	P	P	P	P	P	
Towing Service Facility	-	-	-	-	-	-	-	-	-	-	-	-	L	L	Limited/SUP
Uses involving Radioactive Material, not including uses related to diagnosis and treatment of illness; and,	-	-	-	-	-	-	-	-	-	-	-	-	-	S	

construction applications; and, academia and scientific research															
Public/Private Land Uses	R-0	R-1	R-2	R-3	MF	NS	UN	HZD	TN	C	CB	RES/ REC	LI	HI	Use Standard
Airport	-	-	-	-	-	-	-	-	-	-	-	-	P	-	
Cemetery	-	-	S	-	S	-	S	-	S	S	S	S	S	S	SUP
Heliport	-	-	-	-	-	-	-	-	-	-	-	-	-	P	LIMITED
Helistop	-	-	-	-	-	-	-	-	-	L	-	L	L	P	LIMITED
Marina	-	-	S	-	S	-	-	-	P	P	P	P	P	P	SUP
Public Utility Plant	-	-	S	-	S	S	S	-	-	P	P	P	P	P	SUP
Rail Yard	-	-	-	-	-	-	-	-	-	-	-	-	P	P	
Port and Harbor Facilities	-	-	-	-	-	-	-	-	-	-	-	P	P	P	
Wireless Telecommunication Facility	-	-	S	S	S	S	S	S	S	S	S	S	S	P	SUP w/ Standards

SEC. 2.202 PROHIBITED USES IN ALL ZONING DISTRICTS

A. Specific Prohibitions.

1. All uses that are prohibited by local ordinance or require the use or sale of materials that are prohibited by local ordinance.
2. Wireless Telecommunication Facilities and Towers between Broadway Boulevard and Harborside Drive, from 27th Street to 51st Street.
3. All uses that are prohibited by state law or require the use or sale of materials that are prohibited by state law.
4. Intensive agricultures defined by Article 14, Definitions.
5. Uses involving radioactive (nuclear) materials and waste including disposal facilities and decommissioning services require a Specific Use Permit. Land uses related to diagnosis and treatment of illness, construction application, and academic and scientific research are excluded from this provision.

Division 2.300 Standards for Limited and Specific Uses

Certain uses may be allowed in various zoning districts and subject to certain standards or conditions. This Division contains those standards. Compliance with these standards is in addition to any other applicable standards of these regulations or other applicable City ordinances or regulations.

SEC. 2.301 APPLICATION OF LIMITED USE STANDARDS

The standards apply to uses that are listed as L (limited) uses in the Permitted Use Table. Where a use is listed as L in one or more zoning districts, the use shall be allowed if it meets all of the standards for the particular use specified in this Division.

SEC. 2.302 APPLICATION OF SPECIFIC USE STANDARDS

The standards establish minimum requirements for uses that are listed as (specific use) uses in the Permitted Use Table. Where a use is classified as specific use in one or more zoning district, the Planning Commission may recommend and the City Council may adopt additional conditions that would make the use appropriate at the requested location or it may deny the specific use request.

SEC. 2.303 ACCESSORY DWELLING UNIT (ADU)

A. Limited Use Standards.

1. **Principal Structure Required.** An accessory dwelling unit (ADU) is allowed only on a lot with a principal building. A manufactured home, recreational vehicle, travel trailer, or camper shall not be used as an ADU. An ADU shall be of similar construction materials as the principle building.
2. **Extent and Scale of Use.**
 - a. In the R-0, R-1, and ~~HZD~~ R-3 Districts, no lot or parcel shall contain more than one ADU. In the R-2 District, no lot or parcel shall contain more than two ADUs.
 - b. An ADU shall be subordinate to the principal structure and shall not exceed the total floor area of the principal building.
3. **Allowable Employees of Home-Based Business.** Where a principal residential use also involves an accessory “home business” or “cottage industry” use, the occupants of an ADU on the same lot or parcel may be employed by and count toward the number of non-resident employees the home-based business is allowed to have under these regulations.
4. **Consistent Design.** Where a principal residential use is expanded to accommodate an integrated or attached ADU, the expansion shall be designed, clad, painted, and roofed in a manner that is comparable to the principal building.

SEC. 2.304 ADULT DAY CARE

A. Limited Use Standards.

1. **Hours of Operation.** The use shall not operate between the hours of 10:00 PM and 7:00 AM.
2. **Non-Resident Employees.** The use shall not employ more than two persons who do not live on the premises.
3. **Combination with Place of Public Assembly.** Adult day care is allowed as a part of a place of public assembly use.

SEC. 2.305 AGRICULTURAL SUPPORT

A. Limited Use Standards.

1. **Use Limitation.** Large animal or livestock veterinarian uses permitted.
2. **No Vehicle Service.** When the site is located adjacent to a residential use or zoning district, no accessory vehicle service activity shall occur on the site.

3. **Truck Access.** The use shall be located such that associated truck traffic can access a collector or arterial roadway without traveling on a public rights-of-way adjacent to any residential property, school, or public park, or recreational area or facility.
4. **Minimum Setback.**
 - a. Loading and Service Areas: 25 feet from any residential property line or zoning district boundary.
 - b. Outdoor Merchandise Display/Sales and Other Outdoor Storage: 25 feet from any residential property line or zoning district boundary.
 - c. LP/Propane Gas or Ammonia Storage Tanks: 150 feet from any property line.
5. **Screening.**
 - a. Residential: When the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
 - b. Outdoor Storage: Any outdoor storage areas visible from a public rights-of-way shall be enclosed by a solid masonry or concrete wall or a wood fence of sufficient height such that no stored materials or merchandise are visible above the top of the screening wall or fence from a public right-of-way.
 - c. Dust Mitigation: Appropriate dust suppression measures shall be taken, such as containment or covering, when the outdoor storage involves materials likely to generate wind-blown dust that may affect adjacent properties.

SEC. 2.306 AGRICULTURE/URBAN FARMING

A. Limited Use Standards

1. **Use limitation in the R-1 and NS districts.** The use shall be conducted on a lot having a minimum of five (5) acres of land.

SEC.2.306Z AUTO SERVICE/FUELING OR CHARGING STATION

A. Limited Use Standards.

1. **Truck Access.** The use shall be located so associated truck traffic can access a collector, arterial, or highway without traveling on a public rights-of-way adjacent to any residential property, school, public park, or recreational area or facility.
2. **Minimum Distance from Residential.** The use shall be located a minimum of 200 feet from any residential use or residential zoning district boundary, measured as a radius from the property lines of the limited use.
4. **Charging Station Near Residential.** The use may not be located within 200 feet of the property line of a residential use or a residential zoning district boundary.
5. **Auto Service Orientation of Service Bays.** Vehicle service bays shall be oriented away from any adjacent residential use or residential zoning district boundary.

6. **Design of Use near Residential.** The use shall be conducted within a fully enclosed building so as not to be visible from the adjacent residential use or residential zoning district, although activities may be conducted in partially enclosed or open areas elsewhere on the site.

7. **Screening.**

- a. Residential Screening: When the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
- b. Outdoor Vehicle Service and Storage Areas: Any outdoor areas used for vehicle service activity or temporary storage of vehicles undergoing service shall be screened so as not to be visible from abutting public street right-of-ways.

SEC. 2.307-8 BAR

A. Limited Use Standards.

1. **Proof of Permitting.** The applicant shall provide proof of application for any permits required by state law at the time of application for limited use approval and shall provide proof of issuance of any required permits before commencing operations.
2. **On-Site Security.** The use shall provide on-site security Thursday through Saturday from 9:00 PM through close of business. The security personnel shall be responsible for directing patrons away from the use and disseminating any on-site gatherings upon the close of business.
3. **Noise Limitation.** All on-site activities and events shall comply with City noise regulations. The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines and shall not be used after 12:00 AM except to provide emergency notifications. No outdoor speakers shall be used when the use is located within 200 feet from an R-0, R-1, R-2, ~~HZD~~ R-3, or UN district boundary measured as a radius from property lines of the limited use, unless separated from the district by an arterial street.

- a. Limitation on Amplified Sound: Amplification of music or voices shall not occur after 12:00 AM on Sunday through Thursday or after 1:30 AM on Friday and Saturday.
- b. Containment of Interior Noise: All exterior doors for the use shall remain closed after 12:00 AM or during any amplification of music or voices.

B. Specific Use Permit in Urban Neighborhood Districts. The use shall require all regulations of subsection 2.307.A.

- C. **Hours of Operation near Residential Districts.** When located within 200 feet from an R-0, R-1, or R-2 measured as a radius from property lines of the limited use, unless separated from the district by an arterial street, the use shall not operate after 12:00 AM.

SEC. 2.30~~8~~⁹ BED AND BREAKFAST

A. Limited Use Standards

1. **Concentration of Use.** No more than one Bed and Breakfast use shall be permitted within each block. Additionally, no more than two such uses shall be permitted at an intersection of two or more streets.
2. **Management On-site.** The Bed and Breakfast use must have full-time, on-site management, either owner or employee.
3. **Operation within Principal Structure.** The Bed and Breakfast use shall be operated within one principal structure. If the principal structure is located on a standard city lot or historically platted lot, a secondary structure on the property may be used as additional guest bedrooms or as the living quarters of the resident owner; however, the secondary structure may not be used as the sole Bed and Breakfast establishment.
4. **Number of Guest Rooms.** No more than nine guest bedrooms shall be permitted within a Bed and Breakfast establishment.
5. **Special Events.** Weddings, receptions, luncheons, cocktail parties, group tours, or any other such function for which the owner receives payment for the use of the facility that is not a function for the personal use of the owner, their friends, or relatives is a permitted use.
6. **Signage.** The following signage standards shall apply in residential zoning districts:
 - a. Signs are not to exceed 22 inches by 33 inches and may include the name of the establishment, logo, date of establishment, and designation as a Bed and Breakfast establishment.
 - b. The signage shall be attached either to the structure, fence surrounding the structure, sign post, or private lamp post.
 - c. The overall height of the entire sign, including the signpost, shall not exceed 5 feet.
 - d. The signage shall be compatible with the style and detailing of the house.
 - e. Illumination of the sign, in any manner, shall be prohibited.
 - f. All signage for property located in a historic district shall comply with applicable standards in Article 10, Overlay District Standards, of these regulations.
 - g. Excluding historic districts, signs may be permitted in zoning districts as set forth in Article 5. Sign Regulations.

SEC. 2.30~~9~~¹⁰ BOARDING HOUSE, DORMITORY, FRATERNITY, OR SORORITY

A. Limited Use Standards

1. **Occupancy.** Buildings shall be designed and furnished such that there are not more than eight residents occupying the assigned living areas per floor, whether the living areas are occupied by one individual or shared.

2. **Corner Location in UN District.** The use shall be located on a corner lot in an UN District.
3. **Internal Access.** Ingress to and egress from all assigned living areas shall be made through the interior of the building rather than from direct outside entrances to each unit.

SEC. 2.311 BOAT REPAIR FACILITY

A. Limited Use Standards

1. **Access.** The use shall be located on a collector or arterial roadway, or thoroughfare.
2. **Screening.** Outdoor storage of boats visible from a public rights-of-way shall be enclosed by a solid masonry or concrete wall or a wood fence. The screening wall or fence shall be (8) feet in height.
3. **Paving.** Any required parking shall be paved in accordance with Article 8. Parking areas in excess of the required parking may be stabilized with crushed stone material.
4. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.312 BOAT SALES OR RENTAL

A. Limited Use Standards.

1. **Use Limitation in Commercial (C) Districts.** Boat sales or rental shall be prohibited on Seawall, from 6th Street west to 103rd Street/Cove View Boulevard, and on Broadway, from 6th Street west to 59th Street.
 - a. The use is limited to the sales or rental of boats outside of the geographic area defined above. The use shall not involve boat service or repair unless it can also meet the standards for a Boat Repair Facility as prescribed in Section 2.311.
2. **Hours of Operation near Residential.** When abutting or within 200 feet of a residential use or zoning district boundary, measured as a radius from property lines of the limited use, the use shall not have any outdoor sales or loading and delivery activities between the hours of 10:00 PM and 7:00 AM.
3. **Minimum Setback.**
 - a. Outdoor Display or Sales and Other Outdoor Storage: shall be located 25 feet from any residential property line or zoning district boundary.
 - b. Boat Wash Facility: Accessory boat wash facilities and their incidental functions, including vacuums and air compressors, shall be set back at least 50 feet from the side or rear property line of any adjacent residential use or residential zoning district boundary.
4. **Outdoor Boat Display.** Outdoor boat display shall occur only on paved areas of the site, and the displayed boats shall not occupy or obstruct required parking spaces.
5. **Elevated Boat Display.** No more than one outdoor elevated display boat shall be permitted, and the elevated display shall raise the boat no more than 3 feet off the ground.

6. **Screening.** When the site is located adjacent to a residential use or zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a landscaping strip at least 4 feet in width that provides a year-round visual barrier and positioned adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of 5 feet shall be installed immediately behind the landscaping strip.
7. **Permanent Structure.** The limited use business shall be conducted from a permanent structure located on-site, as permitted and approved by the Development Services Department.
8. **Sidewalks.** Sidewalks, curbs, and curb cuts shall be provided on all street frontages. All on-site sidewalks shall be a minimum width of five feet.
9. **Property maintenance.** The property upon which any boat sales or rental is located must be maintained in a neat and orderly manner with no accumulation of inoperable boats, boat parts, garbage, refuse, or debris on the property.

SEC. 2.31~~03~~ CHILD CARE FACILITY - DAY CARE CENTERS (COMMERCIAL)

A. Limited Use Standards.

1. **Proof of Licensing.** The applicant shall provide proof of application for any licenses required by the State of Texas at the time of application for limited use approval and shall provide proof of issuance of any required licenses before commencing operations.
2. **A Child Care Facility – Day Care** use is a permitted use on properties with frontage on north-south oriented streets located between Harborside Drive and Seawall Boulevard.
3. **Pick-up/Drop-off.** An off-street pick-up/drop-off area for at least one automobile shall be provided, which may be a driveway provided it is kept free of parked vehicles and other obstructions to leave sufficient space for direct access.
4. **Residential Character.** If operated within a pre-existing residential type structure, the use shall maintain the residential character and appearance of the structure.

SEC. 2.31~~14~~ CHILD-CARE FACILITY, RESIDENTIAL

A. Limited Use Standards

1. **Proof of Licensing.** The applicant shall provide proof of application for any licenses required by the State of Texas at the time of application for limited use approval and shall provide proof of issuance of any required licenses before commencing operations.
2. **Dwelling Type.** The use shall be located in a single-family detached dwelling unit.
3. **Residential Character.** If operated within a pre-existing dwelling, the use shall maintain the residential character and appearance of the structure.
4. **Extent of Same Use in Area.** No more than one instance of the use shall occur on the same block face or among the all lots on a cul-de-sac.
5. **Resident Operator.** The principal operator and care provider shall live in the dwelling.
6. **Non-Resident Employee.** The use may employ up to one person who does not live in the dwelling unit.

7. **Occupancy Limit.** The use shall provide care for not more than six children on the premises at any one time.
8. **Hours of Operation.** The use shall not operate between the hours of 8:00 PM and 6:00 AM and shall not provide for overnight stays by those receiving care. Additionally no outdoor play activities shall occur before 9:00 AM if the site abuts a residential use.
9. **Signage.** No signage is permitted.

SEC. 2.31~~2~~5 CLEANING/LAUNDRY PICK-UP STATION

A. Limited Use Standards.

1. **Scale of Use.** The floor area of the use shall not exceed 2,500 square feet.
2. **Hours of Operation near Residential.** When abutting or within 200 feet of a residential use or an R-0, R-1, or R-2 zoning district boundary, measured as a radius from property lines of the limited use, the use shall not operate or have any loading or delivery activities between the hours of 10:00 PM and 7:00 AM.

SEC. 2.31~~3~~6 CLEANING/LAUNDRY-MAT SELF SERVICE

A. Limited Use Standards.

1. **Scale of Use.** The floor area of the use shall not exceed 2,500 square feet.
2. **Hours of Operation near Residential.** When abutting or within 200 feet of a residential use or an R-O, R-1, R-2, ~~HZD~~ R-3 zoning district boundary, measured as a radius from property lines of the limited use, the use shall not operate between the hours of 10:00 PM and 7:00 AM.
3. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.
4. **Design Standards.** The use must comply with the UN zoning district design standards.

SEC. 2.31~~4~~7 CLINICS/MEDICAL LAB/MEDICAL OFFICE

A. Limited Use Standards.

1. **Accessory Laboratory Activity.** Laboratory activity shall occur only as an accessory use to a principal clinic or medical office use.
2. **Scale of Use.** The floor area of the use shall not exceed 2,500 square feet.
3. **Hours of Operation.** The use shall not operate between the hours of 8:00 PM and 8:00 AM, and shall not provide for overnight stays by those receiving care.
4. **Residential Character in UN District.** In the UN district, if operated within a pre-existing dwelling, the use shall maintain the residential character and appearance of the structure.
5. **Design Standards.** In the UN District, the use must comply with urban design standards established in the UN District.

SEC. 2.31~~5~~8 COMMERCIAL AMUSEMENT/~~RECREATION~~, INDOOR

A. Limited Use Standards.

1. **Hours of Operation near Residential.** The use, if within 200 feet of the property line of a residential use, a mixed-use development that includes residential use, or a residential zoning district boundary, measured as a radius from property lines of the limited use, shall not operate between the hours of 12:00 AM and 8:00 AM.
2. **Screening.** When the site is located adjacent to a residential use or zoning district boundary, visual screening shall be provided along all common side and rear property lines. The screening shall consist of a landscaping strip at least 4 feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
3. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.31~~6~~9 COMMERCIAL AMUSEMENT/~~RECREATION~~, OUTDOOR

A. Limited Use Standards.

1. **Use Limitations.** Outdoor shooting ranges for firearms shall not be permitted. Drive-in theaters, golf driving ranges, and go cart tracks shall not be permitted in the CB and UN districts.
2. **Hours of Operation near Residential.** The use, if within 200 feet of the property line of a residential use, of a mixed-use development that includes residential use or a residential zoning district boundary, measured as a radius from property lines of the limited use, shall not operate between the hours of 12:00 AM and 8:00 AM.
3. **Noise Limitation.** All on-site activities and events shall comply with the City's noise regulations. Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines.

SEC.2.31~~7~~20 COMMUNITY GARDEN

A. Limited Use Standards.

1. Community Gardens shall not be located on park land currently used for active or passive recreation or where there exist immediate plans to develop parkland for active or passive recreation.
2. Community Gardens shall not be located on designated or dedicated open space land without approval from the City Council. Exceptions may be granted for open space land that does not contain sensitive habitat and is not contiguous to open space land with sensitive habitat.
3. Community Gardens shall be located in areas that receive adequate sunlight for the intended purpose without the removal or excessive trimming of trees.

B. Design Standards

1. The on-site sale of produce grown on-site is permitted.

2. The site shall be designed and maintained so that water and fertilizer will not drain to adjacent property.
3. A minimum 3 foot wide, clearly marked entrance path shall be provided from the public rights-of-way to the garden.
4. Community Gardens shall be located on land that is level enough to support the intended use and meet all Americans with Disabilities Act requirements without the use of retaining walls that exceed 3 feet in height.

SEC. 2.321 CONDOMINIUM

A. Limited Use Standards

1. **Applicability.** Maximum of eight units within UN Districts. The Limited Use Standards, numbers 2 - 7, do not apply to existing buildings that are being used as Multi-Family/condominiums unless the property is able to meet these standards. This determination is made by the Director of Development Services after reviewing a detailed site plan and narrative that demonstrates the inability of the property to meet the limited use standards numbers 2 - 7, below.
2. **Minimum Setback.** The closest property line of the use may not be located closer than 300 feet to an R-1 or R-O district boundary, unless separated from such district by an arterial street, a right-of-way, or an intervening use. For infill, redevelopment, rehabilitation projects or new buildings in a developing site the setbacks shall match the established adjacent building setbacks.
3. **Accessory Structures.** When any portion of a building or structure is located adjacent to property used or zoned for lower-density residential, the accessory structures of the use, including garages and recreational facilities, shall be set back at least 10 feet from the adjacent property and the landowner shall provide a buffer between the structure and adjacent property. Visual screening shall be provided along all property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier up to 5 feet off the ground. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip. Accessory buildings that are structurally attached to a principal building shall conform to all standards that apply to the principal building.
4. **Fence.** The use shall have a decorative, wrought iron fence no more than 3 feet high in combination with landscaping planted so as to achieve full opaque screening at maturity.
5. **Setbacks.** Building setbacks shall create a uniformed setback along a public street. The front setback shall not be less than the average setback along the same and facing block faces.
6. **Sidewalks.** The design and location of sidewalks in a MF development shall encourage pedestrian circulation. All on-site sidewalks shall be a minimum of width of 5 feet. Sidewalks adjacent to a parking area, where cars may overhang the walkway, shall be a minimum width of 7 feet. Connections between the on-site pedestrian walkway network and any public sidewalk system shall be provided at regular intervals along the perimeter street.

7. **Street Trees.** Street trees are required to be planted and maintained along all streets and roadways. Street trees shall provide both a continuous, shaded environment along roadways and a physical and visual barrier between a pedestrian on the sidewalk and vehicles on the roadway.

a. **Alleys and service drives shall not be considered streets or roadways for the purposes of this standard.**

b. **Spacing of street trees shall be a minimum of 15 feet and a maximum of 25 feet for the full length of all streets and roadways and shall be from among tree species on a City approved plant list; the Director of Public Works may modify the spacing to account for the mature size of trees and site features such as infrastructure and utilities.**

c. **Street trees shall be planted within the rights-of-way of all streets, access ways, and roadways, excluding thoroughfares, alleys, and service drives. If not allowed within a thoroughfare right-of-way, street trees shall be planted on the private lots along the thoroughfare right-of way.**

d. **Street trees shall be planted at least 3 feet from any curb or sidewalk.**

SEC. 2.3~~18~~²² CORRECTIONAL OR REHABILITATION FACILITY

A. **Specific Use Standards.** The following minimum standards apply for a correctional or rehabilitation facility. The Planning Commission and the City Council may impose additional conditions to make the use compatible with adjacent development.

1. **Hours of Visitation.** Visits to residents of the facility by non-residents shall not occur between the hours of 10:00 PM and 8:00 AM.

2. **Minimum Distance from Same Use.** The use shall be located at least one-half mile from an existing location of the same use, measured as a radius from property lines of the limited use facility.

3. **Minimum Distance from Residential.**

a. From Existing Residential Dwellings: 200 feet from any residential dwelling in existence at the time a specific use permit is approved, measured as a radius from property lines of the limited use facility.

b. From Residential Districts: 200 feet from any residential zoning district boundary, measured as a radius from property lines of the facility.

4. **Minimum Distance from Certain Locations.** The use shall be located at least 200 feet from a school or public park, measured as a radius from property lines of the limited use.

SEC. 2.3~~19~~²³ CREDIT ACCESS BUSINESS

A. **Limited Use Standards.**

1. **Scale of Use.** The floor area of the use shall be at least 2,500 square feet.

2. **Minimum Distance from Same Use.** The use shall be located at least one-half mile from an existing location of the same use, measured as a radius from property lines of the limited use.

3. **Minimum Distance from Residential District.** The use shall be located at least 200 feet from a residential zoning district boundary, measured as a radius from property lines of the limited use, unless separated from the district by an arterial street.
4. **Minimum Distance from Sexually Oriented Business.** The use shall be located at least one-half mile from a sexually oriented business, measured as a radius from property lines of the limited use.
5. **Proof of Permitting.** For a credit access business, a person must submit an application on a form provided for that purpose to the director of development services. The application must contain the following:
 - a. The name, street address, mailing address, facsimile number, and telephone number of the applicant;
 - b. The business or trade name, street address, mailing address, facsimile number, and telephone number of the credit access business;
 - c. The names, street addresses, mailing addresses, and telephone numbers of all owners of the credit access business, and the nature and extent of each person's interest in the credit access business; and
 - d. A copy of a current, valid state license held by the credit access business pursuant to Chapter 393, Subchapter G of the Texas Finance Code.

SEC. 2.324 EXCAVATION

A. In General, Statement of Purpose and Intention:

The purpose of this Section is to protect the public health, safety and welfare, maintain the physical integrity of the Island, and minimize nuisances associated with excavation operations.

B. Exceptions to permits required:

1. Building foundations, driveways, bulkheads/slope stabilization, landscaping, associated utilities, or approved drainage improvements;
2. Cisterns;
3. Swimming pools or similar installations;
4. Land clearing, leveling, or grading of a lot, site or tract, with proper City of Galveston permits. Topsoil may not be removed from the site;
5. Dredging or routine maintenance of existing canals or boat slips, with applicable Federal and state permits; or,
6. City of Galveston infrastructure projects, such as, but not limited to water/sewer lines, drainage culverts or ditches, public or private roadways, or the installation of private utility lines located within City dedicated easements or rights-of-way.

C. Prohibitions. The following shall be prohibited within the City of Galveston:

1. Mining and unregulated excavation of earth materials, such as a borrow pit.

2. The removal of any excavated earth material off Galveston and Pelican Island.

D. Definitions.

As used in this subsection, the following words shall have the following meanings:

1. **Excavation.** The process of altering the existing grade below the natural contour level by which soil, sand, gravel, or shell is extracted, cut, dug, quarried, removed, displaced, or relocated.
2. **Development Excavation.** Any operation in which soil, sand, gravel or shell is excavated on the site of development for the purposes of raising the grade of the site, or construction of lagoons, lakes, canals, roads, berms or other similar land forms.
3. **Dredging.** The process of removing silt and other material from the bottom of bodies of water.
4. **Site Excavation:**
 - a. **Drainage.** Any operation in which soil, sand, gravel or shell is excavated and/or removed from a site for the purpose of providing required drainage for one or more properties, such as drainage culverts or ditches, public or private roadways for one or more tracts of land, as determined by the City of Galveston, Public Works Department.
 - b. **Wetland Mitigation.** Any operation in which soil, sand, gravel or shell is excavated and/or removed from a site for the purpose of an approved wetland mitigation project.
5. **Landscaping.** For the purposes of this Section, the term “Landscaping” shall be the area within the boundaries of a given lot, site or tract that consists of planting materials and treatments; including, but not limited to: trees, shrubs, ground covers, grass, flowers, decorative rock, bark, mulch, and other similar materials. This treatment may also include the use of logs, rocks, fountains, water features (not to exceed five feet (5’) in depth in the center), and contouring of the earth.
6. **Borrow Pit.** An area from which soil or earth material is removed below the grade of surrounding land to be taken/removed off-site.
7. **Sand Harvesting.** For the purposes of this subsection, the term “sand harvesting” shall be the excavation of beach-quality sand material, to be deposited on the public beaches of Galveston Island for the sole purpose of beach nourishment and/or dune restoration projects.

E. General Location Standards.

1. **Zoning.** As permitted in Table 2.201 of these Land Development Regulations (LDR).
2. **Setbacks.** The minimum setback for excavation work shall be the following:
 - a. In accordance with Section 29-2 of the City of Galveston Code of Ordinances; Development, Preservation and Protection of Sand Dunes.
 - b. Twenty-five feet (25’) from any developed public right-of-way.

c. **For Sand Harvesting projects:**

1. No sand harvesting south of FM 3005;
2. No sand harvesting within one thousand feet (1000') of the mean high tide of the Gulf of Mexico; and,
3. No sand harvesting within fifty feet (50') north of the FM 3005 northerly right-of-way line.

3. Public Improvements . Excavation shall not endanger any existing street or right-of-way, water line, sewer line, drainage line, any other utility line, public or private, parks or any other public improvement area.

F. **Excavation Approval Criteria.**

1. No person shall engage in Development or Site Excavation of soil, sand, gravel or shell until that person has secured an Excavation Permit.
2. An application for an Excavation Permit for Development or Site Excavation, shall be filed with the Development Services Department. The application shall include a site plan, and an operations plan.
 - a. The Development Services Department shall consider the following:
 1. The proposed excavation will not create hazardous conditions or imperil lives or property;
 2. The proposed excavation is in conformance with specifications approved by the City Engineer and standards adopted by the Planning Commission;
 3. Conformance with the City of Galveston Comprehensive Plan;
 4. Conformance with all applicable neighborhood, special area, corridor, or other plans adopted by the City;
 5. The applicant has addressed any impact to infrastructure, including on- and off-site drainage, public or private utility lines, existing street right-of-way, parks, or other public improvements; and,
 6. The applicant has addressed the public safety issues, including emergency vehicle and hurricane evacuation access.
 - b. For Sand Harvesting projects, the Development Services Department shall consider the following:
 1. Site Location
 - a. See General Location Standards in section (E)(2)(C).
 - b. Upland dredge placement areas are preferred in order to achieve a balance of cut and fill, in accordance with all applicable flood plain management practices. However, material must meet beach quality sand criteria as described by the Texas General Land Office.
 2. Borrow Area

- a. Acceptable borrow area size to be determined on merits of the overall excavation project.
 - b. Total amount of cubic yards to be excavated
- 3. Sand Quality
 - a. The classification of beach quality shall be determined by the Texas General Land Office; however, the material shall be of effective grain size, mineralogy, and quality of the existing beach material.
- 3. Such excavation or removal shall be done under the supervision of the City Engineer.

G. Bonds and Insurance Required.

1. Surety Bonds.

Surety Bonds are required for all Development and Site Excavation projects in which material is removed, in part or in whole, from the site. Sand harvesting projects do not require a surety bond.

2. Performance Bonds.

- a. To insure that the City of Galveston's laws, ordinances and regulations are complied with, a performance bond, a cash deposit, a deposit of negotiables, or a letter of credit shall be posted or delivered to the City prior to the issuance of an Excavation Permit. In lieu thereof, the applicant shall deliver to the City an unrestricted irrevocable letter of credit issued by a state or national bank in the amount provided in this subsection. The letter of credit shall provide that the issuer thereof shall pay the full amount of the letter of credit to the City upon the City's demand for payment thereunder. The form and content, including, but not limited to, terms or time for which the letter of credit is valid for, and the identity of the issuer thereof shall be satisfactory to the City in all respects.
- b. The performance bond, a cash deposit, a deposit of negotiables, or a letter of credit shall guarantee conformance with: operation standards, including but not limited to days and hours of operation, noise, dust, traffic, drainage, erosion and public safety; and reclamation standards including, but not limited to, timing of restoration, clearance of debris, slope, drainage, topsoil, cover and planting, and authorized use.
- c. The performance bond, a cash deposit, a deposit of negotiable or a letter of credit in the amount of one dollar and thirty cents (\$1.30) per cubic yard of material, shall be posted or delivered to the City of Galveston to guarantee completion of the improvements in the reclamation plan. The amount shall be doubled, two dollars and sixty cents (\$2.60) per cubic yard of excavation over, if the depth of excavation is greater than twenty feet (20') below the existing ground surface elevation.
- d. The City of Galveston, at any time, may enforce the provisions of the performance bond or retain the cash deposit, negotiables, or proceeds of the letter of credit in the event that the provisions of this section or any other applicable law, ordinance, or regulation have not been complied with by the applicant for the Excavation Permit.

3. Any other bonds or insurance as determined by the Risk Manager.

H. Site Plan Requirements and Standards.

Applicants for Development or Site Excavation shall include the following written and graphic information and adhere to the following standards:

1. Data Required.

a. Site Plan Requirements.

All planned phases of the development shall be included on the required site plan.

b. Drainage Plan.

A drainage plan for the excavation area shall be submitted, detailing on- and off-site drainage and existing and modified drainage patterns resulting from the proposed excavation.

c. Site Mapping.

1. **Scale.** One inch equals 100 feet (preferable) or one inch equals 200 feet (alternative acceptable)
2. **Contour Interval.** Two feet for slopes thirty percent (30%) or less ten feet (10') for greater slopes.
3. **Cross Sections.** Vertical scale shall be equal to or in exaggeration of horizontal scale to illustrate excavation depth and other conditions.

d. Soil Test Survey (Geotechnical Investigation).

A soil test survey/geotechnical investigation shall be undertaken for all areas to be excavated. Information obtained from the survey shall be utilized in determining excavation material, drainage, slope, depth of excavation area, soil bearing capacity, structural stability and other design factors.

e. U. S. Army Corps of Engineers (USACE) Jurisdictional Determination. Applicants shall be required to submit the following:

1. A Jurisdictional Determination and all supporting documentation provided to the USACE for use in the determination of jurisdictions shall be submitted; or,
2. A copy of the USACE permit application materials required for the proposed excavation project shall be submitted with the application for an Excavation Permit.

f. Additional Data and Conditions. As required by this subsection.

I. Excavation Operation Requirements and Standards.

Applicants for development and site excavation shall include the following written information and adhere to the following standards:

1. Time.

- a. **Duration.** The approximate date of commencement of the excavation and the length of time of the operation shall be a one (1) year duration following the date of City Council approval for such additional periods as may be specified in the permit by City Council.
- b. **Days.** The days of operation shall be all year long, 365 days a year.
- c. **Hours.** No excavation work shall occur between the hours of 8:00 P.M. or sunset, whichever comes first, and 7:00 A.M. when located within 500-feet of a residential land use.

2. Excavation Material, Methods and Equipment.

- a. **Type and Quantity.** The type of material, the volume of material, to be moved, and the excavation area (square yards) shall be specified.
- b. **Methods of Excavating and Processing.** The method, including the disposition of overburden or top soils shall be specified.
- c. **Equipment.** Equipment to be used in the operation of the excavation shall be specified.

3. Truck Traffic.

- a. **Volume.** The estimated number of truck trips entering and leaving the job site over a twenty-four (24) hour time period shall be estimated and specified.
- b. **Routes.** The route(s) that trucks follow leaving the site should be the "City Truck Route" whenever possible. From the site, the most direct way to the "City Truck Route," or the route with the least impact on residential neighborhoods, shall be utilized.

4. Noise.

Operating Practices: Practices that will be utilized to minimize noise shall be specified. (Suggested practices include equipment in good operating order, adequate buffering of surrounding areas, operations centered on site, etc.)

5. Dust.

Operating Practices: Practices that will be utilized to minimize dust shall be specified. All roads within the site shall be maintained in a dust free condition, providing such surfacing or other treatment produces no potential pollution hazards to the surrounding ground or surface waters.

6. Drainage and Erosion.

- a. **Drainage:** Practices that will be utilized to protect surrounding land and maintain or improve existing water quality shall be specified.
- b. **Erosion:** Practices that will be utilized to minimize erosion, particularly siltation of adjacent water bodies, shall be specified. Suggested practices include properly designed retarding basins, settling ponds, ditches, dikes, revegetation of slopes, etc.

7. Public Safety.

- a. **Fencing.** To prevent the public from wandering onto the site, a fence shall be constructed prior to commencement of operations, enclosing the area to be excavated may be done in phases. Fences shall be at least five and one-half feet (5½') in height, and may be constructed of woven wire fabric or wood. Gates shall be installed at all vehicular and pedestrian entrance points.
- b. **Material.** To prevent potential hazardous conditions, the applicant shall be responsible for maintaining all project materials and construction debris on-site and out of public right-of-ways.
- c. **Site Access.** Not more than one entrance and one exit to the site shall be provided for the area of operation. Local residential street locations should be avoided.
 1. **Access Roads.** Access roads shall be constructed and maintained in such a manner that the deposit of earth materials on the public roads is minimized.

8. Right of Entry.

City Engineer: During the term of the permit, the City Engineer or other City enforcement official, shall be granted the right of entry upon the property for the purpose of inspecting and bringing enforcement to the property under the terms of this Ordinance.

J. Excavation Reclamation Plan (not applicable to beach nourishment projects).

The primary purpose of a Reclamation Plan is to ensure that the site will be restored to productive use through orderly steps. Two principal concerns shall be addressed: 1) What will be the useful land form; and, 2) How restoration will be accomplished? A Reclamation Plan shall be required at such time as the City determines that the excavation project has been abandoned. A Reclamation Plan is not required for sand harvesting projects. The Reclamation Plan shall include the following written and graphic information and adhere to the following standards:

1. **Data Required.** Must conform to all site plan requirements in accordance with these Land Development Regulations.
 - a. **Drainage Plan.**

A drainage plan for the fill area shall be submitted, detailing on- and off-site drainage and existing and modified drainage patterns resulting from the proposed excavation. Reclamation should proceed in such a way that natural and storm drainage, where it enters and leaves the premises, shall be altered only to the least degree necessary to carry out fill and related activities.
 - b. **Site Mapping.**
 1. **Scale.** One inch equals 100 feet preferable, or one inch equals 200 feet alternative acceptable.
 2. **Contour Interval.** Two feet (2') for slopes thirty percent (30%) or less; ten feet

(10') for greater slopes.

3. **Cross Sections.** Vertical scale shall be equal to or in exaggeration of horizontal scale to illustrate conditions.

d. **Soil Test Survey (Geotechnical Investigation).**

A soil test survey shall be undertaken for all areas to be filled. Information obtained from the soil test survey shall be utilized in determining fill material, drainage, slope, soil bearing capacity, structural stability and other design factors.

- e. **U. S. Army Corps of Engineers (USACE).** Applicants shall be required to submit the following:

1. A Jurisdictional Determination and all supporting documentation provided to the USACE for use in the determination of jurisdictions shall be submitted with the letter of release; or,
2. A copy of the USACE permit application materials required for the proposed fill project shall be submitted with the Reclamation Plan.

- f. Additional Data and Conditions as required by this Subsection.

2. **Reclamation Plan Standards.**

a. **Timing.**

1. Phasing of operations and reclamation steps shall be indicated.
2. Overburden shall not be removed from an area larger than that excavated within one year.
3. Topsoil grading and planting of an area designated for phased restoration shall be completed before fill can occur in a subsequent phase.
4. Topsoil, which is generally defined as the layer of soil between 0" – 24" below grade, shall be maintained for use on-site.

b. **Site Clearance.**

All stumps, rocks, and other debris resulting from the previous excavation related activity shall be disposed of by methods approved by the City Engineer.

c. **Slope and Water Quality (Excavation Area).**

1. **Slope.**

a. All banks (excluding excavation area to contain water) shall be in accordance with topography established in reclamation plans with no slopes greater than two feet (2') horizontal to one foot (1') vertical.

b. If water is to be left in the previously excavated area, the slope can be greater than 2:1. However, the use of bulkheads and other erosion control measures shall be approved by the City Engineer (based upon analysis of the soil test survey).

2. **Water Quality.**

- (a) Seven feet (7') or less below the ground water table: Maximum depth that is recommended upon completion.
- (b) More than seven feet (7') below the ground water table: A letter from a Professional Engineer (PE) certifying what additional design factors will be utilized to ensure that the water quality does not degrade below current Federal Standards (e.g. less than 4.0 ppm dissolved oxygen normally violates Federal Standards).
- (c) The applicant shall submit an affirmative statement indicating that no negative effects to the ground water reservoir will result from the construction of or design of the proposed project.

d. Cover and Planting.

- 1. A layer of topsoil, to a depth of at least six inches (6") shall be placed on all areas to be landscaped, or a schedule for fertilization and watering shall be submitted.
- 2. Grass, shrubs and trees, or other vegetation, shall be planted to prevent erosion and provide for screening and natural beauty.

SEC. 2.325 FINE ARTS INSTRUCTION

A. Limited Use Standards.

- 1. Limited Use in the R-0 and R-1 Districts. The use shall be limited to no more than two pupils at a time.
- 2. Noise Limitation. All on-site activities shall comply with the City's noise regulations. The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.320-26 FLEA MARKET

A. Limited Use Standards.

- 1. **Hours of Operation near Residential.**
 - a. Except in the CB district, the use, if within 200 feet of a residential use or a residential zoning district boundary, measured as a radius from property lines of the limited use, shall not operate between the hours of 9:00 PM and 9:00 AM.
 - b. Hours of Operation if Outdoor: The limitation on hours of operation above shall be between the hours of 7:00 AM and 9:00 PM for an outdoor flea market.
- 2. **Minimum Distance from Same Use.** One-half mile from an existing location of the same use.
- 3. **Minimum Setback.** All Outdoor Flea Market Operations shall be located at least 50 feet from all property lines.

4. **Noise Limitation.** All Outdoor Flea Market Operations shall comply with the City's noise regulations. Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines.

SEC 2.327 GOLF CARTS, SALES AND SERVICE

A. Limited Use Standards.

1. **Use Limitation in CB Districts.** The use shall be conducted in existing structures only. No outside repair or display/sales of golf carts permitted.
2. **Seawall Frontage.** No new or expanded surface parking permitted for this use on properties with frontage on Seawall Boulevard.
3. **Orientation of Service Bays.** Service or repair bays associated with the use shall be oriented away from arterial roadways and any adjacent residential use or residential zoning district boundary.
4. **Outdoor Display.** Outdoor vehicle display shall occur only on paved areas of the site; the displayed vehicles shall not occupy or obstruct required parking spaces.
5. **Elevated Display.** No more than one outdoor elevated display shall be permitted; the elevated display shall raise the golf cart no more than 3 feet off the ground.
6. **Screening.** Except in the CB district, when the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a solid landscaping strip of at least 4 feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
7. **Sidewalks.** Sidewalks, curbs, and curb cuts shall be provided on all street frontages. All on-site sidewalks shall be a minimum width of five feet.
8. **Property Maintenance.** The property upon which any used car lot is located must be maintained in a neat and orderly manner with no accumulation of inoperable golf carts, tires, gold cart parts, garbage, refuse, or debris on the property.

SEC. 2.3~~27~~28 GUN SHOP

A. Limited Use Standards.

1. **Proof of Permitting.** The applicant shall provide proof of application for any permits required by the State of Texas or the Federal Government at the time of application for limited use approval, and shall provide proof of issuance of any required licenses before commencing operations.
2. **Use Limitation.** Outdoor shooting ranges are prohibited.
3. **Minimum Distance from Certain Locations.** The use shall be located at least 200 feet from a school, public park or place of worship, measured as a radius from property lines of the limited use.
4. **Scale of Use.** In the C, CB, REC/RES districts, a gun shop with an indoor firing range shall be developed on a tractor lot with a minimum area of 20,000 square feet.

5. **Noise Limitation.** Outdoor noise levels shall be maintained at the same noise decibel existing prior to the development of a firing range.

SEC. 2.3~~22~~²⁹ HEAVY INDUSTRY

A. Limited Use Standards.

1. **Truck Access.** The use shall be located such that associated truck traffic can access a collector or arterial roadway or highway without traveling on a public street rights-of-way adjacent to any residential property, school, public park, recreational area, or facility.
2. **Minimum Distance from Residential.** The use shall be located at least 200 feet from any residential use or residential zoning district boundary, measured as a radius from property lines of the limited use.
3. **Noise Limitation.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.
4. **Use Limitation.** LI uses located in the HI district shall meet Heavy Industry Limited Use Standards.
5. **Commercial Composting.** Commercial composting is prohibited.

SEC. 2.3~~23~~³⁰ HEAVY VEHICLE, MANUFACTURED HOME SALES, WATERCRAFT, OR AIRCRAFT SALES OR RENTAL

B. Limited Use Standards.

1. **Hours of Operation near Residential.** When abutting or within 200 feet of a residential use or zoning district boundary, measured as a radius from property lines of the limited use, the use shall not have any outdoor sales or loading or delivery activities between the hours of 10:00 PM and 7:00 AM.
2. **Truck and Trailer Access.** The use shall be located such that associated truck and trailer traffic can access an arterial roadway without traveling on a public rights-of-way adjacent to any residential property, school, public park, or recreational area.
3. **Minimum Setback.**
 - c. Outdoor Display or Sales and Other Outdoor Storage: shall be located 25 feet from any residential property line or zoning district boundary.
 - d. Vehicle Wash Facilities: Accessory vehicle wash facilities and their incidental functions, including vacuums and air compressors, shall be set back at least 50 feet from the side or rear property line of any adjacent residential use or residential zoning district boundary.
4. **Orientation of Service Bays.** Any service or repair bays associated with the use shall be oriented away from adjacent, public rights-of-way or any adjacent residential use or residential zoning district boundary.
5. **Outdoor Vehicle Display.** Outdoor vehicle display shall occur only on paved areas of the site, and the displayed vehicles shall not occupy or obstruct required parking spaces.

6. **Elevated Vehicle Display.** No more than one outdoor elevated display vehicle shall be permitted, and the elevated display shall raise the vehicle no more than 3 feet off the ground.
7. **Vehicle Visibility.** Booms, derricks, grapple loaders, platforms, and other auxiliary equipment or extensions on heavy vehicles shall be lowered as much as possible. No signs, banners, or flags shall be hung on such auxiliary equipment or extensions.
8. **Noise Limitation.** All outdoor activities shall comply with the City's noise regulations. Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines, and shall not be operated after 9:00 PM except to provide emergency notifications.
9. **Screening.** When the site is located adjacent to a residential use or zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a landscaping strip at least 4 feet in width that provides a year-round visual barrier and positioned adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of 5 feet shall be installed immediately behind the landscaping strip.

SEC. 2.3~~24~~31 HELISTOP

A. Limited Use Standards.

1. **Proof of Permitting.** The applicant shall provide proof of application for any permits required by the State of Texas or the Federal Government at the time of application for limited use approval and shall provide proof of issuance of any required licenses before commencing operations.
2. **Hours of Operation for Commercial Amusement Use.** When helicopter operations are conducted as a commercial amusement, activity shall not occur between the hours of 10:00 PM and 9:00 AM.
3. **Minimum Distance from Same Commercial Amusement Use.** When helicopter operations are conducted as a commercial amusement, the use shall be located at least one-half mile from an existing location of the same use, measured as a radius from property lines of the limited use.
4. **Minimum Distance from Residential.** The use shall be located at least 200 feet from any residential use or residential zoning district boundary, measured as a radius from property lines of the limited use.
5. **Minimum Site Area.** The use shall occur on a site of at least one acre.
6. **Minimum Setback of Fuel Tanks.** Fuel storage tanks shall be located at least 150 feet from any property line.
7. **Screening.** When the site is visible from a residential use or residential zoning district boundary, visual screening shall be provided along all property lines with such visibility. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier up to five feet off the ground. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.

SEC. 2.3~~25~~32 HOME BASED ~~OCCUPATION~~/BUSINESS

A. Limited Use Standards.

1. **Use Limitation.** The use is limited to office or service businesses. The use shall not involve vehicle service or repair, a Bed and Breakfast, or any type of Residential Child Care Facility or Day Care Child Care Facility.
2. **Proof of Permitting.** The business shall be operated in accordance with all applicable federal and state law and permitting requirements.
3. **Resident Ownership.** The home business shall be owned and managed by a person who resides in the dwelling unit or ADU.
4. **Non-Resident Employees.** The business may employ up to two persons who do not live in the dwelling unit.
5. **Maximum Floor Area.** The business activity shall not occupy more than 50 percent of the gross floor area of the principal residential building.
6. **Accessory Buildings.** Accessory buildings may be used for business operations or storage if built in a manner that is similar in style and materials to the principal structure.
7. **Maintain Residential Character.** No alteration shall be made to the dwelling to accommodate the home business that changes the dwelling's residential character and appearance.
8. **No Exterior Activity.** All business operations and any storage shall be indoors.
9. **Parking.** Commercial vehicles shall not be parked on the site other than those associated with the business and for the personal use of the owner.
10. **No On-Site Direct Sales.** No retail or wholesale sales activity is permitted except for sales distributors who fill orders for catalog-type products and make deliveries to the customer location, as opposed to customers coming to the place of business.
11. **No Visible Merchandise Display.** No commercial display of merchandise or goods for sale shall be visible from the exterior of the dwelling unit.
12. **Limited Deliveries.** Parcel pickup/delivery services are permitted but not bulk commercial deliveries from trucks.
13. **No Nuisance Created.** The home business shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.32633 HOME BASED OCCUPATION

A. Limited Use Standards

1. **Maintain Residential Character.** The home based occupation must not alter the dwelling to accommodate the home business in any manner that changes the dwelling's residential character and appearance.
2. **Signage.** No signage or on-site advertising permitted.
3. **Non-Resident Employees.** Non-resident employees prohibited.
4. **Use Limitation.** Home based occupation may not receive customers and clients on-site. Silk Stocking and Lost Bayou neighborhoods are exempt from this provision.

SEC. 2.3~~27~~34 HOMELESS SHELTER

A. Limited Use Standards.

1. **Minimum Distance from Same Use.** The use shall be located at least one-half mile from an existing location of the same use, measured as a radius from property lines of the limited use.
2. **Minimum Distance from Residential.** The use shall be located at least 200 feet from an R-0, R-1, R-2, or ~~HZD~~ R-3 district, measured as a radius from property lines of the limited use.
3. **Maximum Distance from Services.** The use shall be located not more than one-quarter mile from social, public health, or employment services unless the shelter also provides transportation assistance or is located within one-quarter mile of a public transportation stop or transfer facility.
4. **Residential Character.** If operated within a pre-existing residential dwelling, the use shall maintain the residential character and appearance of the structure.

- B. **Specific Use Standards.** The following minimum standards apply for a homeless shelter. The Planning Commission and City Council may impose additional conditions to make the use compatible with adjacent development and protect the public health, safety, and general welfare of the public.

SEC. 2.3~~28~~35 HOSPITAL HOUSE ESTABLISHMENT

A. Limited Use Standards.

1. **Residential Structure.** The use shall be located within a residential structure.
2. **On-Site Management.** A resident manager shall live on the site, or the use shall be staffed with 24-hour, on-site management.
3. **Occupancy Limit in UN District.** The use shall not provide for overnight occupancy by more than 12 guests.
4. **Parking Area Screening.** All off-street parking areas for this use with more than 5 parking spaces shall meet the perimeter screening requirements in Article 9, Landscaping.
5. **Signage.** No signage shall be permitted when the use is in a Historic (H) overlay district. Signs may be permitted elsewhere in accordance with Article 5. Signs.
6. **Sanitary Conditions.** The manager shall provide clean linens and towels as necessary, adequate heating, ventilation and lighting, adequate hot and cold water, adequate sewage disposal, and maintain the outside area in a clean and sanitary manner.
7. **Fire Safety Standards.** The use shall comply with all requirements of the City of Galveston Fire Marshal regarding installation of fire detection or fire suppression measures, required fire inspections, or other requirements before the issuance of a certificate of occupancy.

SEC. 2.3~~29~~36 KENNEL

A. Limited Use Standards.

1. **Minimum Distance from Residential.** Any building used for the boarding of animals shall be located at least 200 feet from any residential use or residential zoning district

boundary, school, day care facility, or public park, other than a dog park, measured as a radius from property lines of the limited use.

2. **Sound-Proofing.** Where the site is located adjacent to a residential use or zoning district boundary, all buildings used for the care or boarding of animals shall be fully enclosed and sound-proofed so animal noises will not be audible from a property line.
3. **Hours for Outdoor Dog Runs and Animal Exercise Areas.** Where the site is located adjacent to a residential use or zoning district boundary, outdoor dog runs shall not be used, and no other outdoor animal exercise shall occur, between the hours of 9:00 PM and 8:00 AM.
4. **Front Yard Maintenance.** The front yard area shall not be used for animal exercise, and all yards shall be cleared daily of any animal waste.
5. **Screening of Outdoor Dog Runs and Animal Exercise Areas.** Any outdoor dog runs or animal exercise areas visible from a public rights-of-way or adjacent residential use or zoning district boundary shall be enclosed by a solid masonry or concrete wall or a wood fence having a minimum height of five feet.
6. **No Nuisance Created.** The use shall not create or cause any perceptible noise or odors, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.3307 LIGHT INDUSTRY

A. Limited Use Standards.

1. **Hours of Activities near Residential.** The use, if within 200 feet of the property line of a residential use, a mixed-use development that includes residential use, or a residential zoning district boundary, measured as a radius from property lines of the limited use, shall not operate any heavy industrial machinery or equipment between the hours of 9:00 PM and 8:00 AM.
2. **Minimum Distance from Residential.**
 - a. From Existing Residential Dwellings: 200 feet from any residential dwelling in existence at the time the use receives limited use approval, measured as a radius from property lines of the limited use.
 - b. From Residential Districts: 200 feet from any residential zoning district boundary, measured as a radius from property lines of the limited use.
3. **Truck Access.** The use shall be located such that associated truck traffic can access a collector or arterial roadway or a highway without traveling on a public rights-of-way adjacent to any residential property, school, public park, recreational area, or facility.
 - a. Loading and Service Areas: 25 feet from any residential property line or zoning district boundary.
 - b. Outdoor Storage: 25 feet from any residential property line or zoning district boundary.
4. **Noise Limitation.** All on-site activities shall comply with City noise regulations.
5. **Screening.** When the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common sides and rear

property lines. The screening shall consist of a landscaping strip at least 4 feet in width that provides a year-round visual barrier, and shall be positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.

6. **Materials Management.** Appropriate measures shall be taken to contain, cover, or otherwise secure materials that are likely to generate wind-blown dust or debris that may affect adjacent properties.
7. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.
8. **Use Limitation.** LI uses located in the HI district shall meet the Limited Use Standards established in the HI district.
9. **Historic Zoning District.** Limited use on property known as 1202 and 1208 Postoffice/Avenue E and legally described as Lots 8 and 9, Block 492, in the City of Galveston only. Section A.1., A.2., and A.3. shall not apply to this subsection. The “Light Industry” land use allowed by this subsection shall be restricted to Food and Beverage production. (Ord. 15.031)

SEC. 2.3318 LIVE-WORK UNIT

A. Limited Use Standards.

1. **Use Limitation.** The nonresidential portion of a live-work unit may be only a commercial retail, office, personal or professional services, and counseling activity as defined in these regulations.
2. **Scale of Use.** The floor area of the nonresidential portion of the use shall not exceed 2,500 square feet.
3. **Historic Corner Store Structures.** If located within an existing traditional, corner store historic structure the floor area of the nonresidential portion of the structure shall not exceed 5,500 square feet.
4. **Hours of Operation for Nonresidential Use.** The nonresidential portion of the use shall not operate between the hours of 9:00 PM and 8:00 AM.
5. **Minimum Distance from Single-Family Residential District.** The use shall be located at least 200 feet from an R-1 district boundary, measured as a radius from property lines of the limited use, unless separated from the district by an arterial street.
6. **Corner Location.**
 - a. **Commercial Retail:** The use shall be located on a corner lot if the nonresidential portion of the use involves a commercial retail activity.
 - b. **Multiple Units:** Multiple live-work units may be located on a blockface only if developed as a contiguous group, with one unit located on a corner lot, and with no more than five units in the group.
7. **No Drive-Through Activity in UN District.** The use shall not include a drive-through component.

8. **Maintain Residential Character.** If located within a pre-existing dwelling that was converted to a live-work unit, the use shall maintain the residential character and appearance of the structure.
9. **Use Limitation.** The business owner and the residents' occupant in the residential portion of the live-work unit must be the same person.

SEC. 2.33~~29~~ MULTI-FAMILY (MF) RESIDENTIAL

A. Limited Use Standards

1. **Applicability.** Maximum of eight units within ~~R-2 and the~~ UN Districts. The Limited Use Standards, numbers 2 - 7, do not apply to existing buildings that are being used as Multi-Family unless the property is able to meet these standards. This determination is made by the Director of Development Services after reviewing a detailed site plan and narrative that demonstrates the inability of the property to meet the limited use standards numbers 2 - 7 below.
2. **Minimum Setback.** The closest property line of the use may not be located closer than 300 feet to an R-1 or R-0 district boundary, unless separated from such district by an arterial street, a right-of-way, or an intervening use. For infill, redevelopment, rehabilitation projects or new buildings in a developing site the setbacks shall match the established adjacent building setbacks.
3. **Accessory Structures.** When any portion of a building or structure is located adjacent to property used or zoned for lower-density residential, the accessory structures of the use, including garages and recreational facilities, shall be set back at least 10 feet from the adjacent property and the landowner shall provide a buffer between the structure and adjacent property. Visual screening shall be provided along all property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier up to 5 feet off the ground. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip. Accessory buildings that are structurally attached to a principal building shall conform to all standards that apply to the principal building.
4. **Fence.** The use shall have a decorative, wrought iron fence no more than 3 feet high in combination with landscaping planted so as to achieve full opaque screening at maturity.
5. **Setbacks.** Building setbacks shall create a uniformed setback along a public street. The front setback shall not be less than the average setback along the same and facing block faces.
6. **Sidewalks.** The design and location of sidewalks in a MF development shall encourage pedestrian circulation. All on-site sidewalks shall be a minimum of width of 5 feet. Sidewalks adjacent to a parking area, where cars may overhang the walkway, shall be a minimum width of 7 feet. Connections between the on-site pedestrian walkway network and any public sidewalk system shall be provided at regular intervals along the perimeter street.
7. **Street Trees.** Street trees are required to be planted and maintained along all streets and roadways. Street trees shall provide both a continuous, shaded environment along roadways and a physical and visual barrier between a pedestrian on the sidewalk and vehicles on the roadway.

- a. Alleys and service drives shall not be considered streets or roadways for the purposes of this standard.
- b. Spacing of street trees shall be a minimum of 15 feet and a maximum of 25 feet for the full length of all streets and roadways and shall be from among tree species on a City approved plant list; the Director of Public Works may modify the spacing to account for the mature size of trees and site features such as infrastructure and utilities.
- c. Street trees shall be planted within the rights-of-way of all streets, access ways, and roadways, excluding thoroughfares, alleys, and service drives. If not allowed within a thoroughfare right-of-way, street trees shall be planted on the private lots along the thoroughfare right-of way.
- d. Street trees shall be planted at least 3 feet from any curb or sidewalk.

SEC. 2.3~~33~~40 NURSERY WHOLESALE

A. Limited Use Standards

1. **Hours of Operation.** A wholesale nursery or greenhouse when abutting a residential use or a residential zoning district boundary shall not operate between the hours of 9:00 PM and 7:00 AM.
2. **Minimum Setback.**
 - a. Loading and Service Areas: 25 feet from any residential property line or zoning district boundary.
 - b. Outdoor Merchandise Display/Sales and Other Outdoor Storage: 25 feet from any residential property line or zoning district boundary.
3. **Screening.** When the site is located adjacent to a residential use or zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The opaque screening shall consist of a landscaping strip at least 4 feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
4. **Materials Management.** Appropriate measures shall be taken to contain, cover, or otherwise secure materials that are likely to generate wind-blown dust or debris that may affect adjacent properties, including bulk mulch, sand, soil, fill, rock, and similar materials.
5. **Fencing.** Chain link fence, if used on the site, shall not be not visible from any property line.

SEC. 2.3~~34~~41 NURSING/CONVALESCENT HOME

A. Limited Use Standards.

1. **Existing Structures in the UN district.** The use shall be permitted only in existing structures.
2. **Occupancy Limit in UN District.** The use shall not provide full-time overnight care for more than 16 residents.

3. **Internal Access in UN District.** Ingress to and egress from all resident rooms or living areas shall be made through the interior of the building rather than from direct outside entrances to each such room or living area.
 4. **Parking in UN and MF Districts.** All off-street parking areas for this use with more than five parking spaces shall meet the perimeter screening requirements in Article 9, Landscaping.
- B. **Specific Use Standards.** The use shall require a Specific Use Permit as set out in the Permitted Use Table.
- C. **Combination with Place of Public Assembly.** Nursing and convalescent homes are allowed as part of a development that includes a place of public assembly.

SEC. 2.3~~35~~⁴² BAIL BOND OFFICE

A. Limited Use Standards.

1. **Structures located on Seawall Boulevard with frontage on Seawall Boulevard.** Bail Bond use shall be permitted only in existing structures.
2. **Scale of Use in UN District.** The floor area of the Bail Bond Office use shall not exceed 2,500 square feet.
3. **Minimum Distance from Single-Family Residential in UN District.** The Bail Bond use shall be located at least 200 feet from an R-1 or R-2 district boundary, measured as a radius from property lines of the limited use, unless separated from the district by an arterial street.
4. **Screening in UN District.** When the Bail Bond use is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of 5 feet shall be installed immediately behind the landscaping strip.

SEC. 2.343 OUTDOOR STORAGE

A. Limited Use Standards.

Outdoor storage include but is not limited to the storage of equipment, boat(s), vehicles or golf carts other than those for sale by a vehicle or golf cart dealership, supplies, materials, machinery, building materials, waste or scrap, pallets, and similar materials shall conform to the following standards:

1. **Paving.** Outdoor storage areas shall be paved with asphalt or concrete.

2. **Screening.**

- a. **Residential:** When the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a

wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.

- b. Arterial Roadway: Any outdoor storage areas visible from an arterial roadway shall be enclosed by a solid masonry or concrete wall, or a wood fence of sufficient height such that no stored materials or merchandise are visible above the top of the screening wall or fence. However, no fence shall exceed 8 feet in height.

SEC. 2.33644 PARKING LOT, COMMERCIAL SURFACE PARKING AREA

A. Limited Use Standards.

1. Commercial Surface Parking Lots

- a. 7 foot wide perimeter landscaping
- b. One tree every 25 linear feet of parking lot frontage, 2 inch caliper trunk, 14 feet high
- c. 10 foot wide sidewalk along public rights-of-way. The required sidewalk width may be reduced as approved by the Public Works Director when there is inadequate right-of-way.

2. Interior Landscaping

- a. One canopy tree for every eight parking spaces, 2 inch caliper trunk, 14 feet high
- b. 150 square feet of planting area for each canopy tree
- c. 8 foot wide interior landscape medians filled with groundcover grasses and 3 foot high shrubs
- d. 2 foot wide overhang zone with groundcover
- e. 8 foot wide planting beds/ with trees required at both ends of parking rows.
- f. 8 foot wide planting strip required every other interior row

3. **Storm Water Quality Discharge.** Collection and discharge points shall be in sedimentation basins in parking row medians, elevated catch basins, filter fabric, gravel filter, retention ponding, inlets (spaced as appropriate), and piping connected to on-site storm water system.

4. **Parking area construction materials required.** Required materials are concrete or asphalt.

5. **Design of Entries/Access** Parking lot layout, access, and markings shall be designed in accordance with *ITE Traffic Engineering Handbook, 6th Edition*.

6. **Fencing.** Shall be a solid screen and constructed of masonry or wood.

SEC. 2.33745 PARKING STRUCTURE INCIDENTAL TO MIXED USE OR MAIN USE STRUCTURE

A. Limited Use Standards

1. **General Design.** Structures shall comply with the following design Standards:

- a. Blank, flat unarticulated walls are prohibited. Parking structures shall be visually similar in character and scale to adjacent buildings;
 - b. Except on sides abutting an alley, all floors above the ground floor of the parking structure shall have architecturally articulated facades designed to screen the view of parked cars;
 - c. The amount of street frontage devoted to a parking structure shall be minimized by placing its shortest dimension(s) along the street edge; and
 - d. Lighting within parking structures shall be directed inward to minimize light pollution.
2. **Design of Entries/Access**
- a. Vehicle entry to off-street parking structures shall be integrated into the placement and design of adjacent buildings or oriented away from the primary street frontage. At a minimum, parking structures shall have vehicle entries from locations that minimize conflicts with pedestrian circulation.
 - b. Parking structures and adjacent sidewalks shall be designed so pedestrians are clearly visible to entering and exiting vehicles.
3. **Ground Floor Use and Design, Commercial.** A commercial parking structure that is integrated into a building containing primarily nonresidential uses shall be constructed at a depth to permit occupancy by any commercial use allowed in the district when 80 percent of the ground floor is adjacent to a public street(except an alley) or adjacent to a public open space/plaza. The ground-level facade of the structure up to and exceeding the first 19 vertical feet of the structure, shall include the following features:
- a. Facade articulation and modulation through changes in vertical wall plane and/or a change in building material;
 - b. Use of real windows with glazing that may be translucent, but shall not include black or mirrored glass or similar opaque glazing;
 - c. Integration of multiple building entrances; and
 - d. Corner architectural elements shall be incorporated such as a corner entrance, signage, glazing, and/or visually exposed stairs when parking structures are located on street corners.
4. **Ground Floor Use and Design, Residential.** When a parking structure provides parking for residential uses or when the structure is integrated into a residential building, the applicant shall either:
- a. Follow the design standard for Commercial; or
 - b. Use the ground floor of the structure for parking, provided the ground-level façade of the structure (at least the first 12 vertical feet of the structure) includes at least two of the following features:
 - i. Façade articulation and modulation through changes in vertical wall plane and/or a change in building material;
 - ii. Use of real windows with glazing that may be translucent, but shall not include black or mirrored glass or similar opaque glazing;
 - iii. Use of false windows defined by frames or lintels and sills;

- iv. Integration of multiple building entrances; and
- v. Buffering of the street edge with landscaping, berms, or landscaped planters.

SEC. 2.3~~38~~46 PASSENGER MOTOR VEHICLE SALES OR RENTAL

A. Limited Use Standards.

1. **Use Limitation in CB Districts.** The use shall involve only vehicle rental and not vehicle sales. No outside repair of vehicles or bodywork permitted.
2. **No On-Site Direct Sales** Passenger Motor Vehicle Sales uses are prohibited on properties with frontage on Seawall Boulevard.
3. **Parking.** No new or expanded surface parking permitted for this use on properties with frontage on Seawall Boulevard.
4. **Minimum Setback.** Except in the CB district:
 - a. Outdoor Vehicle Display/Sales and Other Outdoor Storage: 25 feet from any residential property line or zoning district boundary.
 - b. Vehicle Wash Facilities. Accessory vehicle wash facilities and their incidental functions, including vacuums and air compressors, shall be set back at least 50 feet from the side or rear property line of any adjacent residential use or residential zoning district boundary.
5. **Interior Space Only in CB District.** All vehicle display and showroom areas shall be within an enclosed building.
6. **Orientation of Service Bays.** Except in the CB district, any service or repair bays associated with the use shall be oriented away from adjacent public street right-of-ways or any adjacent residential use or residential zoning district boundary.
7. **Outdoor Vehicle Display.** Outdoor vehicle display shall occur only on paved areas of the site; the displayed vehicles shall not occupy or obstruct required parking spaces.
8. **Elevated Vehicle Display.** No more than one outdoor elevated display vehicle shall be permitted; the elevated display shall raise the vehicle no more than 3 feet off the ground.
9. **Screening.** Except in the CB district, when the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common sides and rear property lines. The screening shall consist of a solid landscaping strip at least 4 feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
10. **Surface treatment.** All surfaces for vehicle travel or storage are to be treated with a dustless surface and an adequate system of storm drainage.
11. **Space Parameters.** Every space for a vehicle for sale shall measure 10 feet by 24 feet.
12. **Sidewalks.** Sidewalks, curbs, and curb cuts shall be provided on all street frontages. All on-site sidewalks shall be a minimum of width of five feet.

13. **Property maintenance.** The property upon which any used car lot is located must be maintained in a neat and orderly manner with no accumulation of junk vehicles, tires, auto parts, garbage, refuse, or debris on the property.

SEC. 2.33947 PERSONAL FITNESS ~~OR MUSIC INSTRUCTION~~

A. Limited Use Standards.

1. **Scale of Use.** The floor area of this use shall not exceed 2,500 square feet.
2. **Occupancy in UN District.** The use shall not accommodate more than five customers and not more than two non-resident employees on the premises at any one time.
3. **Limited Activities in UN District.** The use shall not involve recitals, competitions, or other assemblies that would bring multiple visitors to the site other than the customers who receive services or instruction on the premises.
4. **Hours of Operation near Residential.** The use, when abutting a residential use or residential zoning district boundary, shall not operate between the hours of 8:00 PM and 5:00 AM. Additionally, no outdoor activities shall occur before 9:00 AM if the site abuts a residential use.
5. **Residential Character in UN District.** If operated within a pre-existing dwelling, the use shall maintain the residential character and appearance of the structure.
6. **Sound-Proofing.** Where the use is located adjacent to a residential use or residential zoning district boundary, all buildings that will involve amplification of music or voices shall be fully enclosed and soundproofed to ensure compliance with City noise regulations at all common property lines. No outdoor speakers shall be used in association with any outdoor activities.

SEC. 2.3408 PET GROOMING AND SERVICES

A. Limited Use Standards.

1. **No Outdoor Activity.** The use shall be conducted within a fully enclosed building and shall not include any outdoor dog runs or animal exercise areas.
2. **Sidewalk.** The owner shall clear all public sidewalk areas of animal waste daily.
3. **Maintain Residential Character.** If operated within a pre-existing dwelling, the use shall maintain the residential character and appearance of the structure.
4. **Noise Limitation.** All on-site activities shall comply with City noise regulations. Where the site is located adjacent to a residential use, a mixed-use development that includes residential use, or a residential zoning district boundary.
5. **Sound-Proofing.** All buildings where animals will be accommodated shall be soundproofed such that no animal noises will be audible from a property line.

SEC. 2.3419 PLACE OF PRIVATE ASSEMBLY

A. Limited Use Standards

1. **Parking.** Must meet parking standard of one space per 200 square feet of ~~gross~~ floor area.
(Ord. 15-0XX)

2. **Sound-Proofing.** Must comply City noise regulations or seek appropriate permit to exceed regulated noise levels.

SEC. 2.3~~42~~50 PLACE OF PUBLIC ASSEMBLY

A. Limited Use Standards.

1. **Scale of Use.** The ~~gross~~ floor area of the use shall not exceed 2,500 square feet unless located on a corner site, in which case the ~~gross~~ floor area of the use shall not exceed 5,500 square feet.
2. **Hours for Outdoor Events near Residential.** The use, when abutting a residential use, shall not involve any outdoor events after 9:00 PM or before 8:00 AM.

SEC. 2.3~~43~~51 PROFESSIONAL SERVICES OR COUNSELING

A. Limited Use Standards.

1. **Home-Based Occupation/~~Business~~.** The use may also operate as a Home Based Business/~~Occupation~~, subject to the standards in Section 2.325. Home Based ~~Occupation~~/~~Business~~.
2. **Hours of Operation near Residential.** The use, when abutting a residential use or residential zoning district boundary, shall not receive clients, customers, or other visitors beyond the owner and employees between the hours of 10:00 PM and 8:00 AM.
3. **Scale of Use.** The floor area of the use shall not exceed 2,500 square feet.
4. **Occupancy in UN District.** The use shall not accommodate more than five clients and not more than two non-resident employees on the premises at any one time.

SEC. 2.3~~44~~52 RECREATION, INDOOR

~~A. **Limited Use Standards.** The use provides recreation opportunities indoors for the public (open to the community) or residents of a subdivision or development, which are not commercial in nature. The use shall not include commercial exercise clubs or amusement uses and includes only:~~

- ~~1. Community recreation centers;~~
- ~~2. Gymnasiums;~~
- ~~3. Indoor swimming pools; or~~
- ~~4. Tennis, racquetball, or handball courts.~~

A. Limited Use Standards.

4. **Hours of Operation near Residential.** The use, if within 200 feet of the property line of a residential use, a mixed-use development that includes residential use, or a residential zoning district boundary, measured as a radius from property lines of the limited use, shall not operate between the hours of 12:00 AM and 8:00 AM.
5. **Screening.** When the site is located adjacent to a residential use or zoning district boundary, visual screening shall be provided along all common side and rear property lines. The screening shall consist of a landscaping strip at least 4 feet in width that provides

a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.

6. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.3~~45~~⁵³ RECREATION, OUTDOOR

~~A. **Limited Use Standards.** The use shall not allow for developments commercial in nature, except for golf courses and fishing piers. The use includes public areas for active or passive recreational activities including, but not limited to:~~

- ~~1. Jogging, cycling, tot lots, playing fields, playgrounds, outdoor swimming pools and tennis courts;~~
- ~~2. Golf courses (regardless of ownership or membership);~~
- ~~3. Fishing piers;~~
- ~~4. Arboretums, wildlife sanctuaries and other natural areas that may be used for walking or hiking; or~~
- ~~5. Other passive recreation-oriented parks, including picnic areas, garden plots and beaches, and associated support activities such as bathhouses and cabanas.~~

A. **Limited Use Standards.**

1. **Use Limitations.** Outdoor shooting ranges for firearms shall not be permitted. Drive-in theaters, golf driving ranges, and go cart tracks shall not be permitted in the CB and UN districts.
2. **Hours of Operation near Residential Use.** The use, if within 200 feet of the property line of a residential use or a mixed-use development that includes residential, measured as a radius from property lines of the limited use, shall not operate between the hours of 10:00 PM and 6:00 AM.
3. **Noise Limitation.** All on-site activities and events shall comply with the City's noise regulations. Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines.

SEC. 2.3~~46~~⁵⁴ RECYCLING CENTER

A. Limited Use Standards.

1. **Use Limitation.** The use shall involve only sorting and temporary storage of the collected materials prior to transport off site and not any on-site processing.
2. **Limitation on Household Hazardous Waste Collection.** No household hazardous waste or materials shall be collected, handled, or stored at a collection center located in any district other than the LI and HI district. Except that such activity may occur as part of a temporary City-sponsored collection event after which all such collected materials shall be transported off site and not stored overnight at the use site.

3. **On-Site Management.** The use shall have an on-site manager on duty at all times the facility is open. Suitable security measures and signage shall be provided to prevent access by unauthorized persons when the facility is closed. Scavenging shall not be permitted at any time.
4. **No Outdoor Activity in Certain Districts.** In the R-O, R-1, R-2, UN, MF, and CB districts, or where the site is located adjacent to a residential use or residential zoning district boundary, all sorting, handling and storage activities associated with the use shall be conducted within a fully enclosed building. This restriction may be waived in districts other than those cited above where the site has frontage on and access to a street classified as an arterial or highway. Delivery of recyclables into collection bins or temporary storage containers is allowed in open areas.
5. **Hours of Operation.**
 - a. Near Residential: If the use is located within 200 feet of the property line of a residential use, a mixed-use development that includes residential use, or a residential zoning district boundary, measured as a radius from property lines of the limited use, the sorting, handling, loading, and transport aspects of the use shall not operate between the hours of 8:00 PM and 8:00 AM. Any equipment essential to the operation of the recycling center shall not be operated between the hours of 7:00 PM and 7:00 AM.
 - b. Abutting Residential: The use, when abutting a residential use, shall not be available for drop-off activity between the hours of 9:00 PM and 8:00 AM.
6. **Minimum Distance from Residential in R-1, R-2, and UN Districts.** The use shall be located at least 100 feet from any residential use, measured as a radius from property lines of the limited use.
7. **Minimum Setback.** In districts where the use abuts a residential use:
 - a. Drop-Off, Loading, and Service Areas: 25 feet from any residential property line.
 - b. Outdoor Storage: 25 feet from any residential property line.
8. **Vehicle Stacking.** If designed for drive-through, drop-off of recyclables, the site shall have sufficient off-street vehicle stacking areas to prevent queuing of patrons, employees, and service vehicles on an abutting public street.
9. **Screening.**
 - a. Residential: When the site is located adjacent to a residential use, in districts where this use is permitted, visual screening shall be provided along all common side and rear property lines. The screening shall consist of a solid landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
 - b. Outdoor Storage. Any outdoor storage areas visible from a public rights-of-way shall be enclosed by a solid masonry or concrete wall or a wood fence of sufficient height such that no stored materials are visible above the top of the screening wall or fence from a public right-of-way.

10. **Parking and Screening of Service Vehicles in R-O, R-1, R-2, and UN Districts.** Trucks or vehicles associated with the use shall not be parked on-site overnight unless in a location that screens them from view from a public right-of-way. No vehicle service or maintenance activities shall occur on the site.
11. **Fencing.** Chain link or barbed wire fence, if used on the site, shall not be not visible from any of the site's property lines.
12. **Materials Management.** Appropriate measures shall be taken to contain, cover, or otherwise secure materials that are likely to generate wind-blown dust or debris that may affect adjacent properties, including baling or palletizing of materials destined for recycling.
13. **Control of Insects and Vectors.** The use shall be operated and maintained to prevent and eliminate the attraction, harborage, or breeding of wildlife or insects, rodents, and other vectors.
14. **Sanitary Conditions.** Sanitary conditions shall be maintained through periodic wash-down of the drop-off areas and other facilities or other appropriate cleaning method to prevent odors, unsightliness, or other nuisance conditions from developing. All residuals shall be properly disposed of following cleaning operations.
15. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.3~~47~~55 RESIDENTIAL STABLE

A. Limited Use Standards.

1. **Compliance with Animal Regulations.** The use shall comply with other applicable provisions of the City Code of Ordinances, including Chapter 7. Animals and Fowl.
2. **Use Limitation.** The use shall be accessory to a residential development for the exclusive private use of residents of the development and their accompanied guests. The accessory activity shall be for the common use of residents as opposed to an equestrian subdivision design in which each lot has a private accessory stable.
 - a. **No Commercial Activity:** The accessory use shall not operate similar to a freestanding commercial stable and shall not involve the temporary hire of horses or provision of rental riding facilities for the public. Additionally, no on-site sale of horses to the public shall occur.
 - b. **No Events:** The accessory use shall not host or involve any equestrian sporting events or shows such as polo games, rodeos, or riding competitions.
3. **Hours of Operation.** The accessory use shall not allow any horse riding or training activity between the hours of 10:00 PM and 8:00 AM.
4. **Limited Access.** Principal road access and resident access to the accessory use shall be internal to the residential development site. Access to the accessory use from public roads external to the residential development shall be limited to service and emergency vehicles.

5. **Minimum Area.** The accessory use shall include at least 1 acre of open pasture per horse sheltered.
6. **Minimum Distance from Residential Use or District.** All aspects of the accessory use, including any associated parking or service areas, shall be located at least 200 feet from a common property line between the principal residential development and another residential use, a mixed-use development that includes residential use, or a residential zoning district boundary.
7. **Materials Management.** Appropriate measures shall be taken to contain, cover, or otherwise secure materials that are likely to generate wind-blown dust or debris that may affect adjacent properties.
8. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.3~~48~~⁵⁶ RESTAURANT WITH DRIVE-IN/THROUGH

- A. **Limited Use Standards.** To prevent vehicle and pedestrian conflicts with restaurants located on Broadway Boulevard or Seawall Boulevard restaurant uses with lot frontage and a drive-through service facility providing food service directly to occupants of a motor vehicle shall not have curb cuts and vehicle access on Seawall Boulevard or Broadway Boulevard. If a lot with frontage on Seawall Boulevard or Broadway Boulevard is limited to vehicle access from Seawall Boulevard or Broadway Boulevard, the site shall be limited to one access drive. Spacing of the access drive shall be placed in a location to limit vehicle conflicts with other off-site access drives.

SEC. 2.3~~49~~⁵⁷ RESTAURANT WITHOUT DRIVE-IN THROUGH

- A. **Limited Use Standards.**
 1. **Scale of Use.** The floor area of the use shall not exceed 2,500 square feet unless located within an existing traditional corner store structure, in which case the floor area of the use shall not exceed 5,500 square feet.
 2. **Hours of Operation near Residential.** The use, if within 200 feet of the property line of a residential use, a mixed-use development that includes residential use, or a residential zoning district boundary, measured as a radius from property lines of the limited use, shall not operate between the hours of 10:00 PM and 8:00 AM.
 3. **Minimum Distance from Single-Family Residential District.** The use shall be located at least 200 feet from an R-1 or R-2 district boundary, measured as a radius from property lines of the limited use, unless separated from the district by an arterial street.
 4. **Residential Character.** If operated within a pre-existing dwelling, the use shall maintain the residential character and appearance of the structure.
 5. **Residential Screening.** When the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common side and rear property lines. The screening shall consist of a solid landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.

6. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.3508 RETAIL - BIG BOX STORE

A. Limited Use Standards.

1. **Scale of Use.** The gross interior floor area of the use shall not exceed 250,000 square feet, and outside areas used for outdoor merchandise display or storage shall not exceed 30 percent of the gross interior floor area.
2. **Hours of Operation near Residential.** When abutting or within 200 feet of a residential use or zoning district boundary, measured as a radius from property lines of the limited use, the use shall not have any outdoor sales or loading or delivery activities between the hours of 10:00 PM and 7:00 AM.
3. **Truck Access.** The use shall be located such that associated truck traffic can access a collector or arterial roadway without traveling on a public rights-of-way adjacent to any residential property, school, public park, recreational area, or facility.
4. **Outdoor Surfaces.** All outdoor areas used for merchandise display and storage shall have an improved hard surface.
5. **Minimum Setback.**
 - a. Loading and Service Areas: 25 feet from any residential property line or zoning district boundary.
 - b. Outdoor Merchandise Display/Sales and Other Outdoor Storage: 25 feet from any residential property line or zoning district boundary.
6. **Location of Loading Bays.** Loading bays shall be located on the side or rear of the site, oriented away from abutting public street right-of-ways, unless a residential use abuts the site to the side or rear.
7. **Noise Limitation.** All outdoor activities shall comply with City noise regulations. Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines, and shall not be operated before 8:00 AM or after 9:00 PM except to provide emergency notifications.
8. **Residential Screening.** When the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common side and rear property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.
9. **Materials Management.** Appropriate measures shall be taken to contain, cover, or otherwise secure materials stored outdoors that are likely to generate wind-blown dust or debris that may affect adjacent properties.
10. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.35~~19~~ RV PARK (RECREATIONAL VEHICLES)

- A. **Limited Use Standards.** RV Park developments shall conform with the requirements of Division 6.700 as well as the limited standards prescribed herein.

1. **Minimum Setback.**

- a. Common Facilities: ~~1300~~ 300 feet from any residential property line or zoning district boundary for restroom/shower facilities and swimming pools or other active recreational facilities.
- b. Liquid Propane/Propane refueling station: ~~250~~ 300 feet from any property line.

2. **Noise Limitation.** All outdoor activities shall comply with the City's noise regulations. Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines, and shall not be operated after 9:00 PM except to provide emergency notifications.

3. **Residential Screening.** When the site is located adjacent to a residential use or residential zoning district boundary, visual screening shall be provided along all common side and rear property lines. The screening shall consist of a solid landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of five feet shall be installed immediately behind the landscaping strip.

4. **Rental Period.** An individual RV is limited to a rental period of sixty days per individual RV pad site.

5. **Minimum Site Area.** The use shall occur on a site of at least 5 acres. An area containing a minimum of 600 square feet with a minimum width of 20 feet facing a street shall be required for each travel trailer lot.

6. **Soil and Ground Cover.** Exposed ground surfaces in all parts of every park shall be paved, covered with solid material, or protected with a vegetative growth that is capable of preventing soil erosion and eliminating dust. The park owner shall be responsible for the maintenance of the ground cover or other vegetation when used.

7. **Screening.** All travel trailer parks shall be enclosed by a screening wall constructed as not to restrict visibility at park entrances and exits consisting of masonry, wood, or live foliage and shall not be less than 6 feet nor more than 8 feet in height and shall fully screen the park from adjacent streets or abutting lands. Live foliage shall not be restricted to a maximum height but must provide a fully opaque visual screen within one year of planting to the specified height and remain fully opaque on a year-round basis.

8. **Drainage.** All ground surfaces in the park shall be graded in such a manner as to provide drainage of all surface water in a safe, efficient way. Runoff shall not be permitted to drain on adjacent property and natural drainage characteristics must be retained. A drainage plan prepared by a registered professional engineer is required prior to the issuance of a building permit.

9. **Minimum Distance from Residential District.** ~~An~~ RV park improvements may not be developed within 300 feet of ~~on a lot or tract abutting a lot or~~ tract zoned R-0, R-1, or an UN zoning district. RV park operators shall prohibit the installation of temporary decks,

gazebos, shade structures, carports, patios, or other accessory structures. The Texas Campground development shall be exempt from the provision.

SEC. 2.3~~52~~60 SHORT TERM RENTAL RESIDENTIAL DWELLING

A. Limited Use Standards.

1. **Proof of Permitting.** A property owner shall register short-term rental as required by the short-term rental ordinance.
2. **Applicability.** The property owner shall pay Hotel Occupancy Tax as required by state law and municipal ordinance.
3. **Noise Limitation.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.
4. **Parking Area.** Parking is limited to one space per guest room; two on-street spaces may be counted towards the total required parking. ~~of which may be calculated as required parking in the street right-of-ways.~~
5. **Signage.** Signs prohibited.

~~SEC. 2.353 SINGLE FAMILY ATTACHED RESIDENTIAL DWELLING~~

~~A. **Limited Use Standards.** Do not apply to property located between 1624 and 1628 Sealy Ave.~~

- ~~1. **Townhome style dwelling.** The use shall be constructed on a site adjacent to a property with a pre-existing townhome style dwelling.~~

SEC. 2.3~~54~~61 SINGLE-FAMILY DETACHED RESIDENTIAL DWELLING

- A. **Limited Use Standards.** In the CB district, a new single-family detached dwelling shall be constructed only on a blockface where 50 percent or more of the land area constituting the blockface is already developed with single-family detached dwellings. Additionally, the lot proposed for development must be bounded on two sides, along the same blockface, with single-family detached dwellings that are pre-existing or to be built concurrently with the proposed new dwelling.

SEC. 2.3~~55~~62 SCHOOL, PRIVATE

A. Limited Use Standards.

1. **Scale of Use.** The use, if accessed by a collector, arterial, or highway shall not accommodate more than 100 students hours annually for outdoor events near residential use. The use, when abutting a residential use, shall not involve any outdoor events after 9:00 PM or before 8:00 AM.
2. **Minimum Distance of Outdoor Recreation from Residential Use and District.** A site designed to accommodate active outdoor recreation such as field games, court games, or swimming shall be located at least 100 feet from any common property line with an abutting residential use. This minimum distance shall increase to 200 feet where the facilities are to be lighted for use at any point after dusk.
3. **Minimum Site Area.** The use shall occur on a site of at least 1 acre.

4. **Noise Limitation.** All outdoor activities shall comply with the City's noise regulations. Additionally, any outdoor speakers shall be oriented toward the interior of the site and away from property lines and shall not be operated before 8:00 AM or after 9:00 PM except to provide emergency notifications.
5. **Screening.** When the site is located adjacent to a residential use or zoning district boundary, visual screening shall be provided along all common side and rear property lines. The screening shall consist of a landscaping strip at least four feet in width that provides a year-round visual barrier, and positioned directly adjacent to the adjoining property. A solid masonry or concrete wall or a wood fence having a minimum height of 5 feet shall be installed immediately behind the landscaping strip.

SEC. 2.3~~56~~63 SELF STORAGE

A. Limited Use Standards.

1. **Existing Structure.** The use shall be permitted only in existing structures (as of March 5, 2015) in the CB District.
2. **Mixed-Use Building for Street-Level Activity.** The use shall be permitted only in mixed-use buildings with one or more active uses on the ground floor. No self-storage units shall be located on the ground floor or first habitable floor.
3. **Outdoor Storage.** All self-storage units shall be fully enclosed, and the use shall not involve any outdoor storage.
4. **Minimum Distance from Same Use within CB District.** The use shall be located at least one-half mile from an existing location of the same use within the CB district, measured as a radius from property lines of the limited use.
5. **Internal Access.** Access to all self-storage units shall be made through the interior of the building rather than from direct outside entrances to each unit.
6. **On-Site Security.** The use shall provide on-site security during all hours of operation including screening all visitors to maintain controlled access to the self-storage units.
7. **Noise Limitation.** All outdoor activities shall comply with City noise regulations.
8. **Screening.** Any off-street areas provided for drop-off and loading activity shall be screened so as not to be visible from abutting public street right-of-ways.

SEC. 2.3~~57~~64 SUBSTANCE ABUSE FACILITY

A. **Specific Use Standards.** The following standards apply for a substance abuse facility. The Planning Commission and City Council may impose additional conditions to make the use compatible with adjacent development and to protect the health, safety, and general welfare of the community.

B. Limited Use Standards.

1. **Proof of Permitting.** The applicant shall provide proof of application for any licenses required by the State of Texas at the time of application for limited use approval and shall provide proof of issuance of any required licenses before commencing operations.
2. **Limit on Private Assemblies in UN District.** The use shall not host any private assemblies involving others in need of rehabilitation beyond the residents of the facility.

3. **Occupancy Limit in UN District.** The use shall not provide full-time overnight care for more than eight residents.
4. **Hours of Visitation.** Visits to residents of the facility by non-residents shall not occur between the hours of 10:00 PM and 8:00 AM.
5. **Minimum Distance from Same Use.** The use shall be located at least one-half mile from an existing location of the same use, measured as a radius from property lines of the limited use.
6. **Minimum Distance from Residential Uses in UN district.** The use shall be located at least 200 feet from a residential land use. In R-O, R-1, or R-2 districts, the use shall be 200 feet from a residential use, measured as a radius from property lines of the limited use, unless separated from the district by an arterial street.
7. **Minimum Distance from Certain Locations.** The use shall be located at least 200 feet from a school or public park, measured as a radius from property lines of the limited use.
8. **Corner Location in UN District.** The use shall be located on a corner lot.
9. **Internal Access.** Ingress to and egress from all assigned living areas for residents shall be made through the interior of the building rather than from direct outside entrances to each unit.
10. **Maintain Residential Character.** If operated within a pre-existing dwelling, the use shall maintain the residential character and appearance of the structure.
11. **Signage.** No signage is permitted.

SEC. 2.35865 TOWING SERVICE FACILITY (ORD. 17-013)(ORD. 17-022)

- A. **Specific Use Standards.** The following standards shall apply for a towing service facility. The Planning Commission and/or City Council may impose additional conditions in the grant of the Specific Use Permit. In determining whether any additional conditions are appropriate, the Planning Commission and/or City Council will consider whether the proposed use is consistent with surrounding development, will identify any deleterious effect which may be caused in the area by the granting of the SUP, and will impose any such conditions to address such deleterious effect so as to eliminate or minimize them, and may impose any such additional conditions necessary and appropriate to protect the health, safety, and general welfare of the community.
- B. **Limited Use Standards.**
 1. **Minimum Distance from Residential.** The use shall be located a minimum of 200 feet from any residential use or residential zoning district boundary, measured as a radius from the property lines of the limited use.
 2. **Access.** The use shall be located so associated towing service traffic can access a collector, arterial, or highway without traveling on a public right-of-way adjacent to any residential property, school, public park, or recreational area or facility.
 3. **Screening.** Any outdoor storage of vehicles visible from a public right-of-way shall be enclosed by a solid masonry or concrete wall or a wood fence of sufficient height such

that no stored vehicles are visible above the top of the screening wall or fence from a public right-of-way, however the screening wall or fence may not exceed eight (8) feet in height.

4. **Paving.** Any parking required by Article 8: Parking and Loading shall be paved. Parking areas in excess of the required parking shall be stabilized with crushed stone material.
5. **Dust Mitigation:** Appropriate dust suppression measures shall be taken, such as containment or covering, when the outdoor storage involves materials likely to generate wind-blown dust that may affect adjacent properties.
6. **No Nuisance Created.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

SEC. 2.3~~58~~66 VENDING KIOSK / ATM

A. Limited Use Standards.

1. **Minimum Setback.** Vending kiosks and ATMs shall be set back from property lines one foot for each one foot in height of the kiosk or ATM.
2. **Maximum Height.** Vending kiosks and ATMs shall not exceed 10 feet in height.
3. **Protection from Collision.** Vending kiosks and ATMs shall be elevated above parking lot surfaces and protected by a six-inch curb with a minimum radius around the base of the kiosk or ATM of five feet. Bollards shall not be used for collision protection unless they are integrated into a decorative metal fence that surrounds the structure except at points of access.
4. **Effect on Circulation.**
 - a. Walk-up format vending kiosks and ATMs shall be located to connect to any internal or external pedestrian circulation systems on or adjacent to the site, and shall not interfere with vehicular circulation.
 - b. Drive-through format vending kiosks and ATMs shall be located and designed to minimize interference with vehicular circulation in surrounding or adjacent parking areas and shall provide at least three vehicle stacking spaces including the position at the kiosk or ATM.
5. **Parking.** Parking spaces for walk-up format vending kiosks and ATMs shall be located within 30 feet of the base of the kiosk or ATM.

B. Limited Use Standards in the CB District. The vending kiosks or ATMs shall be:

1. A walk-up format that is integrated into a building façade;
2. Accessible from a public sidewalk;
3. Located in a building façade that faces a street with on-street parking; and
4. Situated so as not to encroach onto the public sidewalk and so use of the kiosk or ATM does not impede the flow of pedestrian traffic along the sidewalk.

SEC. 2.367 VETERINARIAN, SMALL ANIMAL

A. Limited Use Standards.

1. **Boarding of Animals.** No overnight boarding of animals shall be permitted with the exception of hospitalization.
2. **Hours of Operation near Residential.** When abutting a residential use or zoning district boundary, the use shall not operate between the hours of 7:00 PM and 7:00 AM.

SEC. 2.368 WIRELESS TELECOMMUNICATION FACILITY

A. Specific Use Standards. The following standards apply for a Wireless Telecommunication Facility (WTF). The Planning Commission and City Council may impose additional conditions to make the use compatible with adjacent development and to protect the health, safety, and general welfare of the community.

1. All proposed telecommunication facilities, equipment, and/or service devices not eligible for administrative approval in any residential and non-residential zoning districts, shall be required to obtain a Specific Use Permit from City Council. When considering such approval, City Council shall review the following:

- a. Compatibility of height with surrounding areas;
- b. The City of Galveston Comprehensive Plan;
- c. All applicable neighborhood plans (not equivalent to deed restrictions);
- d. Screening proposal;
- e. Setbacks;
- f. Signage;
- g. Overall design; and
- h. Distance from existing WCF.

2. All proposed WCF's in a Historic District, Landmark Designated Property and Historical Overlay Districts, shall be reviewed for compatibility and appropriateness by the Galveston Landmark Commission, in accordance with the Specific Use Permit process. Landmark Commission must review and approve the design and placement of the WCF, prior to the approval of a specific use permit request. Failure to obtain Landmark Commission approval for the design and placement of the WCF, shall nullify the specific use permit request.

B. Administrative Review. The Development Services Department shall administratively review applications for telecommunication facilities that are in accordance with standards 2 -10, below. The Development Services Director may refer all WTF's applications for administrative permits to the Planning Commission for review and recommendation to City Council.

1. Proposed WTF located within Heavy Industrial zoning district (HI) if the tower height does not exceed 120-feet or encroach into any restricted airspace or zones and is located no closer than 1,000-feet from any residential land use or residential zoning district.
2. Proposed WTF located atop the roof of any non-residential and non-historically significant building, within any zoning district, provided the WTF does not increase the overall height of the building or structure more than ten feet (10') and does not encroach into any restricted airspace or zones.
3. Proposed WTF located on the vertical exterior of any non-residential and/or non-historically significant building, within any zoning district, provided the antenna or antenna support structure or equipment is mounted flush with the exterior of the building

or projects no more than 24-inches from the surface of the building to which it is attached, and does not increase the height of the building to which it is attached by more than ten feet (10'), and that said projection is at least 15-feet above grade, is textured and colored so as to blend with the surrounding surface of the building.

6. Proposed WTF to be located on municipal or other public/state/institutionally owned structures, authorized by ordinance of the City Council or written lease of the property owner. Location, design, height and other restrictions applicable to a WTF on municipal or other public/state/institutionally owned structures are subject to approval by the City Council or respective authority.
7. Citizen band and amateur radio towers may be constructed in any zoning district provided they do not exceed 20-feet in height and comply with all City Codes and Ordinances, with the exception of properties within a designated Historic District or Galveston Landmark.
8. Emergency and/or Temporary WTF's shall be administratively approved, provided the time frame for use does not exceed 30-days. All other City permits are applicable, such as temporary License to Use the City Right-of-Way, loudspeaker permit, etc.
9. Stealth Technology – WTF's utilizing stealth design technology may be administratively approved for locations within Central Business (CB), Urban Neighborhood (UN), Commercial (C), Resort/Recreation (RES/REC), Light Industry (LI), and Heavy Industry (HI) zoning districts. All regulations under "General Requirements" of these standards are applicable.
10. Collocations and modifications to existing WTF's may be administratively approved, in accordance with the regulations within this section, that permit administrative approval. If not eligible for administrative approval, an amended Specific Use Permit shall be required.

C. **Commitment to Share.** Applications for new WTF's shall submit the following, regarding the applicant's agreement to accommodate additional antennas, whenever possible:

1. Evidence to the Development Services Department demonstrating that a genuine effort was made to solicit additional users for the proposed new tower. Evidence of this effort shall include, a minimum, copies of notices to all other providers of telecommunication service with the geographic area, advising of the intent to construct a new WTF, identifying the new location, inviting joint use and sharing of costs, and requesting a written response within fifteen (15) days of solicitation.
2. A signed agreement, agreeing to encourage and promote joint use, and committing that there will be no unreasonable act or omission that would have the effect of excluding, obstructing or delaying the joint use of any tower where fair and just market reasonable compensation is offered for such use.

D. **General Requirements.**

1. Antennas and support structures may be considered either principal or accessory uses.
2. Applications for WTFs shall include the following:
 - a. The linear distance between the proposed support structure and the nearest residential structure and/or residential zoning district boundary line.

- b. An inventory and map of the applicant's existing support structures, antennas or sites previously approved for such, either owned or leased, both within the City and within one mile of the City limits, including specific information about the location, height, design of each support structure, and coverage area. The separation distance between the proposed support structure or antenna and the existing support structures shall also be noted on supporting documents.
- 3. No new tower shall be permitted unless the applicant demonstrates that no existing tower or alternate independent support structure can accommodate the applicant's proposed antenna. Evidence submitted must consist of the following:
 - a. No existing alternate independent support structures are located within the geographic area are required to meet the applicant's engineering requirements. Existing alternate independent support structures are not of sufficient height to meet applicant's engineering requirements. All technical information, such as structural analyses of the other towers, shall be submitted in a report by a licensed, professional engineer.
 - b. Alternate independent support structures do not have sufficient structural strength to support applicant's proposed antenna and related equipment, and cannot be reinforced, in accordance with the engineering requirements. All technical information, such as structural analyses of the other towers, shall be submitted in a report by a licensed, professional engineer.
 - c. The applicant's proposed antenna would cause electromagnetic interference with the antenna on the existing towers or structures, or the antenna on the existing towers or structures would cause interference with the applicant's proposed antenna.
 - d. The fees or costs required to share an existing tower or structure or to adapt an existing tower or structure for sharing are unreasonable. Costs below new tower development are presumed reasonable.
 - e. Property owners or owners of existing towers or structures are unwilling to accommodate the applicant's needs after a period of 30-days.
 - f. The applicant demonstrates that there are other limiting factors that render existing alternate independent support structures unsuitable.
 - g. The applicant shall provide necessary information for each WTF investigated, for staff verification. Information shall include the contact name, address, and telephone number, including the specific reason collocation could not be achieved.
 - h. Certification by a structural or civil engineer registered by the State of Texas that the proposed installation complies with the requirements of the City of Galveston Building Code.
 - i. Certification shall be submitted stating that all antennas and antenna support structures shall comply with the height and illumination restrictions established by the FAA (Federal Aviation Administration) or other applicable federal or state agencies.

E. Design Standards - Setbacks from Residentially Zoned Properties.

- 1. The distance between the base of a single monopole tower, lattice tower, a guyed monopole tower, or any other tower structure, and all platted residential lots, residential land use, or residential zoning districts, shall not be less than:

- a. One and one-half (1 ½) times the height of the tower structure, if the height of that tower structure is over 85-feet, but not over 199-feet;
- b. Two (2) times the height of the tower structure, if the height of that tower structure exceeds 200-feet.

F. Tower Security Fence – Non-Residential Areas/Use/Zoning District.

1. The base of a tower must be completely enclosed by a minimum eight feet (8') solid fence, wall, or barrier, which limits climbing access to such tower and any supporting systems, lines, wires, buildings or other structures.
2. Gates and doors allowing direct access to the tower and enclosed by a fence, wall, or barrier, as required by this section, shall be equipped with a self-locking or self-latching mechanism capable of keeping such doors or gates securely closed and locked at all times.
3. The requirements of this section do not apply to:
 - a. Any tower located on a building that is not designed or built primarily to support the tower, provided that the general public has no physical access to the tower; or
 - b. Existing tower sites having security fences at least six feet (6') in height.

G. Screening Fence – Residential Areas/Use/Zoning District.

1. The base of a tower, including all mechanical equipment and accessory structures, shall be screened from view of residential lots by an eight foot (8') solid fence, wall, or barrier. Exemptions from compliance with this section are provided in subsection (c) below.
2. The screening fence may contain gates or doors allowing access to the tower and accessory structures for maintenance purposes; such gates or doors shall be equipped with a self-locking or self-latching mechanism capable of keeping such doors or gates securely closed and locked at all times.
3. The requirements of this section do not apply to:
 - a. Any tower located on a building that is not designed or built primarily to support the tower, provided that the general public has no physical access to the tower, and the ancillary equipment, including but not limited to the equipment enclosure, is not visible from an abutting property line or right-of-way.

H. Landscaping. The following requirements shall govern the landscaping surrounding towers:

1. A tower site shall comply with Article 9 of these Land Development Regulations and/or any other landscaping requirements, regarding landscaping for parking and servicing areas visible from a right-of-way. Additional trees, shrubs and other vegetation, which shield the area from public view, may be required to be planted and maintained at the site.
2. All landscaping shall be maintained in a healthy, growing conditions at all times and in compliance with all applicable ordinances and regulations.

I. Parking. No more than two (2) off-street parking spaces may be designated per WTF. All spaces shall be paved, striped and landscaped, per Articles 8 and 9 of these Land Development Regulations, respectively.

J. Signage. No commercial message shall be placed on any WCF.

K. Lighting. Except those required by the FAA for safety purposes, lights should be prohibited, to decrease the negative impact that may be realized by adjacent properties. This shall not apply to those lights necessary to illuminate during periodic required maintenance.

SEC. 2.36~~0~~⁹ WHOLESALE

A. Limited Use Standards.

- a. **Existing Structure.** The use shall be permitted only in structures built prior to October 30, 2014.
- b. **Minimum Distance from Residential.** The use shall be located at least 200 feet from any residential use or residential zoning district boundary, measured as a radius from property lines of the limited use.
- c. **Outdoor Storage.** The use shall not involve any outdoor storage.
- d. **Truck Access.** The use shall be located such that associated truck traffic can access a collector or arterial roadway without traveling on a public rights-of-way adjacent to any school, public park, recreational area, or facility.
- e. **Minimum Setback of Loading and Service Areas.** 25 feet from any residential property line or residential zoning district boundary.
- f. **Noise Limitation.** All on-site activities shall comply with the City's noise regulations.
- g. **Screening.** Any off-street loading and service areas shall be screened so as not to be visible from abutting public street right-of-ways.
- h. **Noise Limitation.** The use shall not create or cause any perceptible noise, odor, smoke, electrical interference, or vibrations that constitute a public or private nuisance to neighboring properties.

Division 2.400 Supplemental Standards for Various Uses

SEC. 2.401 ACCESSORY BUILDINGS AND STRUCTURES

- A. **Generally.** The standards of this Section shall apply to accessory buildings and structures that are not specifically addressed elsewhere in this Article (e.g., accessory dwelling unit).
- B. **Timing of Construction.** No accessory building or structure shall be constructed unless the principal building has already been constructed or is under construction simultaneously with the accessory building. The City Manager may waive this requirement by securing assurance the primary structure will be completed within six months from the date the waiver is granted.
- C. **Location.** Accessory buildings shall be located on the same lot or parcel as the principal building or use to which they relate.
- D. **Encroachment into Easements.** Accessory structures shall not be located within access or utility easements unless the easement expressly allows the encroachment. A copy of the easement shall be provided to the City Manager prior to the issuance of permits or clearances for such accessory structures.
- E. **Attached Accessory Buildings.** The following standards shall apply to attached accessory buildings:
 - 1. Accessory buildings that are structurally attached to a principal building shall conform to all standards that apply to the principal building.
 - 2. Covered but otherwise unenclosed walkways shall not be considered attachments for the purposes of this subsection; however, overhangs from covered walkways shall not encroach into setbacks more than is allowed for principal buildings.
- F. **Residential Occupancy.** Residential occupancy shall not be permitted in accessory buildings that are not constructed and approved for residential use.

SEC. 2.402 OUTDOOR SWIMMING POOLS AND SPAS

- A. **Generally.** Outdoor swimming pools and spas are allowed as an accessory structure according to the standards of this Section and pursuant to other applicable provisions in the City Code of Ordinances and state law.
- B. **Timing and Location of Construction.** The following standards shall apply to the timing and location of swimming pool and spa construction:
 - 1. No swimming pool or spa shall be constructed unless:
 - a. The principal building has already been constructed or is under construction simultaneously; or
 - b. The swimming pool or spa is or will be controlled by a property owners' association, and the development phasing plan allows its construction before construction on the lots to which the swimming pool or spa relates.
 - 2. In general, a swimming pool or spa shall be constructed on the same lot as the principal building to which it is accessory. A swimming pool or spa that is intended to serve the

occupants of all lots in a subdivision shall be constructed on a tract that is owned and maintained by a property owner's association.

- C. **Setback.** No encroachment of easements. Any structure taller than 30 inches, including mechanical equipment, must meet setbacks. (Ord. 15-032)
- D. **Pool Yard Enclosures.** Pool yards shall be enclosed as required by the City Code of Ordinances or Section 757.001, *et seq.*, Texas Health and Safety Code.

SEC. 2.403 RETAINING WALLS

- A. **Applicability.** The provisions of this Section shall apply to all retaining walls as defined in Article 14, Definitions. All properties or developments existing on the effective date of the ordinance through which these provisions were adopted (March 26, 2009) shall comply with the provisions of this Section if:

- 1. The structure on the property is increased in square footage greater than:
 - a. 25 percent of the total floor area;
 - b. 1,000 square feet;
- 2. There is a change of ownership of the property; or
- 3. The value of all construction done on the property since the effective date (March 26, 2009) totals at least 35 percent of the tax roll value of the property on the effective date.

- ~~B. **Screening from Right-of-ways or Residential Properties.** All retaining walls shall be screened from public right-of-ways or adjacent residential properties. Retaining wall screening shall consist of:~~

- ~~1. **Landscape Strip:** A landscape strip, minimum 2 feet wide.~~
- ~~2. **Shrubs:** The landscape strip shall contain shrubs 36 inches tall or the height of the wall, whichever is less. The shrubs shall be spaced at 36 inches on center and be located on private property at the base of the wall.~~

- B. For the purposes of this section a "Retaining Wall" means a wall or terraced combination of walls constructed for the purpose of raising the grade of a site, or portion of a site, greater than 32 inches from the adjacent lower grade. Retaining walls may provide a foundation wall for a structure, or may be open above regardless if it serves as a retaining wall or not.

- C. **Screening from Right-of-ways or Residential Properties.** All non-decorative retaining walls shall be screened from public right-of-ways ~~or adjacent residential properties~~. Retaining wall screening shall consist of:

- 3. Landscape Strip: A landscape strip, minimum 2 feet wide.
- 4. Shrubs: The landscape strip shall contain shrubs with a maximum height of ~~36-24~~ inches tall ~~or the height of the wall, whichever is less~~. The shrubs shall be spaced at 36 inches on center and be located on private property at the base of the wall.

- C. **Materials.** Retaining walls adjacent to or visible from a public rights-of-way and adjacent to neighboring properties shall be composed of brick, stone, traditional brick, split face decorative block, textured or patterned concrete. The decorative side of the masonry retaining wall shall face out from the property. Any other finish materials shall require a

detailed description, [drawings](#), justification, and the approval of the [Planning Development Services](#) Director.

~~—faced with one of the following earth-tone materials:~~

- ~~1. Brick;~~
- ~~2. Decorative block;~~
- ~~3. Timber;~~
- ~~4. Stone; or~~
- ~~5. Stucco.~~

D. [Retaining walls must:](#)

- [1. Be located on private property;](#)
- [2. Have a detailed site plan showing setbacks;](#)
- [3. Have an approved drainage and grading plan; and,](#)
- [4. Obtain a separate fill permit prior to the approval of a retaining wall permit.](#)

E. **Maximum Height.** [Retaining walls shall not exceed a maximum height of four \(4\) feet. Any increase to the maximum allowable height must be reviewed and approved by the Development Services Director. For the purposes of determining maximum allowable height, the City measures the “exposed retaining wall height”, which is the vertical distance measured from the finish grade \(i.e., lower soil grade\) to the finish grade at the top of the wall.](#)

Division 2.500 Supplemental Residential Standards

SEC. 2.501 FENCES AND WALLS

- A. **Applicability.** The provisions of this Section shall apply in all residential zoning districts unless indicated otherwise elsewhere in these regulations.
- B. **Height.** No fence or freestanding wall shall exceed the following heights:
1. 8 feet for any residential use, including multifamily uses, unless otherwise stated in the additional items in this subsection, below;
 2. 4 feet for any solid fence or wall within a front yard of any residential use or 5 feet if the fence or wall is at least 60 percent transparent;
 3. 4 feet for any solid fence or wall within a front yard of any single-family attached dwelling or multifamily use or 6 feet if the fence or wall is at least 60 percent transparent; or
 4. 12 feet for any tennis court fence.

Division 2.600 Supplemental Nonresidential and Mixed Use Standards

SEC. 2.601 FENCES AND WALLS

- A. **Applicability.** The provisions of this Section shall apply in all nonresidential and mixed-use zoning districts unless indicated otherwise elsewhere in these regulations, such as when a

fence or wall required for screening purposes must be taller than the maximum height allowed by this Section.

- B. **Height.** No fence or freestanding wall shall exceed the following heights:
1. 8 feet for any nonresidential use or mixed-use development; or
 2. 12 feet for any tennis court fence.
- C. **Materials.** Fences and walls shall be constructed of durable, high-quality materials used for commercial application including: weather-resistant wood species, wood treated with preservatives approved by the U.S. Environmental Protection Agency, painted wood, composite materials, ornamental wrought iron, powder-coated aluminum, brick ore, and stone.
1. **Prohibited Materials.** When a fence or wall is visible from a public street, the following materials shall not be used:
 - a. Scrap lumber, plywood, sheet metal, corrugated metal, plastic, or fiberglass sheets;
 - b. Barbed or razor wire, except as provided in subsection 2.600.C.2., or welded wire or chicken wire; and
 - c. Glass, spikes, nails, or other sharp point or instrument on the top or sides of fences.
 2. **Safety and Security Considerations.** Barbed or razor wire may be placed on top of fences enclosing public utility buildings, protective care facilities, correctional facilities, industrial properties, [agricultural uses](#), and in other situations as required by federal or state law;
~~or wherever the City Manager finds that such measures:~~
 - ~~a. Are necessary to address a demonstrated security interest; and~~
 - ~~b. Comparable security cannot be provided using vegetation (e.g., hedges or shrubs with thorns).~~

SEC. 2.602 PERMANENT COMMERCIAL USES

- A. **Permanent Structure.** Except as provided elsewhere in these regulations, every nonresidential use within the City shall be operated out of a stationary building and constructed on an anchored foundation, as approved by the Building Official.
- B. **Restroom Facilities.** Every business within the City shall provide restroom facilities on-site within the permanent structure. The restroom facilities shall be available for use by the employees of the particular business. The restroom facilities shall comply with all applicable state, county and city building and health code provisions for the size and type of business to be operated at the site including accessibility of the restroom facilities for disabled persons.

C. Outdoor Sales.

1. The outdoor sales operation must be entirely a component of the primary business, in which all function and sales outdoors, is owned and operated by the owner of the primary business.
2. The owner of the permanent business shall not lease out space to a separate business for the purpose of outdoor sales activity.
3. All outdoor sales activities must comply with the setback requirements, parking requirements and other standards contained herein.
4. Outdoor sales shall only be permitted within an area not greater than 25 percent of the

- gross floor area of the ground floor of the building.
5. Outdoor sales shall be located on a “hard and durable” surface.
 6. The outdoor sales operation shall terminate by 11:00 p.m.
 7. No outdoor sales shall be allowed in areas set aside for , required, or designated for driving isles, driveways, maneuvering areas, emergency access ways, required off-street parking, or unloading and loading.

ARTICLE 3. DISTRICT YARD, LOT, AND SETBACK STANDARDS

Division 3.100 Purpose and Applicability

SEC. 3.101 GENERALLY

This Article establishes general and specific standards for the scale and intensity of development and redevelopment that is allowed within the zoning districts established by these regulations.

SEC. 3.102 APPLICABILITY

No building, structure, or part thereof shall be erected, altered, or converted for any use permitted in the district in which it is located unless it is in conformity with all the standards of this Article. However, potential exceptions may arise through provisions elsewhere in these regulations or the City Code of Ordinances including:

- A. Standards that apply to particular uses as specified in Article 2, Uses and Supplemental Standards;
- B. Standards adopted for a particular neighborhood area through the application of the Neighborhood Conservation District (NCD) overlay district provisions in Article 10, Overlay District Standards;
- C. Provisions for management of legal nonconforming uses and structures in Article 11, Nonconformities; and
- D. Special exceptions to the yard requirements of this Article, which the Zoning Board of Adjustment is authorized to grant under certain circumstances.

Division 3.200 Standards for All Buildings Sites and Lots

SEC. 3.201 CREATION OF BUILDING SITE

No permit shall be issued for the construction of a building or buildings on any tract of land until a building site or lot has been created in one of the following ways:

- A. **Plat Approval and Recordation.** The use shall be part of a plat of record approved by the Planning Commission and filed in the plat records of Galveston County, Texas.
- B. **Site Plan Approval.** The use shall be all or part of a Specific Use Permit or Planned Unit Development site plan approved by the Planning Commission. The use shall be all or part of a site plan approved by the Development Services Department.
 - 1. The site plan shall provide all utility and drainage easements, alleys, streets, and other public improvements necessary to meet the normal requirements for platting including the designation of building areas and dedication of required easements, alleys, and streets.
 - 2. All such required dedications shall be comprehensively completed and any necessary public improvements provided.
- C. **Separate Ownership Prior to These Regulations or Annexation.** The use facing a dedicated street and separately owned prior to the effective date of these regulations, March 4, 2015 or prior to annexation to the City, shall retain separate ownership.

- D. **Combination of Platted Lots.** The use consists of a combination of platted lots created by the adjustment of side lot lines only whereby no increase occurs in the number of originally platted lots within a block nor is there any reduction of platted lots below a minimum lot area or minimum lot dimension required by these regulations. Refacing corner lots shall be permitted provided the change causes no additional cost to the City for rendering of utility services.

SEC. 3.202 MULTIPLE PRINCIPAL BUILDINGS ON A BUILDING SITE OR LOT

Two or more principal buildings or structures may be placed on a single building site or lot subject to the requirements of this Section.

- A. **Site Plan Approval.** The Development Services Department shall approve a site plan for the placement of two or more principal buildings or structures on a single building site or lot to ensure compliance with the Subdivision Regulations [and Article 3, Addendums](#). No plat recording shall be required unless a division of ownership occurs commensurate with development.
- B. **Covenant in Lieu of Site Plan Approval.** Two principal structures, other than a mobile home or homes, may be placed on a single building site or lot without Planning Commission approval of a site plan provided that:
1. No other principal structure is placed or erected on the same site or lot to where there are more than two principal structures on the site or lot; and
 2. The covenant is executed and recorded.
- C. **Covenant Required in Certain Situations.** Where two or more principal structures on a single use have either more than one street frontage or a combination of street and alley frontage, the City and the property owner of record shall enter into and record a covenant stipulating that a division of property by fee simple may not occur without compliance with all state laws and City ordinances.
- D. **Minimum Separation.** Where two or more principal structures are placed or erected on a single use, the minimum distance between any two buildings shall be determined by applying the side and rear yard requirements of these regulations, as would apply if each building were placed on a separate site or lot.

Division 3.300 Lot and Yard Standards

SEC. 3.301 MINIMUM LOT AREA

Lot area is the square footage contained within the lot lines bounding the lot that shall not include any portions of streets or alleys. Minimum lot area requirements are provided later in this Division for each type of residential dwelling unit by zoning district. General exceptions include:

- A. **Lot Area Reduction.** The minimum lot area may be reduced to 2,500 square feet for any lot that:
1. Abuts a public street in the 1F-3, 1F-4, or GR zoning districts that were in effect prior to the effective date of these regulations; and
 2. Is a part of any recorded subdivision prior to January 1, 1971.

SEC. 3.302 MINIMUM LOT DIMENSIONS

Lot width is measured at the front building line. The front building line is parallel or approximately parallel to the front lot line and marks the minimum horizontal distance from the front lot line that a building may be erected. Lot depth is measured as the mean horizontal distance between the front and rear lot lines. Minimum lot width and depth requirements are provided later in this Division for each type of residential dwelling unit by zoning district. General exceptions include:

- A. **Undersized Lots of Record.** A lot having less width or depth than required by this Article and which was an official lot of record prior to the effective date of these regulations may be used for one single-family detached dwelling provided that neither the lot width nor depth is reduced below the minimum standards set forth in this Article.

SEC. 3.303 FRONT YARD STANDARDS

The front yard is an open, unoccupied space on a lot between the front lot line and the front building face and extending between the side lot lines. Minimum front yard requirements are provided by zoning district. This requirement establishes the minimum horizontal distance of the building face from the front lot line. A covered porch, covered terrace, or an accessory building attached to and situated partially or entirely in front of the principal building shall be situated at or behind the building face and shall not occupy area that is required for a front yard. General exceptions to the minimum front yard requirement include:

- A. **Building Line Previously Established.** Where a building line was previously established by a plat or ordinance, and such line requires a greater or lesser front yard setback than is prescribed by these regulations for the district in which the building line is located, the required front yard shall comply with the building line established by previous ordinances or plats.
- B. **Permitted Projections into Required Front Yard.**
 - 1. Eaves and roof extensions: up to 4 feet;
 - 2. Maximum exposure of subsurface structures above surface: up to 40 inches above the average grade of the street curb and parallel to the front lot line or up to 44 inches above the average grade of the front lot line where the abutting street has no curb; and
 - 3. Where no front yard is required: all stairs, eaves, roofs, and similar building extensions shall be located behind the front street rights-of-way line or the front lot line.
- C. **Exemption for Stairways and Porches in Certain Situations.** In zoning districts that have minimum front yard requirements, stairways and porches associated with a residential use may project into the required front yard but may not encroach beyond any lot lines if:
 - 1. The building was constructed prior to the adoption of the Flood Insurance Rate Maps (FIRMs) for floodplain regulations (December 31, 1974);
 - 2. The building is being elevated to meet current City floodplain standards with an additional allowance of three feet in elevation; and
 - 3. The porch and stairway projection into the required front yard is limited to the minimum area required to meet elevation standards.
- D. **Flagpoles.** Flagpoles may be located within the minimum required front yard.
- E. **Proximity to Body of Water.** Lots that exceed the zoning district's minimum lot area requirements and if the lot abuts a navigable body of water, accessory structures may be placed in the front yard if a similar development pattern exist on the same block.

SEC. 3.304 STANDARDS FOR SINGLE-FAMILY ATTACHED DWELLINGS

- A. **Live-Work Units.** In the districts where they are permitted, live-work units shall meet the lot, and yard standards set out in the respective districts.
- B. **Special Yard Regulations.**
1. No required side yard subject to maximum length of series of attached dwellings: A single-family attached dwelling separated from another such dwelling by a fire or party wall is not required to provide a side yard, noting that no series of attached single-family dwellings shall exceed 300 feet in length.
 2. Required side yard at end of series of attached dwellings: A minimum required side yard of five feet shall be provided at the ends of a series of single-family attached dwellings. This will also provide a minimum of 10 feet of separation between the ends of adjacent single-family attached dwellings enabling access for fire and emergency vehicles.
 3. No rear yard required in certain situations: No rear yard shall be required where the rear wall of a dwelling is attached to another dwelling provided that at least one side of all such single-family attached dwellings is exposed to a public street or City approved place or court. Additionally, where interior courts are used for access to light and air, such courts shall provide the minimum required open space.

SEC. 3.305 STANDARDS FOR ACCESSORY BUILDINGS

- A. **Minimum Setback.** Accessory structures must meet the following setbacks:
1. 3 feet from the side property lines [or in accordance with Article 3 Addendums, whichever is more permissive](#);
 2. 3 feet from the rear property line or 0 feet to an alley or right-of-way; and
 3. 6 feet from ~~the main~~ [any habitable](#) structure.

RESTRICTED SINGLE-FAMILY RESIDENTIAL (R-0)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water.
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches), window sills, belt courses, and other architectural features.
4. Sign, fence, and wall regulations apply.
5. Boat slips, boat docks, shade covers, or decking constructed over water, do not require a setback provided the improvement built over water is part of the platted lot.
6. ~~Accessory buildings are permitted in the rear yard. A 3 foot rear yard and side yard setbacks are required, unless abutting alley or street then no required rear yard setback.~~ Accessory Structures shall be limited to the provisions in Sec. 3.305.
7. Only one principal structure and one ADU permitted, except as provided in Sec. 3.202.
8. ~~Building Zoning~~ setbacks may ~~conflict~~ be inconsistent with ~~Fire Building~~ Code. Refer to ~~Fire Code~~ Building Division to determine final building and fire code setbacks.



Minimum Lot Standards

Area:	5,000 square feet
Width:	50 feet
Depth:	100 feet

Setbacks

Front:	20 feet
Side:	3 5 feet
Rear:	10 feet

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking

One space per dwelling unit

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

SINGLE-FAMILY RESIDENTIAL (R-1)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water.
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches), window sills, belt courses, and other architectural features.
4. Sign, fence, and wall regulations apply.
5. Boat slips, boat docks, shade covers, or decking constructed over water do not require a setback provided the improvement built over water is part of the platted lot.
6. ~~Accessory buildings are permitted in the rear yard. A 3 foot rear yard and side yard setback is required unless abutting alley or street then no required rear yard setback.~~ Accessory Structures shall be limited to the provisions in Sec. 3.305.
7. Only one principal structure and one ADU permitted, except as provided in Sec. 3.202.
8. Unlimited height from the east property line of Stewart Beach and eastward
9. ~~Building Zoning~~ setbacks may ~~conflict~~ be inconsistent with ~~Fire Building~~ Code. Refer to ~~Fire Code~~ Building Division to determine final building and fire code setbacks.
10. Properties located west of 25th St, east of 61st Street, South of Broadway Boulevard, north of Seawall Boulevard and properties located South of Galveston Bay, north of Stewart Road, east of 105th Street and west of the Scholes Airport - zero front, side and rear bldg. setback; minimum lot area shall be 2,500 sq. ft. No lot width or depth requirements. Note #3, above, is not applicable to properties described herein.
(Ord. 15-029) (Ord. 16-030)



Minimum Lot Standards*

Area:	5,000 square feet
Width:	50 feet
Depth:	100 feet

Setbacks*

Front:	20 feet
Side:	3 5 feet
Rear:	10 feet

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking

Single-family:	One space per dwelling unit
<u>Non-Residential:</u>	<u>Minimum 1 per 300 square feet of floor area</u>

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

**See note #9 for properties located west of 25th Street, east of 61st Street, South of Broadway Blvd. and north of Seawall Blvd. and properties located South of Galveston Bay, north of Stewart Road, east of 105th Street and west of the Scholes Airport*

~~DUPLEX TO EIGHT-PLEX (R-2)~~ TOWNHOUSE (R-2)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No ~~side-or~~ rear yard required when principle structures are adjacent to a canal or body of water.
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches), windowsills, belt courses, and other architectural features.
4. No ~~side-or~~ rear yard required when principle structures are adjacent to an alley or right-of-way.
5. Average Front Yard Setback: Where 30 percent of buildings on one side of a street, on a single block, and are built with 10 feet or less front yard setback, the average setback of the structures shall be the required setback.
6. Each unit shall have a minimum of 1,600 sq. ft. of lot area.
7. ~~Accessory buildings are permitted in the rear yard. A 3-foot rear yard setback is required unless abutting alley or street then no required rear yard setback. 60 percent of required rear yard setback area can be occupied by accessory building. Accessory structures shall be limited to the provisions in Sec. 3.305.~~
8. ~~Building~~ Zoning setbacks may ~~conflict~~ be inconsistent with ~~Fire~~ Building Code. Refer to ~~Fire Code~~ Building Division to determine final building and fire code setbacks.



Minimum Lot Standards

Area: ~~4,000-1600~~ square feet
Width: ~~40~~ 20 feet
Depth: ~~100-80~~ feet

Setbacks

Front: ~~20~~ 5 feet
Side: ~~3-5~~ 0 feet
Rear: 10 feet

*Corner units shall have a 5-foot exterior side setback

Building Height

Maximum: 50 feet, measured from base flood elevation

Parking

Single Family: Minimum 1 per unit
Multi-Family: Minimum 1.5 per unit
Lodging: Minimum ~~and maximum~~ ~~.75~~ 1 per unit
Non-Residential: One per 300 square feet of ~~gross~~ floor area

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

MULTI-FAMILY RESIDENTIAL (MF)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water.
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches), window sills, belt courses, and other architectural features.
4. 40 percent of required landscape for multi-family projects shall be placed in front yard setback.
5. Average Front Yard Setback: Where 30 percent of buildings are on one side of a street, on a single block, are built with a 10 feet or less front yard setback, the average setback of the structures shall be the required setback.
6. ~~Accessory buildings are permitted in the rear yard. A 3 foot rear yard setback is required unless abutting alley or street then no required rear yard setback.~~ Accessory structures shall be limited to the provisions in Sec. 3.305.
7. A 5 foot masonry wall shall be constructed between a multi-family project and an R-1 zone or single-family use.
8. Approved fence materials include: wood, concrete, or wrought iron.
9. Individual side yard increased to 10 feet if abutting an R-1 zone or single-family use.
10. Building Zoning setbacks may ~~conflict~~ be inconsistent with ~~Fire Building~~ Code. Refer to ~~Fire Code~~ Building Division to determine final building and fire code setbacks.



Minimum Lot Standards

Area:	4,000 square feet
Width:	40 feet
Depth:	100 feet

Setbacks

Front:	20 feet
Side:	3 5 feet
Rear:	10 feet

Building Height

Maximum:	100 feet, measured from base flood elevation
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Parking

Single Family:	Minimum one per unit
Multi-Family:	Minimum 1.5 per unit
odging:	Minimum and maximum .75 <u>1</u> per unit
Non-Residential:	One per 300 square feet of gross floor area

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

URBAN NEIGHBORHOOD (UN)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water, [or to an alley or rights-of-way](#).
3. New buildings shall utilize building elements and details to achieve a pedestrian-oriented public realm.
4. Compatibility is not meant to be achieved through uniformity, but through the use of variations in building elements to achieve individual building identity.
5. Building facades shall include appropriate architectural details and ornament to create variety and interest.
6. All primary entrances shall be oriented to the public sidewalk for ease of pedestrian access. Secondary and service entrances may be located from internal parking areas or alleys.
7. Encroachments: Canopies, signs, awnings, balconies and similar overhangs may encroach over any required setback, build-to-line or the sidewalk as long as the vertical clearance is a minimum of 8 feet. In no case shall an encroachment be located over any side or rear property line.
8. Average Front Yard Setback: Where 30 percent of buildings on one side of a street, on a single block, are built with 10 feet or less front yard setback, the average setback of the structures shall be the required setback.
9. [Building Zoning](#) setbacks may ~~conflict~~ be inconsistent with ~~Fire Building~~ Code. Refer to ~~Fire-Code~~ [Building Division](#) to determine final building and fire code setbacks.
10. [Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence, and shall not be less than 6 feet nor more than 8 feet in height.](#)



Minimum Lot Standards

Area:	2,500 square feet
Width:	0 feet
Depth:	0 feet

Setbacks

Front Build-to-Line :	0 5 feet
Side:	0 5 feet
Rear:	0 5 feet

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking:

Residential:	Minimum 0 per unit; Maximum 1.5 per unit
Non-Residential:	Minimum 1 per 1,500 square feet gross floor area
Lodging:	Minimum 75 1 per unit
Parking Location:	On/Off site

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

14th Street Corridor

The table on Page 3-11 will govern land uses within the Parking Structure/Lot Incidental to Main Use = Permitted Use

Home Based Occupation/Business = Permitted Use

CONTINUE TO NEXT PAGE.

URBAN NEIGHBORHOOD (UN)

Notes (cont):

10. Design Standards Applicable to Commercial Structures and Uses.

- a. Limited Use Standards apply where applicable.
- b. Commercial uses and structures limited to numbered streets in the UN district.
- c. Commercial and Mixed Use building facades shall be designed with a distinct base, middle, and top and shall maintain the alignment of horizontal elements along the block.
- d. Doors or windows forming regular patterns of openings, some accentuated by balconies.
- e. Primary entrance doors for all buildings shall be facing street facing façades.
- f. If driveway and/or off-street service loading and unloading access are provided, cross access easements shall be required when adjoining properties are undeveloped.
- g. There shall be no blank walls greater than 25 feet in width.
- h. Bed and Breakfast: Maximum number of guest rooms is nine. Maximum length of stay is 28 days. Must be owner or manager occupied.
- i. Auto Repair and Auto Sales are permitted use on property legally described "ABST 628 Page 122 Lots 8 thru 9 & E 6.33-ft of Lot 10 (2010-1) SW Block 90 Galveston Outlots."

11. Base Flood Elevation.

- a. Dry Flood Proofing. Dry Flood Proofing may be used to protect the space inside the building below the Base Flood Elevation if the ground floor entrance is not above the base flood elevation. Stairs and ramps may be incorporated inside the building envelop to transition to a higher level. In the case that dry flood proofing is not feasible, exterior stairs and ramps or other impact approaches shall only be permitted. Exterior ramps and stairs when used shall be positioned to minimize the accessibility of the commercial storefront.
- b. Exterior Ramps and Stairs. If an exterior ramp is required in order to accommodate access to a raised Base Flood Elevation, the ramp shall be oriented perpendicular to the primary facade in order to minimize the visual impact and pedestrian accessibility of the primary facade. If an exterior stair is required to accommodate access to a raised Base Floor Elevation, the steps shall be located towards the primary entrance along the primary facade.

12. Design Standards for Commercial Structures.

- a. 1st Floor Height: 15 feet floor to ceiling
- b. 2nd Floor and Up: 10 feet floor to ceiling
- c. Build Material: Stone, brick, stucco, shiplap, fibrous cement board imitating wood shiplap
- d. Door Locations: Primary entrance doors for all buildings shall be facing street.
- e. Balconies: Required at 2nd and 3rd floor
- f. On-site parking: Rear of building, enclosed if on front and access is available
- g. Fencing: Chain-link prohibited (cyclone)
- h. Windows: Upper floors shall be a minimum of 20 percent of each upper floor facade measured between 3 feet and 9 feet above each finished floor
- i. Window Type: Vertical orientation

URBAN NEIGHBORHOOD (UN)

P = permitted use ; L = limited use ; S = specific use review

SAN JACINTO NEIGHBORHOOD

East side of 23rd Street –West side of 6th Street; and,
North side of Seawall Boulevard - South side of Broadway

Corner Stores – Permitted Structures:

1128, 1425, 1516 – AVENUE K
1027, 1301, 1404, 1509, 1528 – AVENUE L
1201, 1327 – AVENUE M
1701 – AVENUE M ½
1728, 1902 – AVENUE N
1502, 1702, 1828, 1902 – AVENUE O
2001 – AVENUE O ½
1212, 1502 – 13th STREET
1104, 1213 – 14th STREET
1104 – 15th STREET
1513, 1515 – 19th STREET
1302, 1502, 1506, 1624, 1801 – 21st STREET

Permitted Commercial Land Use:

Located on 8th, 10th, 14th, and 23rd Street

Corner Store/Commercial Structure Standards:

Gross Floor Area Limited to 2,500 sq. ft.

Additional Standards:

Surface parking lots permitted on 10th Street

WILLIAMS-BORDEN NEIGHBORHOOD ASSOCIATION

West side of 35th Street – East side of 39th Street; and,
South side of Avenue O – North side of Avenue S

Corner Stores – Permitted Structures:

3827 – AVENUE O
3627, 3702 – AVENUE R
3828 – AVENUE S
2005, 2427 – 35th STREET
1702, 1712, 1713 (3702 Ave O ½) – 37th STREET
1710, 2414 – 39th STREET

KEMPNER PARK NEIGHBORHOOD

West side of 25th Street – East side of 39th Street; and,
South side of Avenue O – South side of Avenue S

Corner Stores – Permitted Structures:

2528, 2602, 2628, 2728, 2892, 2927, 3028, 3228 – AVENUE Q
3227, 3228, 3307 – AVENUE R
3201-5 – AVENUE R ½
3128, 3402, 3428, 3501 – AVENUE S
2102 – 26th STREET
2223, 3230 – 33rd STREET
2005, 2201, 2427, ~~2500-2550~~ – 35th STREET

Agricultural Land Use	
Agriculture/Urban Farming	P
Residential Land Uses	
Accessory Dwelling Unit	L
Bed and Breakfast	L
Cottage Food	P
Child Care Facility, Residential (Day Care)	L
Community Garden	L
Duplex	P
Home Based Occupation	P
Hospital House Establishment	L
Live-Work Unit	L
Personal Care Homes (DADS)	P
Short Term Rental Residential Dwelling	P
Single-Family Attached	L
Townhouse	P
Commercial Land Uses	
Adult Day Care	L
Alcoholic Beverage Sales, Liquor Store or Package	S
Child Care Facility, Day Care (Commercial)	L
Cleaning / laundry pick-up station	L
College / University / Vo-Tech	P
Commercial Amusement/Recreation Indoor	L
Commercial Lodging (Hotel)	S
Library	P
Music Instruction Fine Arts Instruction	P
Medical Office / Clinic / Lab	L
Nursery or Greenhouse, Retail	L
Nursing / Convalescent Home	L
Office	L
Personal Fitness or Music Instruction	L
Pet Grooming Services	L
Place of Public/Private Assembly	L
Private Club	S
Professional Services, Instruction or Counseling	L
Public Safety Facility	P
Recreation Indoor	L
Recreation Outdoor	L
Restaurant, No Drive-In / Through	L
Retail - Commercial	P
School: Private	L

NEIGHBORHOOD SERVICES (NS)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. [New structures shall meet the minimum front yard requirement of the most restrictive zoning district abutting the sides of the property being developed.](#)
3. No side or rear yard required when adjacent to a canal or body of water.
4. [The gross floor area of the structures located on the premises shall not exceed 2,000 square feet on the first floor, and shall not exceed a cumulative square footage of 4,000 square feet per building.](#)
5. All primary entrances shall be oriented to the public sidewalk for ease of pedestrian access. Secondary and service entrances may be located from internal parking areas or alleys.
6. [All signage within the Neighborhood Services District shall conform to Article 5 of these regulations and all other applicable City codes.](#)
7. Encroachments: Canopies, signs, awnings, balconies and similar overhangs may encroach over any required setback, build-to-line or the sidewalk as long as the vertical clearance is a minimum of 8 feet. In no case shall an encroachment be located over any side or rear property line.
8. ~~Building~~ [Zoning](#) setbacks may ~~conflict~~ be inconsistent with ~~Fire~~ [Building](#) Code. Refer to ~~Fire Code~~ [Building Division](#) to determine final building and fire code setbacks.
9. [Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence, and shall not be less than 6 feet nor more than 8 feet in height.](#)



Minimum Lot Standards

Area:	5,000 square feet
Width:	0 feet
Depth:	0 feet

Setbacks

Front:	See note #2
Side:	0 feet; 5 feet if abutting residential zone
Rear:	0 feet

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking

Residential:	None required; Maximum 1.5 spaces per unit
Non-Residential:	Minimum 1 space per 1,000 square feet of floor area

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations

~~HISTORIC ZONING DISTRICT (HZD)~~

SINGLE-FAMILY RESIDENTIAL (R-3)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. The following historical districts (as identified in the historical overlay maps) are subject to the provisions set forth in the zoning designation ~~HZD~~ R-3:
 - a. East End Historical District (EEHD)
 - b. Silk Stocking Historical District (SSHD)
 - c. Lost Bayou Historical District (LBHD)
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches), window sills, and other architectural features.
4. No side or rear yard required when adjacent to a canal or body of water, or to an alley or rights-of-way.
5. Sign, fence, and wall regulations apply.
6. ~~Accessory buildings are permitted in the rear yard. A 1 foot rear yard and side yard setbacks are required unless abutting alley or street then no required rear yard setback.~~ Accessory structures shall be limited to the provisions in Sec. 3.305.
7. Only one principal structure and one ADU permitted, except as provided in Sec. 3.202.
8. Article 2, Section 2.311, Child Facility Residential, shall be permitted only in the Lost Bayou Historical District.
9. Building Zoning setbacks may ~~conflict~~ be inconsistent with ~~Fire Building~~ Code. Refer to ~~Fire Code~~ Building Division to determine final building and fire code setbacks.



Minimum Lot Standards

Area:	2,500 square feet
Width:	0 feet
Depth:	0 feet

Setbacks

Front- Build-to-Line :	15 0 feet
Side:	± 0 foot
Rear:	± 0 foot

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking

Residential:	Minimum one per unit
Bed and Breakfast:	One per guest room, two of which may be placed in the street along the front yard
Commercial:	One per 1,500 square feet of gross floor area

Landscaping

Refer to Article 9, Landscaping of the City's Land Development Regulations.

HISTORIC ZONING DISTRICT (HZD)

Notes (cont):

8. Commercial land uses in corner stores.
 - a. Commercial activity as permitted for HZDs in corner stores shall be limited to the ground floor.
 - b. Signage for corner stores shall be limited to 20 square feet maximum sign face and 15 foot max height.
 - c. Gross floor area limited to 2,500 square feet
 - d. Commercial land uses in corner stores shall be permitted only at the following addresses:
 - i. 1801, 1806, 1827, 1828 – Avenue L
 - ii. 1203, 1327— Ball / Avenue H
 - iii. 902, 1004, 1501, 1801, 1804 — Broadway / Avenue J
 - iv. 1202, 1301, 1427, 1527, 1602 — Church / Avenue F
 - v. 1327, 1728, 1801, 1802 — Market / Avenue D
 - vi. 902, 927, 1028, 1127, 1201, 1202, 1208 — Postoffice / Avenue E
 - vii. 902, 1728 — Sealy / Avenue I
 - viii. 1602 — Winnie / Avenue G
 - ix. 924 — 10th Street
 - x. 303, 305 — 16th Street
 - xi. 302 — 17th Street
 - xii. 1127 — 18th Street
 - xiii. 710, 1206 — 19th Street
 - xiv. 1302 — 21st Street / Moody
 - xv. 1124 — 25th Street / Rosenberg

COMMERCIAL (C)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a body of water or right-of-way.
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches) window sills, belt courses, and other architectural features.
4. Sign, fence, and wall regulations apply.
5. Boat slips, boat docks, shade covers, or decking constructed over water do not require a setback provided the improvement built over water is part of the platted lot.
6. One-family attached dwelling units require a 0-foot rear yard setback when abutting another one-family attached dwelling.
7. ~~Accessory buildings are permitted in the rear yard. A 3-foot rear yard setback required, unless abutting alley or street then no required rear yard setback.~~ Accessory structures shall be limited to the provisions in Sec. 3.305.
8. Unlimited height from the east property line of Stewart Beach and eastward.
9. Building Zoning setbacks may ~~conflict~~ be inconsistent with ~~Fire~~ Building Code. Refer to ~~Fire-Code~~ Building Division to determine final building and fire code setbacks.
10. Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence, and shall not be less than 6 feet nor more than 8 feet in height.



Minimum Lot Standards

Area:	0 square feet
Width:	40 feet
Depth:	100 feet

Setbacks

Front:	0 10 feet; On Broadway (between eastside of 23 rd St. and west side of 19 th St. and the 2300 to 2600 blocks) a 25 foot to 45 foot build-to-line is required
Side:	5 feet
Rear:	0 feet; 10 feet if development abuts a residential zone

Building Height

Maximum:	50 feet, measured from base flood elevation
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Parking*

Residential:	Minimum 1.5 per unit
<u>Multi-Family:</u>	<u>Minimum 1.5 per unit</u>
Non-Residential:	Minimum 1 per 300 square feet of gross floor area
Lodging:	Minimum 75 1 per unit
Parking Location:	Rear of building. <u>The Director may approve alternate design when parking in the rear not feasible.</u>

* See note #~~13~~14 for properties located 2600-2700 Block of Market/Avenue D and 2600 block of Mechanic/Ave C

Landscaping

Refer to Article 9, Landscaping of the City's Land Development Regulations.

COMMERCIAL (C)

Notes (continued):

~~10.~~ 11. Commercial District Fence Regulations. Maximum height of a fence is 8 feet. Fence must be constructed in a workmanship manner. Horizontal and vertical support posts are inside of the fence area or otherwise hidden from both the neighbor's and public's view. Fences with a shadow-box design shall be considered to hide support posts. No more than two different types of fencing material are permitted. Property owners shall be responsible for the maintenance of the fencing on their property and for removal of any fence if it becomes unsightly or a menace to public safety, health, or welfare. Fences shall be maintained in an upright condition. It shall be the responsibility of the property owner to insure that a fence does not block or obstruct the flow of storm water. Corrosive resistant material required.

~~11.~~ 12. **Broadway Boulevard Design Standards** — 6th Street to 61st Street (Ord. 15-082)

- a. Cross access easement required. If access provided from Broadway Boulevard, maximum of two curb cuts, maximum curb cut width is 25 feet.
- b. Vending machines and vending kiosks visible from Broadway Boulevard right-of-way are prohibited.
- c. Building Materials: exterior new or renovated shall use stucco, brick, either painted or textured wood, concrete, tile, glass block, or cast iron.
- d. Roof Materials: Spanish roof tiles, standing seam metal, or composition shingle (applies if visible from right-of-way). Repair and maintenance work exempt.
- e. Vehicle Access: Where alternative access available, access prohibited from Broadway.
- f. Fencing Prohibited: Fronting on Broadway Boulevard.
- g. Residential Fencing Maximum Height: 42 inches solid fence; 80 inches open fence design. Barbed wire and chain link prohibited.
- h. Exceptions to fence regulations: A protective barrier of 30 inches height and located behind a solid landscaped screen. Fences existing on the date this ordinance passed. Parking lots associated with hotel/motel resort developments. Barbed wire and cyclone fences installed prior to the adoption of this ordinance.
- i. Building Massing and Scale
 1. Integrate new developments with the relevant character, massing, scale and form of buildings on Broadway Boulevard. Building Facades shall be designed with a distinct base, middle, and top. The maximum building height shall not to exceed three stories or 45 feet, whichever is more restrictive.
 2. Corner buildings may exceed the maximum building height by 25% for 20% of the building's frontage along each corresponding street facade.
 3. Featured corner or vista terminating tower elements, tower time clocks and varied height parapet walls at the building facade are permitted and shall be exempt from the height limit so long as they are no taller than 25% of the height of the building.
- j. Building Orientation
 1. Buildings shall be oriented towards Broadway Boulevard. Primary entrances to buildings shall be located on Broadway Boulevard.

2. Build-to-line – seventy percent (70%) of commercial buildings shall be located at Broadway Boulevard property line.
 3. Build-to-zone – Single Family Residential Structures shall be located within the Build-to-Zone, the build-to-zone shall be the area between the property line abutting the Broadway Ave. rights-of-way and a parallel line fifteen feet into the lot from the property line abutting the Broadway Ave. right-of-way.
 4. Side yard setback(s) shall be zero (0) with fire rated walls.
- k. Encroachment(s)
1. Canopies, signs, awnings, balconies and similar overhangs may encroach over any required setbacks or the sidewalk as long as the vertical clearance is a minimum of 8 feet. In no case shall an encroachment be located over an on-street parking or travel lane.
- l. Exterior Ramps and Stairs
1. When required, ramps shall be oriented perpendicular to the primary facade in order to minimize the visual impact and pedestrian accessibility of the primary facade.
 2. Exterior stairs steps shall be located towards the primary entrance along the primary facade and connect with the public sidewalk for ease of pedestrian access.
- m. Grade Changes (*Ord. 17-014*)
1. Maximum grade changes from Broadway to 30-foot setback from property line shall not exceed 30 inches based upon a 6 inch plus 1 in 20 slope up to a maximum rise of 24 feet (see diagram A).
 2. Maximum grade change from side street (north-south streets) to 10-foot setback from property lines shall not exceed 18 inches based upon a 6 inch curb height plus 1 in 20 slope up to a maximum rise of 12 inches (see diagram B).
 3. Additional elevation height changes to comply with minimum flood elevation shall occur with an accessible ramp, stairs or Texas Accessibility Standards (TAS) code approved methods. Refer to façade design guideline section of Broadway Design Guidelines for further requirements for exterior stairs and ramps.
 4. Additional/steeper grade height changes may occur within the property lines outside the stipulated setback areas. Grade changes must comply with TAS.
- n. FEMA Flood Elevation (*Dry-Flood Proofing*)
1. DRY FLOODPROOF – In accordance with 44CFR 60.3 Floodplain Management Criteria for flood prone areas. § (C)(3)(4) non-residential structures will have the lowest floor below the Base Flood Elevation (BFE) dry floodproofed and certified by a registered professional engineer the structure is watertight below the base flood elevation.
 2. ELEVATED – Stairs or ramps (internal or external) may be used to mitigate higher differentials between grade level and the active first floor of an elevated structure. To prevent structures from eliminating the connection to a sidewalk, fenestrations and/or entrances shall be brought down to the pedestrian level. Use of human scaled architectural elements including landscaped berms, stoops, porches, and articulated facades can be incorporated into the structure's design to preserve Broadway's familiar streetscape.
- l. Parking
1. Parking on Broadway Blvd shall not exceed 1 space per 150 sq. ft. of **gross** floor area.
- o. Pedestrian Zone

1. Along all street frontages, sidewalks shall be installed. Broadway – six foot landscape strip/street furniture zone at back of curb with an eight foot wide sidewalk; or a twelve foot sidewalk at back of curb.
 2. Along all street frontages – an eight foot wide sidewalk shall be installed at back of curb.
 3. Seventy percent (70 %) of the building frontage on shall provide a shaded structure.
- p. Service Elements
1. Service elements such as trash dumpsters, utility meters, backflow preventers, electrical, plumbing, mechanical, and communications equipment shall be located away from a street front. All service elements shall be situated and screened from view to the street and adjacent properties.
- q. Windows and Spacing
1. At the first story, facades along a frontage line shall have frequent windows glazed with clear glass no less than seventy percent (70%) of the corresponding street level facade. Window openings above the base facade segment must be at least 20% of each corresponding street frontage facade.
 2. There shall be no blank walls greater than 10 feet in width along any street frontage facade.
 3. Subdivide large areas of glazing with 8 inch wide walls or frames to complement and express the architecture of the building.
 4. Mirror, tinted, and reflective windows are prohibited.
- r. Auto-Related Businesses (*Between 19th Street and 65th Street*)
1. All auto-oriented businesses, including low speed vehicles, (golf carts, recreational vehicles) shall operate (including display) within an enclosed structure.
12. [13.](#) Seawall Boulevard Design Standards (South Jetty east to Condo Road; Condo Road west to 39th Street; 39th Street west to 61st Street; 61st Street west to Cove View Boulevard).
- a. Fencing: Prohibited within area between the north rights-of-way line of Seawall Boulevard and south façade of building.
 - b. Residential Fencing Maximum Height: 42 inches solid fence; 60 inches open fence design.
 - c. Vending Machines: attached to permanent structure, meet setbacks, proper ventilation (i.e. phones, ice machines, water, soft drinks, etc.)
 - d. Buffering/Screening between commercial/lodging uses and residential zones and uses: A 4 foot wide landscaped strip and a 5 foot solid all or fence along all common property lines including rear property
 - e. [A maximum driveway width of 30-feet is permitted for all commercial properties. A minimum of 30-feet must be maintained between each drive of the same use and/or property.](#)
13. [14.](#) No Parking Requirement for properties located on the 2700 block of Market (Avenue D), lots north on Market (Avenue D) between 27th Street and 26th Street and lots on the 2600 block of Mechanic (Avenue C). (Ord. 16-037)

CENTRAL BUSINESS DISTRICT (CBD)

Notes:

1. A site plan is required prior to the issuance of a building permit.

2. **Base Flood Elevation.**

Dry floodproofing may be used to protect the space inside the building below the Minimum Floor Elevation if the ground floor entrance is not above the base flood elevation. Stairs and ramps may be incorporated inside the building envelope to transition to a higher level. In the case that dry floodproofing is not feasible, only exterior stairs and ramps or other approaches shall be permitted. Exterior ramps and stairs when used shall be positioned to minimize the impact and accessibility of the commercial storefront.

3. **Fence Screening.**

When a commercial use abuts a residential zone or use, 5-foot, solid concrete or wood material wall shall be installed along common property lines to screen the commercial use from the residential use or zone.

4. **Alcohol Sales Regulations.**

Within the CB, a special character area shall be established between 21st and 23rd street, approximately 160 feet north and south of the centerline of Postoffice Street. Bars and nightclubs are prohibited land uses. Alcohol sales incidental to operation of a restaurant are permitted.

5. **Building Zoning** setbacks may **conflict** be inconsistent with **Fire Building** Code. Refer to **Fire-Code Building Division** to determine final building and fire code setbacks.
6. Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence, and shall not be less than 6 feet nor more than 8 feet in height.



Minimum Lot Standards

Area:	3,000 square feet
Width:	0 feet
Depth:	0 feet

Setbacks

Front:	0 feet
Side:	0 feet
Rear:	0 feet

Building Height

Maximum: None

Parking

Not required

Landscaping

Refer to Article 9, Landscaping of the City's Land Development Regulations.

RESORT-RECREATION (RES/REC)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard adjacent to a canal or body of water.
3. Side yard may be reduced to 3 feet with appropriate fire rated wall.
4. If property fronts Seawall Boulevard, 0—10 feet, build-to-line, flag shaped lots exempt from this provision
5. Unlimited height from the east property line of Stewart Beach and eastward.
6. Lots on Southside of Seawall Boulevard, 0 foot setback on Gulf of Mexico side of lot.
7. The following properties are exempt from the building height regulations:
 - a. ABST 628 M Menard SUR PT of Lots 2,13 &14 (8-0) Block 125 & PT of Lots 7 & 8, Block 126 & ADJ ABND Alley & Streets
 - b. ABST 628 M Menard SUR PT of Lots 2 thru 4 & 8 Thru 13 (8-1) Block 125 & Adj ABND Alley and Streets
 - c. ABST 628 M Menard SUR PT of Lots 6,7, & Part of Lots 4, 5, & 8 Thru 11 (6-) Block 125 & ADJ ABND Alley & Streets
8. **Building Zoning** setbacks may **conflict** be inconsistent with **Fire Building** Code. Refer to **Fire Code Building Division** to determine final building and fire code setbacks.
9. Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence, and shall not be less than 6 feet nor more than 8 feet in height.



Minimum Lot Standards

Area:	4,000 square feet
Width:	40 feet
Depth:	50 feet

Setbacks

Front:	0 10 feet
Side:	5 feet
Rear:	10 feet

Building Height

Maximum:	120 feet, measured from base flood elevation
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Parking

Residential:	Minimum one per unit
Non-Residential:	One per 300 square feet of gross floor area
Lodging:	Minimum and maximum .75 <u>1</u> per unit

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

LIGHT INDUSTRIAL (LI)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water.
3. Bulk fuel or oil storage shall be located 300 feet from any residential land use or commercial district.
4. [Building Zoning](#) setbacks may ~~conflict~~ be inconsistent with ~~Fire~~ [Building Code](#). Refer to ~~Fire—Code~~ [Building Division](#) to determine final building and fire code setbacks.
5. [Any outdoor storage areas accessory to the main use that is visible from an arterial roadway shall be enclosed by a solid masonry or concrete wall, wood fence, or chain link fencing with slats that achieve a minimum screening of 95 percent opacity. No fence shall be less than 6 feet nor more than 8 feet in height.](#)



Minimum Lot Standards

<i>Area:</i>	0 square feet
<i>Width:</i>	0 feet
<i>Depth:</i>	0 feet

Setbacks

<i>Front:</i>	0 feet
<i>Side:</i>	0 feet
<i>Rear:</i>	0 feet

Building Height

Maximum: None

Parking

One space per every four employees

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations.

HEAVY INDUSTRIAL (HI)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water.
3. Bulk fuel or oil storage shall be located 300-feet from the property line or zoning district boundary of any residential land use or commercial district.
4. Building Zoning setbacks may ~~conflict~~ be inconsistent with ~~Fire~~ Building Code. Refer to ~~Fire—Code~~ Building Division to determine final building and fire code setbacks.
5. Any outdoor storage areas accessory to the main use that is visible from an arterial roadway shall be enclosed by a solid masonry or concrete wall, wood fence, or chain link fencing with slats that achieve a minimum screening of 95 percent opacity. No fence shall be less than 6 feet nor more than 8 feet in height.



Minimum Lot Standards

Area:	0 square feet
Width:	0 feet
Depth:	0 feet

Setbacks

Front:	0 feet
Side:	0 feet
Rear:	0 feet

Building Height

Maximum: None

Parking

One space per every four employees

Landscaping

Refer to Article 9, Landscaping of the City's Land Development Regulations.

ARTICLE 4. PLANNED UNIT DEVELOPMENT (PUD) OVERLAY ZONING DISTRICTS

Division 4.100 PLANNED UNIT DEVELOPMENTS

The Planned Unit Development (PUD) Overlay District is a special overlay zone that allows flexibility in development standards that are approved for specific uses on a specific site. Any deviations for the standards established in these regulations must be incorporated into a PUD plan and an ordinance amending the zoning. The PUD plan shall be reviewed by the Planning Commission and approved by the City Council.

SEC. 4.101 PLANNED UNIT DEVELOPMENTS

This Section establishes procedures and requirements of a PUD District. PUDs may be established in any location [having a minimum land area of 10,000 square feet](#), and may include more than one base zoning district.

SEC. 4.102 GENERAL PROVISIONS

- A. **Compatibility with Base Zoning District.** A PUD is designed to be used in conjunction with a designated base zoning district. Use standards and requirements of the specified base district shall apply unless specifically superseded by the standards and requirements of the PUD Development Plan.
- B. **Compliance with Applicable City Codes.** The granting of a PUD zoning district shall not relieve the developer from complying with all other applicable sections of this Code and other Codes and Ordinances of the City unless such relief is specified in the approved PUD plan and PUD ordinance.
- C. **Plan Required.** An application for the establishment of a PUD zoning district shall be accompanied by a PUD plan that meets the requirements of this Section. The PUD plan shall become a part of the PUD ordinance if approved by the City Council.
- D. **Development Plan**
 - 1. Development requirements for the PUD ordinance shall be set forth in the PUD Plan and the PUD ordinance and shall include:
 - a. The purpose and intent of the PUD;
 - b. PUD land uses;
 - c. Density;
 - d. Building height;
 - e. Building setbacks;
 - f. Limits of construction;
 - g. Building elevations;
 - h. Vehicular parking;

- i. Pedestrian access;
 - j. Streets and circulation;
 - k. Screening and landscaping;
 - l. Environmental protection;
 - m. Signage;
 - n. Lighting;
 - o. Phasing or scheduling; and
 - p. Any other requirements of these regulations or as the City Council may deem appropriate.
2. The application shall specify the extent to which deviation from otherwise applicable Code requirements is justified by unique characteristics of the site or other exceptional circumstances.
3. The following information shall be shown on the PUD Plan in a legible schematic form with a reduced, reproducible print of the approved drawing suitable for duplication as an exhibit to the PUD ordinance:
- a. Proposed land uses including uses to be prohibited per base district;
 - b. Existing natural features such as drainage ways, one-hundred year floodplain (if applicable), and existing topography at two-foot contour intervals;
 - c. Location of proposed buildings, building envelopes or building setbacks;
 - d. A tabulation of proposed dwelling unit density in residential areas;
 - e. A tabulation of proposed floor area ratios and maximum heights of proposed buildings;
 - f. Proposed circulation systems, including preliminary street cross-sections;
 - g. Proposed public parks, greenbelts, and other open space;
 - h. Proposed public facilities, i.e. school sites, fire station, etc.;
 - i. Location and type of proposed landscaping including existing landscaping;
 - j. Public Access;
 - k. Proposed easements;
 - l. Proposed trail networks;
 - m. Identification of environmentally sensitive areas; and
 - n. Transit network and/or stops.
4. Revisions to the adopted PUD Plan shall require an amendment to the PUD ordinance.
- a. Minor amendment to PUD plan: Minor additions and modifications to the approved PUD plans, meeting the criteria below, may be approved by the Development Services Department:

- i. Minor additions to structures, with a floor area no larger than 10 percent of the existing floor area of the main floor, not to exceed 5,000 square feet, and provided that overall density of the project does not increase.
 - ii. Minor new accessory structures if the location does not interfere with existing site layout (e.g., circulation, parking, loading, storm water management facilities, open space, landscaping, or buffering).
 - iii. Minor additions to parking lots comprising no more than 10 percent of the original number of parking spaces required, not to exceed 25 spaces.
 - iv. Clearing or grading that does not exceed 5,000 square feet in area or 10 percent of the site.
 - v. The development plan is a subdivision concept plan. Approval of a development plan shall also constitute approval of a concept plan for subdivision purposes.
- b. All other changes shall require approval in the same process first used for adoption. All changes of use from those approved in the original PUD plan shall require City Council approval.

SEC. 4.103 PUD INFRASTRUCTURE STANDARDS

- A. **Streets and Sidewalks.** Streets within a PUD may be public or private. Private driveways may provide internal circulation. Private driveways shall meet the 2009 Fire Code standards. The Planning Commission may require dedication and construction of private streets through a PUD.
- B. **Utilities.** Water and sanitary sewer systems within a PUD may be publicly or privately owned. For privately owned systems, maintenance and operation is the responsibility of the PUD homeowners' association.
- C. **Easements.** Publicly owned or maintained utilities shall be placed in public streets or easements are a minimum of 16 feet in width unless a narrower width is approved by the utility.
- D. **PUD Garbage Collection.** The city manager shall have the right to refuse service because of the impossibility or impracticability for any premise within the city. If the city manager refuses service, the customer shall be exempt from the garbage and trash fee established by section 15-21 of the City Code.
- E. **PUD Common Area and Facilities.** Provisions shall be made for a property owners' association that is designated as the representative of the owners of property in a residential subdivision. The owners' association shall have the direct responsibility to provide for the maintenance and operation of the subdivision. The applicant shall submit the dedicatory instrument(s) covering the establishment, maintenance, and operation of a residential subdivision. The dedicatory instrument(s) shall establish a plan for the use and permanent maintenance of the common areas/facilities and demonstrate that the property owners' association is self-perpetuating and adequately funded by regular assessment and/or special assessment to accomplish its purposes. The dedicatory instrument(s) shall include provisions that provide the city with permission for access at any time without liability when on official business and further, to permit the city to remove obstructions if necessary for emergency vehicle access and assess the cost of removal to the owner of the obstruction. The dedicatory instrument(s)

must be approved by the city attorney as to legal form prior to any plat recordation and shall be recorded at the same time as the plat.

SEC 4.104 PUD COMPLIANCE AND ENFORCEMENT

- A. It shall be unlawful for any person to begin, continue, or complete any development on any land within the territorial jurisdiction of the City to which the provisions of this Article applies, except in accordance with and upon compliance with the provisions of this Article.
- B. The City shall not issue a Building Permit or Certificate of Occupancy required by these regulations for any land located within the corporate limits to which this Article applies until and unless there is compliance with this Article.
- C. The City may refuse to authorize or make utility connections on the grounds set forth in Tex. Loc. Gov't. Code § 212.012, as amended.
- D. No improvements shall be initiated until the approval of the City has been given. Disapproval of a final plat by the City shall be deemed a refusal by the City to accept offered dedications shown thereon. Approval of a final plat shall not be deemed an acceptance of the proposed dedications and shall not impose any duty upon the City concerning the maintenance or improvement of any such dedicated parts until written acceptance of the improvements has been given and the proposed dedications or improvements have actually been appropriated by entry, use, or improvements.

ARTICLE 5. SIGNS (ORD. 16-070)

DIVISION 5.100 PURPOSE AND APPLICABILITY

SEC. 5.101 TITLE

This Article is cited as the Sign Regulations.

SEC. 5.102 PURPOSE

- A. This Article regulates the construction, erection, or establishment of signs in order to:
 - 1. Allow signs that provide speech and opinions, information, and direction;
 - 2. Accommodate the needs of business and industry;
 - 3. Complement the character of the zoning districts' land uses;
 - 4. Preserve the character of residential neighborhoods;
 - 5. Preserve order and cleanliness;
 - 6. Reduce the traffic hazard caused by distractions to motorists and impairment of sight lines;
 - 7. Limit administrative burdens;
 - 8. Protect the health, safety, welfare, morals, convenience and comfort of the public; and
 - 9. Implement the *City of Galveston 2011 Comprehensive Plan* and any adopted neighborhood or special area plans.
- B. This Section regulates only the sign structure or copy design, not the sign's content. The city finds that the type, size, dimensions, setbacks, and physical design of signs permitted by this Article protect the city's interests in traffic safety, community character, and aesthetics, while allowing adequate visibility, conspicuity, legibility, readability, and pedestrian or motorist reaction time for signs.

SEC. 5.103 APPLICABILITY

- A. **Limited Use Standards.** This Article applies to any sign, as defined in Division 5.200 of this Article.
- B. **Geographic Area.** This Article applies within the municipal boundaries of the City. This Article also applies to off-premise signs within the City's ETJ as provided in Chapter 216 of the Texas Local Government Code.
- C. **Prohibitions.**
 - 1. It is unlawful for any person to erect, operate, or otherwise use any sign at a time, place, or manner that is prohibited by this Article.
 - 2. It is unlawful for any person to erect, operate, or otherwise use any sign without first obtaining an approved sign permit.
- D. **Compliance with State or Federal Law.** In the event of a conflict between this Article and state or federal law, the state or federal law prevails.

SEC. 5.104 MESSAGE NEUTRALITY

Notwithstanding any other provision of this Article, no sign is subject to any limitation based on the content of the message contained on the sign. Any sign authorized in these regulations may contain any non-commercial copy in lieu of any other copy.

SEC. 5.105 EXCEPTIONS

- A. **Limited Use Standards.** Owners of signs, which do not strictly comply with the terms of this chapter, may seek an approval as a variance from the Zoning Board of Adjustment. In certain instances, applicants may wish to request a sign variance to obtain relief from the requirements of the Zoning Ordinances' sign regulations; however, a variance may not be granted to increase the number of permitted sign types. Sign variances related to sign area and height is limited to a 5 percent increase in area or height; any increase above 5 percent shall be considered a legislative act. Sign variances should only be granted when there is a hardship related to the character of the property.
- B. **Proof of Permitting.** The following signs do not require an approved sign permit provided they meet the sign standards provided herein.
1. Re-facing of an existing sign provided no increase occurs with respect to either the area of any such sign or the manner in which it is structurally supported;
 2. Vehicle sign;
 3. Name plates;
 4. Symbolic flags (national, state, political subdivisions, etc.) and business or institutional flags not to exceed one business flag per establishment pursuant to:
 - a. Maximum of three flagpoles per lot with two flags per pole;
 5. Weather or bait flags;
 6. Real estate signs;
 7. Window signs;
 8. Temporary decorative flags and bunting for convention and commemorations;
 9. Warning or security signs;
 10. Directional signs on-site;
 11. Traffic directional or informational signs erected by a government agency;
 12. [Vertical banners provided it meets the criteria listed in §5.420;](#)
 13. Political sign (per state law);
 14. Political campaign sign (per Campaign Election Code);
 15. A-Frame or sandwich board sign on private property;
 16. Government signs on public property;
 17. Murals or art representation provided it meets the criteria listed in §5.411;
 18. Signage related to special events as defined by Article II, Section 6 of the Galveston City Code; however this exception does not include private businesses that have temporary signage for sales and promotional events during a special event which requires a temporary sign permit; and,
 19. Beach vendors that do not set up permanently shall be exempt from the sign regulations contained herein provided that no sign displayed exceeds 20 sq. ft. For the purpose of this provision, "permanently" means vendors that remain stationary for more than 24 hours.

SEC. 5.106 SIGNS IN HISTORIC DISTRICTS, NEIGHBORHOOD CONSERVATION DISTRICTS, AND PRESERVATION OF HISTORIC SIGNAGE

- A. **Limited Use Standards.** All signs within a designated HZD or NCD Districts shall conform to the *Design Standards for Historic Properties* or appropriate Neighborhood Conservation Plan and if applicable, must obtain a permit prior to installation.
- B. Permits for approved signs must be obtained from the Development Services Department.
- C. Existing historic signage as determined by the Historic Preservation Officer (HPO) shall be preserved.
 1. Historically significant painted wall signs shall be retained when possible.
 2. Mounted signs announcing the name of a business no longer in existence at the sign's location and having historical significance may be salvaged and relocated.
 3. Historic signage shall not be calculated as part of the overall signage permitted pursuant to Article 5 of these Land Development Regulations.
 4. Historically significant signs shall be exempt from compliance with Section 5.303, Sign Maintenance, subsection A. 4.

SEC 5.107 SIGNS IN COMMERCIAL (C), HEAVY INDUSTRIAL (HI), AND LIGHT INDUSTRIAL (LI) DISTRICTS

Table 5.107 Signs in Commercial (C), Heavy Industrial (HI), and Light Industrial (LI) Districts						
Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Attached Signs.						
1. Limited to 3 attached sign types per business, not to exceed 500 cumulative square feet sign area.						
Flat/Wall sign/ Canopy	4	200 square feet	n/a	Facing a street right-of-way	Internal, External,	Cumulative area calculated for all signs. (Sec 5.422)
Under-Canopy	1	24 square feet	n/a	n/a	Internal, External,	Minimum 7.5 feet clearance above grade. (Sec 5.418)
Projecting	1	200 square feet	n/a	On site, may extend over right-of-way	Internal, External,	May project up to 4 feet from building. (Sec 5.413)
Marquee	1 per street frontage	200 square feet	n/a	On site, may extend over right-of-way	Internal, External,	(Sec 5.410)

Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Detached Signs. 1. Limited to 1 Monument, Pylon or Pole sign type per site. If site has two street frontages, a least one sign must be monument. 2. Properties east of 59th Street, north of Seawall Boulevard, south of Harborside Drive to and Including Ferry Road are limited to monument only (Sec. 5.404).						
Pole	1 per street frontage.	200 square feet	50 feet	On site	Internal, External,	Along Broadway/I-45 from base of Causeway to west of 59 th Street and/or adjacent to elevated roadways.
Monument	1 per street frontage.	200 square feet	12 feet	On site	Internal, External,	Sign base width measures at least 75 percent of the width of the sign.
Pylon	1 per street frontage.	200 square feet	20 feet	On site	Internal, External,	Sign base measures less than 75 percent of the width of the sign, but not less than 25 percent.
Subdivision	2 per intersection	150 square feet	12 feet	Reserve area	Internal, External	(Sec 5.415)
Directional/ Informational (on-site)	n/a	6 square feet	8 feet	On site	Internal, External	Giving directions to motorists regarding parking and access drives.
Directional (off-site)	2 per business	4 square feet (1'x4')	8 feet	Within 1,000 feet	External Internal	(Sec 5.408)
A Frame, Sandwich Board or Easel	1 per site	6 square feet	4 feet	On site	None	Displayed during business hours only. Wood, aluminum or metal only. Free of attachments.

SEC 5.108 SIGNS IN RESORT/RECREATION (RES/REC) DISTRICT

Table 5.108 Signs in Resort/Recreation (Res/Rec) District						
Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Attached Signs.						
1. Limited to 3 attached sign types per business, not to exceed 324 cumulative square feet sign area.						
Flat/Wall sign/Canopy	4	100 square feet	n/a	Facing a street right-of-way	Internal, External,	Cumulative area calculated for all signs. (Sec 5.422)
Under-Canopy	1	24 square feet	n/a	n/a	Internal, External,	Minimum 7.5 feet clearance above grade. (Sec 5.418)
Projecting	1	48 square feet	n/a	On site, may extend over right-of-way	Internal, External,	May project up to 4 feet from building. (Sec 5.413)
Marquee	1 per street frontage	100 square feet	n/a	On site, may extend over right-of-way	Internal, External	(Sec 5.410)
Detached Signs.						
1. Limited to 1 Monument, Pylon or Pole sign type per site. If site has two street frontages, a least one sign must be monument. 2. Properties east of 59th Street, north of Seawall Boulevard, south of Harborside Drive to and Including Ferry Road are limited to monument only (Sec. 5.404).						
Pole	1 per street frontage.	200 square feet	50 feet	On site	Internal, External,	Along Broadway/I-45 from base of Causeway to west of 59th Street and/or adjacent to elevated roadways.
Monument	1 per street frontage.	200 square feet	12 feet	On site	Internal, External,	Sign base width measures at least 75 percent of the width of the sign.
Pylon	1 per street frontage.	200 square feet	20 feet	On site	Internal, External,	Sign base measures less than 75 percent of the width of the sign, but not less than 25 percent.

Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Subdivision	2 per intersection	150 square feet	12 feet	Reserve area	Internal, External	(Sec 5.415)
Directional/ Informational (on-site)	n/a	6 square feet	8 feet	On Site	Internal, External	Giving directions to motorists regarding parking and access drives.
Directional (off-site)	2 per business	4 square feet (1'x4')	8 feet	Within 1,000'	External	(Sec 5.408)
A Frame, Sandwich Board or Easel	1 per site	6 square feet	4 feet	On site	None	Displayed during business hours only. Wood, aluminum or metal only. Free of any attachments.

**SEC 5.109 SIGNS IN CENTRAL BUSINESS (CB), URBAN NEIGHBORHOOD (UN),
[NEIGHBORHOOD SERVICES \(NS\)](#), AND TRADITIONAL NEIGHBORHOOD (TN) DISTRICTS**

Table 5.109 Signs in Central Business (CB), Urban Neighborhood (UN) and Traditional Neighborhood (TN) Districts						
Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Attached Signs.						
1. Internal illumination limited to one sign type.						
Flat/Wall sign/Canopy	1	20 square feet 40 square feet (UN only)	n/a	Facing a street right-of-way	External	(Sec 5.422)
Under-Canopy	1	24 square feet	n/a	n/a	External	Minimum 7.5 feet clearance above grade. (Sec 5.418)
Projecting	1	48 square feet	n/a	On site, may extend over right-of-way	External	May project up to 4 feet from building. (Sec 5.413)
Detached Signs						
1. Properties east of 59th Street, north of Seawall Boulevard, south of Harborside Drive to and including Ferry Road are limited to monument only (Sec. 5.404).						
Monument	1 per street frontage.	200 square feet	12 feet	On site	Internal, External	Sign base width measures at least 75 percent of the width of the sign.

Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Subdivision	2 per intersection	150 square feet	12 feet	Reserve area	Internal, External	(Sec 5.415)
Directional/ Informational (on-site)	n/a	6 square feet	8 feet	On site	Internal, external	Giving directions to motorists regarding parking and access drives
A Frame, Sandwich Board or Easel	1 per site	6 square feet	4 feet	On site	None	Displayed during business hours only. Wood, aluminum or metal only. Free of attachments.

SEC 5.110 SIGNS IN RESIDENTIAL SINGLE FAMILY (R-1), RESIDENTIAL GENERAL DUPLEX (R-2), [RESIDENTIAL SINGLE FAMILY \(R-3\)](#), AND RESIDENTIAL MULTIFAMILY (MF) ~~AND HISTORIC ZONING (HZD) DISTRICTS~~

Table 5.110 Signs in Residential Single Family (R-1), Residential General Duplex (R-2), Residential Single Family (R-3) , and Residential Multifamily (MF), and Historic Zoning (HZD) Districts						
Sign type	Max. # of signs	Max. Square foot area	Max. height	Placement	Illumination	Standard
Attached Signs						
1. Signage for corner stores within HZD R-3 shall be limited to 20 square feet maximum sign face and 15-foot max height.						
Name Plate	1	2 square feet	n/a	Street frontage	External	Not to exceed 2 square feet
Detached Signs						
Subdivision	2 per intersection	150 square feet	12 feet	Reserve area	Internal, External	(Sec 5.415)

DIVISION 5.200 DEFINITIONS RELATED TO SIGN REGULATION

SEC. 5.201 SIGN DEFINITIONS

- Advertising** Any sign, other than owner-identification sign that directs attention to a business; commodity; or service inclusive of pennants, banners, and streamers.
- Attached** A sign that is attached to a building wall, false wall, false roof, or other facade surface.
- Awning** A sign painted on, attached to, or constructed on a canopy or awning.

4. **Back-to-Back** A sign with directly opposite sign faces oriented in opposite directions, where both sides are not legible at the same time from any part of the street right-of-way. The maximum permitted angle of a back-to-back sign shall not exceed 30 degrees. A back-to-back sign constitutes one sign for purposes of this Article.
5. **Banner (building)** Any sign of lightweight fabric or similar material attached to a building and where the banner lies flat against the building surface at all times.
6. **Banner (horizontal)** Any sign of lightweight fabric or similar material attached at the top and bottom corner strung between buildings, poles, and/or light standards.
7. **Banner (vertical)** Any sign of lightweight fabric or similar material attached at the top and bottom to a pole or light standards by extensions from the pole.
8. **Canopy** A sign painted on, attached to, or constructed on a canopy or awning.
9. **Digital** A sign that displays moving images that are controlled by electronic communications, which allows the images to be turned on or off intermittently. A Digital Sign includes any illuminated sign on which the illumination is not kept stationary or constant in intensity and color when the sign is in use including any light emitting diode (LED) or digital panel and which varies in color or intensity. In the sign industry, digital signs are also referred to as dynamic signs, changeable electronic variable message signs (CEVMS), and electronic message centers (EMCs).
10. **Directional, Off-Site** An off-premise sign indicating the location of or directions to a business, church, community event, park, school, or other place of public assembly. The sign shall not include any information or message except the name of the business or activity or symbols or logos of the business and must have an arrow indicating the direction to the business or activity.
11. **Directional/Informational, On-Site** A sign located on the same premises as the business, giving directions to motorists [and pedestrians](#) regarding [street, building or suite numbers, and](#) the location of parking areas and access drives within a development.
12. **Double-Faced** A double-faced sign means two adjacent signs on a single structure or separate structures with both sign faces oriented in the same direction and not more than 10 feet apart at the nearest point between the two sign faces. A double-faced sign may be referred to as a side-by-side or stacked sign. A double-faced sign constitutes one sign for purposes of this Article.
13. **Electronic** A sign, display, or device that has a static message or copy that can be changed by programmable mechanical or electronic processes. An electronic sign does not include the use of flashing, intermittent, or moving light for the purposes of these regulations.
14. **Flag** A “flag sign” means any flag (other than a national or state flag) that is mounted on a pole, post, or other structure and that is used for advertising including any flag that contains or displays any written message, business name, pictorial representation, logo, corporate symbol, silhouette, or other

visual representation identifying or advertising a particular business, good, service, or merchandise sold or available for sale on the premises where the flag is erected, displayed, or maintained. For purposes of this subsection, a "flag" means a piece of material or fabric, usually rectangular or triangular.

15. **Flat** Any sign, erected flush against an exterior wall, supported by the wall, and having the sign face parallel to the wall or painted directly onto a wall and does not extend more than 18 inches from a building surface.
16. **Government** A sign erected by government agencies or utilities, including traffic, utility, safety and identification signs for public facilities. Signs may be placed in the right-of-way.
17. **Halo Lit** A sign illuminated by concealing the light source behind three-dimensional opaque letters, numbers, or other characters of a sign, resulting in the nighttime perception of a halo around the silhouette of each sign character. This is also referred to as "reverse channel" or "reverse lit" illumination. A Halo Lit sign is not considered an internally illuminated sign.
18. **Illuminated** An artificial light source incorporated internally or externally to emanate light from or direct light to a sign's surface. Light sources may include exposed tubing, electrical bulbs, fluorescent lights, neon tubes, light emitting diodes (LED), liquid crystal displays (LCD), or other artificial sources of light. Any decorative lighting that is used expressly to advertise is considered Illumination.
19. **Inflatable** Any object enlarged or inflated which floats, is tethered in the air, is activated by air or moving gas, or is located on the ground or on a building with or without a copy or other graphic.
20. **Kite** In general: A kite is a light framed object made with or covered with thin material, (typically cloth, paper or plastic), flown in the wind/air at the end of a long string.
21. **Marquee** A Sign affixed to a projecting structure which is attached to the exterior facade of a building above the building's entrance.
22. **Monument** A freestanding sign, the entire bottom of which is attached directly to the ground or is supported by a [solid](#) sign structure [other than support poles](#) that is a base whose width measures at least 75% of the width of the sign that is placed or anchored on the ground. [Monument signs shall be constructed of the same materials, colors, and architectural style as buildings on the site.](#)
23. **Mural** Art representation executed directly on a wall that is expressed in a form and manner as to provide aesthetic enjoyment for the viewer rather than to specifically convey the name of a business or commercial text message.
24. **Name Plate** A wall sign not to exceed two square feet in order to identify the owner or occupant of a dwelling or building.

25. **Obsolete** Owner-identification signs or signs that advertise or otherwise direct attention to a product, service, activity, person, institution, or business that no longer occupies or is conducted, sold, manufactured, produced, or offered upon the premises; and, any abandoned or discontinued sign which is no longer being used or maintained for a period of six (6) months or longer. In determining whether a sign is obsolete, abandoned or discontinued, the following shall be considered: whether the sign identifies correct directions to, location of, or description of the goods or services available on the premises where the sign is located; whether utility service is being provided to the premises where the sign is located; the use of the premises where the sign is located; the condition of the sign; any other facts or circumstances which would indicate whether the owner of the sign has intentionally or voluntarily relinquished further use of the sign.
26. **Off-Premise** Any sign that pertains or directs attention to a business, product, service, activity, person, organization, institution, event, place, object, or location not located, manufactured, conducted, sold, or offered on the premises on which the sign is located and which was legally in existence prior to October 29, 1997.
27. **On-Premise** A sign identifying or advertising a business, person, or activity and is installed and maintained on the same premises as the business, person, or activity.
28. **Pole** Any sign that is wholly supported by one or more columns, uprights, posts, or braces in the ground and has no support to a building, canopy, or facade.
29. **Political Campaign** A sign relating to the election of a person to public office, a political party, a matter to be voted upon at an election called by a public body, or other political message as outlined in the Campaign Election Code.
30. **Projecting** A sign other than a flat sign, roof sign, or under canopy sign which projects more than 18 inches from the face of an exterior building wall or facade and which uses the building wall as its primary source of support.
31. **Pylon** A freestanding sign other than a pole sign that is supported by one or more columns surrounded by a decorative cover to form one solid sign support, ~~a structure~~ extending from and permanently attached to the ground by a foundation or footing where the width of the sign structure measure less than 75 percent of the width of the sign but not less than 25 percent.
32. **Residential Subdivision** A monument sign that is located along or interior to an entry of a platted subdivision or multi-tenant building complex that is zoned or legally restricted for residential use or a mix of residential and supporting commercial uses. For purposes of this definition, the "entry" means a street intersection located at the perimeter of the subdivision.
33. **Roof** Any sign erected upon a roof or roof-mounted structure.
34. **Sandwich Board** A portable sign that is ordinarily in the shape of an "A" with back-to-back sign faces, an easel, or a similar configuration.

35. **Sign** Any device or structure that is intended to attract the attention of the public in order to promote the sale of a product, commodity, service and/or for identification.
36. **Temporary** A sign that directs attention to, but is not limited to, temporary events such as elections, promotional sales, grand openings, or special events. To comply with Texas and federal law, political signs are subject to Section 5.311 instead of this Section.
37. **Tenant** A freestanding sign that identifies tenants in a multi-tenant building or complex and which is located in the development for which it is advertising.
38. **Under Canopy** A sign that is suspended beneath a canopy, awning, or marquee and perpendicular to the building facade.
39. **Wall** Any sign erected flush against an exterior wall, supported by the wall, and having the sign face parallel to the wall or painted directly onto a wall and which does not extend more than 18 inches from a building surface.
40. **Window** Any items of information affixed in any manner to a window or exterior glass door such that is intended to be viewed from the exterior.
41. **Vehicle Sign** Any sign affixed to an operable vehicle currently registered as a motor vehicle, which is used in the normal course of business.

DIVISION 5.300 PROHIBITED, OBSOLETE SIGNS AND MAINTENANCE OF SIGNS

SEC. 5.301 PROHIBITED SIGNS

The following signs are prohibited:

- A. Any sign that does not comply with the standards for that particular category of sign.
- B. Any sign that simulates lights customarily associated with those used by police, fire, ambulance, or similar emergency vehicles.
- C. Signs that by color, location, or design resemble or conflict with traffic control signs or signals.
- D. Signs that are attached or applied to trees, utility poles, trash receptacles, or any other unapproved supporting structure.
- E. Portable signs that are not securely fixed to an approved supporting structure. This subsection does not apply to Sandwich Boards.
- F. Off-premise signs (billboards), as provided in Section 5.406. Off-Premise Signs (Billboards).
- G. Rotating or flashing signs, unless allowed in Section 5.416. Rotating or Flashing Signs.
- H. Inflatable signs.
- I. The construction of new, off premise, or electronic signs within the City's ETJ (see Section 5.406.D.).
- J. Roof signs.
- K. A sign that uses the words "stop" or "danger" to imply the need or requirement for stopping or the existence of danger. This provision does not apply when the words are part of an attraction title for a theatre or similar event or purpose.

SEC. 5.302 OBSOLETE SIGNS

- A. Obsolete signs shall be removed within six months after the use of the property is terminated or the business related to the sign is closed, at the owner's expense.
- B. If the obsolete sign is a pole sign, the entire pole structure shall be removed. However, if the sign is a monument or wall sign, only the sign face is required to be removed or covered.
- C. If the sign is not removed within six months, the City may remove the sign and place a lien on the property for the cost incurred including but not limited to labor and materials for removing the sign.
- D. Signs associated with businesses that are normally open only on a seasonal basis are not considered obsolete, if the business owner establishes a clear intent to continue operation of the business within nine months.

SEC 5.303 SIGN MAINTENANCE

- A. All signs, together with all their supports, braces and anchors, shall be maintained in good condition and repair. Conditions noting neglect, deterioration or dilapidation of signs shall include but not be limited to:
 - 1. Rust or holes on or in the sign or sign structure;
 - 2. Missing sign copy or missing letters;
 - 3. Cracked, broken, missing, loose or bent parts;
 - 4. Faded, peeling, or chipped paint; and,
 - 5. Non-operative or partially non-operative illuminating or mechanical devices.
- B. Upon notification by the Development Services Department, signs that are neglected, deteriorated, or dilapidated shall be repaired, replaced, or removed within thirty (30) days.

DIVISION 5.400 SIGN STANDARDS

SEC. 5.401 GENERALLY

- A. **Limited Use Standards.** This Division establishes standards for signs by location or by sign type.
- B. **Specific Use Standards.** This Division establishes an overall allocation of sign number and area by zoning district for three major categories: attached signs, detached signs, and temporary signs. Additional sign area, setback, dimensional, and performance standards are established for individual sign types. This system provides flexibility for persons and businesses who display signs, avoids sign distinctions that depend on a sign's message, and reduces potential traffic hazards and clutter.
- C. **Design Requirements.** Sign materials shall be designed to complement the original construction materials and architectural style of the building facade to promote an overall unified and aesthetic effect as permitted in the various zoning districts. Banner, paper and fabric, and corrugated plastic signs shall not be permitted as an acceptable permanent sign material.

SEC. 5.402 SIGNS ON PUBLIC PROPERTY

- A. **Limited Use Standards.** It is unlawful for any person to erect, attach, keep, have, or maintain any building or structure beyond the property line thereof; on any awning, shed, or the supports thereof; across any part of any sidewalk, street, or public rights-of-way within the limits of the City; or any sign, streamer, advertisement, or banner without first obtaining a sign permit that also addresses liability and indemnification of the City.

SEC. 5.403 ATTACHED SIGNS

A. Attached Signs.

1. Canopy signs or awning
2. Marquee
3. Memorial plaques
4. Name plates
5. Roof
6. Under-Canopy
7. Wall signs (Flat)
8. Projecting
9. Window signs
10. Vehicle sign

- B. Number and Area Requirements.** The maximum cumulative number and area of attached signs for any lot or parcel within a zoning district are identified in Table 5.107 through 5.110. Individual signs are subject to the requirements of this Article.

SEC. 5.404 DETACHED SIGNS

A. Detached Signs.

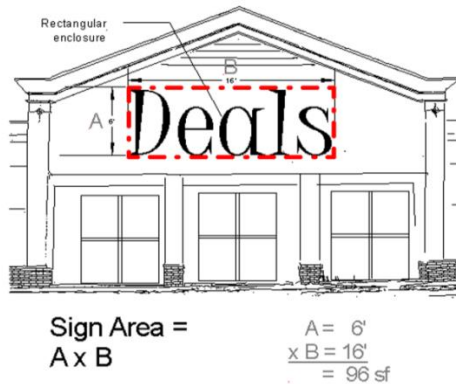
1. Pole
2. Monument
3. Pylon
4. Directional
5. A-frame or sandwich board
6. Residential
7. Real estate sign
8. Tenant sign

- B. Number and Area Requirements.** The maximum cumulative number and area of detached signs for any lot or parcel within a zoning district are identified in Table 5.107 through 5.110. Individual signs are subject to the requirements of this Article.

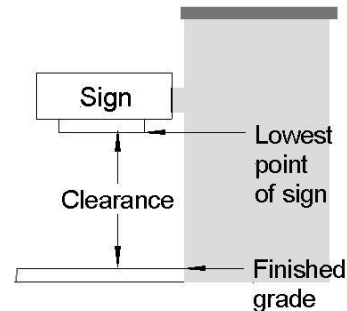
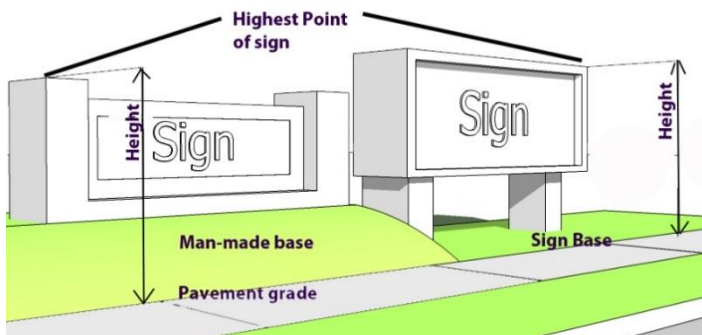
- C. Location.** Properties east of 59th Street, north of Seawall Boulevard, south of Harborside Drive to and including Ferry Road are limited to monument only (not applicable to properties fronting Seawall Boulevard or Harborside Drive).

SEC. 5.405 MEASUREMENT STANDARDS

- A. Area.** The sign area is defined as the rectangular enclosure of all parts of the sign other than structural supports. The sign area of a three-dimensional object shall be calculated by multiplying the length by the width by the height of the three vertical faces of the smallest cube or rectangular box which encompasses the three dimensional object. Sign area is measured in square feet (sf).



- B. **Height.** The height of a freestanding sign is measured from the base of the sign or supportive structure at its point of attachment to the ground to the highest point of the sign. A freestanding sign on a manufactured base including a graded earth mound and is measured from the grade of the nearest pavement or top of any pavement curb.
- C. **Clearance.** Clearance for freestanding and projecting signs is measured as the smallest vertical distance between finished grade and the lowest point of the sign including any framework or other embellishments.



SEC. 5.406 OFF-PREMISE SIGNS (BILLBOARDS)

A. Applicability.

1. This Section applies to any existing Off-Premise Sign. New Off-Premise signs are not allowed.
2. An Off-Premise Sign means any sign that pertains or directs attention to a business, product, service, activity, person, organization, institution, event, place, object, or location not located, manufactured, conducted, sold, or offered on the premises on which the sign is located, and which was legally in existence prior to October 29, 1997.

B. Proof of Permitting.

1. Sign permits or sign repair permits required by this Section are processed as provided in Article 13, Permits and Procedures.
2. If the off-premise sign owner disagrees with the director's decision relating to issuance of a sign permit, the off-premise sign owner may notify the Director of Development Services of the off-premise sign owner's desire to appeal the determination to City Council. The notice of appeal must be filed with the director no later than the 60th day after the date of the decision.

C. Registration.

1. This subsection takes effect:
 - a. After November 28th, 1997; and

- b. Within annexed territory, the effective date of any annexation to the City.
- 2. Owners of all off-premise signs situated in any location in the municipal boundaries shall annually register each off-premise sign with the Building Official as follows:
 - a. The sign owner shall file information as to the location, height, and area of each off-premise sign.
 - b. The sign owner shall file the registration within 30 days after the date listed above. The Building Official shall review the registration forms. Within five days after a registration form is filed, the Building Official shall review the form and notify the sign owner if it is incomplete. Within 20 days after notification that a form is incomplete, the sign owner shall correct any deficiencies and file a complete sign registration form.
 - c. If a complete registration form is not filed within the time limits set out above, the sign is considered an obsolete sign and shall be removed as provided in Section 5.302. Obsolete Signs.
 - d. The sign owner shall keep the registration current.
 - e. The sign owner shall file a new registration for each off-premise sign within 30 days after it is demolished or torn down.
 - f. The applicant shall maintain copies of all complete registration forms as provided in this subsection. If the applicant cannot provide a copy of a complete registration form, the off-premise sign is presumed to have not been timely registered and is considered an obsolete sign.
- 3. The City shall not issue sign permits for the construction of new off-Premise signs.
- 4. The City may issue repair permits for legally registered off-premise signs (see 5.406.E).
- 5. An off-premise sign repair permit is valid for 12 months unless sooner revoked or canceled.
- 6. If an off-premise sign owner wishes to transfer a sign permit to another person or entity, the off-premise sign owner shall notify the director in writing. The director shall void the original off-premise sign permit and issue a new sign permit to the new owner. No transfer is valid until accepted and reissued by the Development Services Department.
- D. Extraterritorial Jurisdiction (ETJ).**
 - 1. The construction of new, off-premise signs or the conversion of an existing sign to an electronic sign, except as may be provided in this Section, within the City and its ETJ is prohibited. The City will not issue sign permits for these signs.
 - 2. The conversion of an on-premise sign to an off-premise sign and the replacement or repair of existing off-premise signs or electronic signs within the City's ETJ is prohibited. The City will not issue sign or repair permits for such conversion, replacement, or repair.
 - 3. The extent of a municipality's ETJ is the unincorporated area that is contiguous to the corporate boundaries of the municipality and that is located:
 - a. Within one-half mile of those boundaries, in the case of a municipality with fewer than 5,000 inhabitants;
 - b. Within one mile of those boundaries, in the case of a municipality with 5,000 to 24,999 inhabitants;
 - c. Within two miles of those boundaries, in the case of a municipality with 25,000 to 49,999 inhabitants;
 - d. Within three and one-half miles of those boundaries, in the case of a municipality with 50,000 to 99,999 inhabitants; or
 - e. Within five miles of those boundaries, in the case of a municipality with 100,000 or more inhabitants.
 - 4. Regardless of 5.406.D.3, the ETJ of a municipality is the unincorporated area that is contiguous to the corporate boundaries of the municipality and that is located:

- a. Within 5 miles of those boundaries on a barrier island; or
 - b. Within one-half mile of those boundaries off a barrier island.
- 5. 5.406.D.4 applies to a municipality that has:
 - a. A population of 2,000 or more; and
 - b. The territory is located:
 - i. Entirely on a barrier island in the Gulf of Mexico; and
 - ii. Within 30 miles of an international border.
- 6. Regardless of 5.406.D.3 the ETJ of a municipality is the unincorporated area that is contiguous to the corporate boundaries of the municipality and that is located within three miles of those boundaries if the municipality:
 - a. Has a population of not less than 20,000 or more than 29,000; and
 - b. Is located in a county that has a population of 45,000 or more and borders the Trinity River.
- E. **Site Provisions for Legally Nonconforming Off-Premise Signs.**
 - 1. **Repair/Enlargement.** A lawfully existing off-premise sign may be repaired at the same location but shall not be enlarged in area or height. A repaired off-premise sign shall not exceed the smaller of the following, excluding cutout extensions and apron trip without copy,:
 - a. The area and height of the original off-premise sign; or
 - b. 14 feet by 48 feet.
 - 2. **Relocation Prohibited.** An off-premise sign may not be relocated.
 - 3. **Height:**
 - a. Off-premise signs shall not exceed a maximum height of 40 feet.
 - b. The height shall be measured from the crown of the adjacent roadway to which the off-premise sign is oriented.
 - 4. **Setbacks.**
 - a. Any part of a repaired off-premise sign or its supporting structure shall be located at least 10 feet from the rights-of-way of the street to which it is oriented.
 - b. As used in this subsection only, "street" does not include alleys.
 - 5. **Conversion to Electronic Signs.** Any Off-Premise sign that is permitted to be repaired within the City through the provisions of this Section may not be converted to, or built as, an electronic sign.
- F. **Illumination.** It is unlawful for any person to erect, operate, or otherwise use any off-premise sign which displays intermittent lights.
- G. **Motion.** Off-premise signs shall not revolve or rotate in whole or in part.
- H. **Maintenance.**
 - 1. Off-premise sign owners shall maintain all signs in good appearance and safe structural condition.
 - 2. Off-premise sign owners shall keep the general vicinity of any sign free and clear of sign materials, weeds, debris, trash, and litter.
 - 3. Off-premise sign owners shall conduct maintenance, replacement of sign copy, or structural repairs in a manner that will prevent debris and litter from drifting or being blown onto adjacent properties.
 - 4. Off-premise signs that fail to maintain copy for a period of one year are treated as obsolete signs (see 5.302).

SEC. 5.407 ILLUMINATION, DIGITAL, AND ELECTRONIC SIGNS

- A. **Limited Use Standards.** Sections 5.107 through Section 5.110 indicate whether illumination of a sign is allowed, and the type of illumination allowed.

B. Prohibitions. An illuminated sign shall not:

1. Be illuminated by flashing, intermittent, or moving lights;
2. Contain or display animated, moving video, or scrolling advertising;
3. Consist of a static image projected upon a stationary object; or
4. Be a mobile sign located on a truck, boat, or trailer.

C. Digital Signs. Digital signs shall conform to the following standards:

1. **Location.** Subject to State and Federal laws, digital signs are only permitted in the following areas:
 - a. Seawall Boulevard from 25th Street west to the end of Seawall Boulevard (103rd Street);
 - b. 61st Street from Heards Lane (Ave P ½) south to Seawall Boulevard; and,
 - c. North and south sides of Harborside Drive from Interstate 45 (I-45) to 25th Street.
2. **Message Changes.**
 - a. Each message on a digital sign shall be displayed for at least eight seconds.
 - b. A change of message shall be accomplished within two seconds.
 - c. A change of message must occur simultaneously on the entire sign face.
3. **Safety.** Digital signs must:
 - a. Contain a default mechanism that freezes the sign in one position if a malfunction occurs; and
 - b. Automatically adjust the intensity of its display according to natural ambient light conditions.
4. **Owner responsibilities.** The sign owner shall provide contact information to the Director of Development Services for a person who is available to be contacted at any time and who is able to turn off the electronic sign promptly after a malfunction occurs.
5. **Brightness.** Digital sign light intensity shall not exceed 0.3 foot-candles above ambient light conditions.
6. **Time Period for Compliance.** A digital sign in existence on the effective date of these regulations (March 5, 2015) shall fully comply with Section 5.407 Illumination Digital and Electronic Signs within three years of the effective date. The digital sign's owner may appeal to the Zoning Board of Adjustment to allow an extension of this time period. The Zoning Board of Adjustment may extend this period if the owner demonstrates that it has not recouped its investment in the digital sign features of the sign.

SEC. 5.408 DIRECTIONAL OFF-SITE SIGN

A. Limited Use Standards.

1. Shall not exceed an area of 4 square feet (1 foot in height by 4 feet in width) for each business.
2. Shall not exceed a height of 8 feet.
3. Shall be designed with black letters and white background, white letters with blue background, or white letters with brown background.
4. Lettering shall be a simple block font.
5. Shall include the name, symbol, or logo of a business and an arrow indicating the direction.
6. Each establishment is allowed two signs each to be located on different sites.
7. The anchor site shall be allowed a maximum of four directional signs not to exceed 16 square feet of area.

8. The property owner for a sign location must give written permission in the application for the usage of the property. The applicant must present the written permission at the time of permitting.
9. The light from any illuminated sign shall be so shielded, shaded, or directed so that the light intensity shall not adversely affect surrounding or facing premises or the safe vision of operators of vehicles on public roads.

B. Placement.

1. The sign face shall be located within 1,000 feet of the subject's business.
2. The sign face shall not be the principal or sole use of land on the parcel where the directional off-site sign is proposed to be displayed.
3. When detached, the sign face shall be placed on detached signage as a tenant sign.
4. When attached, the sign face shall be placed on a building as a wall sign.
5. There shall be no more than one sign face, attached or detached, per direction of facing.

SEC. 5.409. KITE SIGNS

Kites may be permitted if displayed for promotional reasons on a temporary basis. The maximum duration for the display of kites is two weeks, and no more than four permits a year for a display from any one site will be granted. Exempt from this standard shall be any business that derives 50% or greater of its revenues from the sale of kites. Also exempt, any beach concessionaire south of the Seawall or south of the south toe of the dune line.

SEC. 5.410 MARQUEE SIGNS

A. Limited Use Standards.

1. Shall be located on the primary facade and over the main entrance.
2. Shall maintain a minimum clearance of 10 feet above grade.
3. Shall not exceed 50 percent of the area of the Marquee fascia and shall not extend above the Marquee to a height in excess of the depth of the Marquee fascia.

SEC. 5.411 MURALS

A. Standards

1. Shall not include any owner identification or commercial text message; however, it may contain graphics or images that relates to the products or services offered on the premises where the mural is located.
 - a. Murals or art representation displaying any owner identification or commercial text message will be considered as a "flat/wall sign."
2. Shall not depict nudity or obscene images.
3. Materials utilized in painting a mural shall have proven durability and shall be maintained or removed if not maintained.

- B.** Murals or art representation in a historic district shall comply with the *Design Standards for Historic Properties*.

SEC. 5.412 POLITICAL CAMPAIGN SIGNS

- A. **Permits.** Political signs meeting the regulations of this Section do not require a permit through the Department of Planning.
- B. **Location.** Political signs may be placed on private property with the permission of the owner or in the City right-of-way, adjacent to such private property, or at a polling location up to 90 days before an election. Political signs within the rights-of-way must be removed within 10 days after an election.
- C. **Intersection Visibility.** All political signs shall conform to the requirements of the City Code.
- D. **Size and Illumination.**
 - 1. To be exempt from the sign permit requirement, political signs may not have:
 - a. An effective area greater than 36 square feet;
 - b. A height greater than 8 feet;
 - c. Illumination; and
 - d. Any moving elements.
 - 2. Political signs that are not exempt must obtain a sign permit as provided in the Election Code.
- E. **Fences.** Political signs may be placed on fences if the fence is privately owned and is located on private property.

SEC. 5.413 PROJECTING SIGNS

- A. **Limited Use Standards**
 - 1. Shall be located along the street frontage of which the business is addressed.
 - 2. May substitute for a wall sign.
 - 3. Shall not project above the roof-line or parapet of a building in excess of four feet. The amount of projection from the face of the building shall not exceed four feet.
 - 4. May encroach into the City right-of-way.
 - 5. Must maintain a minimum 7.5 foot clearance from grade.

SEC 5.414 REAL ESTATE SIGNS

- A. **Proof of Permitting.** Real Estate signs meeting the regulations of this Section do not require a sign permit.
- B. **Location.** Real Estate signs shall be placed on private property with the permission of the owner.
- C. **Maximum Number, Size, and Height.**

1. One per street frontage.
2. In Residential zoning districts, real estate signs shall not exceed a maximum of 8 square feet.
3. In all other Zoning Districts, real estate signs permitted up to 32 square feet.

D. Standards.

1. Shall be used for advertising real estate for sale or lease.
2. Shall be used for announcing contemplated improvements of real estate.
3. Shall be non-illuminated.

SEC. 5.415 RESIDENTIAL SUBDIVISION SIGNS

A. Location.

1. **Generally.** Each sign must be located:
 - a. On a landscape or open space area that is maintained by a homeowners' association; or
 - b. In accordance with a License to Use or other permissive approval (such as a license issued by the Texas Department of Transportation) within the public right-of-way.
2. **Intersection.** The sign shall be located at least 25 feet from an intersection.

B. Maximum Number, Size, & Height.

1. Are limited to two signs per street intersection.
2. May not exceed 150 cumulative square feet.
3. Shall not exceed 12 feet in height.

SEC. 5.416 ROTATING OR FLASHING SIGNS

A. Generally. Except as specifically listed in this Section, rotating or flashing signs are prohibited.

B. Distance from Intersections or Street Right of Ways.

1. Flashing signs are prohibited:
 - a. Within 300 feet of any street intersection; or
 - b. Within 50 feet of any street right-of-way.
2. This prohibition does not apply if the State of Texas grants a variance from the standard listed in subsection 1 above for a state highway.

SEC. 5.417 SANDWICH BOARDS

A. Generally. The requirements for sandwich boards are as follows:

1. **Timing:** Sandwich Boards may be displayed during business hours only.
2. **Design:** The sign frame shall be painted/stained wood, anodized aluminum or metal only. Stenciled or spray painted signs are prohibited. Windblown devices, including balloons, may not be attached to or otherwise made part of the sign.
3. **Right-of-Way:** No part of a Sandwich Board sign shall encroach into a street rights-of-way unless a License to Use is secured for such placement.

SEC. 5.418 SIGNS UNDER CANOPIES, AWNINGS, OR MARQUEES

A. Limited Use Standards.

1. Are limited to one sign per business.

2. May not exceed 24 square feet.
3. Shall maintain a clearance of 7.5 feet from grade.

SEC. 5.419 TEMPORARY SIGNS

A. Area and Number.

1. One per site business.
2. Allowed an area of 40 square feet.
3. This Section does not apply to Real Estate signs or signs required by law.

B. Location. Temporary signs shall be mounted on a building or windows of the building.

C. Duration.

1. Temporary signs are allowed for a maximum 84 days during a calendar year.
2. Temporary signs are allowed for a maximum of 30 days before and 30 days after the temporary event to which they relate.

D. Special Events. Signs for special events are subject Chapter 6, Article II of the City Code. These signs must be located on site, unless permitted on City property pursuant to Chapter 6. Article II.

SEC. 5.420 VERTICAL BANNERS

A. Purpose and Intent. In order to provide a means to promote pride in the community, community activities, and programs important to the City's image, economic interest, and organizations serving the community, banner signs or pennants may be attached or applied to metal utility or light poles in the City's right-of-way.

B. Applicability.

1. This Section applies to vertical banners in the City's right-of-way. A vertical banner means any sign of lightweight fabric or similar material attached at the top and bottom to a pole or light standards by extensions from the pole.
2. These regulations do not apply to individual businesses or activities not provided for within whom seek to use pole banners for off-premise advertising which is prohibited within the City.

C. Eligibility

1. Public Institutions:

- a. Governmental facilities;
- b. Medical institutions; and
- c. Educational institutions.

2. Attractions receiving a minimum of 25,000 visitors annually that also fall within one of the following descriptions:

- a. Nonprofit museums;
- b. Nonprofit theaters;
- c. Nonprofit governmental visitor information bureaus;
- d. Convention centers; and
- e. Theme parks.

3. Special events or festivals located within the City.

4. Historic Downtown Strand Partnership, or its successor, per Ordinance 99-11.

5. Neighborhood associations, business associations, and non-profit organizations representing special improvement zones within the City including but not limited to: Tax Increment Reinvestment Zones, Municipal Utility Districts, and Public Improvement Districts.

D. Banner Specifications.

Location. Permanent vertical banners located on arterial and collector roadways as established in the Galveston Thoroughfare Plan.

1. Banners must be installed so that they hang no lower than 16 feet above street level. Banner dimensions shall not exceed 36 inches wide by 72 inches in length.
2. A maximum of two (2) banners permitted per pole.
3. Banners shall not be placed closer than 200 feet from other banners.
5. Banners shall be of professional quality and may not utilize fluorescent colors in the design;
6. When placed on a private utility pole, authorization is required by the pole owner.

SEC. 5.421 VEHICLE SIGNS

A. Standards.

1. Signs on parked vehicles or other mobile units shall not be used as off-premise signs.
2. It shall be unlawful to park, place or store a vehicle on public rights-of-way or private property when the primary purpose of the vehicle or mobile unit is to advertise a business or activity.

SEC. 5.422 WALL SIGNS

A. Limited Use Standards.

1. Wall signs shall be located along the street frontage in which the permitted sign area is based.
2. For property with a lot line adjoining a waterfront, one permitted wall sign may be oriented to the waterfront in addition to the front property line.
3. If more than two wall signs are allowed in a zoning district, two permitted for each street frontage may be located on a side or rear wall of a building that is oriented to a common side lot line. This subsection does not apply to a common side lot line that faces a residential use or zoning district.

SEC. 5.423 WEATHER OR BAIT FLAGS

A. Limited Use Standards

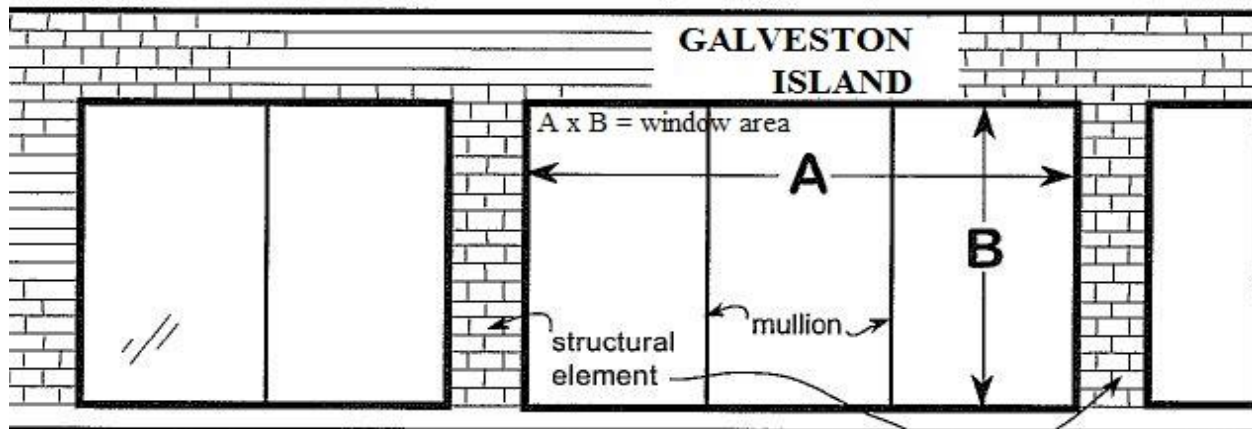
1. Provides information on weather conditions or type of bait available on premises.
2. May display one flag for each weather condition.
3. May display one flag for each available bait type.
4. Each flag shall not exceed 4 square feet in area.
5. Each flag shall be placed within premises and shall not extend beyond the private property.

SEC. 5.424 WINDOW SIGNS

A. Proof of Permitting. A sign permit is not required to install a window sign.

B. Limited Use Standards.

1. A window sign shall not exceed in coverage 30 percent of the total ~~glass~~ window area visible from the public street to which it faces ~~of the window in which it is placed~~.
2. No fluorescent colors are permitted for interior banners in the historic districts.
3. Tubular light is permitted only in the CB district and may not exceed 4 square feet when directed towards rights-of-way traffic. No intermittent or flashing lights are permitted.
4. An interior sign shall not include intermittent or flashing lights, and any illumination that is visible from the public rights of way is subject to Article 7, Outdoor Lighting.
5. Multi-story buildings may contain signage on ground floor windows only.



Division 5.500 Nonconforming Signs

SEC. 5.501 NONCONFORMING SIGNS

- A. **Limited Use Standards.** Any sign located within the municipal boundaries on the effective date of these regulations that does not conform to the provisions of Article 5, Signs, or other applicable requirements or standards of these regulations, shall be considered a legal nonconforming sign, provided it also meets the following requirements:
1. The sign is a detached sign; and
 2. One of the following apply:
 - a. The sign was approved by a sign permit before the effective date of these regulations, or amendment, if a permit was required under applicable law;
 - b. If no sign permit was required under applicable law for the sign in question, the sign was in all respects in conformity with the applicable law or conditions of approval immediately prior to the effective date; or
 - c. The sign had legal nonconforming status on the effective date of these regulations.
- B. **Existing Signs on Annexed Property.** If land is annexed to the City after the effective date of these regulations, any signs that do not conform to the provisions of these regulations at such time shall have legal nonconforming status if:
1. Under applicable regulations, the sign was legal in all respects immediately prior to annexation; and
 2. The sign is a detached sign.

SEC. 5.502 NONCONFORMING ON-PREMISE SIGNS

- A. **Limited Use Standards.**
1. Any legally existing nonconforming on-premise sign in existence on October 29, 1997, may continue to lawfully exist unless and until the sign requires repairs that cumulatively cost more than 51 percent of the cost of erecting a new sign of the same type at the same location.
 2. In determining whether the non-conforming on-premise sign is damaged 51 percent or less each applicant shall, with the filing of a permit application, submit three bids by three different sign contractors/manufacturers that include the total cost to repair the existing sign and total cost to erect a new sign of the same type and dimensions at the same location.

3. A nonconforming on-premise sign must be removed after the sign ceases to lawfully exist, as determined by Section 5.302, above.
4. The owner of the sign and the owner of the premises are each liable for the failure to remove a nonconforming on-premise sign.

SEC 5.503 NONCONFORMING OFF-PREMISE SIGNS

A. Limited Use Standards.

1. Any nonconforming off-premise sign in existence on October 29, 1997, may continue to lawfully exist, unless the owner is notified of and does not resolve violations of Section 5.406.H. Maintenance, and so long as the sign meets the requirements of Section 5.406.E. Site Provisions for Legally Nonconforming Off-Premise Signs.
2. If a nonconforming off-premise sign is blown down, inadequately maintained, dilapidated, decayed, or otherwise destroyed such that the cumulative cost of repairing the non-conforming off-premise sign is more than 60 percent of the cost of erecting a new sign of the same type at the same location, no new permit shall be issued. In this instance, the non-conforming off-premise sign owner and the owner of the property on which it is placed are individually responsible to remove what remains of the non-conforming off-premise sign.
3. If the nonconforming off-premise sign is damaged such that the cost of repairing the off-premise sign is 60 percent or less than the cost of erecting a new off-premise sign of the same type and dimensions at the same location, then any repairs shall comply with all applicable ordinances. If the applicant proposes to effect repairs using other than new materials, the permit application shall include a certification by a structural engineer that each piece of used material will be of the same strength as a new piece of equipment.
4. In determining whether the non-conforming off-premise sign is damaged 60 percent or less each applicant shall, with the filing of a permit application, submit three bids by three different sign contractors/manufacturers that include the total cost to repair the existing sign and total cost to erect a new sign of the same type and dimensions at the same location.
4. For nonconforming off-premise signs, routine maintenance includes changing the message of the sign by replacing or repainting the sign face. This standard also applies to buildings, structures, and signs that are used by nonconforming uses if they are designed in a way that is not suitable for reuse as a conforming use.

ARTICLE 6. SUBDIVISION DESIGN AND LAND DEVELOPMENT

Division 6.100 Purpose and Applicability

SEC. 6.101 TITLE

This article is cited as the Subdivision Regulations. This Article is adopted under the authority of the Constitution and laws of the State of Texas.

SEC. 6.102 PURPOSE

This article regulates the division of land into parcels and development sites in order to:

- A. Achieve the goals and objectives of the *City of Galveston 2011 Comprehensive Plan*;
- B. Promote quality, sustainable development patterns;
- C. Ensure that development is served by adequate public facilities;
- D. Ensure that the lot, block, and development pattern of new subdivisions is consistent and compatible with historic development patterns, where applicable;
- E. Ensure that new development in the City's historic areas is consistent with the traditional block pattern associated with the original layout of the City from 1838;
- F. Provide adequate open space, trails, and other civic spaces;
- G. Provide for streets in new subdivisions that serve all anticipated modes of travel available to the subdivision, including cars, pedestrians, bicycles, and transit; and
- H. To establish standards and procedures consistent with state law.

SEC. 6.103 APPLICABILITY

- A. This article applies within the corporate limits and the ETJ of the City, for any subdivision of land, or combining of previously platted lots, and any development, use or activity that requires a development plat.
- B. **Types of Permits.** This article applies to the following categories of approval:
 - 1. Preliminary plats (Section 13.501)
 - 2. Final plats and final development plats (Section 13.503)
 - 3. Minor plats (Section 13.504)
 - 4. Planned Unit Development overlay districts (Section 4.102)
 - 5. Site plans (Section 13.506)

SEC. 6.104 ALTERNATIVE STANDARDS

- A. The Planning Commission may approve a plat, site plan, or PUD plan with an alternative standard of compliance for any requirement of this article if it determines that the alternative standard meets or exceeds the requirement of this article and conforms to the City's infrastructure policies identified in

the *City of Galveston 2011 Comprehensive Plan*, Infrastructure Master Plan, Parks and Open Space Master Plan, and complies with all applicable laws and these regulations.

- B. This Section does not apply to the following standards:
 - 1. Application submittal requirements;
 - 2. Frontage requirements;
 - 3. The City's zoning regulations;
 - 4. Required widths for streets, sidewalks, and alleys;
 - 5. Requirements for the type of infrastructure to be included in a proposed subdivision; or
 - 6. The maintenance and guarantee of improvements provisions.
- C. In determining that the alternate standard complies with this article, the Planning Commission shall consider:
 - 1. Any applicable goals, objectives and policies of the *2011 Comprehensive Plan*;
 - 2. The existing and proposed land use of the general vicinity;
 - 3. The probable effect of the proposed development upon traffic, public health, safety convenience, and welfare in the vicinity; and
 - 4. The impact of the proposed development on exposure to flood damage.
- D. Specific conditions and approved alternate standards shall be shown as notes on the plat and in the official minutes of the Planning Commission.

Division 6.200 Guarantee and Maintenance of Infrastructure Improvements

SEC. 6.201 GENERALLY

This Division applies to any situation where these regulations require infrastructure improvements, and sets out the minimum standards to ensure the long-term maintenance of all infrastructures including common open space, private drainage, or retention facilities, and public and private roads.

For purposes of this Division, "maintenance documentation" includes:

- 1. Plat annotations;
- 2. Covenants, conditions and restrictions (CCRs), if required for private improvements;
- 3. Documentation creating a property owners' association, if required for private improvements; and
- 4. Any development agreements required by these regulations to ensure the long-term maintenance of infrastructure.

The applicant shall provide a copy of all maintenance documentation with any application for development approval.

- A. The Planning Commission may approve, modify, or disapprove all maintenance documentation in order to ensure compliance with these regulations.
- B. The Planning Commission may, as a condition of approval or prior to final approval, require that the maintenance documents allow the City to enforce compliance as needed to ensure compliance with these regulations.

SEC. 6.202 PLAT ANNOTATIONS

All provisions for the maintenance of private infrastructure shall be contained in notes on the face of any filed plat or development plat.

SEC. 6.203 CONSTRUCTION PLANS

Following approval of a preliminary plat and prior to submission of a final plat, the applicant shall provide to the Development Services Director for referral to the proper departments:

- A. Two preliminary prints of the proposed final plat, pursuant to Section 13.500, Subdivision Plat Procedures, indicating and describing the location of all permanent survey monuments and block corners in accordance with the following standards:
 1. Each lot must be accurately surveyed and suitable corner markers set prior to construction of any building or fence on the lot.
 2. All perimeter points and angle points in the boundary survey shall be permanently marked by a one-half-inch, iron rod embedded in a 6 inch cylinder of concrete, flush with the ground, with a minimum depth of 30 inches.
 3. Permanent benchmarks, based on NAVD (North American Vertical Datum 1988), shall be set not more than 1,000 feet apart along all street lines. Elevations on fire hydrants, manhole rings, and spikes in utility poles are not acceptable.
- B. Four copies of plan profile sheets, 24 x 36 inches in size and platted to a scale of 20 feet to one-foot horizontal and 2-inch to one-inch vertical for all streets and alleys in the subdivision. An arrow pointing north shall be clearly marked on all sheets, and plans shall be oriented with north towards the top of the sheet or to the right. These plan-profiles shall show the rights-of-way of the street, portions of rights-of-way of intersecting streets, location of existing curbs and gutters, proposed storm water structures, and water and sewer lines, as well as any other utility that may be located in the street area. The existing ground elevation and the proposed top of curb shall be shown on each side of the street and reference benchmark with its elevation (U.S.C. & G.S. Datum Plane).
- C. A final plat shall not be filed until the city engineer has approved all associated construction plans.
- D. As-built construction plans shall be provided to the City at completion of construction revised to reflect all as-built changes to the original design drawings. These plans shall be provided on reproducible Mylar and electronically compatible with the latest version of AutoCAD software.

SEC. 6.204 INSPECTIONS

- A. The City Engineer may conduct interim inspections at any point during construction of private improvements.
- B. Upon the completion of the work covered by the construction plans, the owner shall notify the City Engineer in writing. Upon receipt of notification, the City Engineer will inspect the construction work. If all work is found to be satisfactorily completed, then the City Council will consider the acceptance of the improvements for the contractor's two-year maintenance period.
- C. The contractor shall provide to the City a two year maintenance bond for all public infrastructures to assure the quality of materials and workmanship and maintenance of all required improvements. Bonds shall be provided in the amount of the contractor's bid for all installed public infrastructure. The maintenance bond or other surety instrument must be satisfactory to the City Attorney as to form, sufficiency, and manner of execution.

- D. At the completion of the contractor's two-year maintenance period, the City Engineer will inspect the construction work and notify the contractor of all deficiencies to be corrected. When these deficiencies are corrected to the City Engineer's satisfaction, the City will accept the improvements for maintenance.

SEC. 6.205 GUARANTEE OF INFRASTRUCTURE IMPROVEMENTS

- A. **Development Agreement.** For all developments in which streets, drainage facilities, water or sewer lines, or other improvements are to be constructed and dedicated or conveyed to the public, a development agreement is required to ensure proper construction and completion of the improvements and payment is made.

- 1. Upon approval of the construction plans and prior to approval of the final plat for filing with the City, the developer and construction contractor shall enter into a development agreement to provide infrastructure improvements as required by these regulations.
 - 2. The developer shall submit the signed development agreement at the same time with all required documents in conformity with all City construction standards.

- B. **Standards of Construction for Public and Private Improvements.** All public and private improvements shall be designed in accordance with the most current requirements of the Standard Construction Specifications and Details and the following:

- 1. **Paving and drainage facilities.**

- a. All streets and alleys and drainage facilities shall be designed and constructed in accordance with the Standard Construction Specifications and Details.
 - b. The rights-of-way shall be graded to provide suitable, finished grades for pavement, sidewalks, and planting strips with adequate surface drainage and convenient access to the lots.
 - c. All sidewalks or bicycle, pedestrian ways, and driveways shall be constructed in accordance with the Standard Construction Specifications and Details.
 - d. Where a subdivision abuts an existing nonconforming road or street, the developer shall be required to improve the intersection of the existing road or street to bring the same to a line and grade and type of construction meeting City standards or to replace it with a standard city street, at no cost to the City. Where the proposed subdivision is located along only one side of said street or road, then the street will be improved by means of the assessment basis with the developer paying his proportionate share as required by the City's impact fee policy.
 - e. Where a subdivision is platted so that lots back up to an existing street or a street is dedicated as part of a future development, the street shall be improved by the developer in accordance with Standard Construction Specifications and Details. In the case of an existing road or street that is not constructed to line and grade approved by the City Engineer, the requirements in subsection d above shall apply.

- 2. **Street lighting.** Lighting shall be approved by the City and provided on all streets and shall conform to Article 7. Lighting of these regulations and other applicable City policies concerning street lighting. All necessary easements for street light installation and maintenance shall be shown on both the preliminary and final plats.

- 3. **Site improvement data.** The following site improvement data, including all plans and specifications and engineering calculations, shall be submitted, bearing the seal and signature of

a civil engineer registered in the State of Texas. The number of copies shall be furnished as specified in the Standard Construction Specifications and Details:

- a. Roadways and sidewalks: Detailed cost estimates shall be included in plans and profiles of all streets, alleys, sidewalks, and crosswalks.
- b. Sanitary sewers: The location and dimensions of existing sanitary sewer lines, plans and profiles of proposed sewer lines indicating depths and grades of lines, detailed design information, and detailed cost estimates.
- c. Treatment plant system: When a separate sewer system or treatment plant is proposed, proposed plans and specifications shall be submitted.
- d. Water lines and hydrants: The location and size of existing water lines and fire hydrants, plans and proposed water lines and fire hydrants showing depths and grades of the lines, detailed design information, and cost estimates.
- e. Streets and drainage: All street widths and grades shall be indicated, runoff figures shall be indicated on the outlet and inlet side of all drainage ditches and storm sewers, and at all points in the street at changes of grade or where the water enters another street or storm sewer or drainage ditch. Drainage easements shall also be indicated.
- f. Drainage design: Calculations and map showing the anticipated storm water flow including watershed areas, percent runoff, and time of concentration. Channels and storm drainage. Completed plans, profiles, and specifications shall be submitted showing complete construction details and detailed cost estimate.
- g. Off-site drainage—Upstream: The drainage facilities shall be designed based on potential and fully developed conditions.
- h. Off-site drainage—Downstream: Water surface elevations for a one hundred year design frequency shall be indicated considering the downstream condition in order to define the potential flood hazards. Solutions to protect the property shall be developed.
- i. Drainage outfall: All drainage improvements shall be designed to an acceptable outfall.

C. **Standard Construction Specifications.** The Standard Construction Specifications and Details are adopted by reference and made a part of these regulations. These shall be controlling in the design, construction, and installation of street paving, curbs, gutters, sidewalks, utilities, and other public or private improvements. Standard Construction Specifications and Details may be reviewed and amended as deemed necessary and approved by the Director of Public Works and shall be effective immediately.

D. **Installation of public or private improvements.**

1. **Requirement.** All improvements required by these regulations shall be installed and constructed by the developer or their successor within three years from acceptance of the subdivision improvement construction plans.
2. **Failure to complete improvement.** Where public improvements are not completely installed and constructed within the three year period, the City may do the following:
 - a. Obtain funds secured by the performance bond to complete the public improvements; or
 - b. Exercise any other rights available in equity or under the law.
3. **Fiscal security.** A developer shall post fiscal security for construction of all public or private infrastructures prior to a request for recordation of the final plat, if the public improvements have

not been accepted by the Director of Public Works, and provided that the subdivision improvement construction plans have been accepted by the Director of Public Works.

- a. Amount: The amount of fiscal security posted by the developer shall equal the estimated cost as established by the developer's engineer and confirmed by the Director of Public Works, plus a ten percent contingency to complete the public improvements that have not been constructed or accepted.
 - b. Types: The following may constitute acceptable fiscal security:
 - i. A performance cash bond; or
 - ii. A Letter of Credit, approved by the City Attorney.
4. **Return of fiscal security.** The City shall release the fiscal security to the developer when the Director of Public Works has issued a final acceptance letter of the improvements.
5. **Expenditure of fiscal security.** The City may draw on the fiscal security and pay the cost of completing the improvements if it determines that the developer has breached the obligations of this Article or the three year time period for the installation and construction of the required public improvements has expired. The City shall refund the balance of the fiscal security, if any, to the developer. The developer shall be liable for the cost that exceeds the amount of fiscal security, if any.
6. **Inspection and acceptance of public improvements.**
 - a. Entry and inspection:
 - i. The City Engineer or his designees shall have the right to enter upon the construction site for conducting inspections. Inspections of the public improvements during construction will be done to ensure general conformity with plans and specifications as accepted. If the Director of Public Works finds, upon inspection, that any of the public improvements have not been constructed in accordance with this Article and the design and construction standards, then the developer shall be responsible for making corrections to ensure compliance with City standards.
 - ii. Upon completion of construction, the developer shall arrange for a final inspection to determine that the public improvements have been installed and in conformity with the accepted subdivision improvement construction plans. The developer shall pay all necessary inspection fees prior to the City's acceptance of the public improvements.
 - b. Request for acceptance of public improvements: Upon completion of construction of the public improvements, the developer shall submit a written request to the Director of Public Works that the City accept the improvements for maintenance. Concurrent with this request, the developer shall submit all information required by these regulations.
 - c. Letter of acceptance: Upon satisfactory completion of the public improvements and receipt of the information and items requested for the acceptance, including a two year maintenance warranty bond, in favor of the City, the Director of Public Works shall issue a letter accepting the public improvements and shall forward a copy of the letter of acceptance to the City Manager or his designee.
7. Maintenance of public improvements. The developer shall be responsible for the maintenance and repair of all public improvements for two years after acceptance of said public improvements by the City.

SEC. 6.206 EXPENDITURE OF PUBLIC FUNDS

The City's approval of a final plat does not obligate the City to finance or furnish any infrastructure improvements within the approved subdivision. Public funds will be expended only after the approval of the City Manager and after an appropriation has been approved by the City Council for this purpose.

SEC. 6.207 REQUIRED COVENANTS, CONDITIONS, AND RESTRICTIONS

- A. **Generally.** Private improvements may be permitted in certain developments provided that their maintenance is provided for in perpetuity. These provisions shall, in most instances, be included in a declaration of CCRs for the property.
- B. **Recordation.** The applicant shall record the CCRs in the public records in the chain of title for the property, following review as provided below.
- C. **Applicability.** The applicant shall provide proposed CCRs to the City:
 - 1. With the application for final plat approval; or
 - 2. If no plat approval is sought before the issuance of any permit that directly authorizes development. Development approvals that require CCRs are contingent upon approval of the CCRs by the City.
- D. **City Enforcement.**
 - 1. The Planning Commission may review CCRs that implement requirements of these regulations or conditions of approval.
 - 2. The Planning Commission may require that the applicant grant the City a right of enforcement of the CCRs in order to ensure continuing compliance. Such enforcement shall be limited to only those matters relating to the ongoing maintenance of the private improvements and shall not extend to matters regulated by the City's zoning regulation.
 - 3. The City may require that the CCRs give the City a right to designate a management company to be paid a reasonable fee from the dues payable by the property owners after the third notice of noncompliance to the association's registered agent.

SEC. 6.208 PROPERTY OWNER'S ASSOCIATIONS

- A. **Generally.** Any subdivision or land development which requires a property owners' association in order to comply with these regulations or a condition of approval must include a recorded declaration of CCRs that establishes the association as required by Texas Property Code §§209.001-209.015.
- B. **Required Provisions.** The CCRs must provide that:
 - 1. The property owners' association is responsible for ensuring continuing compliance with these regulations and conditions of a subdivision plat, development plat, or site plan approval;
 - 2. Membership in the property owners' association is mandatory for all owners of property in the subdivision or condominium;
 - 3. The property owners' association has lien rights with respect to unpaid dues;
 - 4. The property owners' association is permanent; and
 - 5. The property owners' association has all responsibilities required by these regulations for ownership and maintenance of common elements.

SEC. 6.209 CONVERSIONS FROM UNIFIED CONTROL TO MULTIPLE OWNERSHIP

A development that is approved under unified ownership and control shall not be conveyed into multiple ownerships (*e.g.*, individual buildings in an office park being sold to separate entities) until the required CCRs are recorded or amended.

Division 6.300 Subdivision and Development Design

SEC. 6.301 GENERALLY

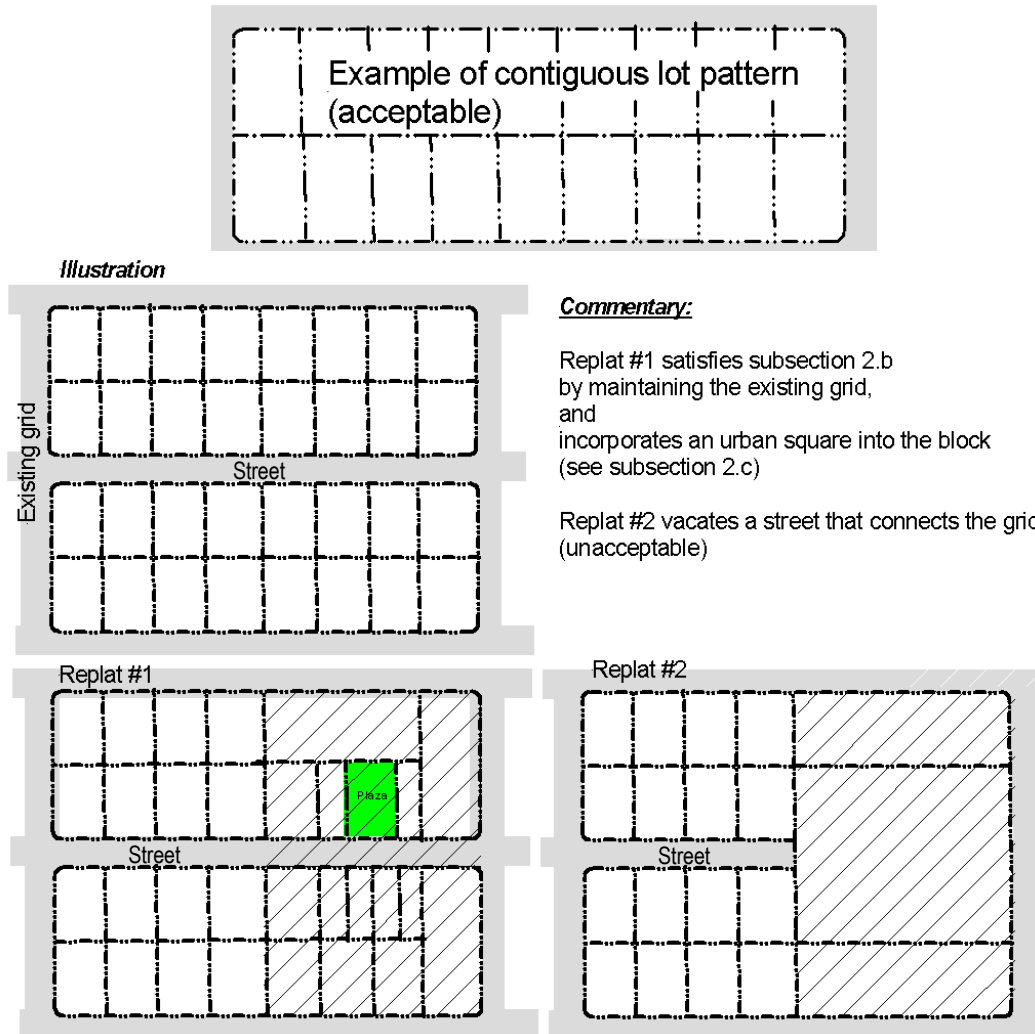
- A. **Physical Improvements.** Construction of all streets, sidewalks, drainage structures, utilities, and other improvements shall comply with the following standards at the time of submission of the plat:
1. Current City ordinances; and
 2. The Standard Construction Specifications and Details adopted in this Article and Division.
- B. The subdivide shall pay for all infrastructure improvements required except as otherwise provided by the City Code or these regulations.

SEC. 6.302 LOTS AND BLOCKS.

- A. **Generally.** Lot size, shape, and orientation shall conform to Article 3, District Yard, Lot and Setback Standards of these regulations. Lots shall be arranged in a contiguous pattern within blocks or adjoining a cul-de-sac. For minor subdivisions, all lots shall be contiguous and any new lots subdivided from a previously subdivided tract shall adjoin the existing lots.
- B. **Block Configuration—Eastern End.**
1. **Purpose and Findings.** The eastern end of the island is characterized by relatively short blocks with a grid pattern. The grid pattern was established in 1838 by the Galveston City Company and has been the most important factor in shaping the City's physical appearance. This block pattern is consistent with the City's historic character, is pedestrian friendly, and provides connectivity that disperses traffic in an efficient manner. The balance of the City is either committed to development with longer, curvilinear blocks, or characterized by natural features that require greater design flexibility than the City's more densely settled areas. This subsection establishes block width and perimeter standards that provide for appropriate block patterns throughout the City, preserve the City's urban street grid in the Urban Core, and provide design flexibility.

2. **Block Pattern.**

- a. Streets shall be laid out to create blocks.



- b. A vacation or replat of an existing plat in the East End Harborside area designated in Table 6.302 shall preserve the existing grid pattern of streets and blocks. Applicants shall not combine blocks by vacating streets except as provided in subsection 6.302.B.3 below:

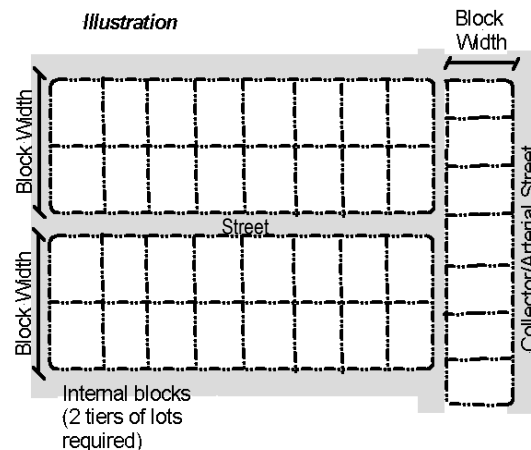
- c. Streets shall be arranged in a grid or comparable formal arrangement and open spaces shall be integrated into the block design. The Planning Commission may waive this requirement:
- To accommodate green spaces along drainage features, coastal features, or wetlands; or
 - Where other natural resources make a grid or comparable formal arrangement difficult or cost prohibitive.

3. **Permanent Street Closure.** When a single development includes multiple blocks, it may be beneficial to close public right-of-ways. A permanent street closure may only be considered on a case-by-case basis where the closures do not significantly impact traffic flow, and where it will provide a high quality development that contributes positively to the overall neighborhood character and pedestrian circulation system.

- a. Closure of a public rights-of-way after the adoption of these regulations may be considered when the following criteria are considered:
 - i. There is a demonstrated community benefit;
 - ii. The street segment is not a part of a historic district or a potentially eligible historic district;
 - iii. No structure shall be erected within the original right-of-way; and
 - iv. The closure does not negatively impact public safety or traffic.
- b. When closing a public right-of-way, the applicant's proposal shall attempt to:
 - i. Maintain existing view corridors and breezeways along the original right-of-way;
 - ii. Maintain pedestrian access through the development along the original right-of-way; and
 - iii. Provide additional landscaping including decorative paving in the closed area.
- c. Closure of an alley after the adoption of these regulations may be considered when the closure considers the following criteria, including but not limited to:
 - i. Closing the alley is necessary to build a parking structure or orient a mid-rise building as recommended by the Height and Density Development Plan and Design Guidelines;
 - ii. The alley segment is not part of a historic district or a potentially eligible historic district;
 - iii. Closing the alley would not cause a loss of service access to other properties;
 - iv. Utility service lines can be feasibly relocated, by the developer or applicant following review and approval by the Public Works Department; and
 - v. The closure does not negatively impact public safety or traffic.

4. Block Width.

- a. Blocks to the interior of the subdivision shall have sufficient width to provide for two tiers of lots. One tier of required block width is permitted in blocks adjacent to collector or arterial streets or waterways. No more than two tiers of lots shall be provided for any block. This subsection does not apply to flag shaped lots.



- b. Flag Shaped Lots: A lot that is, generally, in the shape of a flag extended at the end of a pole wherein the pole portion of the lot serves to provide the required street frontage and the flag portion of the lot serves to provide the buildable area of the lot. A 12-foot width is required for the entire length of the pole.

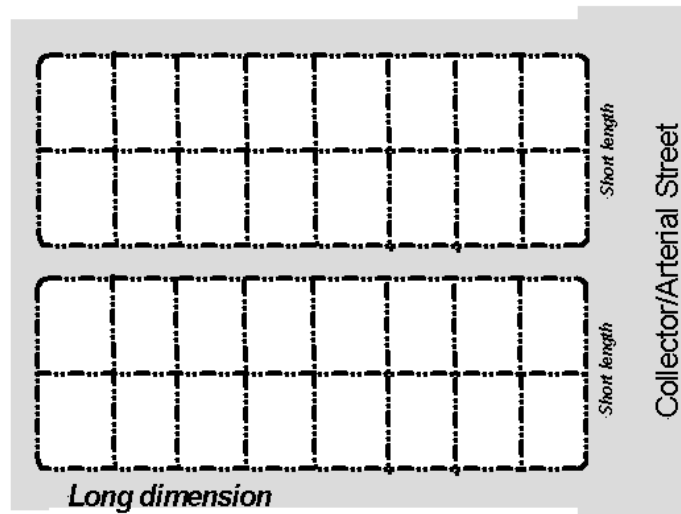
5. **Block Length and Perimeter.**

- a. The perimeter and length of blocks within a subdivision shall conform to the requirements in Table 6.302, below.

Table 6.302 Maximum Block Length and Perimeter				
(A) Location	(B) Average Length (maximum-feet)	(C) Maximum Length (feet)	(D) Average Perimeter (maximum-feet)	(E) Maximum Perimeter (feet)
East End 1 - Harborside <i>North of Seawall Boulevard, east of 61st Street, and south of State Highway 275 ("Harborside")</i>	320 (north-south axis) 350 (east-west axis)	370 (north-south axis) 400 (east-west axis)	1,340	1,540
East End 2 <i>East of Ferry Road</i>	400	450	1,600	1,800
Balance of Incorporated Area	450	700	1,800	2,800
Non-Residential Blocks <i>Outside of East End 1</i>	600	750	2,400	3,000

- b. Where possible, blocks shall be laid out to have their short length abutting arterial streets, collector streets, or the development's major road.

Illustration



6. **Non-Residential Blocks.** In order to accommodate the need for parking and larger floor plats for non-residential uses, the Planning Commission may waive the block length and perimeter restrictions to allow an additional 15 percent of block length or perimeter.

C. **Multi-Modal Circulation.**

1. A block that is at least 600 feet long shall include a multi-modal path that connects to another street or alley. A multi-modal path shall accommodate at least two of the following uses:
 - a. Alley;
 - b. Bikeway; or
 - c. Pedestrian pathway.
2. The multi-modal path shall be at least 10 feet wide.
3. The minimum width shall include a hard surface or a pervious surface that complies with the Standard Construction Specifications and Details.
4. The multi-modal path shall:
 - a. Be dedicated to the City; or
 - b. Include an enforceable easement that allows access by the public. In this situation, the applicant or property owner shall maintain the easement.

D. **Lot Lines.** All side lines of lots shall be at right angles to straight street lines.

E. **Access.**

1. Each lot shall have frontage on a public street or an alley or a private access way that conforms to the Standard Construction Specifications and Details.
2. The driveway access to each lot shall have a minimum width of 10 feet.

F. **Double Frontage.**

1. Double frontage lots are prohibited unless:
 - a. The lot is reserved for non-residential use; or
 - b. The Planning Commission finds that a double frontage is needed to separate residential development from traffic arterials or to overcome unique topographical or environmental restrictions.
2. In order to determine setbacks, the final plat shall designate the front and rear of any double frontage lots.

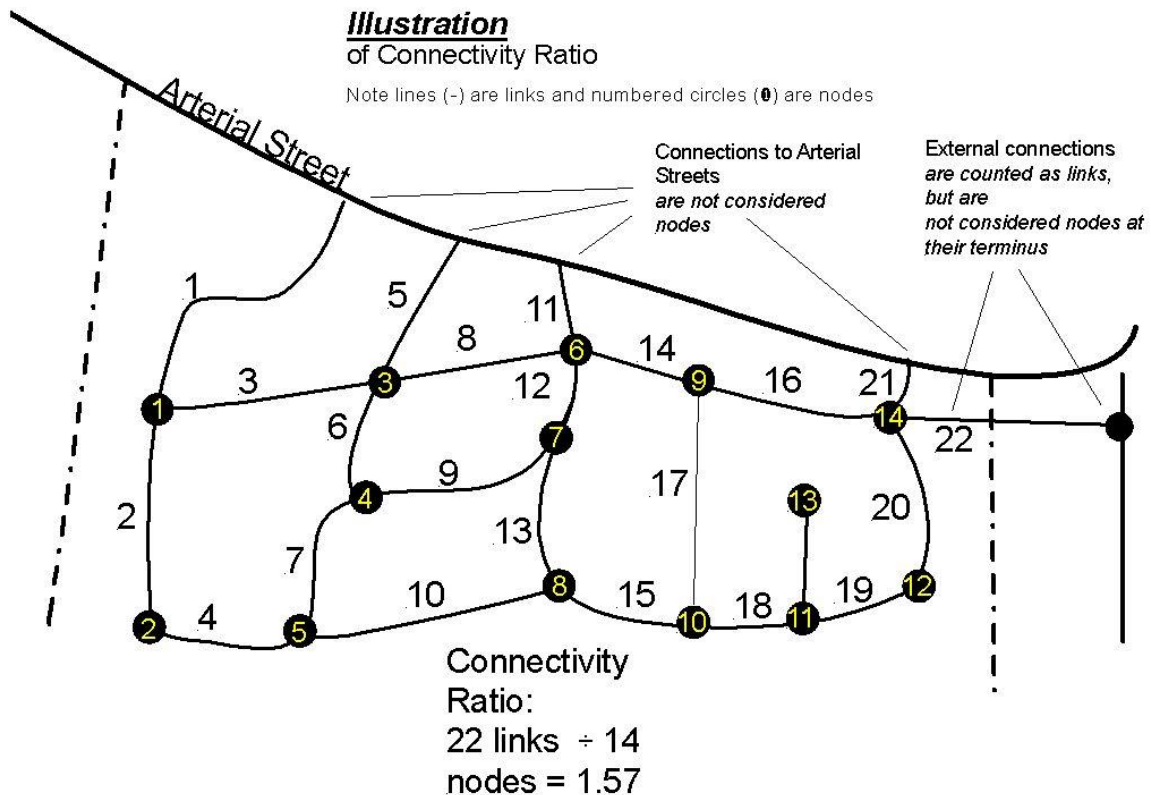
G. **Remnants.** No remnants of land shall be left in the subdivision that do not conform to lot requirements, are not required or suitable for utility service, or which are not designated as common open space or parkland.

H. **Elevation.** No lot shall be lower than the center line elevation of the adjacent street at any point unless the lot adjoins a body of water or a drainage easement. In no case shall the outfall from the street drain cross any portion of a private lot. The building site shall not be less than 1 foot above the center line of the street or be at least 1 foot above all elevations 6 feet from the building site.

SEC. 6.303 STREET DESIGN AND LAYOUT

- A. **Applicability.** The subdivider shall construct, in total, all streets in or new streets adjacent to the subdivision.
- B. **Layout.** Unless otherwise approved by the Planning Commission, provision shall be made for the extension of arterial streets and collector streets shall be provided for the circulation of traffic through the subdivision and connection to the arterial streets. Other streets shall be provided within the subdivision as necessary to accommodate anticipated traffic demands and provide access to all building sites. All arterial streets shall be continuous or in alignment with existing streets of which they are a logical extension.
- C. **Spacing.**
 - 1. Streets shall generally be platted to allow two tiers of lots with an alley or easements.
 - 2. The Planning Commission may permit lots having double frontages if it determines that they are necessary or desirable due to site considerations.
 - 3. Street intersections shall have a minimum offset of 125 feet.
- D. **Boundary Streets.** If the proposed subdivision is partially or totally bounded by existing streets or right-of-ways and having a width less than that specified in these regulations, the subdivision shall be laid out to provide the street width required.
- E. **Intersections.** No more than two streets may intersect at one point. All street intersections shall be at 90 degrees. A waiver of up to 10 degrees may be granted by the Planning Commission due to topography. Corners at intersections shall be rounded with a minimum radius of 25 feet. Street intersections shall be aligned so as to avoid off center intersections.
- F. **Connectivity.**
 - 1. The street system designated for each subdivision, except where prevented by topography or environmental conditions, must connect with streets already dedicated in adjacent subdivisions. Where adjacent property is not platted, adequate street connections shall be extended to the common property line to ensure proper traffic circulation when the property is platted. Reserve strips of land, to prevent access from other property, are not permitted.
 - 2. **Dead-End Streets.** Permanent dead-end streets shall have a “turn around” with an outside street rights-of-way radius of at least 50 feet at the closed end.

3. **Connectivity Ratio.** The streets within a proposed subdivision shall provide a connectivity ratio of at least 1:20. The connectivity ratio is computed by dividing the number of street links by the number of nodes within the subdivision. For purposes of this subsection, the intersection of a local street within the proposed subdivision with an arterial street, collector street, or a street that aligns with and provides access to an adjacent subdivision or street is not considered a node.



G. Geometric Design.

1. **Street Rights-of-Way Width.** Street rights-of-way width shall conform with the following:

- a. Arterial streets shall have the minimum rights-of-way width needed to accommodate the ultimate traffic volumes anticipated as determined by the Planning Commission. The applicant is not required to dedicate more than 120 feet of rights-of-way width unless the City or other agency compensates the applicant for the cost of the additional dedication.
- b. Collector streets shall have a minimum rights-of-way width of 60 feet.
- c. Local streets shall have a minimum rights-of-way width of 60 feet.

- H. **Street Elevation and Grade.** All street crown elevations shall conform with the City's master grading plan but in no case less than an elevation of 8 feet (NAVD 1988) for streets north of Seawall Boulevard, and 6 feet (NAVD 1988) for streets south of Seawall Boulevard or west of 103rd Street without the written concurrence by the City Engineer and the specific approval of the Planning Commission. Proposed streets shall meet or exceed the elevation of all connecting streets.

- I. **Sight Distance.** The Planning Commission shall apply such standards for the sight distances and curves as are appropriate to the anticipated speeds and volumes of traffic. The following standards apply:

1. For thoroughfares:

- a. The minimum tangent between reverse curves is 100 feet.
 - b. The minimum radius for horizontal curves is 150 feet.
 - c. The minimum radius for vertical curves is 100 feet.
- 2. For collector and local streets:
 - a. The minimum tangent between reverse curves is 40 feet.
 - b. The minimum radius for horizontal curves is 50 feet.
 - c. The minimum radius for vertical curves is 100 feet.

J. Private Streets.

- 1. **Applicability.** The Planning Commission may approve private streets only within a PUD District.
- 2. **Standards.** Private streets shall meet all standards for an equivalent public street. Traffic control devices shall conform to the standards of the Manual on Uniform Traffic Control Devices. The Director of Engineering may require installation of such traffic control devices as are deemed appropriate.

K. Street Names. New streets shall provide continuity of names with existing streets. Otherwise similar or identical street names to streets already existing or platted in other parts of the City shall be avoided. The maximum length of any street name shall be 18 characters. The Planning Commission may reject any name that it deems to be inappropriate.

L. Alleys.

- 1. The City may require alleys in blocks used for commercial purposes, where alleys are consistent with the historic pattern of development or traditional neighborhood developments.
- 2. Alley width shall be at least 20 feet and shall be paved full width.
- 3. No new business or dwelling shall face or have its main entrance on an alley.
- 4. Dead-end alleys are not permitted.

M. Curbs and Gutters.

- 1. The subdivider shall construct curbs and gutters, where applicable, to conform to Standard Construction Specifications and Details, along both sides of all streets within the subdivision and along the subdivision side of all boundary streets. The minimum gradient on streets and gutters shall be twenty five hundredths (0.25) of one percent.
- 2. The subdivider shall pay for and construct curbs and gutters, where applicable, on each side of all streets within a subdivision and on the subdivision side of all boundary streets.

N. Street Bases and Wearing Surfaces. The subdivider shall provide streets to conform to the current Standard Construction Specifications and Details.

O. Street Signs. The subdivider shall install street signs at each intersection within the subdivision. Signs shall conform to the current Standard Construction Specifications and Details.

P. Sidewalks.

- 1. Sidewalk construction shall conform to the current Standard Construction Specifications and Details. Such sidewalks shall extend from curb-to-curb at intersecting streets.

2. The subdivider shall install sidewalks on all streets within the subdivision and on the subdivision side of all boundary streets. Sidewalks shall be paved concurrently with the construction of the adjacent streets.

Q. Street Lights.

1. A system of street lighting shall be installed in all new subdivisions by the energy company authorized to do so under its contract with the City.
2. The lighting system shall conform to good engineering practices taking into consideration the needs of the subdivision.
3. Underground service and use of ornamental standards are preferred, where feasible. The subdivider shall provide one ornamental light fixture per every five installed fixtures for future maintenance. The subdivider may propose alternatives and shall confer with the appropriate energy company and with the city engineer before proposing alternatives.
4. The subdivider shall pay to the City, at the time of installation of the system, an amount equal to two years annual charges for the system. The fee shall be paid prior to recording of the final plat.
5. The design shall be approved by the city engineer.
6. The minimum criteria for approval is a light at each street intersection and a maximum of street distance to the next light of:
 - a. East of 8-Mile Road: 150 feet.
 - b. West of 8-Mile Road: 300 feet.

SEC. 6.304 COMPATIBILITY

- A. **Generally.** A proposed development must be compatible with the surrounding neighborhoods and with the City of Galveston Comprehensive Plan of 2011.
- B. **Basic Factors.** In considering whether the proposed development is compatible, the Planning Commission will consider the following factors for the proposed development and the neighborhood:
 1. Street patterns;
 2. Lot configuration; and
 3. The goals and policies of the *City of Galveston 2011 Comprehensive Plan* and other adopted neighborhood plans.

SEC. 6.305 UTILITIES

A. Generally.

1. All developments shall provide water, sewer, storm water, electric, telephone, and other public or private utility connections to City residents.
2. Where a development is part of a larger parcel of land under common ownership with the applicant, the capacity of utility facilities shall be adequate to serve the entire property to the extent that the capacity is matched to that of the lines that it extends.
3. If the applicant extends water or sewer lines that serve other developments through its property, the City may require the applicant to participate in a utility oversizing and reimbursement program as a condition of subdivision or site plan approval.
4. Wherever possible, compatible utilities shall share easements.

B. Water.

1. All subdivisions shall be provided with an approved water system.
2. The water system shall conform to the City's Standard Construction Specifications and Details. Water lines shall be installed to serve each lot in all subdivisions within the City limits. Where the connection to a system is not made immediately, plans shall be prepared for future installation of a water distribution system to serve each lot. Those parts of such system that lie in the parts of streets intended for vehicular traffic shall be installed prior to streets being paved.
3. Potable water lines shall be looped and shall have a secondary feed to the potable water supply.

C. Fire Hydrants. Standard fire hydrants shall be installed as a part of the water distribution system not more than 500 feet apart in residential areas and 300 feet apart in commercial areas as measured along the streets and shall conform in all respects to the specifications of the City.

D. Wastewater.

1. All subdivisions shall be provided with an approved sewage disposal system to conform to the latest TCEQ (Texas Commission on Environmental Quality) regulations, Sewage Ordinance, and the City's Standard Construction Specifications and Details as adopted.
2. Sanitary sewers shall be installed to serve each lot in all subdivisions.

SEC. 6.306 DRAINAGE

A. Required Facilities. The subdivider shall construct all storm sewers, laterals, manholes, catch basins, culverts, ditches, and/or other appurtenances necessary to adequately drain the subdivision. Where trunk line storm sewers cross the subdivision or are extended to provide outfall for the subdivision, the City may assume that portion of the cost in excess of that required to drain the subdivision.

B. Design. All drainage computations and drainage structure design shall conform to the Standard Construction Specifications and Details. Computations and designs shall be submitted to the city engineer for approval. The subdivider shall be required to provide for all storm water originating within the subdivision as well as that originating upstream in the drainage area where crossing the subdivision. Any off-site drainage easements necessitated by the subdividing of a tract of land shall be provided by the subdivider. The following is the minimum design consideration:

1. Drainage structures shall be designed for flows determined by the Rational Method and for at least a two year rainfall frequency based on a minimum of 15 minutes time of concentration.
2. A tail water tide elevation of 1.5 (Mean Tide) shall be assumed.
3. A runoff coefficient of at least 0.50 shall be used for single dwelling areas where the minimum lot size is 7,000 square feet.
4. A runoff coefficient of at least 0.70 shall be used where lots are less than 7,000 square feet or where apartments, churches, schools, businesses, or any other facilities which will necessitate parking or large covered areas within the drainage area.
5. The maximum distance storm water to be carried in gutters before entering an inlet is 500 feet.
6. Minimum storm sewer lateral to be 18-inch pipe.

C. Storm Sewers. All storm sewers within public right-of-ways and easements shall be reinforced concrete pipe or equal, approved by the city engineer.

SEC. 6.307 PARKS, OPEN SPACE, AND CIVIC SPACES

- A. **Purpose.** These regulations establish requirements and incentives for new development to provide parks, open space, and civic spaces (referred to collectively in this section as “open space”). Open space can take a variety forms, ranging from large natural areas for planned conservation developments in the West End to small urban plazas and courts in the City’s historic Urban Core neighborhoods. This section establishes standards that define the open space categories along with design, location, and maintenance requirements that ensure that the spaces serve their intended purpose over time.
- B. **Designation and Ownership.**
1. **Generally.** The PUD plan, site plan, development plat, or subdivision plat shall delineate the location of open space and identify it as private or public.
 2. **Re-subdivision of Open Space Prohibited.** Areas designated as open space shall not be subdivided, but shall be shown as a "park," "open space," or a similar designation on a plat or site plan identifying it as restricted in use. Open space may be owned, preserved, and maintained by any of the mechanisms described below or any combination thereof.
 3. **Private Areas.** If required open space is maintained in private ownership, it shall be designated as common area for the use of all residents and occupants of the proposed development. Provisions shall be made for perpetual maintenance and care of such private areas. The instruments creating the dedication, homeowners' association, condominium association, easement, transfer, or improvement district shall be provided with the application for subdivision plat approval.
 4. **Dedication of Land to City.** Dedication of open space to the City satisfies the requirements of this subsection. Dedication shall take the form of a fee simple ownership. The City may accept a dedication if:
 - a. The land is accessible to the residents of the City;
 - b. There is no cost of acquisition other than any cost normally associated with closing on real estate;
 - c. An environmental survey of the property is submitted;
 - d. A metes and bounds and boundary survey of the property is submitted; and
 - e. A warranty deed is submitted to verify ownership, along with a submittal determining property value.
- C. **Amount of Open Space Required.**
1. The current zoning regulations and the City’s Parks and Open Space Master Plan establish the amount and type of open space required.
 2. The applicant may dedicate any trail to the City for public use. The dedicated trail shall count toward meeting the required active open space requirements.
- D. **Design.**
1. **Generally.**
 - a. Open spaces should be integrated into the development design to bring significant open space to the maximum number of properties.

- b. Small, odd, left-over open space areas should be avoided.
- c. Land designated as open space on a final subdivision plat shall be maintained as open space and may not be separately sold, subdivided, or developed, except for park uses.

2. **Typologies.**

- a. **Generally.** Table 6.307 at the end of this section provides a variety of options the applicant may use to satisfy the open space requirements. The Planning Commission may approve additional open space categories that accommodate the purposes described in this section.
- b. **Multi-Use Paths.** The entire area along a collector or arterial street that meets the following requirements may also be counted against the minimum open space requirements:
 - i. The minimum width is 12 feet on either side of the arterial or collector.
 - ii. The path must be located outside of the right-of-way.
 - iii. Construction must meet minimum American Association of State Highway and Transportation Officials (AASHTO) standards for use by both pedestrians and bicyclists.
 - iv. The path shall be defined by placing a planted strip of a width of at least 3 feet between the back of the curb and the street edge of the path.
 - v. One large tree and one medium tree shall be planted every 100 feet or fraction thereof.

3. **Connectivity.**

- a. Where possible, open space shall align with open space areas on adjacent property or areas designated as a public greenway, a linear park, or similar facility in the City's Parks and Open Space Master Plan; and
- b. Open space areas shall include sidewalks, trails, or similar facilities that align with such facilities in an adjoining parcel or where adjoining parcels are unimproved conform to the specifications set forth in the facilities plan.

4. **Percentage in Storm Water Management Facilities.** Detention or retention basins, which are required as part of the storm water management standards, do not qualify as open space unless 75 percent or more of the active and usable area is designed for recreational use and the area conforms to the requirements below:

- a. Detention areas shall not be inundated so as to be unusable for their designated recreational purposes. Detention areas must be designed to drain within 24 hours.
- b. Detention areas shall be constructed of natural materials. Terracing, berming; and contouring is required in order to naturalize and enhance the aesthetics of the basin.
- c. Basin slopes shall not exceed a three-to-one (3:1) slope.
- d. Detention areas may count a maximum of 50 percent of any park dedication requirement.

5. **Slopes.** At least 50 percent of required dedicated open space land shall have slopes that do not exceed 7 percent.

6. **Access.** If streets are planned within a proposed single-family project, open space provided pursuant to this section shall have direct access to the streets.

7. **Excluded Areas.** The following areas are not considered open space:

- a. Areas covered by buildings, parking lots, or other impervious surfaces accessible to automobiles. However, up to 50 percent of a parking area but no more than 2,000 square feet

is counted toward the minimum land area required. The parking area must be accessory to and reserved exclusively for the open space area.

- b. Utility easements, drainage easements, or street right-of-ways, unless those areas are useable for public recreational purposes and are not permanently converted to a street or trench. Land underneath overhead utility lines is not considered open space, except where used for jogging trails, bicycle trails, or parking areas accessory to an open space.
- c. Streets and rights of way.
- d. Ponds or lakes exceeding 2,500 square feet unless surrounded by an upland open space area with a minimum width of 50 feet.

E. Location.

- 1. **Distance from Lots.** No residential lot or principal commercial or office building within a proposed development may be located more than one-quarter ($\frac{1}{4}$) mile from any open space. This distance is measured from the entrance allowing people or bicycles to enter into the open space or to view the open space area. This distance is measured in a straight line but must not be interrupted by an arterial street or freeway. This section does not apply to the East End Harborside area designated in Table 6.302.
- 2. **School Site Locations.** Park sites shall be located, whenever possible, adjacent to and contiguous with school sites in order to make maximum use of common facilities and grounds. Land area dedicated to a school district is credited toward the minimum open space requirements if there is a joint use agreement between the City and the school district.

F. Maintenance. The applicant shall develop an open space maintenance plan as part of the application for development approval including the project-phasing schedule. This plan shall designate and indicate the boundaries of all proposed parks or open space required by this section.

- 1. **Maintenance Plan.** The open space maintenance plan shall:
 - a. Designate areas to be reserved as a park (for open space with improvements) or open space (for open space without improvements); and
 - b. Specify the manner in which the park or open space shall be perpetuated, maintained, and administered.
- 2. **Interim Maintenance of Land and Improvements.** Open space to be dedicated to the City shall be maintained by the applicant until such time as the land is accepted by the City for maintenance. Any associated facilities or site improvements designed and constructed by the applicant are subject to the provisions of Division 6.200 regarding construction plans, City inspections, contractor's two year maintenance period, and developer/owner guarantee of improvements.

Table 6.307 Open Space Typologies		
(A) Open Space Category	(B) Description	(C) Maintenance Requirements
Natural Areas	Natural Areas are areas established to protect natural attributes of local, regional, and statewide significance that may be used in a sustainable manner for scientific research, education, aesthetic enjoyment, and appropriate use not detrimental to the primary purpose. These areas are resource rather than user-based but may provide some passive recreational activities such as hiking, nature study, and picnicking. Natural Areas may include marshes, wetlands, scrub, grasslands, and dune systems.	Maintenance is limited to a minimum removal and avoidance of hazards, nuisances, or unhealthy conditions. Natural watercourses shall be maintained as free flowing and devoid of debris.
Greenways	Greenways are areas connecting residences and recreational areas. Greenways are designed to incorporate natural settings, such as creeks and significant stands of trees within neighborhoods. Parkway and greenways differ from parks, plazas, and squares in that their detailing is natural (<i>i.e.</i> , informally planted), except along right-of-ways, and may contain irregular topography.	A Greenway may be counted as open space if: 1. The it has an average width of at least 50 feet; and 2. If it consists of agricultural areas the agricultural areas shall have a continuous area of at least 50 acres. The agricultural areas may be combined with adjacent agricultural lands if the minimum width prescribed above is met on all portions of the agricultural greenway on the site.
Greenbelts	Greenbelts run along the perimeter of a neighborhood and serve to buffer a neighborhood from surrounding non-compatible uses such as a highway corridor or industrial district or from agricultural areas or adjacent neighborhoods. Greenbelts differ from the other types of open spaces in that they are left natural and are not for recreational use.	There is no tree planting requirement along right-of-ways for Greenbelts. The following uses are permitted within a Greenbelt: 1. Resource protection areas; 2. Lots with a minimum lot size of five acres and a maximum impervious surface ratio of 5 percent; or 3. Linear parks improved with trails, benches, and/or playground equipment. Trails, benches, and playground equipment shall not be considered impervious surfaces for purposes of computing impervious surface. The Greenbelt shall be an average of at least 100 feet in width and at least 50 feet at any point.

(A) Open Space Category	(B) Description	(C) Maintenance Requirements
Playgrounds	Playgrounds provide play areas for children as well as open shelter with benches for parents. Playgrounds may be built within squares and parks or may stand alone within a residential block.	Minimum Size: 5,000 square feet Maximum Size: 20,000 square feet Playing surfaces may be covered in sand, wood chips, or other equivalent material. Paths and walkways may be paved in concrete, crushed gravel, brick paver, or similar material or partially paved.
Plazas	Plazas are areas for passive recreational use that are entirely bounded by streets and/or lanes. Plazas are intended for master planned communities such as TNDs or for non-residential uses.	The plaza shall be square or rectangular with a length of at least 1½ times its width. The plaza shall be bounded on all sides by streets. Minimum width: 200 feet Minimum length: 300 feet Maximum width: 500 feet Maximum length: 800 feet
Courtyards	A Courtyard is an open area adjacent to or part of a civic building or facility. Courtyards function as gathering places and may incorporate a variety of non-permanent activities such as vendors and display stands. Courtyards are credited toward open space requirements only for multi-family, non-residential, or vertical mixed-use buildings and are maintained in private ownership.	Parking is permitted only at the edge of the Courtyard. Courtyards shall be paved in brick or other type of paver or crushed stone. Courtyards shall be level, stepped, or gently sloping (less than 5 percent grade). A Courtyard's horizontal length or width shall not exceed three times the height of the surrounding building(s). Minimum size: 2,000 square feet Maximum size: 30,000 square feet Courtyards may be left unplanted. If planted, the trees shall frame the Courtyard space or the structure that the Courtyard serves. Tree spacing shall be a maximum of 25 feet on center.
Forecourts	Forecourts are open space areas that act as buffers between residential and non-residential buildings or streets. Forecourts are credited toward open space requirements only for non-residential, multi-family, or vertical mixed-use buildings and are maintained in private ownership.	Forecourts shall be entirely bounded by streets and private driveways and shall be planted parallel to all street right-of-ways with a single tree species.

(A) Open Space Category	(B) Description	(C) Maintenance Requirements
Attached Squares	Attached Squares are areas for passive recreational use which are internal to a block.	Attached Squares shall be bounded by streets on a minimum of three sides or 75 percent of their perimeter. Attached Squares may be bounded by buildings on a maximum of 60percent of their perimeter (maximum of two sides) in order to provide a central gathering area for the community. Attached Squares shall be planted parallel to all right-of-ways with at least two tree species a minimum of 10 feet and a maximum of 50 feet on center. All internal tree plantings (if provided) shall be in geometrical layouts. Minimum size: 2000 square feet Maximum size: 1 acre
Detached Squares	Detached Squares bordered on all sides by roads are particularly formal. Because adjacent buildings provide much of the population using any public space, Detached Squares are less likely to be used than other types, though it remains appropriate as a means to symbolically enhance important places, intersections, or centers.	Detached Squares shall be planted along the perimeter of the Plaza or may be used to preserve a specimen tree or small stand of trees. The geometric pattern of the Detached Square shall be square or a rectangle with a length not exceeding twice the width. Minimum Size: 200 square feet Maximum Size: 1 acre
Greens	The Green is an urban open space that is natural in its details. Like the Square, it is small, civic, and surrounded by buildings. Unlike the Square, it is informally planted and may have irregular topography.	Greens shall be landscaped with trees at the edges and open lawns at the center. Greens shall contain no structures other than benches, pavilions, and memorials. Trails or pedestrian pathways are optional.

(A) Open Space Category	(B) Description	(C) Maintenance Requirements
Parks	Parks may be designed for active recreational use. Parks create a central open space, which services an entire neighborhood or group of neighborhoods, or incorporates physical features, which are an asset to the community (<i>i.e.</i> , water frontage, high ground, or significant stands of trees). Parks may be combined with Parkways and Greenbelts.	Parks shall be bounded by streets on a minimum of 50 percent of their perimeter (subject to lot line configurations). Minimum size: 1 acre Trees shall be planted parallel to all perimeter right-of-ways with one species type, a minimum of 15 feet to a maximum of 50 feet on center. Pedestrian paths within a Park may be formally planted with trees parallel to the walkway. Areas under dense tree plantings shall be paved with crushed gravel. Interior portions of Parks may be kept free of tree plantings. Areas for active recreational use and any facilities that accompany such use shall have a tree planting design that integrates the structures into the Park and defines the areas set aside for active use from areas of passive use. Plantings in interior portions of Parks are encouraged to follow topographical lines.
Parkways	Parkways are open spaces designed to incorporate natural settings such as significant stands of trees within neighborhoods. Parkways and Greenways differ from Parks, Plazas, and Squares in that their detailing is natural (<i>i.e.</i> , informally planted), except along right-of-ways, and may contain irregular topography.	Parkways shall be entirely bounded by streets or pedestrian right-of-ways within developed areas. Parkways may be used for certain active recreational uses, such as walking, jogging, or bicycling. Trees shall be planted along all right-of-ways a minimum of 10 feet and a maximum of 50 feet on the center with a single species type. Interior areas shall remain natural and any additional plantings shall be informal in design.

SEC. 6.308 EASEMENTS

The City may require various on-site and off-site easements. These easements may be required to supply drainage, utilities, access to public utilities or drainage areas, fire protection, pedestrian access, and conservation. The dimensional and location standards for easements are established in Table 6.308. The following additional standards apply to easements:

A. Utility Easements.

1. Where required, all lots shall provide utility easements (UE) for public utilities that are necessary or desirable to serve the subdivision.
2. Separate designated easements shall be provided for water and sewer lines and denoted as such on the final plat.
3. Down-guy easements are required where needed.
4. Utilities shall be located underground. Where this is not possible, pole utilities shall be located at the rear of lots and avoid poles along the streets.
5. Where attached housing types are developed, easements shall be placed in open space areas for maintenance purposes.

B. Drainage Easements.

1. Drainage easements may be required with sufficient width to accommodate construction and maintenance of the facility.
2. Existing surface drainage patterns shall be protected by easements or open space.
3. Drainage easements shall be placed on lots to convey surface water to storm sewers located on the street or to surface drainage channels located within easements or open spaces as topography and grading dictate.

C. Fire Protection Easements.

1. Fire protection access easements shall be improved with concrete paving at a width of 20 feet, or as required by the City's Fire Code.
2. Fire protection easements must include turning radii sufficient to accommodate the City's fire protection equipment.

D. Pedestrian Access Easements. These regulations may require pedestrian access easements.

E. Conservation Easements.

1. These regulations may allow creation of conservation easements to preserve open space and protect natural resources.
2. Conservation easements shall exclude other easements that would result in the disturbance of the land. However, pedestrian access easements are permitted within conservation easements.

F. Encroachments and Removal of Encroachments.

1. No permanent encroachments or structures are allowed within any easement required by this section, except:
 - a. Fences that allow access as needed to maintain the easement;
 - b. Landscaping consisting only of bushes, shrubs or flowers;

- c. Bicycle racks;
 - d. Paving materials required for access to the property, or to meet minimum standards such as parking;
 - e. Temporary street furniture; and
 - f. Other minor encroachments, if the utility provider determines, in writing that the encroachment does not use the public easements for maintenance, repair, and/or replacement of its utility facilities.
2. The City may remove any encroachment, structures, landscaping, or any other improvement placed within required easements.
 3. The City may assess its costs against a landowner for removal of an unauthorized improvement from an easement, including placing a lien on the property.

Table 6.308 EASEMENT SPECIFICATIONS			
(A) Type	(B) Ground Width <i>(measured at ground level, extending to the plane established in column (C) where required)</i>	(C) Above-Ground Width <i>(measured from a plane beginning 20 feet above ground and extending upward)</i>	(D) Location
Utility	10 feet	15 feet	Rear lot line or alley
	5 feet	10 feet	Street right-of-ways, or front, side, or rear yards
Drainage, other	No set width; the easement must be sufficient to meet its required capacity	--	As shown on subdivision plat or site plan
Fire Protection	20 feet	--	Street or parking areas
Pedestrian Access	5 feet	--	As shown on subdivision plat or site plan
Conservation	No set width	--	As shown on subdivision plat or site plan

SEC. 6.309 GRADING

All lots shall be graded such that surface water flows to the street gutters or to public drainage outlets. Water flows shall not drain toward private property.

Division 6.400 Dedication of Land and Improvements; Fee in Lieu

SEC. 6.401 DEDICATION

- A. Approval of any plat or replat is deemed an acceptance of the proposed land dedication.

- B. Acceptance of improvements under this section does not impose a duty upon the City concerning the maintenance or improvement of any dedicated parts until the improvements are made by the subdivider and accepted by the City.
- C. Prior to final approval by the Planning Commission, all dedications of land for public use require the developer and/or owner to agree in writing to provide the necessary improvements.
- D. Prior to acceptance of improvements by the City, the owner shall furnish a certificate prepared by an engineer to the effect that all such improvements have been completed in accordance with the current Standard Construction Specifications.
- E. No building permit shall be issued and no utility service or connection shall be made with any public utility prior to the approval of a plat or replat.

SEC. 6.402 REFUSAL OF DEDICATION

Rejection of a plat or replat by the Planning Commission is considered a disapproval of the acceptance of an offered dedication. The City may decline offers of dedication if it is determined that acceptance of said dedication is not in the public interest or the land is unsuitable for the designated use.

SEC. 6.403 EXPENDITURE OF FUNDS

Acceptance of a final plat by the City does not in any manner obligate the City to finance or furnish any improvements within the approved subdivision.

SEC. 6.404 FEE IN LIEU OF DEDICATION

The subdivider may pay a fee in lieu of dedication of open space required by these regulations or the Parks and Open Space Master Plan based on the value of the open space as established by City Council.

Division 6.500 Mapping and Monuments

SEC. 6.501 SURVEY

- A. **Accuracy of Survey.** The allowable error of closure for all survey work shall not be greater than one in seven thousand (1/7000).
- B. **Required Information.** Surveys shall include the following information:
 - 1. Two points identified by Texas Planes Coordinates;
 - 2. Basis of bearings used and a north point;
 - 3. Boundary of the development and total acreage encompassed, described, and mapped at an appropriate scale; and
 - 4. A legal description and exhibit of the property including the recorded status of the property.

SEC. 6.502 MONUMENTS AND MARKERS

The description and location of all permanent survey monuments block corners and other markers shall be shown on the plat and meet the following standards:

- A. Each lot must be accurately surveyed and suitable corner markers located;
- B. Every change of direction on the perimeter survey shall be permanently marked; and
- C. Permanent benchmarks, based on mean tide, 1,000 feet apart along all street lines. Elevations on fire hydrants, manhole rings, and spikes in utility poles are not acceptable.

SEC. 6.503 MAPPING CRITERIA

The following standards apply to the mapping of natural resources or other features of plans:

- A. Streams.** Streams (perennial, intermittent, mapped, and unmapped) with identifiable banks and beds shall have their boundaries set at the top of the bank.
- B. Water Courses.** Initial identification of the water courses/water bodies shall be made using the U.S. Geological Survey quadrangle maps or more accurate information as available. Field survey verification to determine evidence and location of channelized flow is required for preliminary plats and land development plans.
- C. Vegetation.** Vegetation shall be measured by the canopy line for the determination of areas of woodlands or trees. Other vegetation types shall be measured from the middle of the vegetation transition.
- D. Wetlands.** Wetlands shall be delineated in accordance with the criteria of the U.S. Army Corps of Engineers.
- E. Boundaries.**
 - 1. Measurements for the boundary are to be made horizontally, perpendicular from, or radial from any feature or point.
 - 2. Boundaries that depend on elevation shall be based upon on-site elevations and shall not be interpolated.
- F. Topography.** Topographic lines shall be at 1 foot contour intervals unless those intervals are impractical due to essentially flat topography.
- G. Digital Subdivision Record Plat.** A digital record of any plan or plat submitted under this article is required to maintain the integrity of the City GIS property base map. Digital submittals will be accepted only if they adhere to the following criteria:
 - a. The record plat base drawing is a DXF file (a standard digital exchange format).
 - b. Plats must be in Texas State Plane Coordinate System Datum at a 1:1 drawing scale in US survey feet; and
 - c. All polygons must close.

The following chart indicates only the layers that the City requires for its digital plat submittals:

Table 6.503 Digital Plat Submittal Layers			
Description of Layer	Layer Names	Color	Symbolism
All Existing Features	Existing	Green	Fill with Continuous Line
All Proposed Structures	Proposed	Orange	Continuous
Lot & Deed Parcel Boundaries	Subject Site	Blue	Continuous, 2 Point Width
Public Use	Public	Gray	Dashed
Street Name(s)	Streets	Blue	Standard(txt.shx)
Lot, Block, & Parcel Numbers*	L.B.P	Black	Standard (txt.shx)
Subdivision Names	Subdivision	Black	Italics (txt.shx)
			Obliquing angle: 30
* Font size for "Lot" is 16, "Block" is 25 and circled, and "Parcel" is 30.			
** Radius for a circle is 40.			

Division 6.600 West End Density Standards

Sec. 6.601 Generalized West End Development Standards

Table 6.601			
Development Type	Minimum Acreage	Maximum Density	Minimum Usable Open Space
Residential Subdivision Development	25	6 du/ac	20 percent
Traditional Neighborhood Development (TND)	50	6 du/ac	20 percent
▶ Neighborhood Center (within a TND)	10	8 du/ac	10 percent

Division 6.700 Requirements For Recreational Vehicle (RV) Parks

SEC. 6.701 ZONING DISTRICTS AND AREA

Recreational vehicle parks may be located in the Commercial and Resort/Recreation zoning districts only, as a limited land use. All recreational vehicle parks must meet all Limited Use Standards.

SEC 6.702 LOTS AND SPACES

B. All lots within a recreational vehicle parks shall be permanently marked and provide convenient access for a recreational vehicle.

SEC. 6.703 ANCHORING AND TIE-DOWN

Each recreational vehicle owner shall be responsible for securing his or her recreational vehicle, however, no permanent anchoring or tie-down procedures are required.

SEC. 6.704 WATER SUPPLY

A. The water supply system shall be connected by pipes to all recreational vehicle lots, buildings, and other facilities requiring water.

B. All piping, fixtures, and other equipment shall be constructed and maintained in accordance with State and City regulations and requirements.

C. City water mains shall not be extended beyond the external property line of any park development.

D. Fire hydrants at the perimeter of any park shall be placed in accordance with City regulations. Fire hydrants, if any, located within any park shall be privately owned, installed and maintained by the owners.

SEC. 6.705 SEWAGE DISPOSAL

All proposed sewage disposal facilities shall be approved by the City prior to acceptance for connection to the City sewer system.

SEC. 6.706 ELECTRICAL DISTRIBUTION AND LIGHTING SYSTEM

Every park shall contain an electrical wiring system consisting of wiring, fixtures, equipment, and appurtenances which shall be installed and maintained in accordance with applicable codes and regulations for such systems. The location of underground lines, if any, shall be clearly marked by surface signs at intervals of not more than 100 feet.

SEC. 6.707 REFUSE AND GARBAGE

All matters pertaining to the location and maintenance of refuse areas shall be in accordance with the City Department of Public Works and the City's Solid Waste Ordinance.

SEC. 6.708 SERVICES AND AMENITIES

A. Except that sites plainly designated and exclusively reserved for independent units need not be counted in calculating the number of toilets, lavatories, and bathing facilities. Toilet, lavatory, and bathing facilities shall be provided according to the following schedule:

1. One (1) toilet per sex at the rate of one (1) each for every 15 sites or fractional part thereof.
Urinals may be substituted for up to one-third (1/3) of the required number of toilets.

2. One lavatory per sex at the rate of one (1) each for every 15 sites or fractional part thereof.

3. One (1) bathing facility (shower or bath) per sex for every thirty (30) sites or fractional part thereof.

B. A paved or gravel sidewalk to each recreational vehicle lot from off-street parking areas shall be provided.

SEC. 6.709 STREETS AND PARKING (RV PARKS)

1. Vehicular access from any individual lot within a park to any public street shall be prohibited.

2. Off-street parking within any park shall be provided at a ratio of one (1) parking space for each lot, plus one additional space for each six (6) lots within the park. Said parking may be provided in one (1) or more designated parking areas or parallel and adjacent to any private street within the park.

3. When situated in designated parking areas, no parking space shall be further than 50 feet from the lot it is intended to serve.

4. When any public street traverses a park, the Director of Traffic may prohibit parking on such street.

5. All cul-de-sacs shall have a minimum radius of sixty feet (60'), and shall not exceed four hundred feet (400') in length.

SEC. 6.710 PERMITS AND CERTIFICATES OF OCCUPANCY

1. No person shall engage in the construction of any park, as herein defined, or make any addition or alternation to any park so as to alter the number of lots therein, or affect the facilities required therein, until he has first secured a building permit for such addition, alteration or construction.

2. No person shall operate a park, as defined herein, until he first secures a Certificate of Occupancy from the Building Official.

3. At any time deviations from the approved plans exist which, in the judgment of the Director of Development Services or his designee, create a hazard to public health or safety, the Director shall so notify in writing the owner of record of the park to correct such deficiency with thirty (30) days of such notice. In the event such deficiencies are not corrected within the time allowed, the Development Services Department may order the park vacated of all units.

4. Application for Permits:

a. Applications for building permits and certificates of occupancy shall be made to the Building Official.

b. All applications shall be accompanied by the following, as applicable:

1. A preliminary site plan map drawn to suitable scale on 24" x 36" reproducible sheets.

2. The name of the applicant, the developer and the property owner.

3. The street address and legal description of the property.

4. Name and registration number of licensed surveyor or engineer who prepared or certified the site plan map.
5. Scale of map, North Arrow, and location key map of the proposed development.
6. The location, name, existing and proposed widths of rights-of-way and pavement of all abutting or included streets and alleys.
7. The location and width of all existing or proposed public or private easements, whether for streets, drainage or utility purposes.
8. A topographic map of scale on 24" x 36" reproducible sheets indicating existing and proposed elevations, and showing:
 - a. Existing and proposed water courses.
 - b. Existing and proposed water supply.
 - c. Existing and proposed sewage disposal system.
 - d. Proposed flood control measures, if any.
9. Layout and configuration of all lots within the development area, with each lot fully dimensioned and identified by number or letter.
10. Layout and configuration of all parking facilities within the proposed development.
11. Location and use of all other buildings, structures, enclosures and facilities, including required open areas, trash receptacles and fire hydrants.
12. Applications for Building Permits shall be accompanied by two complete sets of final plans.

H. Certificate of Occupancy:

1. A Certificate of Occupancy shall not be issued for any portion of a partially developed park, unless the owner or developer posts a performance bond, approved by the City Attorney, guaranteeing completion of development within two years of the date of the Certificate of Occupancy.
2. A Certificate of Occupancy shall not be issued until the owner or developer of such park has paid to the City the required fee.
3. Certificates of Occupancy are nontransferable and shall be conspicuously displayed in a prominent and accessible place at the park.

ARTICLE 7. OUTDOOR LIGHTING

Division 7.100 Outdoor Lighting Standards

SEC. 7.101 PURPOSE AND APPLICABILITY

A. **Generally.** The purposes of this Article are to:

1. Allow for the reasonable use of outdoor lighting;
2. Minimize adverse off-site effects on other properties and habitat areas including light trespass and glare;
3. Improve security through night-time visibility;
4. Minimize the cumulative effects of excessive artificial lighting in an urbanized setting that detracts from enjoyment of the natural darkness and astronomical features of the night sky; and
5. Conserve energy.

B. **Applicability.** This Article applies to all installed outdoor lighting including replacement fixtures within the municipal boundaries of the City after the effective date of these regulations. This includes parking lot and interior lighting of open parking garages that shall comply with the requirements of Section 7.102, Nonresidential Lighting Standards. Individual lots that are developed with single-family detached and two-family dwelling units are subject only to Section 7.104, Single-Family and Two-Family Lighting.

C. **Exemptions.** This Article does not apply to any of the following:

1. Lighting within the public rights-of-way that is used principally to illuminate streets and sidewalks.
2. Lighting of subdivisions or any new street light installation including any new street lighting installation within existing subdivisions, which is regulated by Article 6, Subdivision Design and Land Development.
3. Lighting of signs, which is regulated by Article 5, Signs.
4. Temporary lighting of construction sites.
5. Seasonal lighting provided that individual lamps are less than 10 watts and 70 lumens.
6. Unless otherwise required by the Federal Communications Commission (FCC) or Federal Aviation Administration (FAA), towers or other structures requiring obstruction lighting at night shall be of the minimum luminous intensity oscillating red in color.
7. Searchlights, lasers, or any similar high-intensity light are not permitted except in emergencies where temporary lighting is needed by police, emergency medical technicians, or fire personnel or for search team purposes.
8. [Lighting of designated historic landmarks, with appropriate historic lighting technology, as approved by the Historic Preservation Officer or Landmark Commission.](#)

D. **Resolution of Conflicts.** When the requirements of this Article conflict with lighting that is required by federal or state law, regulation or rule, then the federal or state requirements control but only to the extent of the specific conflict.

- E. **Legally Non-Conforming Outdoor Lighting.** All outdoor lighting existing or legally permitted prior to the effective date of adoption of this Article shall be considered legally non-conforming (grandfathered)
1. Except for lamp replacement, no legally non-conforming luminaire may be repaired and/or modified to perpetuate its existence unless the repair and/or modification maintains conformance or makes the legally non-conforming luminaire conforming.
 2. If a lamp is available that makes a legally non-conforming luminaire conform or progress toward conformance to the required luminance level then such a lamp must be utilized when the lamp is replaced.

SEC. 7.102 NONRESIDENTIAL LIGHTING STANDARDS

- A. **Generally.** The maximum permitted illumination and the maximum permitted luminaire height shall conform to this Section. All light fixtures, except traffic signals, shall be located, aimed or shielded to minimize visible glare and stray light trespassing across property boundaries where a luminaire is installed.
1. **Prohibited Lighting.** Mercury vapor lighting shall not be used in any lighting plans or site installations given the comparative brightness and aesthetic quality, operational life, cost-effectiveness, and ease of disposal of other lighting types.
- B. **Fixture Type.** Light fixtures shall be full cut-off fixtures that limit lighting that is visible or measurable at the property line, thereby minimizing light trespass and reducing glare. The use of energy-efficient bulbs is encouraged.
1. Fixtures that are not full cut-off may be used only for decorative purposes provided that:
 - a. They have luminaires that produce no more than 1,500 lumens (approximately equal to a 100-watt incandescent bulb); and
 - b. They have a maximum height of 15 feet.
- C. **Maximum Freestanding Fixture Height.** No freestanding light fixture, or any lighting mounted to a structure, shall exceed a height of ~~that is 40 percent of the horizontal distance from the property line~~ or 25 feet. ~~whichever is less.~~
- D. **Maximum Illumination.** Outdoor lighting shall be designed so that:
1. The lighting is deflected, shaded, and focused away from adjacent properties and does not constitute a nuisance to such adjacent properties.
 - a. For architectural and landscape illumination, luminaires must be shielded so as to illuminate only the intended target. If not possible, then the lighting is restricted to illuminating the intended target such that no stray light passes above the horizontal plane.
 - b. For flag illumination, luminaires must be shielded so that light illuminates only the area about the flagpole, supporting structure, or projection from a structure on which the flag flies.
 - c. Spotlights and floodlights elevated above the ground on poles, buildings, or other structures and used for area lighting must be adjusted so that their axis of illumination is at an angle not greater than 20 degrees measured from the vertical line between the fixture and the ground. This does not apply to outdoor recreational facilities addressed in Section 7.103.

2. Any overspill of lighting over property lines does not exceed 0.3 foot-candle, measured vertically, and 0.3 foot-candle, measured horizontally, on adjacent properties.
3. The ground-level luminance ratio (the ratio between the luminance of the brightest point on the property and the darkest point on the property) does not exceed 12:1.
4. Activities should be conducted indoors within an enclosed structure if they require more illumination than the maximum level permitted for outdoor lighting in this Section.

For purposes of this subsection, the site boundary adjacent to a canal shall be considered 30 feet from bulkheads.

- E. **Canopy Lighting.** Canopy lighting for uses that have sheltered outside work or service areas, such as fueling stations, shall meet the standards of this Section. All luminaires shall be fully recessed into the canopy so that they cannot be viewed from off-site from an eye height of 4 feet to protect automobile drivers from glare.
- F. **Outside Wall-Mounted Lighting.** Outside wall-mounted lighting shall also comply with the standards of this Section except that lighting required by the FAA shall comply with federal standards.
 1. **Lighting Under Awnings or Overhangs.** Partially shielded, directional, wall lighting is permitted in locations beneath awnings or overhangs with a minimum depth of 48 inches and such that light does not directly radiate into the open sky and light trespass conforms to the maximum levels described in subsection 7.102.D, above.
- G. **Glare.** Glare associated with nonresidential uses shall be controlled through the following design and operational practices:
 1. **Glare from Use.** Glare from any process (e.g. arc welding or acetylene torch cutting) that emits harmful ultraviolet rays shall be performed in such a manner as not to be seen from any point beyond the property line or from any point that would create a hazard for other occupants or visitors to the property on which the activity is taking place.
 2. **Glare from Buildings and Structures.** Buildings and structures shall be designed and oriented to avoid glare that materially interferes with the safe operation of streets.
- H. **Operational Practices.** Nonresidential and multifamily uses shall implement the following practices to satisfy the purposes of this Article:
 1. **Reduced overnight lighting.** Nonresidential and multifamily uses shall reduce outdoor lighting between the hours of 11:00 PM and sunrise by turning off any non-emergency lighting. Lighting reductions are not required for any of the following:
 - a. With the exception of landscape lighting, lighting for residential properties including multiple residential properties not having common areas;
 - b. When the outdoor lighting consists of only one luminaire;
 - c. Code required lighting for steps, stairs, walkways, and building entrances;
 - d. Motion activated lighting;
 - e. Lighting governed by approval of a Specific Use Permit in which times of operation are specifically identified; or
 - f. Businesses that operate on a 24 hour basis.

2. **Automated Teller Machine (ATMs) and night depositories.** Lighting shall be fully shielded with maximum illumination of 270 watts per location plus 100 watts per additional ATM per location.
- I. **Outdoor Lighting Plan.** New nonresidential construction projects ~~with a gross floor area of 2,500 square feet or greater and any~~, new Commercial Parking Lot, Parking Structure—Incidental to Main Use, or Parking Structure—Mixed Use construction projects shall include an outdoor lighting plan. Plan Requirements:
 1. **Site Plan.** Indicating the fixture type and location of all freestanding light fixtures, canopy lighting, and any lighting mounted to a structure. Must include the height of light fixtures, distance from property lines, and the aiming and shielding details.
 2. **Maximum Illumination.** Map, diagram, or photometric survey depicting the overspill of lighting onto adjacent properties (if any) measured in foot-candles; and the ground-level luminance ratio.
 3. **Glare.** Description of the design and method of installation of light fixtures to minimize, shade, or focus light away from projecting over property lines.
 4. **Operational Practices.** Narrative or schedule describing practices that will be implemented to reduce overnight lighting.

SEC. 7.103 LIGHTING FOR OUTDOOR RECREATION

- A. **Generally.** Baseball diamonds, playing fields, driving ranges, tennis courts and similar recreation uses that remain active after sundown and have unique requirements for nighttime visibility. The standards of this Section, and not Section 7.102, Nonresidential Lighting Standards, shall apply to outdoor recreation uses.
- B. **Fixture Type.** Light fixtures for illumination of playing courts and athletic fields shall be "cut-off" fixtures that limit lighting that is visible or measurable at the property line.
- C. **Maximum Freestanding Fixture Height.** No freestanding outdoor recreation light fixture shall be greater than 80 feet in height.
- D. **Maximum Illumination.** Outdoor field and court lighting shall be designed so that:
 1. The lighting is deflected, shaded, and focused away from adjacent properties and does not constitute a nuisance to such adjacent properties.
 2. Any overspill of lighting onto adjacent properties does not exceed 0.5 foot-candles, measured vertically, and 0.5 foot-candles, measured horizontally, on adjacent properties.
 3. The installation of a landscape buffer mitigates any excessive overspill of lighting onto adjacent property beyond the limitations in subsection 7.103.D.2, above.

SEC. 7.104 SINGLE-FAMILY AND TWO-FAMILY LIGHTING

Outdoor lighting on single-family and two-family lots shall be designed so that:

- A. **Fixture Type.** Fixtures are shielded so that the light source is not visible from abutting properties, and so that the light cast on abutting properties does not exceed 0.1 foot-candles on the ground at the property line and on any window plane on the abutting property; and
- B. **Operational Practices.** Any motion sensor security lighting shall be pointed away from windows on abutting properties.

SEC. 7.105 STANDARDS NEAR BEACHES AND OPEN WATER

This Section is intended to provide special protection for beach and open water areas from excessive artificial lighting and glare, for the enjoyment and aesthetics of these resources, and to protect associated habitats and recreational activities. The standards of this Section apply to areas 50 feet landward of open water or public beach except for all permitted commercial fishing piers south of Seawall Boulevard and land south of Seawall Boulevard between 61st Street and 45th Street, 25th Street and 19th Street, and 10th Street through Stewart Beach Park. For purposes of this Section, the site boundary adjacent to a canal shall be considered 30 feet from bulkheads.

- A. **Structures On or Adjacent to Open Water.** For such structures adjacent to Residential, Multifamily, or Nonresidential uses, light trespass onto adjacent properties shall not exceed 0.1 foot-candles.
- B. **Standard for Certain Structures and Uses.** Personal boat docks, boathouses, and marinas use shall conform to the standard of this subsection and not the standard of subsection 7.105.A, above, when adjacent to a subdivision canal bulkhead structure. In such cases, light trespass onto adjacent properties shall not exceed the following maximum levels at the property line or site boundary:
 - 1. **Adjacent to Residential Use.** 0.1 foot-candles.
 - 2. **Adjacent to Multifamily or Nonresidential Uses.** 0.2 foot-candles.
- C. **Fishing Lights.** All fishing lights (free standing or mounted to a structure) over or adjacent to open water shall be no taller than 20 feet from mean high tide, fully shielded and deflected, and shaded and focused away from projecting light over property lines. The use of fully submerged lighting fixtures is encouraged.

SEC. 7.106 PUBLIC SAFETY AND PUBLIC NUISANCE

- A. **Generally.** The City may require the modification, removal, or limited operation of existing or new lighting fixtures found to be a public hazard or public nuisance according to the criteria of this Section.
- B. **Hazard.** Criteria for finding illumination to be a public hazard are as follows:
 - 1. Light trespass or glare that is sufficiently intense or contrasts excessively with surrounding illumination, regardless of the intensity of the surrounding illumination, in a manner to cause impairment of visual performance or to distract from or impair the safe operation of a vehicle.
 - 2. Light trespass or glare that impairs a person's visual performance or ability to avoid obstacles in their path.
- C. **Nuisance.** Criteria for finding illumination to be a public nuisance are as follows:
 - 1. Light trespass or glare that deprives an owner or occupant of usual and reasonable use and enjoyment of his property.
 - 2. A high frequency or duration of periods when light trespass or glare is sufficient to interrupt or interfere with usual and reasonable use and enjoyment of a property.
 - 3. Light trespass or glare that causes visual discomfort or impairment of visual performance in a manner that deprives any person from the usual and reasonable enjoyment of the public streets and properties of the City.

Division 7.200 Definitions

SEC. 7.201 DEFINITIONS RELATED TO OUTDOOR LIGHTING

Full Cut-Off means the point at which all light rays emitted by a lamp, light source, or luminaire are intercepted by a shield that prevents their continuation.

Foot-Candle means a unit measuring the amount of illumination produced on a surface. One foot-candle is the amount of illumination falling on all points which are 1 foot from a uniform point source of one candle.

Glare means brightness of intensity sufficient to cause discomfort to a viewer and reduce the ability to see and, in extreme cases, to cause temporary blindness.

Illuminance means the amount of light falling on a surface measured in foot-candles.

Lamp means a *source of light more commonly known as a bulb*.

Lumen means a unit of luminous flux. One foot-candle is 1 lumen per square foot. For the purposes of this regulation, the lumen-output values shall be the initial lumen output ratings of a lamp. The lumen rating associated with a given lamp is generally indicated on its packaging or may be obtained from the manufacturer.

Luminaire means a complete lighting unit consisting of a lamp or lamps, together with any reflectors, refractors, diffusers, baffles, lenses, or other devices to distribute the light and with parts to position and protect the lamp and to connect the lamps to the power supply. Also known as a light fixture.

Night means the period of time between 30 minutes after sunset to 30 minutes before sunrise.

Open Water means any body of water directly connected to or part of the Gulf of Mexico or Galveston Bay not including navigable canals internal to subdivisions. Open water also includes areas adjacent to Sweetwater Lake, the Crash Boat Basin, Offatts/English Bayou, and Lake Madeline.

Partially Shielded means shielding so that the lower edge of the shield is at or below the centerline of the light source or lamp to minimize light transmission above the horizontal plane.

Public Beach means all areas seaward of the dune protection line and the area south of Seawall Boulevard, west of Ferry Road.

Shielding means a physical structure intended to restrict emitted light.

ARTICLE 8. PARKING AND LOADING

Division 8.100 Purpose and Applicability

SEC.8.101 PURPOSE

A. **Purpose.** The purpose of this Article is to ensure that:

1. Adequate off-street parking is provided for uses that are permitted by these regulations.
2. Sufficient parking is provided in nonresidential areas that are near residential neighborhoods so that the character and quality of life in the residential neighborhoods are protected from overflow parking.
3. Off-street loading areas are designed so that loading-related circulation and activities do not interfere with the function of other vehicular use areas.

SEC. 8.102 APPLICABILITY

A. **Applicability.**

1. **New Development.** All new development shall provide all of the parking spaces required by a zoning district and shall comply with all other provisions of this Article.
2. **Additional Parking Demand.** Expansions to existing development and changes in use that require additional parking shall provide parking only to the extent of the new demand created by the expansion or change in use.
3. **Reduced Parking Demand.** Upon a change in use of an existing building, the new use shall not be prevented from eliminating existing parking spaces that exceed the number required for the new use.
4. **Exemptions by District.** Except as may be required for particular uses by Article 2, Uses and Supplemental Standards, no off-street parking is required for uses in the CB District. In the HI District, the off-street parking exemption is only for residential uses.
5. **Exemptions by Property.**

A. In all zoning districts that require off-street parking, such parking shall not be required on a property that meets all of the following criteria:

1. The building was constructed prior to January 1, 1968;
2. The parking requirement for the applicable land use does not exceed five parking spaces;
3. The total ~~gross~~-floor area of the land use does not exceed 2,000 square feet; and
4. The applicant has exhausted all options provided in this Article for reducing the off-street parking requirement including shared parking, off-site parking, and credit for on-street and public parking.

B. [No Parking Requirement for properties located on the 2700 block of Market \(Avenue D\), lots north on Market \(Avenue D\) between 27th Street and 26th Street and lots on the 2600 block of Mechanic \(Avenue C\). \(Ord. 16-037\)](#)

6. **Timing of Compliance.** No certificate of zoning compliance or certificate of occupancy shall be issued unless and until off-street vehicular parking is provided in accordance with this Article.

Division 8.200 Parking Calculations

SEC. 8.201 CALCULATION OF REQUIRED PARKING SPACES

- A. **Generally.** Required Parking Spaces for a particulate zoning district are identified in zoning district tables in Article 3, District Yard Setback and Setback Standards. The number of required spaces is based on one or more independent variables, which are measured as provided in this Section.
1. **Fractional Spaces.** When the number of required parking spaces results in a fractional space, the fractional space shall be rounded up to the next highest whole number.
 2. **Residential Driveways.** For a single-family or two-family residential use in any zoning district to satisfy its associated off-street parking requirement, a driveway on the same lot, whether unenclosed or enclosed by a garage or other structure, must provide a minimum area of 9 feet wide x 20 feet long per vehicle not extending over the public sidewalk outside of the or street rights-of-way and on a paved surface in accordance with Sec. 8.301, below. ~~the driveway.~~
- B. **Unlisted and Functionally Similar Uses.** A proposed use that is not listed in Table 2.201, Uses by District, shall be required to meet the parking standards of the use category or functionally similar use it is determined to be most similar.
- C. **Maximum Parking.** In addition to the minimum parking standards set out in this Section, the quantity of off-street surface parking shall also be limited to avoid excessive provision of vehicular parking, encourage shared parking arrangements, reduce the proportion of developable land devoted to parking, reduce impervious surfaces, assist with storm water management, offset the urban “heat island” effect, and encourage alternative travel. This subsection shall not apply to commercial parking lots or structures.
1. **Cap on Off-Street Parking.** For any use that must provide 50 or more off-street surface parking spaces to comply with this Article, the total number of off-street surface parking spaces provided for the use shall not exceed the applicable maximum parking limit in Table 8.201 below. The maximum parking limit shall be applied to the use before applying any available parking reductions or credits provided in this Article. Any reduced-size spaces provided for motorcycles, scooters, golf carts or bicycles as provided in this Article shall not count toward the maximum parking calculation.

Table 8.201 Cap on Off-Street Parking	
Spaces Required by this Article	Limit on Total Spaces (percent of required spaces)
50-249	125 percent
250-499	120 percent
500 or more	115 percent

2. **Parking Study Option.** A development applicant may propose a site-specific study in accordance with Section 8.202, Special Parking Studies, to demonstrate that unique characteristics of a proposed use, or mix of uses, justifies an amount of off-street parking that exceeds the established cap. Potential mitigating factors may include:
 - a. The proposed use of rooftop parking, garage parking or unenclosed parking below an elevated building to reduce the extent of parking coverage on the site;
 - b. The proposed dedication of some proportion of the off-street parking for free public parking; or
 - c. A shared parking arrangement with one or more other properties that will cause the subject property to accommodate additional parking beyond the needs of its own use(s) so as to yield a net reduction in the overall parking provided across all the participating properties.
- D. **Off-Site Parking.** Spaces needed to meet parking requirements for a use may be located off-site on a separate property provided that the most distant parking space that is located off-site is no more than 600 feet from the site, measured as a radius from property lines. Additionally, the off-site parking shall not be separated from the use by an arterial street other than Seawall Boulevard, by a limited-access highway, or by any other impediment to pedestrian circulation.
 1. **Extent of Off-Site Parking.** Up to 100 percent of the total required off-street parking spaces may be located off site. None of the required parking spaces for disabled persons shall be located off site. None of the off-site parking shall involve or displace the off-street parking required of another use except through a shared parking arrangement under this Article.
 2. **Required Pedestrian Link.** An identifiable and publicly available pedestrian connection shall exist between the off-site parking area and the use.
 3. **Agreement for Off-Site Parking.** Any proposed off-site parking arrangement and the continued availability of the dedicated parking shall be documented through a written legal agreement executed by the involved property owners. An agreement shall be reviewed by and be satisfactory to the City Attorney as to form; sufficiency and manner of execution; and shall bind all heirs, successors, and assigns. Off-site parking privileges shall continue in effect only as long as the agreement, binding on all parties, remains in force.
 - a. If there is a change in circumstances regarding the off-site parking area that displaces, reduces, or terminates the required parking, the owner of the use served by the off-site parking shall promptly notify the Development Services Director about the changed circumstances and their plans for maintaining full compliance with this Article.
 - b. Failure to notify the Development Services Director of changed circumstances or to provide the required parking within 90 days of the loss of required parking, shall be cause for initiating revocation of the certificate of zoning compliance or certificate of occupancy for the use.
- E. **Parking Spaces for Disabled Persons.** The number of parking spaces that are designed and designated for disabled persons shall comply with the requirements of the *Texas Accessibility Standards*.
- F. **Uses that Involve Fleets or Vehicle Inventory.** Uses that involve fleets of vehicles and uses that involve vehicle inventories shall provide parking for the fleet or inventory. Such parking shall not count toward the off-street parking requirements of this Section.

SEC 8.202 SPECIAL PARKING STUDIES

Generally. Some land uses have nonlinear or widely varying parking demand characteristics. This section authorizes the preparation of a parking study to identify site specific parking requirements.

A. Requirements. The special study shall provide:

1. If enough comparable cases are not available within the City, a peak parking analysis of at least five functionally comparable uses within the City or in other communities in the region as approved by the Development Services Director.
2. Documentation regarding the comparability of the referenced uses including name, function, location, floor area, parking availability, access to transportation network, use restrictions, hours of operation, and other factors that could affect the parking demand.
3. Evaluation of the implications if the applicant intends to pursue this option.

B. Conduct of Study. The special study shall be conducted by a professional engineer or by a transportation planner or architect with experience in parking analysis and planning.

1. The City may:
 - a. Retain a qualified specialist, at the applicant's expense, to prepare the special study; or
 - b. Approve the applicant's proposed specialist to prepare the special study.
2. The City Manager or designee, in consultation with the City Engineer, shall review the study findings and recommendations and either:
 - a. Accept the recommended off-street parking supply for the use, or mix of uses, and approve this amount as the site-specific requirement in satisfaction of this Article.
 - b. Request further study or clarification in case of uncertainty or disagreement with the study findings or recommendations, which may lead to the conclusion in subsection 8.202.B.2.a, above, or in subsection 8.202.B.2.c, below.
 - c. Reject the recommended off-street parking supply for the use or mix of uses and require conformance to the standard requirements of this Article, in which case the applicant may appeal the decision as provided in Section 13.900, Administrative Appeals, of these regulations.

C. Future Parking Reserve.

1. As a condition of approving a site-specific off-street parking requirement recommended by a special study, a use shall be required to reserve an open area on the site for additional parking if the Development Services Director finds that:
 - a. There is a demonstrably high probability the use could change, resulting in a higher demand for parking;
 - b. The case involves a phased development with the potential for a change in the nature or mix of uses in later phases resulting in a higher demand for parking; or
 - c. The variability in the special study justifies the reservation of additional land to mitigate a material risk that the use may be insufficiently parked.
2. If a case is not already subject to Planning Commission review, the Planning Commission shall review and approve the applicant's plan for a future parking reserve that is required under this

Section. Areas that are reserved shall be appropriately located, be of sufficient dimension to provide for the additional parking, and connect to existing parking areas. Once the development is occupied and well established, if there is a surplus of parking, the property owner or development representative may request approval for additional development capacity and parking using the reserved area.

3. An applicant may appeal the administrative findings to the Planning Commission.

SEC. 8.203 STACKING SPACES

- A. **Generally.** Uses with drive-through facilities shall provide vehicle-stacking spaces as set out in this Section and in Table 8.201, Required Stacking Spaces. Stacking spaces include the spaces at menu boards, service windows, and ATMs.

1. Size of stacking space: 8 feet wide x 18 feet long (exclusive of access drives and parking aisles).

Table 8.201 Required Stacking Spaces	
Land Use with Drive-Through	Stacking Requirement
Generally (if not listed below)	Three per drive-through lane or service window including the position at the window
Convenience stores and pharmacies	Four per drive-through lane or service window including the position at the window
Dry cleaner	Two per drive-through lane or service window including the position at the window
Financial institutions	Single drive-through lane: Six including the position at the service window/station Multiple drive-through lanes: Five per lane including the position at the service window/station ATMs: Three including the position at the ATM
Fueling stations	Three per fuel pump
Restaurants	Eight to each menu board Three between menu board and service window OR if multiple windows (for payment and then service): Four between menu board and the first window including the position at the first window Two between first and second windows including the position at the second window
Vehicle wash	Automatic washes: 5 per bay Full-service washes: 4 per bay Self-service washes: 2 per bay

SEC. 8.204 SHARED PARKING

A. **Mixed-Use Developments.** A use may provide fewer off-street parking spaces than the number of spaces required by this Article when the use is part of a mixed-use development that includes shared parking arrangements. Shared parking arrangements are encouraged by this Section as this tends to enhance the efficiency of land use and decrease impervious surfaces by capitalizing on the synergy between varied uses in close proximity that have different peak parking demand periods.

1. **Shared Parking Table.** Shared parking allows a reduction in the total number of required parking spaces when a parcel is occupied by two or more uses that typically do not experience peak parking demands at the same time. When any land or building is used for two or more use types that are listed in Table 8.204, Shared Parking Table, the minimum total number of required parking spaces may be determined by the following procedure:
 - a. Multiply the minimum required parking for each individual use type by the appropriate percentage listed in Table 8.204 for each of the designated time periods. Do not include parking spaces that are reserved for use by specified individuals or classes of individuals. Round up all fractions to the nearest whole number.
 - b. Calculate a sum for all uses for each of the five time periods. The minimum parking requirement is the highest of these sums, plus the reserved spaces, if any, that were not included in the multiplication in the first step.

Table 8.204 Shared Parking Table					
Land Use	WEEKDAY			WEEKEND	
	Night (12AM to 6AM)	Day (6AM to 6PM)	Evening (6PM to 12AM)	Day (6AM to 6PM)	Evening (6PM to 12AM)
Residential	100%	60%	90%	80%	90%
Office	5%	100%	10%	10%	5%
Commercial Retail	5%	70%	90%	100%	70%
Commercial Lodging	80%	80%	100%	50%	100%
Restaurant	10%	50%	100%	50%	100%
Commercial Amusement	10%	40%	100%	80%	100%
All others	100%	100%	100%	100%	100%

- c. The maximum reduction pursuant to Table 8.204 shall be 25 percent.
- d. If an applicant proposes to reduce required parking through the provisions of Section 8.204, these reductions must be applied to one use within the proposed mixed-use development prior to calculating the shared parking reduction.

2. **Special Shared Parking Study.** As an alternative to the Shared Parking Table methodology, above in Table 8.204, an applicant may propose a special study to document the parking required for

mixed uses. This shall involve review of the peak parking demand periods for the proposed uses during a 24-hour weekday and each weekend day, and shall result in a proposed number of parking spaces to accommodate the combined peak hour parking demand. The study shall be conducted as provided in Section 8.201, Special Parking Studies. The study shall provide data on:

- a. The sensitivity of the proposed uses to change. For example, a center with no restaurant could have significant changes in parking if a restaurant was added.
 - b. Similar mixes of uses in other areas of the community or surrounding region.
 - c. Degree of variability of parking for individual uses including the average, range and standard deviation.
- B. **Site Under Different Ownership.** Adjoining developments with separate property ownership may propose shared parking arrangements in accordance with the purposes and procedure of subsection a., above, with the following conditions:
1. Table 8.204 shall be used to calculate the reduction in required parking to be achieved through a shared parking arrangement.
 2. A plan for interconnected parking areas shall be provided.
 3. Perpetual easements shall be recorded that provide for, at a minimum:
 - a. Cross-access among the parking areas and connections to enable parking by the different uses anywhere in the connected properties;
 - b. A pedestrian circulation system that connects uses and parking areas, making it easy and convenient to move between uses; and
 - c. Allocation of maintenance responsibilities.
- C. **Shared Alternative Parking.** The alternative parking proposed for one use may be consolidated with the alternative parking of an adjacent use if the parking location is within 150 feet of the entrance of the principal building associated with the use that would benefit from the off-site alternative parking. Such shared provision of alternative parking shall be evidenced by a written agreement executed by both property owners.

Division 8.300 Parking and Loading Design

SEC. 8.301 GENERALLY

- A. Parking lot design and construction must comply with the Institute of Transportation Engineers, Traffic Engineering Handbook, [current](#) edition, [and meet all applicable state and federal laws.](#)
- B. [Parking on private property shall be paved with asphalt, concrete, or brick except for paving in beachfront areas \(200' from LOV\) which shall be in accordance with Galveston City Code, Section 29-2. Alternative pavement method may be used when designed by a registered professional engineer and approved by the Development Services Director and City Engineer.](#)
- C. [When concrete or asphalt is used, one of the following standards at a minimum is required. Additional plans and specifications may be required as deemed necessary by the office of the City Engineer.](#)
1. [One and one half inches \(1½"\) of Type D Hot Mix Asphalt Concrete with a six inch \(6"\) Grade I crushed stone or stabilized shell or three inches \(3"\) Grade I Asphalt Stabilized Base \(Plant Mix\) or equivalent materials. The sub grade shall be compacted to 95 percent modified proctor.](#)

- 2. Four inches (4") of reinforced concrete pavement or equivalent material with #4 rebar at 16 inches on center each way. The sub grade shall be compacted to 95 percent modified proctor.
- D. Parking spaces shall be legibly marked and striped in conformance with the Institute of Transportation Engineers, Traffic Engineering Handbook, current edition.

Sec. 8.302 Parking in the Commercial District

- A. Parking in the Commercial (C) district shall be located in the rear of the building. When parking in the rear cannot be accommodated, the Director of Development Services may, on a case-by-case basis, approve an alternate parking design.

Division 8.400 Nonconforming Parking

- A. Generally.** Nonconforming parking and loading areas are subject to the regulations of this Section.
- B. Number of Parking Spaces.**
 - 1. **Building Expansions and Expansions of Existing Uses.** If an existing building or use is expanded, additional parking shall be required only in proportion to the new area of the building or use.
 - 2. **Change of Use.** If the use of a building changes, resulting in a net additional demand for parking, then the number of parking spaces provided shall be brought into conformance with the requirements of Article 8, Parking and Loading.
 - 3. **Redevelopment.** If an existing building is demolished or otherwise removed entirely from a property and a new building is constructed or another building moved to the property, parking shall be provided for the use of the new or relocated building as required by Article 8, Parking and Loading.
- C. Size of Parking Spaces and Drive Aisles; Surfacing.** Parking spaces and drive aisles shall be sized and surfaced according to the requirements of Section 8.300.
- D. Time Period for Compliance. Non-paved parking areas for required parking in existence on the effective date of these regulations (March 5, 2015) shall fully comply with Division 8.300, Parking and Loading Design, on or before December 31, 2019.

ARTICLE 9. LANDSCAPING

Division 9.100 Purpose and Applicability

SEC. 9.101 PURPOSE

- A. **Generally.** The requirements and standards set out in this Article are minimum standards and are intended to:
1. Protect and preserve the appearance and character of the community in accordance with the *City of Galveston 2011 Comprehensive Plan* and any adopted neighborhood or special area plans;
 2. Increase the compatibility of adjacent uses;
 3. Mitigate the effects of noise, dust, debris, artificial light intrusions, and other externalities created by the use of land;
 4. Promote the preservation of its healthy mature tree canopy; and
 5. Conserve water and promote the long-term viability of development landscaping by promoting the planting and maintenance of native Texas tree species and other types that are salt- and drought-resistant and resilient in a coastal environment.

SEC. 9.102 APPLICABILITY

- A. **Applicability.** Unless otherwise indicated in this Article, this Article applies in the municipal boundaries to all new development, redevelopment, or as defined by Article 11.301, Non-Conformity. This Article also applies to existing trees and landscaping where specifically indicated.
- B. **Supplemental Standards.** Additional landscaping requirements may apply to properties located within overlay zones or other designated areas as provided in Article 10, Historic, NCD, HDDZ.
- C. **Exceptions.** The application of the requirements and standards in this Article shall be excepted in the following instances:
1. When the City is enforcing watering restrictions, the installation of new or replacement of previously installed landscaping shall not be required until the expiration of watering restrictions.
 2. Following the declaration of a natural disaster event in the City, the Development Services Director may waive the requirements in this Article for installation of new landscaping for up to twelve months in the area(s) of the declared disaster.

Division 9.200 General Landscaping Requirements

SEC. 9.201 GENERAL REQUIREMENTS

- A. **Generally.** Landscaping shall consist of a combination of such material as grasses, ground covers, shrubs, vines, hedges, trees or palms.

- B. **Visibility Clearance.** Vegetation and related on-site improvements installed to comply with the requirements of this Article shall also conform to the requirements of Section 34-6, Intersection Visibility, in the *City Code of Ordinances*.
- C. **Planting within City Right-of-Ways.** In addition to the requirements of this Article, installation of landscaping within the City's right-of-ways shall meet the standards of Section 32-5(e)(2) in the *City Code of Ordinances* and any other applicable Department of Public Works standards to protect underground and overhead utilities, street/sidewalk and drainage improvements, street lighting, and be sized to maximize reduction, through shading, of the heat island effect.
- D. **Appropriateness and Quality of Plantings.** All plantings shall involve species included on a City approved plant list and also comply with the following standards:
 - 1. **Undesirable Species.** No proposed landscape material shall appear on the *Invasive and Noxious Weeds* list for the State of Texas promulgated by the United States Department of Agriculture or on the *Texas Noxious and Invasive Plants* list promulgated by the Texas Department of Agriculture.
 - 2. **Viable Material.** All plant material to be installed shall have a habit of growth that is normal for the species and, when planted, shall be of sound health, vigorous growth, and free from insect pests, diseases, and injuries.
 - 3. **Required Planting of Locally Appropriate Species.** At least 50 percent of the proposed plantings of shrubs, hedges, and trees shall be native Texas species and other types that are salt- and drought-resistant and resilient in a coastal environment.

Division 9.300 Parking Screening and Landscaping

SEC. 9.301 PARKING LOT LANDSCAPING

- A. **Applicability.** The provisions of this Section shall apply to parking lot areas providing unenclosed, off-street parking, and loading spaces for 10 or more vehicles for residential uses; two or more vehicles for nonresidential uses and mixed-use developments; and for all vehicle washes, fueling stations, and all drive-in or drive-through establishments.
 - 1. **Excluded Areas.** All parking or loading areas (not including Parking Lots, Commercial Surface Parking Areas) located within Light Industrial (LI) or Heavy Industrial (HI) Districts, which are not, in whole or in part, within 600 feet of the rights-of-way of Seawolf Parkway, Broadway Boulevard, Harborside Drive, or FM 3005 or within 300 feet of the property line of a residential use, a mixed-use development that includes residential use, or a residential zoning district boundary, measured as a radius from such a parking or loading area, shall not be required to install interior parking lot landscaping.
- B. **Rights-of-Way Screening.** Visual screening, adequate to screen parked vehicles, shall be provided between any parking or loading areas and any street rights-of-way abutting the site. Rights-of-way screening shall consist of:
 - 1. **Minimum width.** 4 feet.
 - 2. **Required Elements.** Shrubs, hedges and trees. See Table 9.302 for size and spacing requirements.
 - 3. **Fence location.** Any fencing shall be installed on the interior edge of the rights-of-way screening.

4. **Planter Boxes.** The use of planter boxes shall constitute compliance with the Article only in cases of the provision of rights-of-way screening for existing parking lots.
- C. **Interior Landscaping.** The following interior landscaping is required for [all](#) parking lots with 10,000 square feet or more of surface area, [and commercial surface parking lots not incidental to main use, irrespective of size:](#)
 1. **Landscape Islands.** Interior parking lot landscaping shall be designed so that no parking space is located more than five spaces away from a landscape island that consists of:
 - a. Minimum width: 8 feet.
 - b. Minimum square footage: 200 square feet at a depth of 3 feet = 600 cubic feet.
 - c. Required Elements: Permeable surface of ground cover or grasses and minimum of one tree in accordance with SEC 9.201.
 2. **Parking “Rooms.”** Any parking lot with more than 50 spaces shall be designed to create parking “rooms” separated by a landscaped median that consists of:
 - a. Minimum width: 8 feet
 - b. ~~Maximum~~ [Minimum](#) spaces per room: 10 spaces
 - c. Required Elements: Permeable surface of ground cover or grasses and trees. See Table 9.302 for size and spacing requirements.
- D. **Visual Screening from Residential Uses or Districts.** When any non-residential lot, tract, or parcel of land is located adjacent to an area used or zoned for residential purposes, visual screening shall be installed and maintained between the parking or loading areas and driveways, and the residential use or zoning district. The visual screening landscape strip shall consist of:
 1. **Visual Screening Landscape Strip.**
 - a. Minimum width: 4 feet
 - b. Required Elements: Solid fencing or hedges with a minimum fence height of 5 feet with hedges reaching the same height and providing a year-round visual obstruction within two years of planting.
- E. **Protection of Landscaping Areas.** All landscaping areas shall be protected from vehicular encroachment by the use of curbing or wheel stops.
 1. **Alternative Design for Drainage.** Curb lines may be interrupted to allow for storm water flows into biological treatment areas pursuant to an approved drainage plan, provided that the curb openings do not interfere with the curb’s protective function.

SEC. 9.302 PLANTING STANDARDS

- A. **Planting Standards.** All plantings in satisfaction of this Article shall comply with the standards in Table 9.302, Planting Standards, and with the requirements of Section 9.403, Continuing Care, Maintenance and Nonconforming Landscapes.

Table 9.302 Planting Standards			
Type	Characteristics	Size – Upon Planting	Arrangement / Method
Shrubs and Hedges	Non-deciduous species for hedges, from among those on the City approved plant list.	3 feet minimum prior to planting.	4 feet on center maximum spacing for shrubs. Shrubs and hedges planted and maintained to form a continuous, unbroken, solid visual screen within one year of planting. Ornamental Grasses may be used if maintained in the same way.
Trees	From among tree species on a City of Galveston approved plant list.	6 feet minimum and 30 gallon minimum container OR 1.5 inches minimum caliper	One tree for each 25 linear feet or portion thereof for large tree species and 20 linear feet for small tree species as listed in the City approved plant list, or portion thereof.
Palms	May be used in lieu of trees	6 feet of clear trunk height minimum	One palm for each 15 linear feet or portion thereof. The closer spacing is required due to the limited shade provided by Palms.
Lawn Grass	From among turf grass species on a City approved plant list.	n/a	Grass areas may be plugged, sprigged or seeded except that solid sod shall be used in swales or other areas subject to erosion.
Ground Cover	May be used in lieu of turf grass.	n/a	Shall be planted in such manner as to present a finished appearance and reasonably complete coverage within six months after planting.
Irrigation	All landscaped areas must have an irrigation plan.	n/a	An automatic drip or surface system is recommended for trees, shrubs, and groundcovers. Plans will be designed so that no irrigation water runs from the site.

SEC. 9.303 CREDITS

- A. **Rights-of-Way Landscaping:** With approval of the Director of Public Works, landscaping that satisfies the rights-of-way screening requirement for parking areas may be installed in the rights-of-way. Up to 50 percent of the minimum landscaping area requirement shall be allowed within the right-of-way. However, for planting to occur in the right-of-way, the portion of rights-of-way outside the paved street shall be at least 10 feet wide and provide a sidewalk with a minimum width of 5 feet. The Director of Public Works must determine that the condition of the existing sidewalk is acceptable. If determined to be unacceptable, the sidewalk must be repaired prior to the installation of landscaping.
- B. **Mature Tree Preservation.** Healthy, mature trees that are preserved on-site shall count as more than one tree for the purposes of landscaping requirements, as set out in Table 9.303, Mature Tree Preservation Standards.
 1. **Quality of Existing Trees.** Existing mature trees that may qualify for protection and generate landscaping credit shall:
 - a. Appear on the City approved plant list; or

- b. Be established for at least five years; and
- c. Not be:
 - i. Over mature;
 - ii. Diseased;
 - iii. Poor in form; or
 - iv. Unstable or leaning significantly.

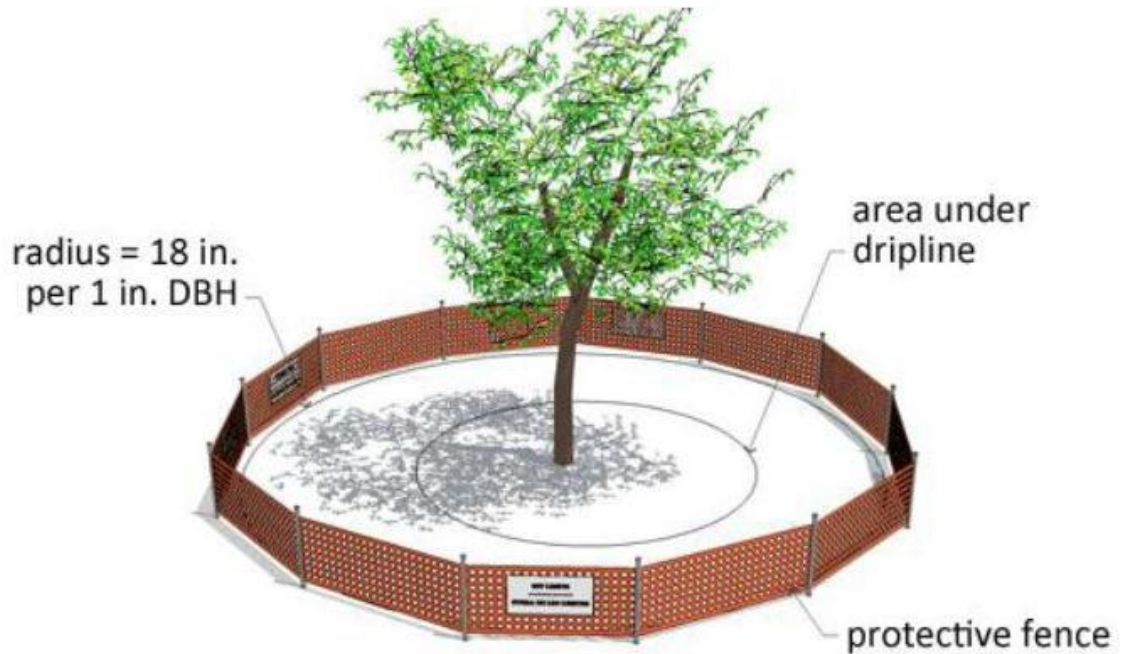
Table 9.303 Mature Tree Preservation Standards			
Diameter at Breast Height	Tree Height	Years Established	Credit
10– 15 inches	32-39 feet	15	3 new trees
+15 inches	+39 feet	+15	5 new trees
3 inches, largest stem of multi-trunked small tree species	+20 feet	15	3 new trees

- 2. **Certification of Requirements.** The requirements of Section 9.303.B and Table 9.303 shall be certified by an International Society of Arboriculture certified Arborist or degreed Forester.
- C. **Transplanting Existing Mature Trees.** Credit shall be given for mature trees that are transplanted from one part of the parcel proposed for development to another if:
 - 1. The trees are transplanted according to the American National Standards Institute (ANSI) standard for tree planting, ANSI A300 Part 6.
 - 2. A surety bond is provided that will ensure replacement of the transplanted tree with the number of new trees for which credit was given according to Table 9.303. The surety bond shall be effective for a period of two years from the date the tree is installed in its new location.
 - 3. The tree preservation credit is applied toward the requirements for the area of the parcel proposed for development in which the existing tree is planted. If there are no requirements for that area, the credit shall apply first to other areas of the parcel, and then to parking lot landscaping requirements, as applicable.

SEC. 9.304 TREE PROTECTION DURING CONSTRUCTION

- A. **Generally.** Existing trees that qualify to generate credit against landscaping requirements, as provided in this Article, shall be protected during on-site development and construction activities according to the requirements of this Section.
- B. **Identification of Protected Root Zone.** The protected root zone is the larger of:
 - 1. The area under the drip line of the tree; or
 - 2. A radius that extends from the center of the trunk 18 inches per each 1 inch of diameter at breast height (DBH) of the protected tree. See Figure 9.304, Protected Root Zone.

Figure 9.304
PROTECTED ROOT ZONE



C. Restrictions within Protected Root Zone.

1. Each protected root zone shall be barricaded during construction to prevent damage to the tree and its roots by construction equipment or soil compaction. The barricades shall be posted "Off Limits/Fuera de los Límites." A contiguous fenced area may enclose multiple protected root zones.
2. No cutting, filling, or storage of building materials or debris or disposal of wastes shall take place within a protected root zone.
3. No impervious paving shall be placed within a protected root zone.

D. Tree Care during Construction. Protected trees shall be cared for regularly during construction as follows:

1. Regular watering if rainfall is inadequate;
2. Pruning of branches that are dead, diseased, hazardous or detrimental to natural form; and
3. Fertilizing if nutrient stress is apparent.

Division 9.400 Landscape Approval and Maintenance

SEC. 9.401 LANDSCAPE APPROVAL

- A. **Generally.** The proposed landscape installation plan shall be submitted with the building permit application.

1. **Parking Area Improvements.** All proposed parking area improvements, including resurfacing and restriping, shall be reviewed by the ~~Director of Planning~~ [Development Services Director](#) or designee to confirm if any applicable requirements of this Article will be satisfied and so that a certificate of zoning compliance may be issued to the applicant.
- B. **Landscape Detail.** The proposed landscape installation shall address the elements set out in this Section that are applicable to the type of development approval sought or the conditions of the site. The Development Services Director may specify additional information as needed to verify compliance with these regulations. The Development Services Director may also specify that certain information items are not relevant or necessary for a particular case.
 1. **Minimum Required Landscape Detail.** Shall include a plan view drawing prepared at a standard scale that ensures clarity of the proposal which shall indicate:
 - a. Dimensions and surface area for each planting area including parking lot landscaping areas;
 - b. The location and quantity of trees and shrubs to be installed which shall be drawn at three-fourths of mature size and annotated with genus, species, common name, salt and drought tolerance and size at planting;
 - c. The location, quality, caliper, and protected root zone of trees that are to be preserved on the site;
 - d. The location and extent of areas of groundcover; the groundcovers, turf, seed or inorganic materials to be installed or planted; and the type of underlayment proposed to be used, if any; and
 - e. Dimensions and locations of sight distance triangles.

SEC. 9.402 INSTALLATION

- A. **Installation.** The owner, tenant, and agent, if any, shall be jointly and severally responsible for installing landscaping according to accepted commercial planting procedures with the quality of plant materials as hereinafter described. All elements of landscaping shall be installed to meet all applicable ordinances and code requirements of the City.
- B. **Time Extension.** A time extension of up to six months from the date of the certificate of occupancy shall be available for the installation of landscaping required by this Article. In such cases, a temporary certificate of occupancy shall be issued and the applicant shall provide a letter of credit, with a minimum two-year duration, in the amount of 150 percent of the bid for installation of all required landscaping. Failure to complete the installation within the time extension granted shall result in cashing of the letter of credit and shall also constitute a violation of these regulations. The funds from the letter of credit will be deposited in an account dedicated to landscaping and trees for the Parks and Recreation Department.
 1. **Phased Development.** Installation of landscaping with each phase of a multi-phase development shall be permitted provided that all landscaping required for each phase is installed concurrently with each phase, subject to potential time extensions granted under subsection 9.402.B, above. The City Attorney may require execution of a development agreement with the City to clarify phasing plans and timing, and to provide surety.

SEC. 9.403 CONTINUING CARE, MAINTENANCE AND NONCONFORMING LANDSCAPING

- A. **Maintenance Responsibility.** The owner of the lot or parcel, any tenant, or the manager or agent which may be a mandatory property owners' association if such is provided in the association's governing documents, shall be jointly and severally responsible for the maintenance of all landscape areas including abutting landscaped portions of public street right-of-ways, in compliance with all applicable ordinances and as approved at the time of the issuance of the certificate of occupancy, to maintain them in a healthy, growing, neat, and orderly condition at all times.
- B. **Maintenance Standards.**
1. All landscape areas shall be kept free from refuse and debris.
 2. All landscape areas shall be watered as needed to ensure continuous healthy growth and development.
 3. Landscape areas including landscaped portions of abutting public right-of-ways shall be pruned as needed to present a healthy, neat, and orderly appearance at all times. Topping, lion tailing, tipping, bark ripping, flush cutting, and stub cutting are prohibited for trees that are installed and maintained within a public street rights-of-way or were planted or preserved on private property pursuant to an approved landscape plan.
 4. Maintenance shall include the removal and replacement of dead, dying, or diseased plant material.
- C. **Replacement.** Replacement of required landscaping that is dead or otherwise no longer meets the standards of this Article shall occur following notification by the City. A planting plan and schedule shall be submitted within 45 days from the notification by the City. Failure to replace according to the approved planting plan and schedule shall constitute a violation of these regulations.
- D. **Utility Effects.** Nothing in this Section shall require any application or permit from any public utility provider, or any City permit to such provider, prior to removing a tree whenever the utility provider has determined the tree poses a hazard or interferes with restoration or continuation of utility services.
- E. **Nonconforming Landscaping**
1. **Nonconforming Parking or Loading Areas.** Any parking or loading area that does not conform with the landscaping requirements of Article 9, Landscaping, shall be made to conform upon:
 - a. New construction involving 100 percent structural construction if the subject parcel had no existing buildings at the effective date of these regulations;
 - b. Tear-down and 100 percent reconstruction of a building on the subject parcel;
 - c. Improvements, the cost of which are greater than 33 percent of the market value of the property; or
 - d. For commercial complexes that provide more than 75 parking spaces to serve the overall development, improvements, the cost of which equals or exceeds 10 percent of the market value of the land on the current tax role. All improvements shall be

cumulative within a 24-month timeframe. For commercial complexes that consist of multiple parcels, the required landscaping shall be installed on all parcels.

Division 9.500 Tree Preservation

SEC. 9.501 PROTECTION OF EXISTING SIGNIFICANT TREES

- A. **Generally.** Sites shall be designed to preserve existing trees and tree stands that are considered “significant” as provided in this Section. Although not included in this Section, small trees provide benefits to the community as well. Species such as Yaupon, Possumhaw, Flameleaf Sumac, Wax Myrtle, and Redbud are native to the Island and Texas and highly adapted to the coastal environment. Small trees such as these with a 3 inch diameter at breast height (DBH) of the largest stem are encouraged to be preserved and are eligible for planting credits in Table 9.303, Mature Tree Preservation Standards.

For the purposes of this Division:

1. A significant tree has a diameter at breast height (DBH) of 10 inches or greater; and
 2. A significant tree stand is a group of trees with interconnected canopies that cover a total of at least 10,000 square feet of ground area.
- B. **Removal of Significant Trees and Stands of Trees.** The City Manager or City Arborist, if applicable, may approve the removal of a significant tree or tree stand if it is demonstrated that:
1. No reasonable alternative site design at the same development intensity could be approved that:
 - a. Would preserve the tree(s);
 - b. If large-scale preservation is not possible, would preserve the largest of the trees; or
 - c. If protection of the largest tree(s) is not possible, would preserve a greater number of trees than the proposed development design.
 2. It is located within 10 feet of an approved building footprint of new construction or addition;
 3. It is located within 6 feet of a utility easement and would interfere with the use of the easement as determined by the City Engineer;
 4. It is located within 8 feet of an approved outdoor recreation area that by its nature requires the removal of the trees, such as ball fields;
 5. It is ordered removed by the City Manager for other emergency reasons; or
 6. It is certified to the City by an International Society of Arboriculture Certified Arborist or degreed Forester as having one or more of the following conditions:
 - a. Unhealthy or structurally unsound;
 - b. Damaged by natural causes beyond the point of recovery;
 - c. Diseased beyond the point of recovery;
 - d. Poses a threat to the public and must be removed as a safety measure; or
 - e. No longer living.

- C. **Removal of Tree Stands.** Tree stands may be located across multiple parcels. In the event of an approved removal of a portion of a tree stand, the owner is encouraged to coordinate with adjacent property owners in order to reduce negative effects to the overall tree stand.
- D. **Exempted Trees.** Trees of any size that appear on the *Invasive and Noxious Weeds* list for the State of Texas promulgated by the United States Department of Agriculture or on the *Texas Noxious and Invasive Plants* list promulgated by the Texas Department of Agriculture are exempted from this Section and may be removed. Identification by an International Society of Arboriculture Certified Arborist and/or degreed Forester is recommended.

SEC. 9.502 TREE REPLACEMENT

- A. **Generally.** The removal of significant trees or tree stands must be mitigated. All requests for the removal of significant trees or tree stands shall be accompanied by a tree mitigation plan. Mitigation shall be achieved by the planting of the same number of caliper inches removed, payment to the tree mitigation fund, or combination thereof.
- B. **Tree Replacement Required.** Significant trees or tree stands that are approved for removal shall be replaced based on one caliper inch of tree planted for one caliper inch of tree removed. All replacement shall occur on the property on which the removal occurred. All new tree species shall be from among tree species on a City approved plant list.

Trees planted as a requirement of this Section shall be inspected by the City Arborist, if applicable, for viability two years after planting. If the replacement trees are found to be dead or dying, they must be replaced following notification by the City. A planting plan and schedule shall be submitted within 45 days from the notification by the City. Failure to replace according to the approved planting plan and schedule shall constitute a violation of these regulations.

- C. **Tree Mitigation Fund.** In lieu of the tree replacement requirements, mitigation may be achieved through the contribution to an account dedicated to landscaping and trees for the City. The mitigation amount shall be established by the City Council as part of the annual budget process:
 - 1. \$125 per caliper inch of tree removed for 10 inch DBH to 12 inch DBH caliper trees.
 - 2. \$200 per caliper inch of tree removed for over 12 inch DBH caliper trees.
- D. **Combination.** Mitigation may be achieved through a combination of tree replacement and payment to the tree mitigation fund provided that the total of caliper inches approved for removal are mitigated.

ARTICLE 10. ZONING AND OVERLAY DISTRICT STANDARDS

Division 10.100 Galveston Landmarks, Historic Overlay Districts

SEC. 10.101 PURPOSE

Galveston is known nationwide for its historic architecture, cultural and historical traditions, and for the preservation of its historical, cultural, and architectural resources. Galveston's unique character has proven increasingly attractive to residents, business interests, and visitors to the City, positively affecting the community.

SEC. 10.102 HISTORIC DESIGNATIONS

Properties may be designated individually as a Galveston Landmark (GL) or collectively as a Historic Overlay District (HOD). Following designation as a GL or a HOD, affected property owners shall comply with the requirements of this Division, other ordinances of the City, and the City of Galveston *Design Standards for Historic Properties (Historic Design Standards)*, which are maintained by the Historic Preservation Officer.

- A. **Galveston Landmarks.** This designation may be applied to a structure, object, site, or building that is at least 50 years old and is deemed to have historic significance in accordance with the criteria in Section 10.104.A, below.
- B. **Historic Overlay District.** This designation establishes a historic district encompassing historic, contributing and non-contributing structures. Areas within a HOD retain their underlying zoning designation for land use and the overlay requires conformance to the *Historic Design Standards*.

SEC. 10.103 PROHIBITED ACTIONS

All properties designated GL under this Division and properties located within a HOD are subject to the requirements of this Article and the *Historic Design Standards*.

SEC. 10.104 CRITERIA FOR HISTORIC DESIGNATION

In evaluating proposed designations under this Division, the Landmark Commission shall consider the criteria provided in this Section.

- A. **Criteria for Galveston Landmarks.** In determining if a GL designation should be made, the Commission shall consider the following elements, one or more of which may be found sufficient for designation:
 - 1. Character, interest, or value as part of the development, heritage, or cultural characteristics of the City, Galveston County, the State of Texas, or the United States;
 - 2. Recognition as a recorded Texas Historic Landmark, National Historic Landmark, or entry in the National Register of Historic Places;

3. Association with events that have made significant contributions to the broad patterns of local, regional, state, or national history;
 4. Association with the lives of people significant in the City, region, state, or national past;
 5. Distinctive characteristics of a period or method of construction, or architecture, representative of, or a rare survivor of, the work of a master designer, builder, or craftsmen;
 6. Retention of elements that have yielded, or may be likely to yield, important information about local, regional, state, or national prehistory or history;
 7. Retention of interim physical alterations that themselves form an important part of the building's history;
 8. Representative of an established and familiar visual feature of a neighborhood, community, or city;
 9. Retention of historic integrity, meaning that the property possesses several, and usually most of the following aspects of integrity:
 - a. Location;
 - b. Design;
 - c. Setting
 - d. Materials;
 - e. Workmanship;
 - f. Feeling; or
 - g. Association.
 10. Likelihood of the continuation of a building's historical use or its potential adaptation for new uses without the need for major intervention that could seriously damage its historic character and integrity;
 11. Likelihood of preserving a building or structure with significant architectural value or is the surviving structure most importantly associated with a historic person or event even though the building or structure is no longer in its original location;
 12. Opportunity to preserve a reconstructed building that was accurately executed in a suitable environment and presented in a dignified manner as part of a restoration master plan and when no other building or structure with the same association has survived;
 13. Opportunity to preserve a property that is primarily commemorative in intent but reflects an age, design, tradition, or symbolic value that has invested it with its own historical significance; or
 14. Opportunity to preserve a property that is of exceptional importance although this significance was achieved within the last 50 years.
- B. **Criteria for Historic Overlay Districts.** In determining if a historic overlay district should be established or amended, the Commission shall consider:
1. The same criteria as provided for GL in subsection 10.104.A, above, applied to the proposed area;

2. The definition of and considerations for a HOD in the *Historic Design Standards*; and
3. The criteria and considerations for proposed zoning map amendments provided in Division 13.600, Map Amendments.

SEC. 10.105 DESIGNATION PROCEDURES

The designations under this Division for GLs and HODs are through common procedures as outlined in Table 10.105, Designation Procedures, along with certain variations unique to each type of designation.

Table 10.105 Designation Procedures		
Process Step	Galveston Landmarks	Historic Overlay Districts
Application	1. Historic Preservation Officer (the Officer) provides applications prescribed by the Landmark Commission. a. Must be submitted by at least 51 percent of the owners of the subject property and said owners shall swear or affirm that they are the majority of property owners and consent to the designation of a GL. b. Completed application, including all applicable documents and fees, submitted to Officer. 2. The City Council, Planning Commission, or Landmark Commission may initiate the designation process without a formal application.	1. Same as for GLs, except that applications must include a petition signed by property owners representing at least 51 percent of the land area in the proposed overlay district area who request the designation. 2. The City Council, Planning Commission, or Landmark Commission may initiate the designation process without a formal application.
Administrative Review and Public Notice	1. Officer reviews and determines completeness of application in accordance with Section 13.304, Application Completeness Review. 2. Upon determination of a complete application, Officer provides notices of the application and notice of a public hearing before the Landmark Commission in accordance with Section 13.308, Public Notice.	Same as for GLs.
Landmark Commission	1. Landmark Commission conducts a public hearing and considers the application based on the designation criteria and the public comment received. a. Applicants may appear before the Commission in person or by agent and shall furnish the Officer all plans, specifications, drawings, renderings, and designs necessary for the Commission to render a final decision. b. The Commission shall, in an open meeting, recommend approval or denial of the application for designation as a GL. If the Commission recommends denial of the application, the Commission shall state the reasons why it recommended denial. 2. Following a final recommendation by the Commission, the Officer schedules a public hearing before the Planning Commission and provides notices of the public hearing in accordance with Section 13.308, Public Notice.	Same as for GLs.

Process Step	Galveston Landmarks	Historic Overlay Districts
Planning Commission	1. Planning Commission conducts a public hearing and considers the application, its consistency with the <i>City of Galveston 2011 Comprehensive Plan</i> and other relevant neighborhood or community plans, and the recommendation of the Landmark Commission. a. Applicants may appear before the Planning Commission in person or by agent and shall furnish the Officer all plans, specifications, drawings, renderings, and designs necessary for the Commission to render a final decision. b. The Commission shall, in an open meeting, recommend approval or denial of the application for designation as a GL. If the Commission recommends denial of the application, the Commission shall state the reasons why it recommended denial. 2. Following a final recommendation by the Commission, Officer schedules a public hearing before the City Council and provides notices of the public hearing in accordance with Section 13.308, Public Notice.	Same as for GLs .
City Council	1. City Council conducts a public hearing and considers the application and the recommendations of the Landmark Commission and Planning Commission. a. Applicants may appear before the Council in person or by agent and shall furnish all plans, specifications, drawings, renderings, and designs necessary for the Council to render a final decision. b. The Council shall, in an open meeting, either approve or deny the application for designation as a GL. The decision of the Council shall be final.	Same as for GLs .
Recordation	1. Upon designation of a GL, the City Council shall cause the designation to be recorded in: a. The official public records of real property of Galveston County; and b. The official zoning maps of the City and reflected in the associated zoning designations for individual properties.	Upon City Council adoption or amendment of a HOD, the City Council shall cause the designation to be recorded in the official zoning maps of the City of Galveston and reflected in the associated zoning designations for individual properties.

SEC. 10.106 CERTIFICATE OF APPROPRIATENESS

A. When Required.

1. **Galveston Landmarks.** A person shall not alter, change, relocate, or demolish a GL without first obtaining a certificate of appropriateness from the Landmark Commission in accordance with this Section and the regulations contained in all applicable ordinances or by obtaining administrative approval from the Officer for eligible activities as provided in Section 10.104.A, Criteria for Galveston Landmarks.

2. **Historic Overlay Districts:** A person shall not build, reconstruct, alter, change, relocate, or demolish a structure or building in a HOD without first obtaining a certificate of appropriateness from the Commission in accordance with this Section and the regulations contained in all applicable ordinances or by obtaining administrative approval from the Officer for eligible activities as provided in Section 10.104.A, Criteria for Galveston Landmarks.
 3. **Exception:** A certificate of appropriateness shall not be required for ordinary repair or maintenance of any exterior architectural feature of a Galveston Landmark provided such repair or maintenance does not involve a change in design, material, or outward appearance. In-kind replacement or repair shall be considered ordinary repair or maintenance.
- B. **Application.** The Officer shall provide application forms for a Certificate of Appropriateness. The applicant shall submit a complete application including all applicable documents and fees to the Officer.
 - C. **Review of Application.** The Officer shall review the submitted application and all documents and determine if additional information is required. Upon receiving all information necessary to constitute a completed application in accordance with Section 13.304, Application Completeness Review, the Officer shall handle the application administratively, if allowed, or forward the application to the Commission for consideration at its next regularly scheduled meeting, unless a special meeting is called.
 - D. **Administrative Review by Historic Preservation Officer.** The Officer may act on applications that are eligible for administrative approval and shall approve an application only after finding that the proposed activity is in compliance with the *Historic Design Standards*. The Officer, at his sole discretion, may refer any application eligible for administrative approval to the Commission for review and decision.
 - E. **Review by Landmark Commission.** The Commission shall conduct a public hearing and consider an application it is required or requested to hear following receipt of a complete application by the Officer and after the Officer provides the Commission any review comments or questions. Applicants may appear before the Commission in person or by agent and shall furnish the Officer all plans, specifications, drawings, renderings, and designs necessary for the Commission to render a final decision.
 - F. **Decision by Landmark Commission.** The Commission shall, in an open meeting, approve, approve with conditions or deny the certificate of appropriateness. If the Commission denies an application, the Commission shall state the reasons for the denial.
 1. **Consistency with Historic Design Standards for Approval:** To approve an application, the Commission must find that the proposed activity is in compliance with the *Historic Design Standards*.
 2. **Approval with Conditions:** The Commission may impose conditions of approval that are necessary to meet the intent of the *Historic Design Standards*.
 3. **Required Denial:** The Commission shall deny the application if it finds that the proposed work will have an adverse effect on:
 - a. The external architectural features of the GL;

- b. The external architectural features of the properties in the block or in the historic overlay district as a whole; or
- c. The future preservation, maintenance or use of the GL or of the properties within the HOD.

SEC. 10.107 DEMOLITION

A person shall not demolish or cause the demolition of a GL or a structure of any size or kind located within a HOD without securing approval as required by this Section. Review and permitting is an important element of achieving the goals of the *City of Galveston 2011 Comprehensive Plan*, but the demolition review and permitting process shall not be used to block demolition of structures without historic significance.

This Section does not affect the authority of the City to regulate, repair, demolish, or require corrective action to substandard buildings and dangerous structures. The Landmark Commission shall not deny a request for demolition of a structure that the City has determined to be structurally deficient.

- A. **Applicability.** The provisions in this Section apply to any structure designated as a GL or any structure in a HOD. They do not apply to properties in Neighborhood Conservation Districts (NCDs).
- B. **Application for a Certificate of Appropriateness to Demolish a Historic or Contributing Structure.** A property owner seeking demolition of a structure designated as a GL or of a structure in a HOD that the Officer determines is a contributing property shall submit to the Officer an application for a certificate of appropriateness requesting approval for demolition of the structure. The application shall include but may not be limited to all of the following:
 - 1. **Signatures of All Property Owners.** The application must be signed by all owners of the property.
 - 2. **Affidavits.** One or more affidavits in which:
 - a. The applicant swears or affirms that all information submitted in the application is true and correct; and
 - b. The owner(s) swears or affirms that they are the owner(s) of the subject property and that there are no other owner(s) of the property.
 - 3. **Statement of Reasons.** A statement of the reasons that the demolition is being sought and documentation in support of each reason cited.
 - 4. **Burden of Proof.** The applicant has the burden of proof in presenting all necessary facts and documentation to warrant approval of the application.
- C. **Procedure for Reviewing Proposed Demolitions.** The Officer shall review and act on all applications for demolition as specified in this Section. A building that is designated as a GL or that is classified as a contributing structure in a HOD shall not be demolished unless the Commission determines that preventing demolition would cause an economic hardship upon the owner. The following steps shall be completed to determine the appropriateness of a proposed demolition:
 - 1. **Confirm Historical Significance.** The Officer shall confirm whether the building is historically significant. In evaluating significance, the Officer shall determine if the building

is a designated GL it is considered to be a contributing structure to the district in that it meets the criteria for designation in Section 10.104, Criteria for Historic Designation or that it is listed as such in an officially adopted survey of historic resources.

Additionally, the Officer shall determine if the building retains historic integrity as defined in Section 10.104.A.9. If the building is confirmed as a designated GL or a contributing structure within a HOD, the Officer shall consider if there is any new information that would alter the building's status as a historic resource.

2. **Input from Other Parties.** The Officer may consult with other persons or entities including but not limited to the City departments, Texas Historical Commission, and local non-profit entities focused on historic preservation. Additionally, these agencies and entities may submit information to the Officer pertaining to a demolition request.
3. **Timing of Review Procedure.** Upon the filing of a complete application, the Officer shall attempt to conclude the review process under this subsection within 60 days from the date the complete application was received. An application shall not be deemed complete until the applicant has provided the Officer all requested information in accordance with Section 13.304, Application Completeness Review. In some cases, more time may be necessary to obtain information necessary to the significance determination from the applicant or other sources, and the applicant will be advised of this.
4. **Result of Significance Determination.** Following the review of the application materials submitted under Section 10.107.B, above, and the information gathered under this subsection, the Officer may:
 - a. Determine that the building lacks historic significance in which case a certificate of appropriateness for demolition may be issued; or
 - b. Determine that the building has historic significance in which case a certificate of appropriateness for demolition shall not be issued.

The Officer may refer any determination regarding historical significance or the appropriateness of proposed demolition to the Landmark Commission for review and decision.

5. **Appeal and Economic Hardship Options if Disapproved.** The owner may appeal a disapproval decision by the Officer to the Commission as provided in Section 10.110, Appeals. The owner also may request a determination of economic hardship as provided in subsection 10.107.E, below, which may provide a basis for demolition to proceed.
- D. **Delay of Demolition.** When the City determines that a structure designated as a GL or a contributing structure in a HOD is structurally deficient, the Landmark Commission may request that the Building Official or Building Standards Commission delay a demolition order for the purpose of seeking an alternative to demolition in such cases.
- E. **Claim of Economic Hardship.** After denial of a certificate of appropriateness for demolition under this Section, an applicant may commence the hardship process. No building permit or demolition permit shall be issued unless the Commission finds that a hardship exists.
1. **Burden of Proof.** When a claim of economic hardship is made due to the effect of this Section, the owner must prove that:

- a. He cannot realize a reasonable rate of return on the property unless the demolition is allowed regardless of whether the return realized is the most profitable return;
 - b. The structure cannot be adapted for any other use that would result in a reasonable rate of return on the property; and
 - c. He has failed during the last two years to find one or more purchasers or tenants for the property that would enable him to realize a reasonable rate of return on the property.
2. **Good Faith Efforts.** The applicant shall consult in good faith with the Commission, Officer, local preservation groups and interested parties in a diligent effort to seek an alternative that will result in preservation of the property. Such efforts must be shown to the Commission.
3. **Required Information.** An applicant claiming an economic hardship shall submit the following information to the Officer. If any of the required information is not reasonably available to or otherwise cannot be obtained by the applicant, he shall describe the reasons. The Commission may specify that certain information items are not relevant or necessary for a particular case.
- a. Nature of ownership (individual, business, or non-profit) or legal possession, custody and control.
 - b. Amount paid for the property, date of purchase, or other means of acquisition of title such as gift or inheritance and the party from whom purchased or otherwise acquired including a description of the relationship between the owner and the person from whom the property was purchased.
 - c. Financial resources of the owner and any parties in interest.
 - d. Drawings, photographs, or written descriptions depicting the current condition of the structure.
 - e. Assessed value of the land and improvements according to the two most recent assessments.
 - f. Real Estate taxes for the previous two years.
 - g. Verification of the presence or absence of a lien against the property from any agency.
 - h. Current fair market value of the structure and property as determined by an independent licensed appraiser.
 - i. All appraisals obtained by the owner or prospective purchasers within the previous two years in connection with the potential or actual purchase, financing, or ownership of the property.
 - j. Any listing of the property for sale or rent, price asked, and any offers received within the previous two years.
 - k. If the property is income-producing:
 - i. Annual gross income from the property for the previous two years;
 - ii. Itemized operating and maintenance expenses for the previous two years, including proof that adequate and competent management procedures were

- followed including but not limited to assurance of regular maintenance and inspection intervals of the property;
- iii. Annual cash flow, if any, for the previous two years and proof that efforts have been made by the owner to obtain a reasonable return on his investment based on previous service;
- iv. All capital expenditures during the current ownership;
- v. Annual debt service, if any, for the previous two years; and
- vi. Two separate detailed cost analyses conducted independently by contractors registered with the City who are proficient in rehabilitation and repair of historic structures that estimate the cost of making the building structurally sound and safe for use or occupancy.
- vii. A restoration study of the structure performed by a licensed architect that analyzes the feasibility of restoration or adaptive reuse of the structure.

4. Review and Determination by Landmark Commission.

- a. The Officer shall submit the claim for economic hardship to the Commission a minimum of 30 days before the Commission considers the claim. The Commission may require the applicant to furnish such additional information that the Commission finds to be relevant to its determination of the claim.
- b. The Commission shall conduct a public hearing and consider the claim no later than the 30th day following receipt of all the requested information. Applicants may appear before the Commission in person or by agent. Notices of all public hearings shall be in accordance with Section 13.308, Public Notice.
- c. The Commission shall attempt to render a final decision on the claim of economic hardship not later than the 60th day following the day of the public hearing. The Commission may decide or the applicant may request to continue consideration of a claim of economic hardship to a later meeting, which shall be done in accordance with Section 13.311, Continuances and Withdrawal.
- d. The Commission shall, in an open meeting, approve, approve with conditions or deny the claim of economic hardship. If the Commission denies an application, the Commission shall state the reasons for the denial. The Commission shall consider all of the following in making its decision:
 - i. The conditions the owner is required to prove under subsection 10.107.E.1, above.
 - ii. Whether the cost of restoration or repair would render the property incapable of earning a reasonable return, taking into account guidance in the *Historic Design Standards* for evaluating the reasonable cost of maintenance and rehabilitation needs including possible use of alternative materials or treatments and the potential for identifying locations on individual buildings where more flexibility in meeting the standards may be granted.
 - iii. The interest of preserving historic values will not be adversely affected or can be best served by such demolition.

- F. **Issuance of Demolition Permits.** If the Officer makes a finding of no historical significance and approves an application for demolition or if the Commission allows a demolition to proceed based on a successful claim of economic hardship and no appeal is made in accordance with this Division or other applicable law, the Building Official may issue a demolition permit if all other requirements pertaining to demolition are met. Nothing contained herein shall be construed to relieve the applicant of the necessity of obtaining any and all other permits required by the City or other agencies.
- G. **Successive Applications.** If an application for a certificate of appropriateness to demolish a structure is denied, an application that is substantially similar to the denied application shall not be accepted for one year from the date of the final decision unless the Commission waives the time limitation because the Commission finds that there are changed circumstances regarding the property that warrant a new hearing.

SEC. 10.108 PROCEDURE TO ADDRESS DEMOLITION BY NEGLECT

- A. **Documentation of Neglect.** The Officer and the Building Official shall document evidence of disrepair or neglect on designated GLs and contributing properties located within a HOD.
- B. **Notification of Property Owner.** If the disrepair or neglect does not rise to a level that warrants the Building Official's intervention, the Officer shall notify the property owner in writing, informing the owner of the specifics of the alleged deterioration and requesting that the owner appear before the Landmark Commission within 45 days of the date of the notification. The notification shall be provided to the owner either personally or by regular mail.
- C. **Hearing.** The Commission shall conduct a hearing in accordance with the procedures in Section 13.309.D.1 and 2. The purpose of the hearing is to enable the Commission to make a fuller and more accurate determination of the existence and degree of deterioration and the urgency for corrective action. The owner may appear before the Commission in person or by agent.
- D. **Required Action Upon Finding of Demolition by Neglect.** If the Commission determines that the deterioration has produced a detrimental effect on the historic integrity of the property, the Commission may order the owner to cure the deterioration by repair or other appropriate actions within a reasonable time period. If required by this Division, the owner must obtain a certificate of appropriateness for making the necessary repairs to correct the deterioration.
- E. **Claim of Economic Hardship.** Upon receiving a notification or corrective order under this Section, the property owner may make a claim of economic hardship through the procedure provided in Section 10.107.E, in which case the corrective order issued under this Section shall be stayed until the Commission makes its determination on the claim.
 - 1. **Corrective Order if Claim Unsuccessful.** In the event of a finding of no economic hardship, the Commission may direct the Officer to proceed with a corrective order as provided under this Section. The Commission may direct the Officer to coordinate with the property owner on a compliance plan and schedule to address the detrimental deterioration that is the focus of the corrective order.
 - 2. **Potential Voluntary Measures if Claim Successful:** In the event of a finding of economic hardship, the Commission may recommend options for addressing the detrimental deterioration while relieving the economic hardship, and the Officer may also recommend voluntary actions the property owner may take to address the detrimental deterioration.

SEC. 10.109 EMERGENCY PROCEDURES

- A. **Immediate Repair.** If a GL is damaged and the Officer determines additional deteriorations likely to occur without immediate repair, the Officer may authorize the property owner or agent on behalf of the property owner to take temporary measures to stabilize and protect the structure. In such cases, the property owner or agent on behalf of the property owner shall apply for a certificate of appropriateness within 10 days of completion of the emergency corrective measures. The corrective measures authorized under this subsection shall not permanently alter the architectural features of the Landmark.
- B. **Emergency Demolition.** If, in the opinion of the Building Official, a GL or a structure located within a HOD exhibits unsafe and dangerous conditions, poses a fire hazard or other public health or safety risk, and such danger or hazard is so great and so immediate that time normally taken for evaluation of the structure or consideration by the Landmark Commission should be circumvented to prevent immediate and substantial harm to persons or property, the Officer is authorized to approve emergency demolition or removal of specific structural features that are the source of danger or hazard upon finding both of the following in consultation with the Building Official:
1. The structure to be demolished or the structural features to be removed, endanger public health, or safety due to the risk of immediate:
 - a. Physical damage to adjacent properties or structures from potential structural collapse or from pieces of the structure becoming detached and falling or blowing from the structure due to advanced deterioration or a serious state of disrepair;
 - b. Encroachment into or physical damage within abutting public right-of-ways due to the conditions described in item 10.109.B.1.a, above; or
 - c. Physical damage to public infrastructure, utilities, or other public facilities, and
 2. There is no reasonable way, other than demolition or removal of specific structural features to eliminate the immediate threat.

If the Officer is not able to make both required findings above, then the procedure in Section 10.107.C, Procedure for Reviewing Proposed Demolitions, for evaluating proposed demolitions shall be followed expeditiously.

The Officer shall give required notices to the property owner of any public hearings, public meetings, and final determination made under this subsection by the Commission. The Officer may invoke the emergency provisions of this Section if structural conditions change such that immediate and substantial harm is anticipated.

SEC. 10.110 APPEALS

Decisions made by the Landmark Commission or the Officer may be appealed as provided in this Section. Appeals may follow from decisions involving proposed certificates of appropriateness for activities addressed by Section 10.106, Certificate of Appropriateness, and for demolition of a structure under Section 10.107, Demolition, and from decisions related to claims of economic hardship under Section 10.107.E, Claim of Economic Hardship.

- A. **Appeals to Landmark Commission.** The applicant or any person aggrieved by an administrative determination made by the Officer may appeal the Officer's decision to the Commission.

- B. **Appeals from Landmark Commission.** The applicant or any person aggrieved by a decision made by the Commission may appeal the Commission's decision to the Zoning Board of Adjustment.
- C. **Timing of Procedure for Appeal.** The party appealing a decision must submit a written request for appeal to the Officer not later than the 10th day following the date of the Commission's or the Officer's decision. Appeals shall be processed and decided in accordance with Division 13.900, Administrative Appeals.

Division 10.200 Neighborhood Conservation Districts

Galveston is home to many unique and distinctive residential neighborhoods that contribute significantly to the overall character and identity of the City. These neighborhoods are worthy of preservation and protection but may lack sufficient historical, architectural, or cultural significance to be regulated as historic districts. Designation as a Neighborhood Conservation District (NCD) offers neighborhood control and input and shall follow the procedures in this Division and the procedures for a rezoning as provided in Division 13.600, Map Amendments. Following approval by City Council, NCDs will be subject to a neighborhood-specific plan and neighborhood design standards in addition to any standards contained in this Division.

SEC. 10.201 PURPOSE

The purposes of a NCD are to:

- A. Protect and strengthen desirable and unique physical features, design characteristics, and recognized identity and charm;
- B. Promote and provide for economic revitalization;
- C. Protect and enhance the livability of the City;
- D. Reduce conflict and prevent blighting caused by incompatible and insensitive development, and to promote new compatible development;
- E. Stabilize property values;
- F. Provide residents and property owners with a planning tool for future development;
- G. Encourage and strengthen civic pride; and
- H. Ensure the harmonious, orderly, and efficient growth and redevelopment of the City.

SEC. 10.202 CRITERIA FOR NEIGHBORHOOD CONSERVATION DISTRICTS

In determining if an NCD overlay should be established or amended, the Landmark Commission shall consider the following:

- A. **Size Requirements.**
 - 1. The area contains a minimum of three contiguous, full city blocks or six contiguous blockfaces unless there are unique and compelling circumstances for the designation.
 - 2. Additions to existing NCDs:
 - a. Contains a minimum of one blockface;
 - b. May be non-contiguous;

- c. Is within the same neighborhood boundaries as the existing NCD, as defined by the City's neighborhood planning areas map; and
 - d. Possesses the same distinctive features as the existing NCD.
- 3. Requests for the establishment of a new NCD adjacent to an existing NCD must demonstrate distinctive features that warrant the establishment of a new district rather than incorporation into an existing district.
- B. **Age of Improvements.** At least 75 percent of the land area in the proposed district was improved at least 25 years ago. Improved is defined as the construction of a main habitable structure and is not defined as an accessory structure, fence, swimming pool, or other similar item.
- C. **Distinctive Features.** The area possesses one or more of the following distinctive features that create a cohesive identifiable setting, character, or association:
 - 1. Scale, size, type of construction, or distinctive building materials;
 - 2. Spatial relationships between buildings;
 - 3. Lot layouts, setbacks, street layouts, alleys, or sidewalks;
 - 4. Unique natural or streetscape characteristics such as parks, gardens, or street landscaping;
 - 5. Land use patterns including mixed or unique uses or activities; or
 - 6. Abuts or links designated historic landmarks or districts.

SEC. 10.203 PROCEDURES FOR NEIGHBORHOOD CONSERVATION DISTRICTS

- A. **Initiation.** A rezoning application for designation as a NCD may be initiated as follows:
 - 1. **Property Owners.** A petition may be submitted by:
 - a. Property owners representing 51 percent of the land area within the proposed district; or
 - b. 51 percent of property owners within the proposed district.
 - 2. **Landmark Commission, Planning Commission, or City Council.** If the designation is initiated by the City, the Development Services Director shall arrange for:
 - a. Provision of a minimum of two notices, either hand delivered or mailed, to all affected property owners and tenants advising of the City's interest in designation of an NCD incorporating their property, inviting their participation, and advising of meeting times and dates; and
 - b. A minimum of two public forums, conducted by the Department of Planning with the affected property owners and tenants; and
 - c. Except as modified by this Section, NCD designations shall follow all the procedures for a rezoning as provided in Division 13.600, Map Amendments.
- B. **Neighborhood Conservation Plan.** Upon receipt of a petition or conclusion of the public forums, the Department of Planning shall develop a Neighborhood Conservation Plan (NCP) for the proposed district. All property owners within the proposed district shall be afforded

the opportunity to review and comment on the NCP, which shall be included as part of the ordinance creating an NCP. The NCP shall include, at a minimum:

1. Maps indicating boundaries, age of structures, and existing land use within the proposed district;
2. Maps and other graphic and written materials identifying and describing the distinctive neighborhood and building characteristics of the proposed district;
3. A list of all property owners with legal addresses, neighborhood associations, or other organizations representing the interests of property owners in the proposed district; and
4. Design standards for new construction of any building or structure, the relocation of any building or structure, or rehabilitation to the street facade of an existing building or structure.

C. **Neighborhood Design Standards.** The NCP shall include NCDs.

1. **Ordinary Repair and Maintenance Exempted.** The NCP shall not include provisions applying to those activities that constitute ordinary repair and maintenance, such as using the same material and design.
2. **Minimum Required Elements.** The NCD for each NCP must include or note the inapplicability of the following elements governing the physical characteristics and features of all property, public or private, within the proposed district:
 - a. Building height and number of stories;
 - b. Building size and massing;
 - c. Building relocation (in, out, and within district);
 - d. Front, side, and rear yard setbacks;
 - e. Lot size and coverage;
 - f. Off-street parking and loading requirements;
 - g. Paving and hardscape covering;
 - h. Principal elevation features; and
 - i. Roofline and pitch.
3. **Additional Elements.** The NCDs may also include but shall not be limited to the following elements:
 - a. Common architectural style and details;
 - b. Building materials;
 - c. Building orientation;
 - d. Density;
 - e. Driveways, curbs, and sidewalks;
 - f. Entrance lighting;
 - g. Fences and walls;
 - h. Floor area ratio;

- i. Garage entrance location;
 - j. General site planning;
 - k. Landscaping;
 - l. Right-of-way;
 - m. Signage;
 - n. Street furniture;
 - o. Solar systems, components;
 - p. Utility boxes and trash receptacles; and
 - q. Window/dormer size and location.
4. **Modifications.** Modifications to the Neighborhood Design Standards for an NCD shall be approved by City Council and may be initiated as follows:
- a. A petition may be submitted by:
 - i. Property owners representing 51 percent of the land area within the designated district; or
 - ii. 51 percent of the property owners within the designated district.
 - b. The City Council may initiate modifications, in which case the Development Services Director shall arrange for the same notices and public forums as under Section 10.203.A.2, above, for original designation of the NCD.

SEC.10.204 DEMOLITION OF STRUCTURES IN EXISTING NEIGHBORHOOD CONSERVATION DISTRICTS

Proposed demolitions in NCDs established prior to the adoption of these regulations on October 30, 2014 are subject to Landmark Commission review and approval only if the Development Services Director finds reasons for potential disapproval in which case the proposed demolition shall be referred to the Commission for review and decision. The proposed demolition shall not be prohibited unless the Officer determines that the structure has historic significance and recommends that the Commission initiate the designation procedure for a GL in Section 10.105, Designation Procedures.

SEC. 10.205 ADMINISTRATION AND APPEALS

Details of administration for each NCD may be spelled out in the ordinance approving a specific NCD. The following general provisions apply, unless otherwise stated in the adopting ordinance.

- A. **Neighborhood Ordinance Administration.** No building permit shall be issued by Building Official for demolition, relocation, new construction, or an alteration or addition to the street facade of an existing building or structure within a designated NCD without the submission and approval of design plans and the issuance of a certificate of zoning compliance by the Director of Planning.
- B. **Appeals.** An applicant may appeal a decision of the Development Services Director or the Officer to the Zoning Board of Adjustment. The party appealing a decision must submit a written request for appeal to the Development Services Director not later than the 10th day

following the date of the Director's or the Officer's decision. Appeals shall be processed and decided in accordance with Division 13.900, Administrative Appeals.

Division 10.300 Height and Density Development Zone (HDDZ)

SEC. 10.301 PURPOSE

- A. The purpose of this HDDZ is to create new prescriptive development standards for key areas of the city in order to:
 - 1. Promote development and redevelopment that is compatible in height, mass, and scale with surrounding neighborhoods and preserves view corridors and access to Gulf of Mexico breezes;
 - 2. Promote development and redevelopment that meets community objectives and supports an overall future vision for the island;
 - 3. Promote sustainable design within the overlay zones; and
 - 4. Allow for the continued growth and expansion of the local economy.
- B. For the purposes of this zone, density refers to the area of the development that is allowed on a site. In some cases, this area is described in units per acre, but in other cases is described using floor area ratio (in general, the ratio of the total floor area to the area of the lot).

SEC. 10.302 HEIGHT AND DENSITY CHARACTER AREAS

The development standards of the HDDZ apply to all development within the designated Overlay Zones established on the Zoning Map. A series of character areas (subareas) is hereby established and these character areas are further defined in the separate *Height and Density Development Plan and Design Guidelines*. The approximate boundaries of each character area are:

- A. **Gateway.** 59th to Blume Street between Broadway Boulevard and Offat's Bayou/English Bayou.
- B. **Seawall East.** Inland side of Seawall Boulevard from Beach Drive to 6th Street.
- C. **Seawall Core A.** Inland side of Seawall Boulevard from 6th Street to 45th Street.
- D. **Seawall Core B.** Inland side of Seawall Boulevard from 45th Street to 61st Street.
- E. **Seawall West.** Inland side of Seawall Boulevard from 61st Street to Cove View Boulevard.
- F. **Seawall West to 11 Mile Road.** The area south of Stewart Road from Cove View Boulevard to 11 Mile Road.

SEC. 10.303 DEFINITIONS

The following definitions shall apply to this Section.

- A. **Building Footprint.** The area of the ground floor of a building calculated by multiplying the exterior width of the building at the ground floor by the exterior depth of the building at the ground floor.
- B. **Building Floor Plate.** The area of all portions of a building at a specific floor level as calculated using the outside perimeter of the building. For purposes of this ordinance, maximum floor

plate requirements limit the dimensions of any mid-rise portions of a building.

- C. **Build-To-Line.** The inside edge of the sidewalk at the front of the property. The build-to line may be the same as the front property line if all sidewalk area is located within the public right-of-way.
- D. **Community Benefits.** For purposes of the HDDZ, specific community benefits include the following:
 - 1. Inclusionary housing;
 - 2. Natural resource protection;
 - 3. Hotels;
 - 4. Parking space (public);
 - 5. Parking Space (Beach Access);
 - 6. Public Boat Launch;
 - 7. Public Park or Plaza;
 - 8. Public Restrooms;
 - 9. Public Trail or Path; and
 - 10. Public Transit Stop.
- E. **Floor Area Ratio (FAR).** The ratio of the total above-grade floor area of all structures on a lot to the total square footage of the lot.
 - 1. The following areas are not considered lot square footage for purposes of calculating floor area ratio:
 - a. Public street areas;
 - b. Street right-of-ways closed or abandoned after the adoption [April 28, 2008] of this ordinance;
 - c. Verified delineated Wetland areas; and
 - d. Dune protection areas.
 - 2. The following areas are considered above grade floor area for purposes of calculating floor area ratio:
 - a. All enclosed, roofed, above ground, building floor area;
 - b. The roofed interior floor area of all parking structures; and
 - c. Porches, loggias, gazebos, and other structures that are roofed but not enclosed on more than two sides by walls of habitable areas or parking structure to a maximum depth of 8 feet to 0 inches. Balcony depth greater than 8 feet to 0 inches will be considered for purposes of calculating floor area ratio.
- F. **Footprint.** See Building Footprint.
- G. **Floor Plate.** See Building Floor Plate.
- H. **Grade.** The elevation of the ground on April 28, 2008, the adoption of this ordinance;

- I. **Height.** Maximum height shall be measured to the top of parapet for a flat roof or to the roof ridge for a sloping roof including all areas, parking, or habitable. All height shall be measured continuously from existing or finished grade whichever is more restrictive as shown in Figure A. Where fill has been used to elevate finished grade for flood regulations, the City may make an exception to adjust the starting point for grade measurement up to 6 feet. For the purposes of Article 11, Nonconformities, the City must determine that the adjustment results in an improved ground level design as described in the *Height and Density Development Plan and Design Guidelines*. City Hall reviews the regulations related to height measurements in conjunction with adjustments to FEMA flood elevations.

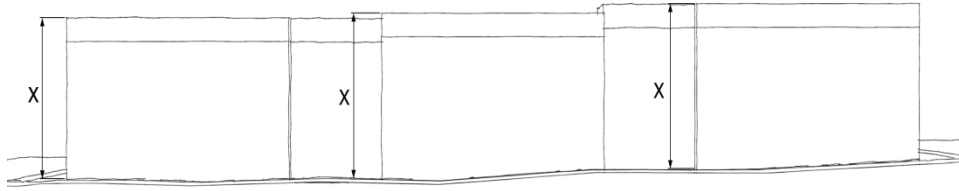


FIGURE A. Continuous Height Measurement

- J. **Improved Public Open Space.** Open space areas that are visible and accessible to the public during daylight hours.
1. Areas considered improved public open space may include:
 - a. Plazas;
 - b. Courtyards directly accessible from the street;
 - c. Landscaped park or pocket park areas;
 - d. Landscaped front and side yard setback areas;
 - e. Landscaped areas within view corridors; and
 - f. Improved waterfront areas with direct public access.
 2. Areas not considered improved public open space:
 - a. Landscaping in parking areas;
 - b. Areas not visible from adjacent streets or located along through pedestrian connections; and
 - c. Fenced front or side yard areas.
- K. **Lot Coverage.** Lot coverage shall consist of all building footprints plus all impervious pavement (asphalt or concrete) on the site. Where areas are paved with pervious materials such as pavers, grasscrete, turf blocks, permeable asphalt, or other pervious material approved by the City Engineer, only 75 percent of the area shall be considered impervious cover.
- L. **Low-rise.** A low-rise is defined as a building or structure more than three stories or 35 feet in height and less than six stories or 70 feet in height, whichever is more restrictive.
- M. **Mid-rise.** A mid-rise is defined as a building or structure more than five stories or 70 feet in height and less than nine stories or 105 feet in height, whichever is more restrictive. A maximum of 20 percent of the uppermost floor plate is permitted to a total height of 120 feet.

Should this portion of the building be roofed and enclosed on more than two sides it shall be considered for purposes of calculating floor area ratio.

- N. **Neighborhood Transition Area.** An area of a lot within HDDZ that is adjacent to a residential zone district boundary. The dimensions of the Neighborhood Transition Area and the reduced height limits that apply within these areas are defined as standards within this section.
- O. **Tier.** A level of development intensity: Height and Density Development Zone. Includes Base Tier, Mid-rise Tier.
- P. **Very Low-rise.** A very low-rise is defined as a building or structure no more than three stories or 35 feet in height, whichever is more restrictive.

SEC. 10.304 APPLICATION OF OVERLAY ZONE

- A. This HDDZ shall apply over existing zones designated in the City including areas with existing Overlay Zones. The zoning designation for property located within the HDDZ shall consist of the base zone symbol and the overlay district symbol (HDDZ) as a suffix. The character areas of the HDDZ shall be numbered sequentially to distinguish among the individual character areas and labeled as such on the zoning map:
 - 1. **Gateway.** HDDZ-1
 - 2. **Seawall East.** HDDZ-2
 - 3. **Seawall Core A.** HDDZ-3
 - 4. **Seawall Core B.** HDDZ-4
 - 5. **Seawall West.** HDDZ-5
 - 6. **End of Seawall to 11 Mile Road.** HDDZ-6
- B. The standards of this Section apply in addition to the standards of the underlying zone and any applicable overlay zones. Where there is a conflict, the standards of this Section apply.
- C. For areas with an underlying height restriction, the more restrictive regulations shall apply.
- D. Where an existing development agreement or restrictive covenant is more restrictive than the provisions of this section, the specific restriction in the previous condition shall prevail.
- E. Any tract of land currently platted for single family detached development is exempt from the Height and Density Development Plan.

SEC. 10.305 HEIGHT AND DENSITY TIERS

The HDDZ allows for two separate tiers of development activity. Each tier has increasingly restrictive development standards and requires additional development review. Two height and density tiers are hereby established in the HDDZ as defined below:

- A. **Base Tier (very low-rise and low-rise).**
 - 1. Development with a maximum height of five stories or 70 feet above grade and a floor area ratio not to exceed that defined for the character area.
 - 2. Development is approved by staff, provided it meets the standards of this regulation.
 - 3. Development conforming to this tier is allowed in each character area.
- B. **Mid-rise Tier.**

1. Development with a maximum height of eight stories or 105 feet above grade and a floor area ratio not to exceed that defined for the character area. A maximum of 20 percent of the uppermost floor plate is permitted to a total height of 120 feet. Should this portion of the building be roofed and enclosed on more than two sides it shall be considered for purposes of calculating floor area ratio.
 2. Development is approved by staff provided it meets the standards of this regulation.
 3. Development conforming to this tier is allowed in each character area provided the project earns adequate height and floor area through the provision of specified community benefits.
- C. **Development Tiers Allowed by Character Area.** Base and Mid-rise Tiers are allowed in all character areas.

SEC. 10.306 DEVELOPMENT STANDARDS FOR ALL TIERS

- A. **Design Guidelines Apply.** The *Height and Density Development Plan and Design Guidelines* in the Seawall and Gateway Areas apply to all development in the HDDZs. The design guidelines shall be employed by the City staff, the Planning Commission, and City Council, as applicable, in their review of new development.
- B. **Site Area.** A minimum site area is required for all development. The minimum site area varies by development tier and character area as shown in Table 10.306A, Site Area (Minimum) by Character Area, below. Properties that lack the minimum site area shown in the table below shall not be developed using Mid-Rise standards. The minimum site area shall not include dune protection areas, beaches or submerged land. The Base Tier site area shall not be less than 3,000 square feet. The Mid-Rise Tier site area shall not be less than 65,340 square feet.

Table 10.306A Site Area (Minimum) by Character Area						
	Gateway	Seawall East	Seawall A	Seawall B	Seawall West	Seawall W. to 11 Mi.
Base Tier	3,000 square feet or .069 acres	3,000 square feet or .069 acres	3,000 square feet or .069 acres	3,000 square feet or .069 acres	3,000 square feet or .069 acres	3,000 square feet or .069 acres
Mid-rise Tier	65,340 square feet or 1.5 acres	65,340 square feet or 1.5 acres	65,340 square feet or 1.5 acres	65,340 square feet or 1.5 acres	65,340 square feet or 1.5 acres	87,120 square feet or 2 acres

- C. **Required Yards.** The standards of this paragraph establish a yard requirement for the HDDZ.
1. **Required Percentage at Build-To-Line.** The table below establishes the required percentage of a building that must be located at the build-to line as shown in Figure B. For the purposes of this paragraph, the build-to line along streets with no specific setback requirement shall be considered the interior edge of the sidewalk located furthest from the adjacent roadway. Along streets with a specific setback requirement, the build-to line shall be considered to be at the required setback.

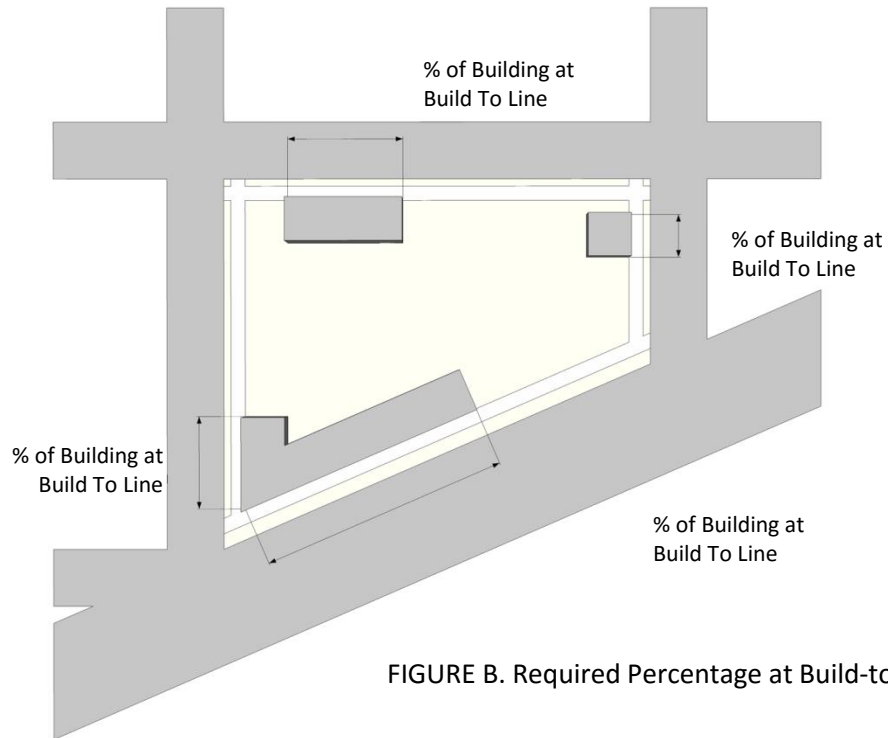


FIGURE B. Required Percentage at Build-to-Line

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Table 10.306B Required Yards by Character Area						
	Gateway	Seawall East	Seawall A	Seawall B	Seawall West	Seawall W. to 11 Mile Road
Front Yard						
Facing residential zone ¹ (min.)	15 feet	15 feet	15 feet	15 feet	15 feet	20 feet
Percentage at Build-to Line ¹ (min.)	30%	30%	30%	30%	30%	30%
Facing Seawall Boulevard ¹						
Setback (min.)	--	0 feet	0 feet	0 feet	0 feet	--
Percentage at Build-to Line ² (min.)	--	30%	60%	60%	30%	--
Any Other Frontage ¹						
Setback (min.)	--	0 feet	0 feet	0 feet	0 feet	--
Percentage at Build-to Line ² (min.)	--	30%	30%	30%	30%	--
Side Yard						
Adjacent to residential zone ¹ (min.)	30 feet	20 feet	20 feet	20 feet	30 feet	40 feet
Not adjacent to residential zone (min.)	0 feet	0 feet	0 feet	0 feet	0 feet	40 feet
Rear Yard						
Adjacent to residential zone ^{1,3} (min.)	30 feet	20 feet	20 feet	20 feet	30 feet	40 feet
Not adjacent to residential zone ^{1,4} (min.)	20 feet	10 feet	10 feet	10 feet	20 feet	40 feet

Required yards are not applicable when rows or columns are marked --

¹This yard area is subject to specific landscaping requirements

²As defined in paragraph Section 10.306.C.1.

³May be reduced to 15 feet where rear lot line is adjacent to an alley at least 10' in width

⁴May be reduced to 0 feet (at bulkhead) where lot line is adjacent to open water

2. **Neighborhood Transition Area.** Heights shall be limited in neighborhood transition areas to maintain compatibility with adjacent residential zones. Lots that are not adjacent to a residential zone boundary do not have any transition area requirement. The specific heights allowed are found in Section 10.311, Base Tier Development Standards.

- a. Transition Area Type 1: The side or rear of a property directly adjacent to any residential zone in any character area, or the front of a property facing any residential zone across East-West (lettered) avenues in the Seawall Core A, Seawall Core B, Seawall East, or Seawall West or any street in the Gateway Area or West of Seawall areas. There are two segments of the property where special height limits apply as described below and in Figures C and D.
 - i. Transition Area 1a: All lot areas that are within 20 feet of the required front, side, or rear yard setback
 - ii. Transition Area 1b: All lot areas that are more than 20 feet but less than 50 feet

from the required front, side, or rear yard setback

- b. Transition Area Type 2: The front of a property facing any residential zone across North-South (numbered) streets in the Seawall Core A, Seawall Core B, Seawall East, or Seawall West areas. There is one segment where special height limits apply as described below and shown in Figure E.
 - i. Transition Area 2a: All lot areas that are within 20 feet of the required front yard setback
- c. Transition Area Type 3: The side or rear of a property abutting Offat's Bayou and English Bayou in the Gateway Area. There is one segment where special height limits apply as described below and shown in Figure F.
 - i. Transition Area 3a: All lot areas that are within 30 feet of the property line.

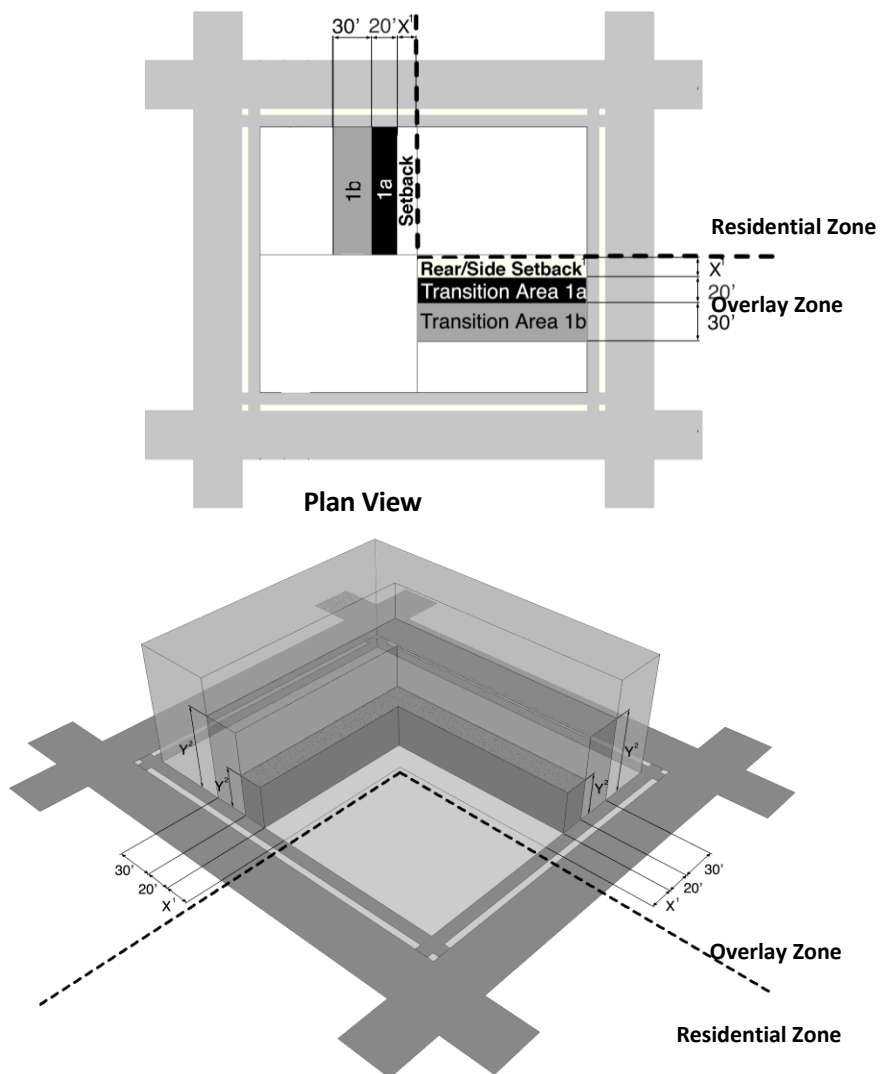


FIGURE C. Transition Area 1a and 1b on the side or rear of a lot directly abutting a residential zone district in any character area.

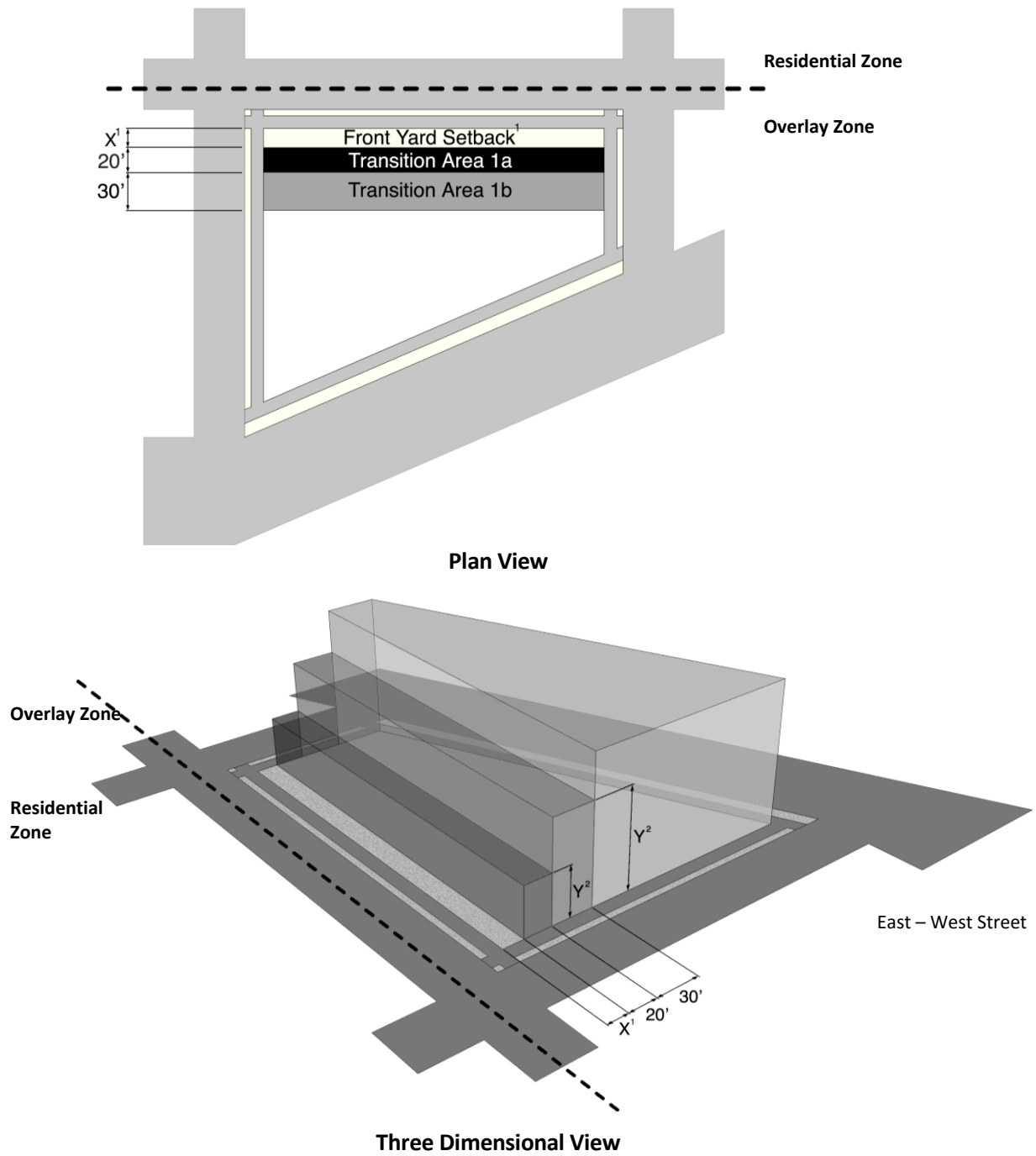


Figure D.

¹Required setback varies by character area.

²The specific height limits for each Transition Area are described in paragraph (g) Base Tier Development Standards.

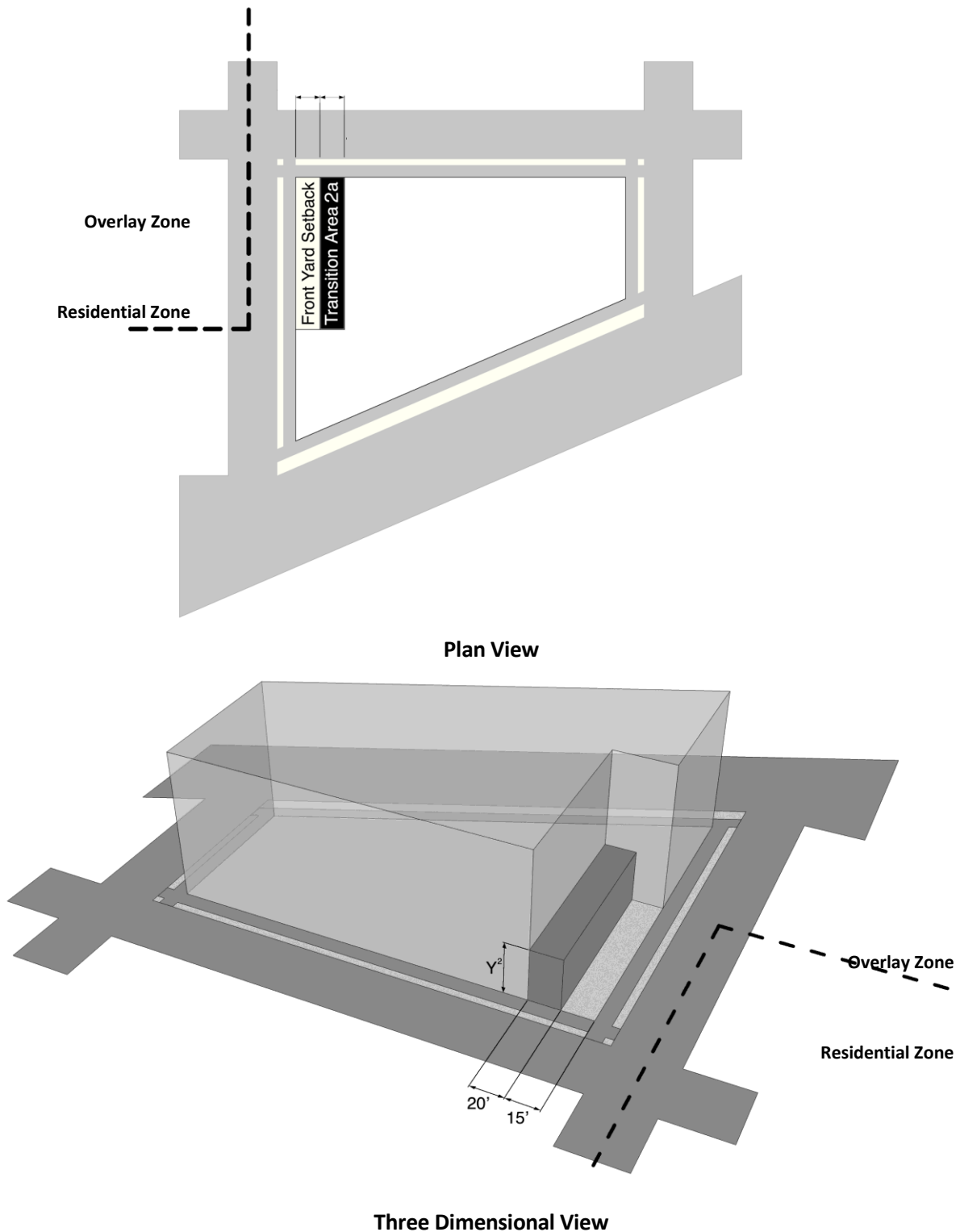
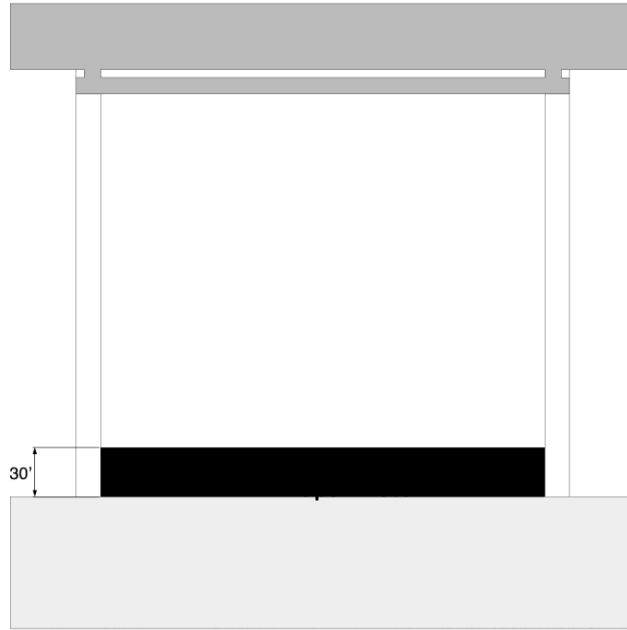
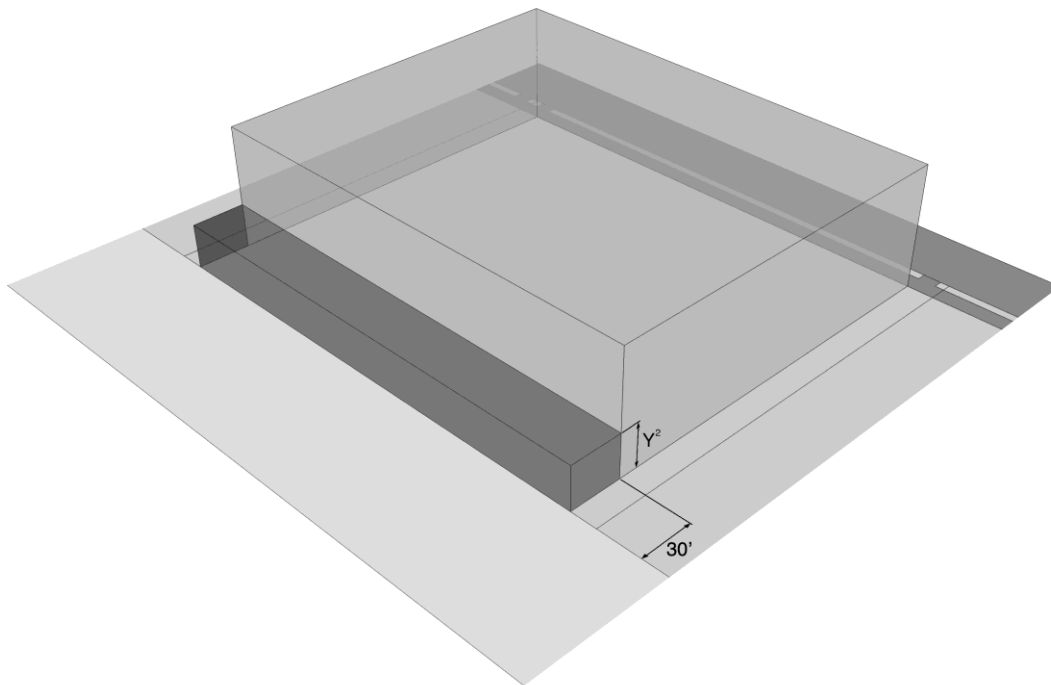


FIGURE E. Transition Area 2a on the front of a lot facing a Residential Zone across a north-south street in the Seawall Core A, Seawall Core B, Seawall East or Seawall West areas.

²The specific height limits Transition Areas are described in paragraph (g) Base Tier Development Standards.



Plan View



Three Dimential View

FIGURE F: Transition Area 3a on the edge of a lot directly abutting open water including, but not limited to Offat's Bayou and English Bayou.

²The specific height limits for Transition Areas are described in paragraph (g) Base Tier Development Standards.

SEC. 10.307 BUILDING MASS AND FORM STANDARDS

A. Building Floor Plate.

1. **Mid-rise.** Maximum floor plate area for floors six through eight shall be 15,000 square feet.

B. Shading of Adjacent Residential Zone, Public School, or Public Park:

1. **Mid-rise.** No mid-rise structure in the HDDZ shall impact development within any adjacent residential zone, public school, or public park through substantial shading.
2. For the purpose of this paragraph, substantial shading shall be considered shading of an adjacent parcel for more than four hours, as measured on December 21st. A three-dimensional model illustrating the potential shading for the project shall be provided to the City for review.

- C. **Wall Plane Articulation.** A building shall be articulated with wall place offsets to encourage a varied and interesting street front and break down the visual mass of taller buildings elements, as illustrated in Figure G1. Table 10.307, Wall Plane Articulation establishes the required articulation for different vertical sections of a building:

Table 10.307 Wall Plane Articulation				
Vertical Building Section				
From	To	Building Wall Length (max.)	Offset Depth (min.)	Offset Length (min.)
Grade	3 Stories or 35 feet	30 feet	5 feet	10 feet
3 stories or 35 feet	Max. Height Limit	50 feet	5 feet	10 feet

1. **Requirements.** Wall Plane Articulation shall be not required for the rear elevation unless the rear elevation is adjacent to a rights-of-way or residentially zoned property. Wall Plane Articulation shall only be required for exterior building walls. For example, porches or freestanding, open air structures, such as gazebos, are not required to provide Wall Plane Articulation.
2. **Options.**
 - a. Indented Offsets: Articulation may be provided with indented offsets as shown in Figure G2.
 - b. Offset Wall Places: Articulation may be provided with offsets that extend outwards towards the lot line as shown in Figure G3. Please note that the offsets need to meet any setback requirements.
 - c. Projected Offsets: Articulation may be provided with alternative designs, such as curved walls, that meet the building wall length and offset requirements set forth in the Wall Place Articulation table above and subject to approval by the Development Services Director.

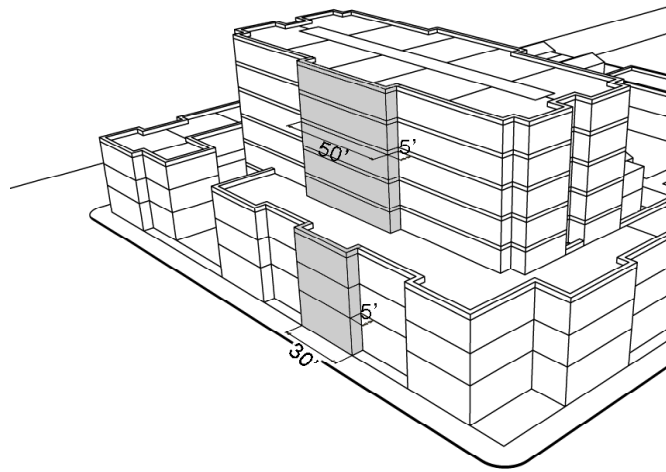


FIGURE G1. Building articulated with offset wall planes.

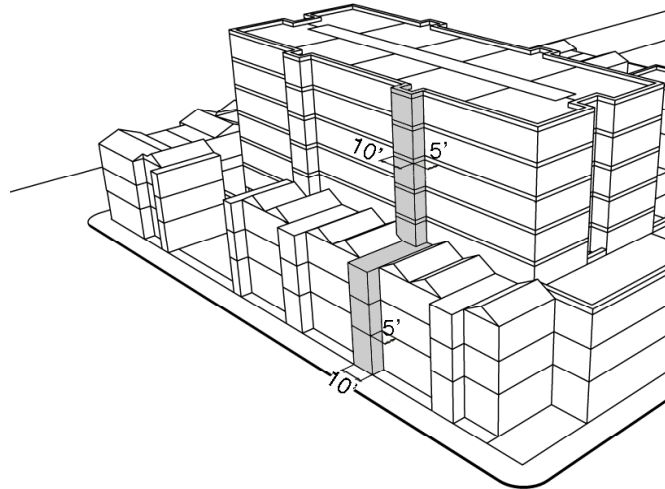


FIGURE G2. Building articulated with indented offsets

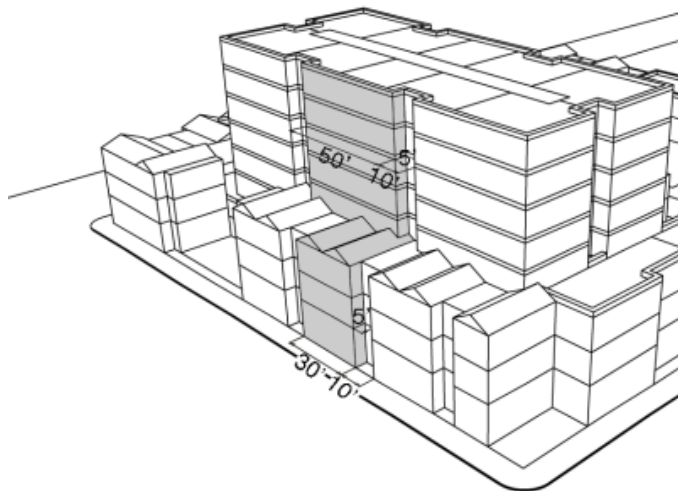


FIGURE G3. Building articulated with offsets that extend outward towards the street.

3. **Special Exception to Wall Plane Articulation Standards for Very Low-Rise Buildings.** The Development Services Director may permit an increase of up to 40 feet to the maximum building wall length, a reduction of up to 3 feet in minimum offset depth,, and/or a reduction of up to 5 feet in minimum offset length for very low-rise buildings. Permitted exceptions must meet the intent of the Building Massing and Articulation section of the *Height and Density Development Plan and Design Guidelines*.

D. View Corridors.

1. **Gateway View Corridor.** A view corridor shall be established in the Gateway portion of the HDDZ. The height limits for Transition Area 3a shall apply within the established view corridor. Additional review of the view corridor is necessary prior to designation, and therefore, staff recommends the view corridor be established by separate ordinance.
2. **Permanent Street Closures.** When a single development includes multiple blocks, it may be beneficial to close a street to provide additional open space. A permanent street closure may only be considered on a case-by-case basis where such closures do not significantly impact traffic flow and where it will provide a high quality space that contributes positively to the overall neighborhood character and pedestrian circulation system. The intent of this section is to maintain views, airflow of Gulf breezes, and to retain traditional block shapes and sizes. The land area of any new street closure may not be included in floor area ratio calculations as described in the floor area ratio definition.
 - a. Closure of a city street or avenue after the adoption of this ordinance may only be considered where it meets the following criteria including but not limited to:
 - i. There is a demonstrated community benefit;
 - ii. The street segment is not a part of a historic district or a potentially eligible historic district;
 - iii. No structure shall be erected within the original right-of-way; and
 - iv. The closure does not negatively impact public safety or traffic.
 - b. When closing a city street or avenue:
 - i. Maintain existing view corridors and breezeways along the original right-of-way;
 - ii. Maintain pedestrian access through the development along the original right-of-way; and
 - iii. Provide additional landscaping including decorative paving in the closed area.
 - c. When an existing site contains privately owned land that was formerly a city street, avenue, alley, or other right-of-ways at the time of adoption of the HDDZ that area shall be considered typical site area and is exempt from the requirements of this section.
 - d. Closure of an alley after the adoption of this ordinance may only be considered when it meets the following criteria including but not limited to:
 - i. Closing the alley is necessary to build a parking structure or orient a mid-rise building as recommended by the *Height and Density Development Plan and Design Guidelines*.
 - ii. The alley segment is not part of a historic district or a potentially eligible historic district
 - iii. Closing the alley would cause a loss of service access to other properties.
 - iv. Utility service lines can be feasibly relocated, by the developer or applicant following

review and approval by the Public Works Department.

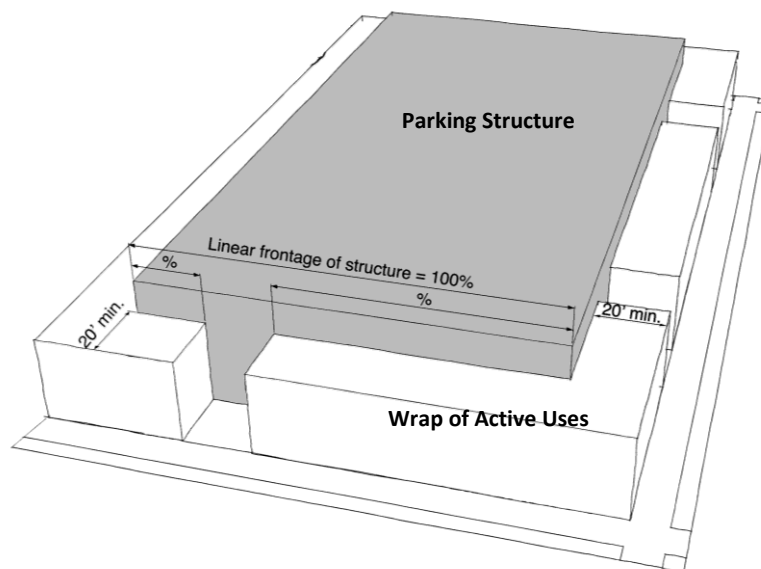
- E. **Use Regulations.** The use regulations of the underlying zone districts shall apply including any additional use restrictions imposed by applicable overlay districts. Where any underlying district requires a specific use permit (SUP) such permit shall continue to be required in the HDDZ.

SEC. 10.308 STREET EDGE STANDARDS

The street edge standards of this Section shall apply to all development within the HDDZ.

- A. **Visual Interest.** In order to enhance the experience of the traveling public, the following visual interest elements shall be required along any street edge:
1. Active storefronts containing commercial or office uses; and
 2. Decorative architectural surfaces such as:
 1. Public art or murals approved by the Galveston Commission for the Arts or designee
 2. Porches, galleries, arcades, or other architectural features providing outdoor protected shade for pedestrians or residents.
- B. **Parking Structure Requirements:** Any structured parking must have other active uses (commercial or residential) located between the structure and the required building setback for a minimum depth of 20 feet as shown in Figure K. It must extend a minimum of 60 percent of the linear frontage of the structure on any street face. This wrap of other uses may be built within any required Neighborhood Transition Area subject to the height requirements for the transition area.

FIGURE K. Parking Structure Requirements



SEC. 10.309 NATIONAL REGISTER OF HISTORIC PLACES ELIGIBLE BUILDINGS

Any buildings on the project site (whether the development site or a site designated for community benefit provided to achieve additional floor area) that are listed or eligible for listing on the *National Register of Historic Places* shall be preserved or moved to an alternative site within the City. No demolition of eligible structures is permitted in the HDDZ.

SEC. 10.310 WETLAND BUFFERS

The following wetland buffers shall apply in the Height and Density Development Zone.

- A. **Buffer Required.** A 25 foot wetland buffer shall be established along the edges of any wetland under the jurisdiction of the US Corps of Engineers or the State of Texas. Buffers shall be shown on all plans and plats.
- B. **Activity Allowed in Wetland Buffers.** Wetland buffers shall remain undisturbed and no development, including land-disturbing activities, shall occur within this wetland buffer. Overhead or underground utilities, roads, streets, bridges, or similar structures should be placed within existing public right-of-ways if possible but in any case, must cross the buffer as close to perpendicular as possible.
- C. **Revegetation.** All disturbed areas within the buffer area, permitted or not, shall be revegetated with perennial vegetation as soon as practical (immediately) after the disturbance.

SEC. 10.311 BASE TIER DEVELOPMENT STANDARDS

- A. **In General.** The base tier development standards allow very low and low-rise development subject to review and approval by the City.
- B. **Site Development Standards:** Table 10.311 shows the low-rise site development standards that shall apply in the HDDZ:

Table 10.311 Low-rise Site Development Standards by Character Area						
	Gateway	Seawall East	Seawall A	Seawall B	Seawall West	Seawall W. to 11 Mile Road
Floor Area Ratio (max.)	1.5	2.0	2.0	2.0	1.5	1.0
Lot Coverage (max.)	75%	80%	80%	80%	75%	50%
Improved Public Open Space (min.)	8%	5%	5%	5%	8%	15%
Height						
Not in Transition Area ¹ (max.)	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories
Transition Area 1a (max.) ¹	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	45 feet or 3 stories
Transition Area 1b (max.) ^{1 2}	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories
Transition Area 2 (max.) ¹	--	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	--
Transition Area 3 (max.) ¹	25 feet or 2 stories	--	--	--	--	--

Special Transition Area height limits are not applicable when rows or columns are marked --

¹ See paragraph (f) subsection (3)c. above for description of transition areas.

² In the Base Tier, height standards do not differ for Transition Area 1b and for areas that are not in a transition area.

- C. **Improved Public Open Space:** The improved public open space requirement replaces any requirement for Usable Open Space per Section 29-65(e).

SEC. 10.312 MID-RISE TIER DEVELOPMENT STANDARDS

- A. **In General:** The base tier development standards allow mid-rise development subject to review and approval by the Development Services Department provided the project earns adequate height and floor area through the provision of specified community benefits.
- B. **Site Development Standards:** Table 10.312 shows the mid-rise site development standards that shall apply in the HDDZ:

Table 10.312 Mid-rise Site Development Standards by Character Area						
	Gateway	Seawall East	Seawall A	Seawall B	Seawall West	Seawall W. to 11 Mile Road
Floor Area Ratio (max.)	2.0	2.5	2.5	2.5	2.0	1.5
Lot Coverage (max.)	65%	75%	75%	75%	65%	50%
Improved Public Open Space (min.)	15%	8%	8%	8%	15%	20%
Height Not in Transition Area ¹						
Flat Roof (max. parapet height)	90 feet ^{2 3}	90 feet ^{2 3}	90 feet ^{2 3}	90 feet ^{2 3}	90 feet ^{2 3}	90 feet ^{2 3}
Sloped Roof (max. roof peak height)	105 feet ^{2 3}	105 feet ^{2 3}	105 feet ^{2 3}	105 feet ^{2 3}	105 feet ^{2 3}	105 feet ^{2 3}
Number of Habitable Floors (max.)	8 stories ³	8 stories ³	8 stories ³	8 stories ³	8 stories ³	8 stories ³
Transition Area 1a (max.) ¹	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	45 feet or 3 stories
Transition Area 1b (max.) ¹	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories	70 feet or 5 stories
Transition Area 2 (max.) ¹	--	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	35 feet or 3 stories	--
Transition Area 3 (max.) ¹	25 feet or 2 stories	--	--	--	--	--

Special Transition Area height limits are not applicable when rows or columns are marked --

¹ See paragraph (f) subsection (3)c. above for description of transition areas.

² Any height above 90 feet shall be contained in a sloping roof structure not including the special height exception for penthouse building elements as described below.

³ Special height exception for penthouse building elements: Up to 20 percent of the area of the building floor plate at the 90 foot height limit for a flat-roofed structure may rise an additional one or two-stories to a maximum height of 110 feet at the parapet of a flat roof or 120 feet at the peak of a sloped roof. The standard flat and sloped roof height limits in the table above will apply to the remaining 80 percent of the building floor plate.

- C. **Improved Public Open Space:** The improved public open space requirement replaces any requirement for Usable Open Space.

SEC. 10.313 COMPENSATING COMMUNITY BENEFITS

- A. **Benefits Required:** In order for a project to earn the right to either height or floor area that exceeds the standards for the Base Tier, compensating benefits to the community must be provided. A balance of the community's interest in reduced height with the applicant's interest in achieving a financially feasible, marketable project is defined in the tables below. All community benefit are encouraged to

be on-site and within the affected area, and can be considered off-site through the approval process. Community Benefits must be completed within two years from the date of approval.

B. Description of Community Benefits:

1. **Inclusionary Housing.** Creation of housing units that meet the City definition of affordable or workforce housing units. Such units may be established in any of the following ways in order of preference:
 - a. On-site within the project;
 - b. Off-site through renovation of existing housing stock subject to permanent restriction for use as an affordable or workforce housing unit;
 - c. Off-site through creation of new infill housing stock subject to permanent restriction for use as an affordable or workforce housing unit; or
 - d. Off-site through creation of new greenfield housing stock subject to permanent restriction for use as an affordable or workforce housing unit.
 - e. All inclusionary housing will be governed by a separate Inclusionary Housing Requirement Policy in a form yet to be determined.
 2. **Natural Resource Protection.** Permanent protection of conservation areas on Galveston Island may be achieved through transfer of development rights to the City, the County, or an established land trust of conservation organization. Perpetual maintenance of the natural resource area must be accomplished at no cost to the City.
 3. **Natural Resource Protection Beach Renourishment.** Project or funding for beach replenishment. Minimum dimension of 350 linear feet engineered in accordance with state and federal standards.
 4. **Hotel.** A hotel available for overnight stays by the general public. The hotel may be incorporated into a building containing residential or other uses.
 5. **Parking Space (Public).** A parking space dedicated for use by the public within a private enclosed parking structure.
 6. **Parking Space (Beach Access).** A parking space dedicated for use by the general public with accessible pedestrian access to a public beach area on the Gulf of Mexico.
 7. **Public Boat Launch.** A designated public boat launch that provides access to the Gulf of Mexico, English Bayou, Offats Bayou, and/or Galveston Bay.
 8. **Public Park or Plaza.** A public park or plaza meeting the requirements contained in the *Height and Density Development Plan and Design Guidelines*.
 9. **Public Restrooms.** Restrooms that are open free of charge to the general public from dawn to dusk.
 10. **Public Trail or Path.** A public trail or path meeting the requirements contained in the *Height and Density Development Plan and Design Guidelines*.
 11. **Public Transit Stop.** An improved transit stop providing both seating and shade acceptable to Island Transit.
- C. **Initial Community Benefit Increment.** The applicant shall apply the benefit from Table 10.313A to earn their initial increment of additional floor area or height (stories). When the maximum additional increment for all of the categories in this table have been earned, the applicant may use the secondary

community benefits in the table in subsection D, below.

Table 10.313A Initial Community Benefit by Character Area						
	Gateway	Seawall East	Seawall A	Seawall B	Seawall West	Seawall W. to 11 Mile Road
Inclusionary Affordable Housing Units						
FAR Increment per On-Site Unit	0.05	0.05	0.05	0.05	0.05	0.05
FAR Increment per Off-Site Unit	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625
Maximum Additional FAR	0.25	0.25	0.25	0.25	0.25	0.25
Inclusionary Workforce Housing Units						
FAR Increment per On-Site Unit	0.05	0.05	0.05	0.05	0.05	0.05
FAR Increment per Off-Site Unit	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625
Maximum Additional FAR	0.25	0.25	0.25	0.25	0.25	0.25
Natural Resource Preservation						
FAR Increment per acre	0.05	-	-	-	0.05	0.05
Maximum Additional FAR	0.25				0.25	0.25
Natural Resource Beach Renourishment						
FAR Increment per 350 linear feet of beach	-	0.0625	0.0625	0.0625	0.0625	0.0625
Maximum Additional FAR		0.25	0.25	0.25	0.25	0.25

- D. **Secondary Community Benefits:** The applicant shall apply the benefit from Table 10.313B to earn additional secondary floor area or height (stories) only after the maximum initial community benefit increment in subsection C, above, has been earned.

Table 10.313B Secondary Community Benefit by Character Area						
	Gateway	Seawall East	Seawall A	Seawall B	Seawall West	Seawall W. to 11 Mile Road
Hotel						
FAR Increment per 10 Rooms	-	0.0625	0.0625	0.0625	0.0625	-
Maximum Additional FAR		0.25	0.25	0.25	0.25	
Parking Spaces (Public)¹						
FAR Increment per 10 Spaces	-	0.0625	0.0625	0.0625	0.0625	0.0625
Maximum Additional FAR		0.25	0.25	0.25	0.25	0.25
Parking Spaces (Beach Access)						

Table 10.313B Secondary Community Benefit by Character Area						
FAR Increment per Space	-	0.0625	0.0625	0.0625	0.0625	0.0625
Maximum Additional FAR		0.25	0.25	0.25	0.25	0.25
Public Boat Launch						
FAR Increment	0.125	-	-	-	-	0.125
Maximum Additional FAR	0.125					0.125
Public Park or Plaza (above min. open space req.)						
FAR Increment per 1,000 sf	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625
Maximum Additional FAR	0.125	0.25	0.25	0.25	0.25	0.25
Public Restrooms						
FAR Increment per Facility	-	0.0625	0.0625	0.0625	0.0625	-
Maximum Additional FAR		0.0625	0.0625	0.0625	0.0625	
Public Trail or Path						
FAR Increment	0.0625	0.125	0.125	0.125	0.125	0.125
Maximum Additional FAR	0.0625	0.125	0.125	0.125	0.25	0.25
Transit Stop (Improved)²						
FAR Increment per Stop	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625
Maximum Additional FAR	0.0625	0.0625	0.0625	0.0625	0.0625	0.0625

¹Public parking spaces must be provided in parking structures to earn floor area increments.

²Improved transit stops are to include a permanent shade structure and seating area and must be located at an existing or planned transit stop.

SEC. 10.314 ADMINISTRATION

A. Design Review and Approval. City staff reviews all development for compliance with this ordinance and other applicable sections of the City Code and Zoning Standards. Final review and approval for each tier of development is provided as follows:

1. Very Low-rise, Low-rise and Mid-rise Development:

- City staff shall review and approve all low-rise development that does not include additional floor area beyond that allowed in the Base Tier.
- City staff shall review all low-rise development to ensure it meets the requirements of this Section, other applicable sections of the City Code and Zoning Standards, and is consistent with the *Height and Density Development Plan and Design Guidelines*.
- Where very low-rise, low-rise, and mid-rise development includes additional floor area in trade for compensating community benefits, it shall be reviewed as though it were mid-rise development by the Planning Commission.

B. Pre-Development Meeting. A pre-development meeting with the City staff is highly recommended

prior to submission of an application for approval of any development in the HDDZ. The applicant is also encouraged to meet and discuss the proposed project with adjacent neighborhoods and/or business interests. A pre-development meeting is neither an application for approval of a plan or plat nor does it constitute a permit application or other type of development approval. A pre-development meeting does not vest any rights with regard to the development of the subject property.

- C. **Design Guidelines.** The Planning Commission shall adopt and amend *Height and Density Development Plan and Design Guidelines* to be used by staff and the Commission for the review of projects within the HDDZ as required.
- D. **Unity of Title Required.** Each project site must be under single ownership at the time of application. Development of sites that include additional floor area in trade for compensating community benefits shall not be further subdivided into additional parcels following approval (this provision is not intended to restrict the ability to create a project under condominium, cooperative, or other unsubdivided regimes). Where subdivision is permitted, it shall occur concurrent with review under this Section.
- E. **Appeals.** All appeals of final City staff and/or Planning Commission decisions shall be taken to the Zoning Board of Adjustment. Appeals of final decisions of the Zoning Board of Adjustment shall be taken to a court of competent jurisdiction.

DIVISION 10.400 TRADITIONAL NEIGHBORHOOD (TN)

SEC. 10.401 ZONING STANDARDS APPLICABLE IN A TRADITIONAL NEIGHBORHOOD (TN) ZONING DISTRICT

A. TND Development Objectives

The Traditional Neighborhood (TN) zoning districts should be based on a harmonious plan of buildings, streets, and open space, including the arrangement of vehicular and pedestrian circulation, the relationship of buildings to streets, parking, and open space, contained in an integral, cohesive plan, reflecting the layout and planning principles of traditional neighborhoods and the historic residential sections of the City of Galveston. More specifically, the intent and purpose of this TND is as follows:

1. To balance dependence upon the automobile by providing, within a walkable neighborhood, a mixture of housing types, shopping, businesses, offices, schools, churches and other civic uses, and recreational opportunities.
2. To establish a street geometry which maintains a basic geographic orientation and directional legibility throughout the neighborhood.
3. To reflect historic architectural styles and themes; including the scale, details, massing and ornamentation and specific architectural elements, particularly front porches, characteristic of traditional neighborhoods and the historic areas of Galveston.
4. To encourage a pedestrian circulation system, linking the major elements of the community, including neighborhood parks, plazas and squares, and other destinations such as shopping, recreation and civic uses, with provisions for bikeways.
5. To encourage the preservation and protection of environmentally-sensitive open space, views and natural areas.

6. To provide for commercial retail structures directly facing on wide sidewalks, with parking in the rear or in enclosed garage space, with upper floors above retail applicable for compatible multifamily residential, office and other uses.
7. To provide for the majority of residential lots served by rear service lanes or alleys.
8. To provide, in single family detached areas, for quarters above garages in the rear of residential lots, providing expanded housing opportunities. Garages or garage doors, which face the principal street, should have increased front yard setbacks to minimize the visibility of garage doors.
9. To encourage a variety of usable civic places and facilities, as important destinations in the neighborhood, such as schools, libraries, recreation and community centers.
10. To prohibit inappropriate building materials such as reflective glass and aluminum siding, which are inconsistent with the traditional character of historic Galveston.

SEC. 10.402 GENERAL REGULATIONS/PROVISIONS/ELIGIBILITY

- A. All applications for TN developments shall be submitted with written authorization from the property owner(s).
- B. The minimum tract area shall be 50 acres of developable land, excluding protected wetlands, beaches, and dunes, unless mitigated.
- C. This ordinance will provide for the traditional neighborhood character through the modification of certain City zoning and subdivision standards, consistent with promoting the health, safety, welfare and appearance of the community, including reduced front yard setbacks, a variety of lot types, the compatible mixing of uses within the same structure, and where appropriate, wider sidewalks and a network of pedestrian and bikeways.
- D. Direct access from major state highway, or arterial street to the TN development shall be provided.
- E. All TN's shall be served by public water and sewer systems.
- F. Mixed-use buildings shall conform with the applicable construction requirements of the City Building Code.
- G. All parking, lighting, and landscaping shall comply with Articles 7, 8, and 9 of these Land Development Regulations, respectively.

SEC. 10.403 AREA BULK AND DIMENSIONAL REGULATIONS

The following area and dimensional regulations a TN shall apply:

A. Maximum Building Coverage on a lot shall be as follows:

- | | |
|---------------------------------------|------------|
| 1. <u>Single family detached:</u> | <u>60%</u> |
| 2. <u>Single family patio or ZLL:</u> | <u>70%</u> |
| 3. <u>Single family attached:</u> | <u>80%</u> |
| 4. <u>Commercial mixed-use:</u> | <u>85%</u> |

B. Minimum Open Space

The minimum required open space within a TN is eight percent (8%) of the tract area. Required open space may include natural areas, golf courses and club houses, civic uses (squares, plazas, parks), any area devoted exclusively to pedestrian or bicycle use, but excluding wetlands, non-parkland detention/retention areas, and dune line setback areas. A public pedestrian path system shall be provided through open space areas, with access to water areas where feasible and consistent with sound environmental practices. For beachfront tracts, the area seaward of the dune vegetation line is not considered open space.

C. Projections allowed within the front and rear setback or building line

1. In residential areas, porches, bay windows and stairs may extend to within five-feet (5') of the rear property line provided there is no conflict with utilities, and provided further that such property line adjoins a greenway or greenbelt.
2. In commercial, retail or mixed-use areas, no front yard setback is required, provided the building fronts on a 12-foot wide minimum sidewalk. The minimum distance from the building line to the street or curb line is 12-foot.

D. Canopies and awnings may extend beyond the property line to within six feet (6') of the curb line, where the sidewalk is a minimum of 15-feet wide. However, no canopies or awnings shall extend above underground utilities. Any item to be placed into the City rights-of-way shall require a License to Use (LTU)

E. **Density and Intensity of Use.** The density and/or intensity of use within the TN shall be limited by the lot size, setbacks, building heights and other area and bulk regulations.

F. **Land Use Mix.** The Land Use mix shall be accomplished through deed restrictions.

SECTION 10.404 WASTE MANAGEMENT AND UTILITIES

A. **Waste Management Refuse and Trash Pick-up** - Trash and refuse storage and collection areas must be screened and located, convenient for deposit, collection and removal, and must not be visible from a public right-of-way. Trash collection should occur in rear alleys and in specially designated areas, where possible. Waste area screening in a TN shall comply with Chapter 15, Section 15-4 of City Code.

B. **Utilities** - All utilities shall be underground or within designated easements or R.O.W.'s. All transformers and telephone components shall be located on public property or within easements or within public R.O.W.'s, and shall be screened, where practical from the public view. Easements for utilities shall be provided as required by the City and by the respective utility companies. Utilities may be located in rear alley ways where appropriate.

SECTION 10.405 APPLICABILITY OF TND REGULATIONS, VARIANCES

- A. The standards requirements and procedures of other applicable City ordinances shall apply to a TN, unless specifically modified or amended by this TN ordinance, or through variances granted by the Zoning Board of Adjustments (ZBA), as provided herein. The ZBA may grant variances to these regulations and/or to the zoning regulations generally, provided that: (a) actions, designs or solutions proposed by the Applicant, although not literally in accord with these TN regulations or with the City's zoning and subdivision regulations, satisfy the intent and purpose of TN's at least to an equivalent degree; (b) the ZBA determines that the proposed modifications promote the health, safety, appearance, and general welfare of the community.

SECTION 10.406 PHASING

- A. The TN may be developed in phases, or sections, based on a phasing plan, submitted as part of a General Plan, to be included as part of the Site Plan application. If any section includes modifications, deemed to be substantial by the Development Services Department, the Development Services Director may require submission of a revised General Plan to the Planning Commission, demonstrating that the overall land use, intensity of use, circulation and open space is consistent with the intent and purposes of the previously approved Site Plan.

SECTION 10.407 SIGNS

- A. All signage within the TN shall conform to Article 5 of these regulations and all other applicable City codes. Permits for approved signs must be obtained from the proper City departments, as per the City's sign ordinance.

SECTION 10.408 PROCEDURE – REVIEW OF TND DEVELOPMENT APPLICATIONS

- A. Prior to, or in conjunction with, the submission of a subdivision plat for all or portions of a TND development, the Applicant shall submit a Change of Zoning request from the existing zoning category to Traditional Neighborhood (TN). The change of zoning to Traditional Neighborhood will require the development to comply with all regulations of Article 10 of these Land Development Regulations pertaining to TN development.
- B. Prior to the submission of a subdivision plat for all or portions of a TN development, the Applicant shall submit a Site Plan, together with a General Plan for the entire TN project, for Site Plan Review by the Planning Commission.
- C. Any person aggrieved by the Planning Commission's approval or disapproval of the site plan review in the Traditional Neighborhood District, may file an appeal to the City Council. Such appeal must be filed with the Development Services Department no later than ten (10) working days from the date of the Planning Commission's decision. The City Council may uphold or reverse the decision of the Planning Commission in which event, the City Council's decision shall be final. In addition, the City Council may refer the matter back to the Planning Commission with specific instructions to consider new information. In such event, the Planning Commission shall reconsider the matter at the next regularly scheduled Planning Commission meeting.

SECTION 10.409 SUBDIVISION REGULATIONS – ALTERNATIVE STREET UTILITY AND DRAINAGE STANDARDS APPLICABLE IN A TRADITIONAL NEIGHBORHOOD

A. TND Subdivision Objectives

1. The Traditional Neighborhood Development should be based on a harmonious, cohesive plan of buildings, streets, and open space, including the arrangement of vehicular and pedestrian circulation, the relationship of buildings to streets, parking, and open space, reflecting the layout and planning principles of traditional neighborhoods in the region and historic residential sections of the City of Galveston.
- B. This ordinance recognizes that TN's require alternative design and planning standards in order to encourage a human-scaled, pedestrian-oriented, built environment, reflecting the character of the traditional, historic districts of Galveston, balancing the functional needs of vehicular-pedestrian circulation and neighborhood residential life.
- C. The intent and purpose of these TND subdivision regulations are as follows:

1. To provide for streets and R.O.W.'s typical of successful current-day TND's and of the older historic areas of Galveston.
2. To provide for the traditional neighborhood character through the modifications of certain subdivision standards, consistent with promoting the health, safety, welfare and appearance of the community, including a variety of street types, with minimum street pavement widths, and where appropriate, wider sidewalk widths, and provisions for pedestrian and bikeways throughout the neighborhood.
3. To establish the street geometry should maintain a basic geographic orientation and directional legibility throughout the neighborhood.
4. To encourage a village-wide pedestrian circulation system, linking the major elements of the community, including neighborhood parks, plaza and squares, and other destinations such as shopping, recreation and civic uses, with provisions for bicycle ways.
5. To provide for the majority of residential lots served by service lanes in the rear or alleys.

D. Street and Road Definitions

Shall be amended to include, in a TND, to include, in addition to the City's typical standards, the following street types:

- 1. Residential Local Streets and Roads.** Residential local streets include streets with a R.O.W. of 60-feet or less, except Minor streets (as described below). They serve traffic within a neighborhood district and provide access to residential and other uses. The design speed shall not to exceed 20 MPH. On-street parking is encouraged.
- 2. Major Streets and Roads.** Major streets and roads include streets with a R.O.W. of greater than 60-feet (Major Street, Small Avenue). They serve to carry traffic from Minor and Local streets to Major Collector and Arterial streets, including entrances to a TND, with a design speed of 25-to 30 MPH.
- 3. Minor Streets and Roads.** Minor streets and roads include generally short streets or alley type streets (Close, Minor road, Service lane, Rear lane, Passage). Minor streets lanes are used for service access to the rear of properties otherwise abutting on a street or on a

Passage. This category of streets also includes a PASSAGE or pedestrian street, which is a linear pedestrian street with sidewalks on both sides, and may be used for emergency vehicle access. The design speed should not exceed 15 MPH.

4. “Streets” are defined as having curbs and gutters, occur in the more urban, higher density and mixed-use areas. “Roads”, without curb and gutter (but with shoulders and drainage swales on both sides) primarily occur in the lower density, less urban areas.
5. See the following chart “Street Types” for R.O.W. and pavement widths and street section details.

E. Street Standards in a TN

1. The following street standards are permitted in a TN:

NOTE: Lane widths are back-to-back of curb, where curbed; parking spaces are counted as seven feet (7') wide. Typical lane widths are 10-to 12-foot wide. On streets without curbs, seven foot (7') wide drainage swales slope to a maximum 12-inches deep maximum. Additional width for infrastructure (drainage, underground utilities, and sidewalks) may be provided in utility easements parallel to street R.O.W.'s.

CHART I: STREET TYPES AND STANDARDS

<u> </u>	<u>Curb/ Gutter</u>	<u>R.O.W.</u>	<u>Pavement Median</u>	<u>Swale Sidewalk</u>	<u>Parking</u>	<u>Curb Radii</u>	<u>Comments</u>
<u>MAJOR BLVD.</u>	<u>no</u>	<u>100'</u>	<u>2 x 24' w/12' median, 2 one way (4 lanes divided)</u>	<u>20' each side</u>	<u>none</u>	<u>15'-20'</u>	<u>Attractive landscaping, lighting, future bikeway (20' access)</u>
<u>AV-70 SMALL AVENUE</u>	<u>yes</u>	<u>70'</u>	<u>2 x 18' with parking and 14' median (3' stabilized base each side of median)</u>	<u>10' each side; 5-6' sidewalk each side</u>	<u>2 sides</u>	<u>15'</u>	<u>Center landscaping OK in esplanade (14' access)</u>
<u>RD-66 MAJOR ROAD or ENTRY STREET</u>	<u>no; varies</u>	<u>66'</u>	<u>34'</u>	<u>16' swale each side plus 5' sidewalk in easement</u>	<u>2 sides</u>	<u>15' - 20'</u>	<u>ST-66 with optional curb (20' access)</u>
<u>ST-60 MAJOR ENTRY STREET/ROAD</u>	<u>yes</u>	<u>60'</u>	<u>28'</u>	<u>16' each side; 5' sidewalk, 11' swale each side</u>	<u>1 side</u>	<u>15'</u>	<u>20' access</u>

RD-60 LOCAL ROAD ALONG BEACH, WATER FEATURE OR PARK LANDS	no	60'	28'	16' each side; 5' sidewalk, 11' swale each side	1 side	15'	20' access
RD-50 RESIDENTIAL ROAD' (ST-50 same except curbed)	no	50'	27'	13' w/4' sidewalk, and 9' swale each side	1 side	10'	17' access
RD-46 MINOR RESIDENTIAL ROAD	no	46'	20'	13', w/6' sidewalk, 7' swale one side; 9' swale other side, with 4' sidewalk	1 side on shoulder. Separate 7' gravel shoulder	10'	20' access
LN-32 SERVICE LANE	no	32'	22'	No sidewalk; 2-5' swales plus easements	none	10'	Inverted section OK (additional easements on rear of lot if nec.)(20' access)
LN-22 SMALL (rear) LANE 250' or less in length. Alley OK.	no	22'	14'; one way; 18' two way	No sidewalk; swales each side, plus easements	none	10'	One way 190 feet maximum inverted section OK (14' access)
PL-40 PLAZA STREET - One Way	yes	40' or varies	23'	5' sidewalk adjacent to rolled curb, all sides of plaza	1 side	15' (w/increased turning radius)	19' access including sidewalk (See Note 1)
PA-48 PASSAGE; Pedestrian street, U.E. and emergency access	n.a.	48'	15' stabilized base in center for emergency access	2'-5' sidewalks, and 11' swales each side	none	n.a.	Pedestrian way; 15' emergency access

<u>CL-60</u> <u>CLOSE; Short</u> <u>esplanade</u> <u>street; 190 feet</u> <u>long maximum</u>	<u>one</u> <u>side</u>	<u>60'</u>	<u>2 x 21' w/10'</u> <u>median</u>	<u>4'</u> <u>sidewalks;</u> <u>optional</u> <u>curb and</u> <u>gutter one</u> <u>side; swales</u> <u>in</u> <u>easements</u>	<u>1 side</u> <u>each</u> <u>way</u>	<u>15'</u>	<u>Esplanade</u> <u>limited to</u> <u>"ornamental"</u> <u>planting;</u> <u>deleted 38'</u> <u>from terminus</u>
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F. Other Street Provisions

1. Rear Alleys and Service lanes are encouraged in residential areas. Where rear alleys serve lots, driveways and curb cuts from front streets are prohibited.
2. Although streets generally intersect at right angles, streets may intersect at oblique angles, where the design speed is 20 MPH or less.
3. Streets with "T" intersections and focal points or view corridors are encouraged.
 - a. **Site distances**, shall be as per Section 29-4(A)8, except where commercial or mixed-use buildings front on 10-to 12-feet wide sidewalks with the public R.O.W.
 - b. **Fire Vehicle Access.** All front entries of dwelling units shall be within 150-feet of all weather access by Fire Vehicles. The minimum unobstructed emergency vehicle access on an all-weather surface is 20-feet in commercial and mixed-use areas and 14-feet in residential areas. Where 14-feet access occurs, there shall be a secondary means of access a minimum of 14-feet wide.
 - c. Each lot shall be provided with adequate vehicular and pedestrian access, which may be a service lane, alley, or shared common access drive. The minimum distance between structures for fire access is eight feet (8').
 - d. Street types within a TN may be either public or private.
 - e. The maximum vertical grade for an elevated street (five feet (5') or more above existing grade) is eight percent (8%); otherwise, the horizontal curve provisions of Section 29-4(A)6 shall apply.
 - f. Required shoulder parking lanes on streets without curb and gutter may be constructed of an all-weather wearing surface material, such as crushed limestone, different than main travel lanes.
 - g. Streets with reduced pavement widths (skinny streets) are intended to be used in lower density , lower speed, single family residential areas.
 - h. Commercial and mixed-use areas of a TND shall have a 20-foot wide unobstructed access to within 150-feet of all buildings for Fire and Emergency vehicles.
 - i. Commercial and mixed-use areas of a TND shall have streets with a minimum 20-foot wide unobstructed access way.
 - j. The 20-foot wide access way may include adjacent sidewalks with a mountable curb, or an adjacent stabilized base in a median or planting area, provided there are no vertical obstructions such as fire hydrants, trees, lamp posts, etc. However, on-street parking

shall not be counted as part of the unobstructed width.

- k. A 20-foot wide unobstructed access may be provided by an adjacent stabilized shoulder or sidewalk with a mountable curb.
- l. The above stated street standards and layout (Chart I), are subject to approval by the Development Services Director, the City Traffic Engineer, City Engineer and the City Fire Marshall or Fire Chief, based on standards contained herein.
- m. The above street standards and layout (Chart I) are permitted, subject to a drainage plan approved by the City Engineer

G. Lot Lines: Configuration

- 1. Lots may front on a street or on a Passage or public or common open space, if served (in the rear) by a Lane or Alley type street.
- 2. Side lot lines are generally at right angles to streets, although angled side lot lines and irregular lot lines are permitted.
- 3. Flag lots, which is defined as a lot fronting on a street by means of a narrow access way, are permitted, with a private common driveway easement a minimum of 20-feet wide and a maximum length of 120-feet

H. Utilities and Drainage

- 1. Utility easements on lot frontages as per Section 6.308 of these regulations may not be required where alleys or service lanes provide access to the rear of lots.
- 2. Lots not served by rear Alleys or Service Lanes shall have adequate utility easements adjacent to the public R.O.W. and if necessary, additional easements within the front yard of lots, as well as utility easements in the rear of lots.
- 3. In general, for lots without rear access lanes or Alleys, electrical, gas, and cable may be provided in adjoining easements in the rear of lots, a minimum of 10-foot wide, or as per utility company standards. Sanitary, sewer and water lines shall be located within the street R.O.W. or within lot easements adjacent to the property line abutting the street R.O.W. If dry utilities (electrical, gas, cable) and wet utilities (sanitary sewer, water) are located in the same easement, that easement shall be sixteen feet (16') wide, adjacent to the street right-of-way.
- 4. For streets without curbs and gutters, storm drainage may be located in swales on each side of the street pavement section, a minimum of seven feet (7') wide, excluding sidewalk areas, except for service lanes, where width may vary. Driveways across swales require a 12-inch diameter minimum culvert. Alleys and lanes may have a depressed concrete apron at the driveway entrance for storm water flow. No culverts shall be permitted in swales less than 10-feet in width.
- 5. Service lanes and Alleys may have an inverted pavement section, with surface flow or with inlets and subsurface storm lines where feasible.

I. Platted Lots

The minimum lot width in a TN is 18 feet. A variance from the Zoning Board of Adjustment may be granted for single family detached homes or non-residential uses, occupying more than one lot, where the minimum required lot width for a primary use is greater than 18-feet.

J. Procedure

All subdivisions within a TN shall follow the procedures described in Section 29-5 of the Subdivision Ordinance of the City of Galveston. Prior to submission of a preliminary plat, site plan approval is required by the Planning Commission, in accordance with Section 29-88 of the Zoning Standards.

Division 10.500 Neighborhood Services District

Section 10.501 Purpose, General Provisions and Site Plan Requirement

A. Purpose. The Neighborhood Services (NS) district is intended to serve as a buffer zone between residential and certain commercial uses for the convenience of people living in surrounding residential areas without undue harmful effects to neighboring residential uses.

B. General Provisions:

1. Intensity of Use. In order to help insure compatibility with surrounding residential uses, the following restrictions limit the intensity of use to which a premises may be used.

- a. A Neighborhood Services (NS) zoning district may only be established on a parcel or tract of land abutting an Urban Neighborhood (UN), Traditional Neighborhood (TN), Commercial (C), or Resort/Recreation (RES/REC) zoning district.
- b. New structures shall meet the minimum front yard requirement of the most restrictive zoning district abutting the sides of the property being developed.
- c. The gross floor area of the structures located on the premises shall not exceed 2,000 square feet on the first floor, and shall not exceed a cumulative square footage of 4,000 square feet per building.
- d. All signage within the Neighborhood Services (NS) district shall conform to Article 5 of these regulations and all other applicable City codes.
- e. Landscaping shall conform to the requirements of Article 9 of these regulations and all other applicable City codes.
- f. Any outdoor storage areas accessory to the main use shall be enclosed by a solid masonry or concrete wall, or a wood fence of sufficient height such that no stored materials or merchandise are visible above the top of the screening wall or fence.

C. Site Plan Approval. When development in this district is located on a lot located adjacent to the side or front yard of existing residential development or residentially zoned property, site plan approval shall be required before the issuance of a Building Permit.

ARTICLE 11. NONCONFORMITIES (ORD. 15-049)(ORD. 16-045)

Division 11.100 Purpose and Application

SEC. 11.101 PURPOSE

- A. **Generally.** This Article regulates existing uses, building, lots, or structures that were legally established prior to the effective date of these regulations. These are collectively referred to as nonconformities.
- B. **Reduction or Elimination of Nonconformities.** This Article provides a set of thresholds for determining when new construction or modifications to existing development require conformance with these regulations.
- C. **Conversion of Nonconformities.** This Article provides standards by which some nonconformities can be granted conforming status.
- D. **Unlawful Uses, Buildings, Structures or Lots Prohibited.** This Article does not allow the continuation of uses, buildings, lots, or structures that were not lawfully established. Such uses, buildings, lots, or structures remain subject to all provisions of these regulations and other applicable laws.

SEC. 11.102 EXEMPTIONS

A. Exemptions.

- 1. **Eminent Domain; Governmental Acquisition.** Any nonconformity created or caused by a conveyance of privately owned land to a federal, state, local government, or other entity with eminent domain authority to serve a public purpose is deemed to be conforming for the purposes of these regulations and is not subject to the limitations of this Article. This Section applies only where private land is obtained by a governmental or other condemning entity for a public purpose through purchase, condemnation, threat of condemnation, or otherwise and that creates nonconformity in terms of setback, lot size, or other standards of these regulations. This exemption does not apply to rights-of-way dedication or other public conveyances of land required by the City in the course of subdivision or other development approvals pursuant to these regulations.
- 2. Non-Conforming buildings, signs and structures developed on lots with frontage on Seawall Boulevard, and within the HDDZ, are exempt from this Article.
- 3. The property described as ABST 628, M Menard Sur NE & SE BLKS 141 & ADJ AC TR (141-3000-0) Galveston Outlots commonly known as the Galveston Island Historic Pleasure Pier is exempt from this Article and shall be a special exception within the Commercial Zone and shall be a legal nonconforming use.
- 4. "Place of Public Assembly" in a Residential, Single Family (R-1) zoning district:
 - a. A church/place of worship land use, lot or structure that was legally used, erected, or maintained as a church/place of worship in compliance with the 1991 Zoning Standards on or before March 5, 2015.
 - b. Any newly acquired property by a church/place of worship complies with Section A.4(a) herein.
Note: A church/place of worship in a Residential, Single Family (R-1) Zoning District that legally existed under the 1991 Zoning Standards is considered a

conforming land use under the 2015 Galveston Land Development Regulations.
(ORD. 16-045)

B. **Maintenance.** This Article does not exempt property owners from ongoing maintenance requirements including the maintenance of existing elements of a use, buildings, structures, landscaping, signs, parking or loading areas, lighting, fences, drainage structures, and systems.

C. **Effect of Article.**

1. **Effect on Existing Development Approvals.** Nothing in these regulations shall be interpreted to require a change in any plans, construction, or designated use of any building for which a building permit was lawfully obtained from the City prior to the effective date of these regulations, October 30, 2014, or amendment.
2. **Effect on Existing Unlawful Uses, Buildings, Lots, or Structures.** Any use, building, lot, or structure that was used, erected, or maintained in violation of any previous ordinance of the City shall not be classified as nonconforming and shall be required to comply with all applicable provisions of these regulations.

Division 11.200 Types of Nonconformities

SEC. 11.201 NONCONFORMING USES

A nonconforming use is a use of land that was lawfully established on a parcel or lot before the effective date of these regulations that is no longer allowed after the effective date of these regulations. These include:

1. Uses that were lawfully established under prior regulations but are not currently listed in the applicable zoning district in Article 2, Uses and Supplemental Standards.
2. Uses that are currently listed as limited uses in the applicable zoning district in Article 2, Uses and Supplemental Standards that were previously permitted by right and do not comply with the applicable standards of Article 2, Uses and Supplemental Standards.
3. Uses that are listed as specific uses in the applicable zoning district in Article 2, Uses and Supplemental Standards but were previously permitted by right.

The nonconforming use status may be removed by obtaining approval of a special exception by the Zoning Board of Adjustment.

SEC. 11.202 NONCONFORMING BUILDINGS

A nonconforming building is a building that was lawfully constructed prior to the effective date of these regulations that does not conform to the height, setback, building coverage, building scale, spacing, or design standards that are applicable to the same type of building in the zoning district in which the building is located.

SEC. 11.203 NONCONFORMING STRUCTURES

A nonconforming structure is a structure other than a building that was lawfully constructed prior to the effective date of these regulations or amendment that does not conform to the standards that are applicable to the same type of structure in the zoning district in which the structure is located.

SEC. 11.204 NONCONFORMING LANDSCAPING

See Article 9, Landscaping for regulations governing nonconforming landscaping.

SEC. 11.205 NONCONFORMING PARKING AND LOADING AREAS

See Article 8, Parking and Loading for regulations governing nonconforming parking.

SEC. 11.206 NONCONFORMING LOTS

- A. Nonconforming lots are lots or building parcels that were lawfully created before the effective date of these regulations but that do not comply with the lot standards of these regulations.
- B. A lot or legal building site that does not conform to these regulations, is not held in common with any other adjoining lot, and is nonconforming by virtue of area, width, length, or frontage may be developed in conformance with the provisions of Article 3, District Yard, Lot, and Setback Regulations.

SEC. 11.207 NON CONFORMING SIGNS

See Article 5, Signs for regulations governing nonconforming sign regulations.

Division 11.300 General Regulations

SEC. 11.301 TERMINATION, REMOVAL, AND RESTORATION

- A. **Generally.** This Section sets out the standards for when nonconforming use must be terminated or removed and when it is allowed to be restored after temporary cessation, damage, or destruction.
- B. **Nonconforming Uses.** If a nonconforming use is discontinued for a period of 365 consecutive days, for any reason, it shall not be resumed except for Section C(1) and C(2).
- C. **Nonconforming Buildings, Structures, and Elements of Buildings or Structures.**
 - 1. If a nonconforming building or structure, or nonconforming element thereof, is damaged or destroyed by any means or is declared unsafe by the City to an extent that repairs would constitute a “substantial improvement,” meaning that the reconstruction cost or area of reconstruction is greater than 50 percent of the cost of replacement or floor area of the building, respectively, the building shall only be reconstructed if in conformity with these regulations.
 - a. If a nonconforming element is damaged or destroyed by any natural disaster, the building may be reconstructed to its original design at the point the building or structure was damaged by a natural disaster. The original nonconformity may not be enlarged, increased, or extended. An extension for a building permit(s) may be granted within 365 days of the date the insurance claims are finalized and funded.
 - 2. If the reconstruction cost or area of reconstruction, whichever is less, is less than or equal to 50 percent of the cost of replacement or floor area of the building, respectively, then the structure may be strengthened or restored to a safe condition provided that:
 - a. The original nonconformity is not enlarged, increased, or extended;

- b. Building permits are obtained for repairs within 365 days of the date the building was damaged or if no date can be reasonably established for the damage, the date that the City determines that the building is unsafe; and
 - c. The construction is commenced within 365 days after obtaining the required building permits.
- 3. Substantial improvement means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the start of construction of the improvement. The market cost or market value of the structure shall be determined as follows:
 - a. Insurance Report;
 - b. Construction cost estimates; and
 - c. Certified appraisal.

SEC. 11.302 CHANGES OF USE

A nonconforming use shall not be changed to another nonconforming use.

SEC. 11.303 REPAIRS AND MODIFICATIONS

- A. **Generally.** Repairs and modifications to nonconformities are permitted as provided in this Section except that nonconforming buildings and structures located in floodplains are subject to the restrictions of the City's floodplain regulations and not this Section.
- B. **Repairs and Alterations.**
 - 1. **Generally.** Non-structural repairs of nonconforming buildings or structures are permitted provided they do not extend or intensify the nonconformity or materially extend their life.
 - 2. **Structural Alterations.** Structural alterations to nonconforming buildings and structures are permitted when the alteration is required by the City for code compliance reasons including compliance with design standards or if the alteration will eliminate the nonconformity.
 - 3. **Buildings Containing Nonconforming Uses.** No building or structure that contains a nonconforming use shall be enlarged unless the nonconforming use is permanently discontinued or the City requires expansion for code compliance reasons.
- C. **Expansion of Nonconforming Uses.** Nonconforming uses shall not be expanded, enlarged, extended, increased, or moved to:
 - 1. Occupy an area of land or building that was not occupied on the effective date of these regulations;
 - 2. Occupy any open space, parking or loading area, or landscaped area that is required by these regulations;
 - 3. Exceed building coverage, floor area and/or height limitations of the zoning district in which the use is located;
 - 4. Occupy any land beyond the boundaries of the property or lot as it existed on the effective date of these regulations; or
 - 5. Displace any conforming use in the same building or on the same parcel.

SEC. 11.304 NONCONFORMING LOTS

- A. **Construction on Legal Lots That Do Not Conform to Dimensional Requirements.** A legally nonconforming lot that does not meet zoning district requirements with respect to lot area, lot width, or other applicable dimensional standards may be built upon if:
1. The lot is a lot of record;
 2. The use is allowed in the zoning district in which the lot is located; and
 3. The lot has sufficient frontage on a public street to provide access that is appropriate for the proposed use.

SEC. 11.305 NONCONFORMING BUILDINGS AND STRUCTURES IN AREAS OF SPECIAL FLOOD HAZARD

Buildings and structures that are located in areas of special flood hazard shall be removed or brought into compliance with the City's floodplain regulations if they suffer "substantial damage," meaning that the reconstruction cost or area of reconstruction, whichever is less, is greater than 50 percent of the cost of replacement or floor area of the building.

SEC. 11.306 NONCONFORMING PARKING

See Article 8, Parking and Loading for regulations governing nonconforming parking.

Division 11.400 Conversion of Nonconforming Uses

SEC. 11.401 PURPOSE

Many nonconforming uses have existed for a period of time and some may have only recently become nonconforming. In many instances, these nonconforming uses are integral parts of the City's character and function, and their continuing existence does not conflict with the City's policy objective of neighborhood protection. This Division is designed to provide the process to remove the "nonconforming" designation.

SEC. 11.402 PROCEDURE

An owner of a nonconforming use may apply for a special exception from the Zoning Board of Adjustment, which has the effect of making the nonconforming use conforming.

SEC. 11.403 CRITERIA FOR APPROVAL

- A. **Generally.** A special exception may be granted by the Zoning Board of Adjustment to make a nonconforming use conforming, if, compliance with all of the criteria of this Section is demonstrated.
- B. **Nonconformity.** The use, as conducted and managed, has been determined to be a nonconforming use that has been integrated into the neighborhood's function or the zoning district's function if it is not in or adjacent to a residential neighborhood as evidenced by the following demonstrations:
1. Neighborhood residents regularly patronize or are employed at said use for nonresidential uses in or abutting residential neighborhoods;

2. Management practices eliminate nuisances such as noise, light, waste materials, unreasonably congested on-street parking, or similar conflicts;
 3. There is no material history of complaints to the City about the use. A history of complaints is justification for denying the special exception, unless the conditions of the exception will eliminate the reasons for the complaints;
 4. If the use is nonresidential, it is registered or licensed in accordance with any applicable ordinances of the City; or
 5. The use has been maintained in good condition and its classification as a nonconformity would be a disincentive for such maintenance.
- C. **Conditions.** Conditions may be imposed relative to the expansion of buffering, landscaping, or other site design provision or other limitations necessary to ensure that as a conforming use the use will not become a nuisance. Such conditions may relate to the lot, buildings, structures or operation of the use.

SEC. 11.404 EFFECT AND ANNOTATION

- A. **Generally.** Uses that comply with the conditions of a special exception issued in accordance with this Division are converted from "legally nonconforming uses" to "conforming uses" by virtue of the issuance of the special exception.
- B. **Written Approval.** Special exceptions shall be approved by the Zoning Board of Adjustment.

ARTICLE 12. ADMINISTRATIVE BODIES

Division 12.100 Purpose

SEC. 12.101 PURPOSE

The purpose of this Article is to describe the roles and duties of the various review and decision-making bodies responsible for the administration of these regulations.

Division 12.200 City Council

SEC. 12.201 GENERAL POWERS

- A. **Generally.** The City Council is the legislative body of the City and has all powers conferred and implied by the City of Galveston *Home Rule Charter* in Article 2, Uses and Supplemental Standards. The Council, the Constitution, laws of the State of Texas, and as further described in the City Code of Ordinances.
- B. **Decisions.** The Council shall hear and decide the following applications under these regulations:
 - 1. Zoning classification or map amendments of property, including creation and/or amendment of historic overlay districts, specific use permit approval, and designation of Galveston Landmarks (GL) and Neighborhood Conservation Districts (NCDs).
 - 2. Determination and placement of new and unlisted uses within zoning districts.
 - 3. Amendments to the text of these regulations and abandonment of any City ~~street~~-rights-of-way ~~or real property interest~~.
 - 4. Any other actions specifically assigned by these regulations

Division 12.300 Planning Commission

SEC. 12.301 GENERAL POWERS

- A. **Generally.** The Planning Commission is established by City of Galveston Home Rule Charter, Article 10, Planning. The Commission shall have final decision-making authority and shall make recommendations to City Council.
- B. **Decisions.** The Commission shall have the following powers:
 - 1. **Review and Decision.** The Commission shall review and decide the following types of development related applications:
 - a. Preliminary and final plats;
 - b. Replats, minor plats, and amendments to approved plats except for those which are handled administratively by the Development Services Director pursuant to Texas Local Government Code Section 212.0065 and these regulations;

- c. Approval of subdivisions with an alternative standard of compliance for any requirement of Article 6, Subdivision Design and Land Development;
 - d. Appeals of decisions by City staff related to the subdivision regulations as provided in Article 13, Permits and Procedures;
 - e. Permanent licenses to use (LTU) City right-of-ways and certain other LTUs as provided in Chapter 32-5 of the City Code;
 - f. Beachfront Construction Certificates and Dune Protection Permits as specified by Chapter 29 of Galveston City Code, except for those which are handled administratively by the Development Services Director, as provided in these regulations; and,
 - g. Any other actions specifically assigned by these regulations.
2. **Review and Recommendation.** The Commission shall review and make a recommendation to the Council for the following types of applications:
- a. Rezoning of property including creation and/or amendment of historic overlay districts, specific use permit approval, and designation of GLs and NCDs;
 - b. Determination and placement of new and unlisted uses within zoning districts;
 - c. Amendments to the text of these regulations;
 - d. Abandonment of any City ~~street~~-rights-of-way ~~or real property interest~~;
 - e. Any other review and recommendation responsibilities specifically assigned by these regulations and/or the City of Galveston Home Rule Charter; and
 - h. Site Plans and all amendments to such plans as required in the Planned Unit Development District (PUD) and Specific Use Permits (SUP).
- C. **Other Powers.** The Commission is also empowered, on its own initiative or as requested by the City Council, to:
- 1. Periodically review these regulations, the Comprehensive Plan, and other plans of the City, and make recommendations regarding updates and amendments;
 - 2. Submit reports and recommendations for the orderly growth, development, and redevelopment of the City;
 - 3. Initiate zoning map amendments, and
 - 4. Require information from City departments in relation to its work and responsibilities.
- D. **Variances.** The Planning Commission may authorize a variance from Article 6, Subdivision Design and Land Regulations when undue hardship will result from requiring strict compliance. In granting a variance, the Planning Commission shall prescribe only conditions that it deems necessary or desirable to the public interest; in making the required findings, the Planning Commission shall take into account the character of the proposed use of the land involved and existing uses of land in the vicinity, the number of persons who will reside or work in the proposed subdivision, and the probable effect of such variances upon traffic

conditions and upon the public health, safety, convenience, and welfare in the vicinity. No variance shall be granted unless the Planning Commission finds:

1. That there are special or unique circumstances or conditions affecting the land involved such that the strict application of this ordinance would deprive the applicant of the reasonable use of his land.
2. That the granting of the variance will not be detrimental to the public health, safety, welfare, or injurious to other property in the area.
3. That the granting of the variance will not have the effect of preventing the orderly subdivision of other land in the area in accordance with the provisions of this ordinance. Such findings of the Planning Commission, together with the specified facts upon which such findings are based, shall be incorporated into the official minutes of the Planning Commission meeting at which such variance is granted. Pecuniary hardship to the subdivider, standing alone, shall not be deemed to constitute hardship.
4. Authorization for a variance under the conditions set forth herein shall require an affirmative vote by two-thirds of the Planning Commission members.

E. Exaction Variances

1. Definitions.

- a. Permit: For purposes of this section permit shall carry the meaning defined for that term by Chapter 245 of the Texas Local Government Code, as amended.
- b. Public facilities system: means the collection of public infrastructure facilities owned or operated by or in behalf of the City for the purpose of providing services to the public including existing and new developments.
- c. Public infrastructure improvement: means an improvement to a component part of the above-defined public facilities system required in whole or in part as a consequence of development.

2. Purpose, Applicability, and Designation.

- a. Purpose: The purpose of a proportionality appeal is to assure that a requirement to dedicate, construct, or pay a fee for a public infrastructure improvement imposed on a proposed plat or development as a condition of approval does not result in a disproportionate cost burden on the property owner, taking into consideration the nature and extent of the demands created by the proposed development on the City's public facilities systems.
- b. Applicability: An appeal under this section may be filed by a property owner to contest any requirement to dedicate land, to construct improvements, to pay development fees, or other than impact fees for a public infrastructure improvement which requirement is imposed under the City's Article 6, Subdivision Regulations to a plat application pursuant to this regulation, whether the requirement is applicable under uniform standards or is imposed pursuant to an individual evaluation of the proposed subdivision.
- c. Designation: The City Manager may designate and retain another licensed professional engineer to perform the duties assigned to the City Engineer by this section as needed to adjust workflow or to provide specific expertise.

3. **Proportionality Determination by City Engineer.** Prior to consideration and approval of a final plat application or other requested permit requiring dedication or construction of a public infrastructure improvement, and upon receipt of a written request by applicant or platting entity, the City Engineer shall prepare a report affirming that each public infrastructure improvement to be imposed as a condition of plat or permit approval is roughly proportionate to the demand created by the development on the City's public facilities systems, taking into consideration the nature and extent of the development proposed. In making his proportionality determination, the City Engineer may rely upon data submitted by the developer or applicant as well as:
- a. Findings pertaining to on-site improvements;
 - b. The proposed or potential use of the land;
 - c. The timing and sequence of development in relation to availability of adequate levels of public facilities;
 - d. Impact fee studies or other studies that measure the demand for services created by the development and the impact on the City's public facilities systems;
 - e. The function of the public infrastructure improvements in serving the proposed development; the degree to which public infrastructure improvements to serve the subdivision are supplied by other developments;
 - f. The anticipated participation by the City in the costs of such improvements or any reimbursements for the costs of public infrastructure improvements for which the proposed development is eligible; or
 - g. Any other information relating to the mitigating effects of the public infrastructure improvements on the impacts created by the development on the City's public facilities systems.

The proportionality assessment must be based upon an individualized determination related both in nature and extent to the impact of the proposed development, but no precise mathematical calculation is required. Wherever feasible and appropriate, the determination may incorporate or consider:

- a. Applicable federal, state, local, or regional data, statistics, guidelines, standards, methodologies, or studies; or
- b. Generally accepted best practices of the profession.

Based upon his proportionality determination, the City Engineer shall affirm that the developer's portion of the costs required for infrastructure improvements does not exceed the amount that is roughly proportionate to the impacts of the proposed development.

The City Engineer may promulgate any application requirements that may assist in making the proportionality determination required by this Subsection.

4. **Commission Determination.** The City Planning Commission shall take into account the City Engineer's report concerning the proportionality of public infrastructure improvement requirements to be applied to a proposed final plat application or permit approval, as the case

may be, in making its decision on the plat application or permit approval and shall identify any variation to the requirements that are to be included as conditions to plat or permit approval.

5. **Appeals for Exaction Variance.** An appeal to the City Council under this section may be filed by a property owner or the applicant for a final plat or permit, in which a requirement to dedicate land for, construct or pay a fee for a public infrastructure improvement has been applied or attached as a condition of approval by the Planning Commission for final plat approval or as grounds for recommending denial of the pending plat application.
 - a. **Time for Filing and Request for Extension of Time.** The appeal shall be filed in writing within ten days of the date of the Planning Commission's final plat approval or denial. The appeal shall be filed with the Development Services Department, who shall place the item for consideration at an upcoming meeting of the City Council.
 - b. **Form of Appeal.** An appeal under this Section shall allege that application of the standard or the imposition of conditions relating to the dedication, construction or fee requirement is not roughly proportional to the nature and extent of the impacts created by the proposed development on the City's public facilities systems, or does not reasonably benefit the proposed development.
 - c. **Study Required.** The appellant shall provide a study in support of the appeal that includes the following information within 30 days of the date of appeal unless a longer time is requested in writing not to exceed 60 days total:
 - i. Total capacity of the City's roadway, drainage, or park system to be utilized by the proposed development, employing standard measures of capacity and equivalency tables relating the type of development proposed to the quantity of system capacity to be consumed by the development. If the proposed development is to be developed in phases, such information also shall be provided for the entire development proposed, including any phases already developed.
 - ii. Total capacity to be supplied to the City's roadway, drainage, or park facilities system by the dedication of an interest in land, construction of improvements, or fee contribution. If the Plat application is proposed as a phased development, the information shall include any capacity supplied by prior dedication, construction, or fee payments.
 - iii. Comparison of the capacity of the City's public facilities system(s) to be consumed by the proposed development with the capacity to be supplied to such system(s) by the proposed dedication of an interest in land, construction of improvements, or fee payment. In making this comparison, the impacts on the City's public facilities system(s) from the entire development shall be considered.
 - iv. The amount of any City participation in the costs of over sizing the public infrastructure improvement to be constructed in accordance with the City's requirements.
 - v. Any other information that shows the alleged disproportionality between the impacts created by the proposed development and the dedication, construction, or fee requirement imposed by the City.

- d. **Evaluation; Recommendation.** The City Engineer shall evaluate the appeal and supporting study and shall make a recommendation to the City Council based upon the information contained in the study and the City Engineer's analysis based upon the same factors considered in making his original proportionality determination.
- e. **Decision.** The City Council shall decide the appeal and may take one of the following actions:
 - i. Deny the appeal and impose the standard or condition on the plat or permit application in accordance with the City Engineer's recommendation or the Planning Commission's decision on the plat;
 - ii. Deny the appeal upon finding that the proposed dedication, construction, or fee requirements are inadequate to offset the impacts of the subdivision on the public facilities system for water, wastewater, roadway, drainage, or park improvements and either deny the plat or permit application or require that additional public infrastructure improvements be made as a condition of approval of the application;
 - iii. Grant the appeal and waive in whole or in part any dedication, construction, or fee requirement for public infrastructure improvements to the extent necessary to achieve proportionality; or
 - iv. Grant the appeal and direct that the City participate in the costs of acquiring land for or constructing the public infrastructure improvement under standard participation policies.
- f. **Criteria for Approval.** In deciding an appeal under this section, the City Council shall determine whether the application of the standard or condition requiring dedication of an interest in land for, construction of, or payment of a fee for public infrastructure improvements is roughly proportional to the nature and extent of the impacts created by the proposed subdivision on the City's public facilities systems for water, wastewater, roadway, drainage, or park facilities and reasonably benefits the development. In making such determination, the Council shall consider the evidence submitted by the appellant, the City Engineer's report, and recommendation.
- g. **Action Following Decision.** If the relief requested under the proportionality appeal is granted in whole or in part by the City Council, the dedication, construction, or fee requirement initially recommended by the Planning Commission as a condition of plat or permit approval shall be modified accordingly and the standards applied or the conditions attached to approval of the plat or permit application shall be conformed to the relief granted.
- h. **New Study Following Modification.** If the plat or permit application is modified to increase the number of residential units or the intensity of non-residential uses, the responsible official may require a new study to validate the relief granted by the City Council.
- i. **Expiration of Relief.** If an applicant for plat or permit approval prevails on a proportionality appeal but fails to conform the Plat or Permit application to the relief granted by the City Council within the 90 day period provided, the relief granted by the City Council on the appeal shall expire.

- j. **Extensions.** The Council may extend the time for filing the revised plat or permit application for good cause shown, but in any event, the expiration date for the relief granted shall not be extended beyond one year from the date relief was granted on the appeal.
- k. **Subsequent Application.** If the Plat application for which relief was granted is denied on other grounds, a new petition for relief shall be required on any subsequent application.

Division 12.400 Zoning Board of Adjustment

SEC. 12.401 GENERAL POWERS

- A. **Generally.** The Zoning Board of Adjustment is a quasi-judicial board with the authority to hear certain matters under these regulations.
- B. **Decisions.** The Zoning Board of Adjustment shall have the following powers:
 - 1. **Variances.** Review and decide applications for variances from the provisions of these regulations, excluding matters related to subdivision regulation, as provided in Article 13, Permits and Procedures.
 - 2. **Special Exceptions.** Grant a special exception when the specific conditions for the special exception have been met. The special exception power is not an unlimited grant of authority to the Zoning Board of Adjustment but is limited exclusively to those exceptions specifically enumerated in these regulations. The Zoning Board of Adjustment shall grant a special exception only in the following instances and then only when the Zoning Board of Adjustment finds that such special exception will not affect adversely the value and use of adjacent and neighboring property or be contrary to the public interest.
 - a. Front and rear yard requirements in the following circumstances:
 - i. A front yard exception where the front yard setback of the adjacent lot does not meet the front yard requirements of these regulations;
 - ii. A rear yard exception where the rear yard setback of any two or more lots in the same block do not meet the rear yard requirements of these regulations;
 - iii. A yard exception on corner lots, or lots opposite or adjoining permanent open spaces, including parks and playgrounds; and
 - iv. An exception where the existing front yard setbacks of the various lots in the same block are not uniform, so that any one of the existing front yard setbacks shall, for a building hereafter constructed or extended, be the required minimum front yard depth.
 - 3. **Appeals.** Hear and decide appeals from:
 - a. Decisions of the Landmark Commission as provided in Article 13, Permits and Procedures.
 - b. Administrative decisions of the Development Services Director or other administrative staff of the City as provided in Article 13, Permits and Procedures.

4. The Zoning Board of Adjustment shall act as the Board of Appeals for a Request for Exemption from the standards set forth in the Design Manual for the Installation of Network Nodes and Node Support Poles.

C. **Prohibited Actions.** The Zoning Board of Adjustment shall not:

1. Approve a variance that would permit a use in a zoning district that prohibits that use.
2. Approve a variance that would allow a particular site improvement that is authorized only in specified zoning districts, along certain roadways, or in other areas of the City specifically identified in these regulations, to be constructed or placed in an area where it is not so authorized.
3. Approve a variance with any stated or implied time limit or duration, after which the approved variance would no longer apply to the subject property.
4. Approve a variance that would allow an action or activity that is prohibited by federal or state laws or regulations.

D. **Other Powers.** The Zoning Board of Adjustment is also empowered to:

1. Place upon any variance or special exception any condition reasonably necessary to protect the public interest and community welfare.
2. Revoke or modify a variance or special exception upon finding that:
 - a. Such variance or special exception was obtained or extended by fraud or deception.
 - b. One or more of the conditions imposed by the Zoning Board of Adjustment in granting such variance or special exception has not been complied with or has been violated.
 - c. The variance or special exception, although granted in accordance with all requirements of these regulations, has caused a nuisance or is otherwise detrimental to public health, safety, and welfare.
3. Grant a change of occupancy from one nonconforming use to another, provided the new use is within the same or a more restrictive use classification as the original nonconforming use. In the event a nonconforming use of a building may be changed to another nonconforming use of a more restrictive classification, it shall not later be changed to a less restrictive classification of use and the prior less restrictive classification shall be considered to have been abandoned.

Division 12.500 Landmark Commission

SEC. 12.501 GENERAL POWERS

- A. **Generally.** The Landmark Commission works to protect, enhance, and promote landmarks and districts of historical importance in the city. The Landmark Commission shall have final decision-making authority in some decisions, and in others shall make recommendations to City Council and/or the Planning Commission.

- B. **Qualifications** All regular members shall be appointed by City Council to serve in a specified position as designated below. City Council shall appoint regular members to serve in positions one through seven. City Council shall appoint the ex-officio to position eight. City Council shall appoint alternates who fulfill the requirements of positions one through four. The alternates shall not be owners from the same historic zoning district. The designated positions shall be:

Position 1. An owner of a commercial building or commercial business located in a historic zoning district or an owner of a residential condominium in the Strand/Mechanic Historic District;

Position 2. An owner of a residential historic structure located in a historic zoning overlay or historic district;

Position 3. An owner of a historic structure located in a historic zoning overlay or historic district;

Position 4. An owner of a historic structure located in a historic zoning overlay or historic district, or an owner of a structure located in a neighborhood conservation district;

Position 5. A practicing design professional, including but not limited to: an architect, a landscape architect, an engineer, or an interior designer;

Position 6. Any resident of the City, including within a NCD or historic zoning overlay or historic district;

Position 7. Any resident of the City, including within a NCD or historic zoning overlay or historic district; and

Position 8. A member of City Council, who shall be non-voting on the Landmark Commission.

In addition to meeting the requirements of the appointed position, all regular members and alternates shall have a demonstrated interest or competence in, or knowledge of historic preservation.

- C. **Decisions.** The Landmark Commission shall have the following powers:

1. **Review and Decision.** The Landmark Commission shall review and decide the following types of development related applications except for those which are handled administratively by the Historic Preservation Officer as provided through the administrative approval provisions in the City's adopted *Historic Design Standards*:

- a. Certificates of appropriateness where required in accordance with these regulations including for proposed demolition of structures;
- b. Signs within a historic overlay district;
- c. Appeals from administrative decisions regarding design plans and certificates of zoning compliance for the demolition, relocation, new construction or an alteration or addition to the street facade of an existing building or structure within a designated NCD;
- d. Determination of claims of economic hardship by applicants following denial of a certificate of appropriateness;

- e. Moving a GL from the location where it was designated; and
 - f. Any other actions specifically assigned by these regulations.
2. **Review and Recommendation.** The Landmark Commission shall review and make a recommendation for the following types of applications:
- a. To the Planning Commission and City Council for creation and/or amendment of historic overlay districts and designation of GLs and NCDs.
 - b. To the Planning Commission for permanent licenses to use (LTU) City right-of-ways, when the request is within a HOD, as provided in Chapter 32-5 of the City Code of Ordinances.
 - c. To the Planning Commission and Council for abandonment of any City ~~street~~ rights-of-way ~~or real property interest~~ in a HOD.
 - d. Any other review and recommendation responsibilities specifically assigned by these regulations.
- D. **Other Powers.** The Landmark Commission may also:
- 1. Initiate zoning map amendments to designate a GL, HOD, or NCD.
 - 2. Develop, adopt and amend design standards consistent with the *United States Secretary of the Interior's Standards for Rehabilitation* to be used by the Landmark Commission.
 - 3. Exercise its authority, under Texas Local Government Code Section 214.00111, to review a substandard building that is subject to potential corrective action by the City to determine if the building can be rehabilitated and receive a national, state, or municipal historic designation.
 - 4. File appropriate documents in the real property records of Galveston County.
 - 5. Conduct surveys and provide information to enable the City to compile and maintain the Galveston Landmark Register of Historic Places, which provides an inventory of significant historic, architectural, and cultural landmarks located within the City.
 - 6. Confer recognition upon the owners of GLs, including through the issuance of certificates, plaques, or markers.
 - 7. Testify before City boards and commissions on matters affecting historically, culturally or architecturally significant areas, building, sites, objects, structures, or historic districts.
 - 8. Provide comments to the State Historic Preservation Officer (SHPO) regarding designation on the National Register of Historic Places within the City.
 - 9. Inform and educate the citizens of Galveston concerning the historical, cultural, and architectural heritage of the City.
 - 10. Periodically review the City's zoning regulations and *Historic Design Standards* and recommend to Council amendments the Landmark Commission deems appropriate for the continued preservation and protection of landmarks, buildings, objects, sites, structures, and historic districts.

11. Submit an annual report to Council summarizing the Landmark Commission's previous year of work, on a yearly timetable established by the Commission in conjunction with the Historic Preservation Officer.
12. Apprise Council of, and make recommendations pertaining to, the availability of state, federal, or other funds that can be used to promote the preservation of landmarks and historic districts within the City.
13. Provide comments to the Historic Preservation Officer about zoning changes and other issues affecting historic resources.
14. Coordinate plans and programs of the Landmark Commission with City departments and other City boards through the Historic Preservation Officer.

ARTICLE 13. PERMITS AND PROCEDURES

Division 13.100 Purpose

SEC. 13.101 PURPOSE

The purpose of this Article is to establish procedures for the processing of permits and approvals that affect the development and use of property subject to the jurisdiction of the City.

Division 13.200 Permits and Approvals

SEC. 13.201 PERMIT REQUIREMENT

Approvals and permits are required for development within the City. The required approvals and permits are set out in this Division.

SEC. 13.202 ADMINISTRATIVE PERMITS AND APPROVALS

Administrative permits and approvals generally are processed by City staff and do not involve board/commission review or public hearing.

A. Certificate of Zoning Compliance.

1. A Certificate of Zoning Compliance is required prior to the use of any land or the occupancy of any building that is erected, converted, or structurally altered in accordance with the requirements of Chapter 10, Building Code, of the City Code of Ordinances.
2. The Development Services Director issues a Certificate of Zoning Compliance upon demonstration that the proposed use of the building or land will comply with the applicable provisions of these regulations.

B. Limited Use Approval.

A limited use approval applies to permitted uses that are subject to limitations as provided in Article 2, Table of Permitted Land Uses.

C. Temporary Use Certificate.

A temporary use is a unique short-term use that will be discontinued after a specified time. Such uses include, but are not limited to, special events, construction buildings, and seasonal businesses pursuant to Section 13.202D. Prior to the establishment of a temporary use within the City, a Temporary Use Permit (TUP) must be obtained.

1. The purpose of a TUP, which is an administrative permit issued by the Building Official, is to ensure compatibility of the temporary use with surrounding properties. Areas to be reviewed as part of the permit process include traffic circulation, parking, public conveniences, signs, and any other special operating

characteristics. This permit will specify the use, establish a period of time for which the use is approved, and any special conditions attached to the approval.

2. Appeal of a denial of a TUP shall be made to the Zoning Board of Adjustments.

D. Permitted Temporary Uses.

1. The following may be permitted by the building official as temporary uses under this division:
 - a. Model homes or apartments and related real estate services, if the use is located within the residential development to which the use pertains;
 - b. A circus, carnival, rodeo, fair, or similar activity if the use is located at least 200 feet from a R-0, R-1, ~~HZD~~ R-3, UN, and R-2 zoning districts;
 - c. An outdoor art or craft show or exhibit;
 - d. Christmas tree sales;
 - e. An on-site construction field office, if the use is located in a portable structure and conducted for not more than 6 months;
 - f. Seasonal retail sale of agricultural or horticultural products if the use is located at least 200 feet from an R-0, R-1, R-2, ~~HZD~~ R-3, and UN zoning districts; or
 - g. Seasonal day care if the use is conducted for not more than eight hours a day and not more than 30 days a year.
2. A sales office for a new subdivision may be permitted as a temporary use under this division if the sales office is located within the subdivision and at least 200 feet from existing dwellings outside the subdivision.
 - a. A sales office for a new subdivision may not be operated after:
 - i. The expiration of four years from the date the first construction permit issued in the subdivision; or
 - ii. The date by which 93 percent of the lots are sold.
 - b. The Zoning Board of Adjustment may grant an extension of the deadlines described in this subsection.
3. An outdoor public, religious, patriotic, or historic assembly or exhibit including a festival, benefit, fund raising event, or similar use that typically attracts a mass audience may be permitted as a temporary use under this division if:
 - a. For a gathering of not more than 30 persons, the use is not located in an R-2 or more restrictive zoning district;
 - b. For a gathering of more than 30 persons, the use is not located in an MF or more restrictive zoning district; or
 - c. For an exhibit, the use is not located in a TN or more restrictive zoning district.

4. A single dwelling located in a mobile structure on a construction site may be permitted as a temporary use under this division if the Building Official determines that the dwelling is required to provide security against nighttime theft or vandalism. The Building Official may allow the use for a period of up to six months and, if requested by the applicant, may extend that period for an additional six months. An applicant may appeal to the Zoning Board of Adjustment a denial of the use by the Building Official.
5. An outdoor special sale, including a swap meet, flea market, parking lot sale, or similar activity may be permitted as a temporary use under this division if the use is located in an industrial zoning district. An outdoor special sale may be conducted on not more than three days in the same week and not more than five days in the same month.
6. Within the Commercial Business District (CBD), retail services may be permitted as a temporary use in accordance with the requirements of this subsection. The retail use must:
 - a. Be located within an enclosed fire area, as defined by the Building Code, that does not require structural changes to accommodate the use; and
 - b. Have an approved certificate of occupancy or temporary certificate of occupancy.
 - c. The retail use may not exceed 12,000 square feet in area unless an approved sprinkler system has been installed in accordance with the Fire Code;
 - d. The following uses and activities may not be permitted as a temporary retail use under this subsection:
 - i. Personal services;
 - ii. Food preparation including shaved ice vending unless licensed or permitted by required health authority;
 - iii. Sale or consumption of alcoholic beverages;
 - iv. A portable toilet serving the retail use whether located inside or outside of the use; or
 - v. Storage of hazardous materials as defined by the Fire Code.
7. A permit for a temporary retail use under this subsection may be issued for up to 90 days and renewed once for a total operating period not to exceed 180 days.
8. The Building Official may permit other temporary uses that are similar to those described in this section.

E. Temporary Use Application, Approval, and Extension.

1. A person may file an application to conduct a temporary use with the Building Official. The person must file the application at least 10 days before the requested date for beginning the temporary use.

2. An application must include a diagram and description of the use and all additional information required by the Building Official to make a determination under this division.
3. After making a determination, the Building Official shall approve, conditionally approve or deny an application for a temporary use not later than the 10th day after the date the application is filed.
4. If the Building Official approves or conditionally approves a temporary use, the Building Official shall issue a building permit, certificate of occupancy, or temporary use permit.
5. Except as provided in subsection 13.202.F, the Building Official may renew or extend an authorization for a temporary use if requested by the applicant.
6. Unless further limited by the requirements of this division, a temporary use may continue for not more than 180 days. An applicant must file a new application to continue a temporary use beyond that period.

F. **Temporary Use Determinations.** The Building Official may permit a temporary use after determining that the temporary use:

1. Will not impair the normal, safe, and effective operation of a permanent use on the same site;
2. Will be compatible with nearby uses;
3. Will not adversely affect public health, safety, or convenience;
4. Will not create a traffic hazard or congestion;
5. Will not interrupt or interfere with the normal conduct of uses and activities in the vicinity; and
6. Will not operate from a facility that is poor state of disrepair, including rust, peeling paint, offensive signage, structural damage, improper vehicle suspension, or poor design.

G. **Sign Permit.**

1. A Sign Permit is required prior to the installation of a new sign or modification of any existing sign, with the exception of exempt signs (and refacing of existing signs) as identified in Article 5, Signs.
2. The Development Services Director issues all sign permits, except for those issued by the Historic Preservation Officer within historic districts following design review. However, when applicable, the following special approvals are required from the Development Services Director and several situations require approvals from other bodies prior to the issuance of the sign permit:
 - a. license to use public rights-of-way for temporary vertical banner signs;
 - b. license to use public rights-of-way for long-term vertical banner signs;

- c. approval of transfer of a permit for a billboard sign;
- d. approval of additional height for a legally nonconforming billboard sign;
- e. approval of sign design in a NCD; and
- f. approval of sign design in the Broadway Overlay Zone, Seawall Development Zone, and Gateway Development Zone.

H. License to Use. A License to Use (LTU) is required prior to placing items within or otherwise obstructing City right-of-ways in accordance with Chapter 32-5 of the City Code of Ordinances.

SEC. 13.203 DISCRETIONARY APPROVALS AND DESIGNATIONS

Discretionary approvals and designations generally require review by and/or public hearing before one or more City Boards or Commissions.

A. Rezoning.

- 1. A zoning map amendment is a change to the Official Zoning Map and includes creation and/or amendment of overlay districts, specific use permit approval, and designation of GLs, HZDs, and NCDs.
- 2. The Map and classification amendments are approved by the City Council after recommendation of the Planning Commission and recommendation of the Landmark Commission for properties in historic districts.
- 3. The Map and classification amendments also refer to instances where property designated as a temporary classification as a result of annexation is granted a permanent zoning classification.

B. Classification of New and Unlisted Uses. Any proposed use that is not explicitly classified as a permitted, specific, temporary, or prohibited use shall be reviewed and considered by the City Council for classification. The City Council may either choose to interpret the proposed use as an existing classified use, or adopt it as a new use and designate it as a permitted, specific, temporary, or prohibited use based on the base and/or overlay zoning district(s).

C. Specific Use Permit.

- 1. A Specific Use Permit (SUP) is required prior to the establishment of any use that is classified by these regulations and subject to review as a specific use or for any use or activity which otherwise requires a SUP.
- 2. SUPs are approved by the City Council after recommendation of the Planning Commission and of the Landmark Commission for applications within historic districts and/or as they relate to GLs.
- 3. If a building permit for a use approved by Specific Use Permit (SUP) has not been issued within two (2) years of the date of final approval by City Council, the SUP and all associated plans shall expire unless the SUP specifically states otherwise or

a state or federal declaration of a natural disaster occurs within such period, then the SUP will automatically be extended for one additional two (2) year period.

4. If a use approved by Specific Use Permit is discontinued for a period of one (1) year, then the SUP and all associated plans shall be deemed to have expired and be of no effect.
5. A Specific Use Permit approved under the 1991 Galveston Zoning Standards which has not received a Certificate of Occupancy for the designated specific use prior to the adoption date (March 5, 2015) of the regulations contained herein, then the SUP and associated plans shall be deemed to have expired.

D. Temporary Permit for a Mobile Home, Travel Trailer, or Camper on a Single Lot.

1. A temporary permit is required for the location and use of a single mobile home, travel trailer, or camper on any lot in any zoning district. The intent of this temporary permit provision is to provide for flexibility of land use in community reorganization during periods immediately following natural disasters such as floods, fires, or such other emergency purposes.
2. The Zoning Board of Adjustment grants such temporary permits for periods not to exceed six months subject to such terms, conditions, or special limitations as the Zoning Board of Adjustment may prescribe or impose. The Zoning Board of Adjustment may extend any such temporary permit for up to 12 additional months, but the total term of any such permit including extensions shall not exceed 18 months.

E. Change of Occupancy for a Nonconforming Use. A change in occupancy within an existing structure, building, or site from an existing nonconforming use to a new nonconforming use must be approved by the Zoning Board of Adjustment.

F. Site Plan Approval.

1. Site plan approval is required prior to the issuance of a building permit for the construction, erection, or alteration of a structure or building in any zoning district where these Regulations specify such approval.
2. The Development Services Director administers the site plan review and approval process.

G. Sign Permit.

1. A sign permit is required prior to the installation of a new sign or modification of any existing sign with the exception of exempt signs (and refacing of existing signs) as identified in Article 3, Signs.
2. The Development Services Director issues all sign permits, except for those issued by the Historic Preservation Officer within historic districts following design review. However, when applicable, the following special approvals are required prior to the issuance of the sign permit:

- a. Special approvals issued by the Planning Commission;
- b. Special approvals and recommendations issued by the Landmark Commission. Approval of a sign design, in a designated historic district, when the design does not strictly conform to the City's adopted *Design Standards for Historic Properties* (and, therefore, cannot be approved administratively by the Officer).

H. Alternative Standard of Compliance with Subdivision Regulations.

- 1. An alternative standard of compliance enables an applicant to propose variations from certain subdivision standards prescribed by these regulations and still achieve substantial compliance with the regulations.
- 2. The Planning Commission approves alternative standards of compliance as provided in Article 6, Subdivision Design and Land Development.

I. Variance from Zoning Development Standards.

- 1. A variance from zoning development standards is a variance from any standard of these regulations other than standards specifically related to subdivisions.
- 2. Variances from zoning development standards are approved by the Zoning Board of Adjustment except for the following:
 - a. Variances granted by the Landmark Commission for on-site parking requirements in a historic district; and
 - b. Variances granted by the Development Services Director:
 - i. Parking lot landscape credit.
 - ii. Parking lot landscape exceptions and variances.
 - iii. Temporary exceptions to outdoor lighting standards.
 - iv. Exceptions to outdoor lighting standards for special events.
- 3. Variances from airport height hazard regulations shall be reviewed by the Zoning Board of Adjustment. The Zoning Board of Adjustment shall conduct a review with a recommendation from the Airport Manager. If the Airport Manager does not respond within 13 days of receipt of the application, the Zoning Board of Adjustment may act on its own to grant or deny said variance.

J. Designation of a Galveston Historic Landmark. Any structure, object, site, or building may be considered for historic landmark designation as long as it is at least 30 years old.

- 1. Application for a Galveston Landmark (GL) designation must be submitted by a majority of the owners of the subject property, and said owners shall swear or affirm that they are the majority of property owners and consent to the designation of a GL.
- 2. The following administrative bodies have decision-making authority with regards to the GL designation:

- a. The Landmark Commission reviews and recommends the historic landmark designation based on the criteria set forth in Article 2, Permitted Uses and Supplemental Standards.
 - b. The Planning Commission also reviews and recommends the historic landmark designation.
 - c. The City Council shall grant final approval of the historic landmark designation after recommendation of the Planning Commission and the Landmark Commission.
- K. **Designation of a Historic District.** A specific geographic area or collection of structures, objects, sites, or buildings may be considered for designation as a HZD.
 - 1. Application for a historic zoning district designation is initiated by submitting a petition signed by a minimum of ~~31~~ 51 percent of the property owners in the proposed district who request the designation.
 - 2. The following administrative bodies have decision-making authority with regard to the HZD designation:
 - a. The Landmark Commission reviews and recommends the historic zoning district designation based on the criteria set forth in Article 2, Permitted Uses and Supplemental Standards.
 - b. The Planning Commission also reviews and recommends the HZD designation.
 - c. The City Council shall grant final approval of the HZD designation after recommendation of the Planning Commission and the Landmark Commission.
- L. **Designation of a Neighborhood Conservation District (NCD).**
 - 1. A NCD may be designated according to the criteria set forth in Article 2, Permitted Uses and Supplemental Standards.
 - 2. Application for a NCD designation may be initiated by any of the following:
 - a. Property owners representing ~~31~~ 51 percent of the land area within the proposed district;
 - b. ~~31~~ 51 percent of property owners within the proposed district; or
 - c. The Landmark Commission, Planning Commission or City Council. Before a NCD can be initiated by a City entity, the following shall be required:
 - i. A minimum of two public forums held with the affected property owners/tenants; and
 - ii. A minimum of two notices either hand delivered or mailed to all affected property owners/tenants inviting participation and advising of meeting times and dates.
 - 3. The following administrative bodies have decision-making authority with regards to NCD designation:

- a. The Landmark Commission reviews and recommends the NCD designation based on the criteria set forth in Article 10, Permitted Uses and Supplemental Standards.
- b. The Planning Commission also reviews and recommends the NCD designation.
- c. The City Council shall grant final approval of the NCD after recommendation of the Planning Commission and the Landmark Commission.

M. Certificate of Appropriateness.

1. A Certificate of Appropriateness is required prior to the issuance of a building permit for the improvement, construction, reconstruction, repair, or demolition of any building, structure, or site designated as a historic landmark.
2. The Landmark Commission approves Certificates of Appropriateness, except as administrative approvals are provided for by these regulations and/or by the City's adopted *Design Standards for Historic Properties*.

N. License to Use.

1. A License to Use (LTU) is required prior to placing items within or otherwise obstructing City right-of-ways.
2. The Landmark Commission reviews and makes recommendations to the Planning Commission for permanent licenses to use when the request is within a designated historic district.

Division 13.300 Standardized Development Approval Procedures

SEC. 13.301 GENERALLY

- A. **Generally.** The standardized development approval procedures of this Division apply to all permit and approval applications that are set out in Division 13.200, Permits and Approvals and Division 13.500, Subdivision Plat Procedures.

SEC. 13.302 PRE-APPLICATION CONFERENCES

- A. **Generally.** The purpose of a pre-application conference is to familiarize the applicant with the development review and approval process and applicable provisions of these Regulations that are required to permit the proposed development.
- B. **Requirements.** A pre-application conference is recommended for all applications for development approvals that require public hearings, unless waived by the Development Services Director as provided in subsection 13.202.C.3, below. A pre-application conference is optional for all other application types. Pre-application conferences do not apply to administrative appeals.
- C. **Authority of Development Services Director.**

1. The Development Services Director may establish a regular schedule for conducting pre-application conferences.
2. The Development Services Director may provide for conducting pre-application conferences in person, by telephone, or by internet-based conferencing.
3. The Development Services Director may waive a pre-application conference if the Development Services Director and the applicant agree that such conference is unnecessary to serve the purposes set out in Section 13.302.A.

SEC. 13.303 APPLICATIONS

- A. **Generally.** Every application for an approval required by these regulations shall be submitted on a form approved by the Development Services Department and shall include the corresponding application fee.
- B. **Applicant.** Unless otherwise specified in these regulations, applications for review and approval may be initiated by the owner of the property that is the subject of the application or the owner's authorized agent. When an authorized agent files an application under these regulations on behalf of a property owner, the agent shall provide written documentation that the owner of the property has authorized the filing of the application. ~~This requirement shall be satisfied upon the submittal of an application bearing the owner's name and signature as verified by a notary public.~~
- C. **Representation of Facts.** It shall be unlawful for any person to knowingly or willfully misrepresent or fail to include any information required by these regulations on any application. If development is approved based on an application that contained misrepresentations or failed to contain material facts required by the application, then the City shall place a stay or stop work order on the development or use. The stay or stop work order shall remain in place until such time that the approval body receives the required information and is satisfied as to the appropriateness of the approval granted.
- D. **Waiver of Submittal Requirements.** The Development Services Director may waive certain submittal requirements in order to tailor the application to focus on the information necessary to review a particular case or if they find that the project size, complexity, anticipated impacts, or other factors associated with the proposed development clearly, in the Development Services Director's sole judgment, support such waiver.
- E. **Additional Requirements.** The Development Services Director or any director of the City, a service or utility provider, or county which has authority to review and/or approve may also add requirements to the submittal when it is reasonably foreseeable that additional information will be needed to resolve questions of compliance with the requirements of these regulations or other policies or plans of the City, any service or utility provider, or county that is associated with or may be affected by the project.

SEC. 13.304 APPLICATION COMPLETENESS REVIEW

- A. **Generally.** All permit and approval applications shall be reviewed for completeness by the Development Services Department.
- B. **Incomplete Applications.**
 - 1. Incomplete applications shall be reviewed within 10 days shall be returned to the applicant, along with partial or full refund of any fee included with the application (as indicated in the fee schedule which accompanies these regulations), and with a written explanation that describes the necessary documents or other information that must be submitted in order to complete the application and shall specify the date the application will expire if the necessary documents or other information is not provided.
 - 2. An application that does not include the applicable processing fee shall not be considered complete.
 - 3. Incomplete applications will be denied and shall expire in 45 days if the necessary documents or other information that is required is not provided.
- C. **Complete Applications.** Complete applications shall be processed according to the applicable procedures of this Article.
- D. **Waiver of Application Requirements.** The Development Services Director may waive application requirements, except application fees, if it is obvious that they do not relate to the processing of the specific application for which the waiver is requested.

SEC. 13.303 STAFF REVIEW AND REFERRAL

- A. **Generally.** Upon determination that an application is complete, the Development Services Director shall cause the application to be reviewed for technical compliance with all applicable requirements of these regulations.
- B. **Recommended Revisions.**
 - 1. The Director of Development Services shall provide comments from City staff to the applicant, who shall revise and resubmit materials with appropriate changes within the time required by Section 13.306, Dormant Applications.
 - 2. The resubmittal shall not require an application fee unless both of the following conditions are met:
 - a. The revisions are inappropriate or incomplete; and
 - b. Repeated failure to address comments requires more than three rounds of revisions.
- C. **Administrative Recommendation or Decision.** Complete applications shall be processed as follows:
 - 1. If the application is for an administrative permit approval, the Development Services Director shall approve, approve with conditions, or deny the application as appropriate.

2. For minor plats, such decisions or referrals shall be made within 30 days of the City staff determination of a complete application.
3. The Development Services Director may refer all applications for administrative permits to the Planning Commission for a decision. The Historic Preservation Officer may refer administrative certificates of appropriateness to the Landmark Commission.

SEC. 13.306 DORMANT APPLICATIONS

- A. **Generally.** Applications for development approval must be diligently pursued by the applicant. Accordingly, this Section extinguishes applications that become inactive by the applicant, whether this inaction is during an administrative review process conducted by City staff or after staff has forwarded an application and it is under consideration by a City board or commission identified in Article 12, Administrative Bodies.
- B. **Expiration of Dormant Applications.**
 1. When an action by the applicant is required for further processing of an application (for example, submittal of supplementary documentation or payment of outstanding fees), the application shall expire 45 days after the date that the action is requested if:
 - a. The applicant fails to take action by the date specified in the written notice of the expiration of the application or permit; or
 - b. The applicant fails to request an extension of time pursuant to Section 13.306.C.
 2. When an action by the applicant is required for further processing of an application for preliminary plan or plat approval, the application shall expire 45 days from receipt of the application if the application has remained dormant during that period where no activity has occurred toward the completion of the application, where changes or corrections are required, or where instruments or documents requested or required are not forthcoming from the property owner or authorized agent within the time period provided for completion and an extension of time has not been requested pursuant to Section 13.306.C.
 3. No refunds of application fees will be issued to applicants whose applications expire pursuant to Section 13.306.
- C. **Extension of Time.** The time for expiration of an application may be extended by up to six additional months upon written request of the applicant before the end of the period set out in 13.306.B.
- D. **Effect of Expiration.** Dormant applications shall expire unless the applicant can show progress toward completion of the project as follows:

1. An application for a final plat or plan is submitted to the City;
 2. A good-faith attempt is made to file an application for a permit necessary to begin or continue towards completion of the project;
 3. Costs have been incurred for developing the project including, without limitation, costs associated with roadway, utility, and other infrastructure facilities designed to serve, in whole or in part, the project (but exclusive of land acquisition) in the aggregate amount of five percent of the most recent appraised market value of the real property on which the project is located;
 4. Fiscal security is posed to ensure performance of a required obligation; or
 5. Utility connection or fess or impact fees for the project have been paid.
- E. Any application proposal for a lot, parcel, or tract, regardless of the commonality with an expired application will be treated as a new application subject to requirements in effect at the time of the most recent submittal and with new fees.

SEC. 13.307 ADDITIONAL RECOMMENDATIONS

- A. **Generally.** The City Council, Planning Commission, Landmark Commission, and Zoning Board of Adjustment may, at their discretion, seek additional recommendations from any City department, City Board or Commission, ad hoc committee, task force, subcommittee, other public agency at any level of government, community group or organization, or others as deemed necessary to make any decision or to gain insight or information related to any case or decision pending before them if within their purview to seek such evidence.
- B. **Documentation.** The additional information and/or recommendations shall be made a part of the record of the case.

SEC. 13.308 PUBLIC NOTICE

- A. **Generally.** Public notice shall be provided as required by law or this section.

<i>Table 13.308</i> Property Owner Notice				
Landmark Commission		<i>None</i>	<i>Adjacent</i>	<i>200 Feet</i>
	COA		x	
	Demolition			x
	New Construction			x
	Recommendation to PC or ZBA			x
Planning Commission	Abandonment			x
	Beachfront Permit	x		
	Change of Zoning			x
	Classification of New and Unlisted Use	x		
	License to Use			x
	Planned Unit Development			x
	Replat			x
	Specific Use Permit			x
	Street Name Change			x
	Text Amendment	x		
Zoning Board of Adjustment	Appeal of Landmark Commission Decision			x
	Appeal of Staff Determination			x
	Change of Occupancy - Nonconforming Use			x
	Special Exception			x
	Temporary Permit for Mobile Home, Travel Trailer on Single Lot			x
	Variance			x

- B. **Mailed Notice.** If a mailed notice is required, then the Development Services Director or their designee shall deposit such notice into the mail not less than 10 days prior to the date of the hearing. Written notice shall be provided to owners of the parcels within 200 feet of the outer boundary of the land subject to the application at the mailing addresses of such persons in the records of the Appraisal District.
- C. **Posted Notice.** A posted notice may be required for proposed zoning map amendments (rezoning) and specific use permits except when a proposed map amendment is initiated by the City. The City may place a sign on the subject property at least 10 days prior to the scheduled meeting of the decision-making body, and the sign shall remain until after the final scheduled meeting regarding the subject application. Signs shall be located so that the lettering is visible from abutting public right-of-way. If no part of the subject property is visible from a public right-of-way, the notice shall be posted along the nearest street in the public rights-of-way in a location that does not obstruct sight lines that are necessary for public safety. The inadvertent removal of the posted notice (sign) shall not invalidate the statutory or ordinance required publication procedure for the zoning ordinance or map amendments.
- D. **Content of Notice.** All notices shall include the following contents:
1. The street address of the property (if a street address is assigned);
 2. The name of the applicant;
 3. The type of approval sought (*e.g.*, rezoning);
 4. A brief description of the application;
 5. The case number;
 6. The date, time and location of the meeting at which the application will be considered for approval;
 7. The phone number of the Development Services Department; and
 8. For mailed and published notices, the legal description of the property.
- E. **Computation of Time.** In computing the time periods for providing notice pursuant to this Section, the day of mailing, publication and/or posting shall not be counted, but the day of the hearing shall be counted.
- F. **Constructive Notice.** Minor defects in any notice shall not impair the notice or invalidate proceedings pursuant to the notice if a bona fide attempt has been made to comply with applicable notice requirements. Minor defects in notice shall be limited to errors in a legal description or location map that are not substantial with respect to the general location of the property, typographical or grammatical errors, or errors of actual acreage that do not impede communication of the notice to affected parties. Failure of a party to receive written notice shall not invalidate subsequent action. In all cases, however, the requirements for the timing of the notice and for specifying the time, date, and place of a hearing shall be strictly construed. If

questions arise at the hearing regarding the adequacy of notice, the decision-making body shall direct the Development Services Director to make a formal finding as to whether there was substantial compliance with the notice requirements of these regulations and such finding shall be made available to the decision-making body at the same meeting or prior to final action on the application.

SEC. 13.309 PUBLIC MEETINGS AND PUBLIC HEARINGS

- A. **Generally.** All meetings of the City Council and appointed boards and commissions shall be open to the public except as otherwise provided in the Open Meetings Act (Texas Local Government Code Chapter 551). However, not all decisions require public hearings. Therefore, recommendations and decisions that are authorized by these Regulations are classified as requiring a "public meeting" or "public hearing."
- B. **Joint Meetings.** Any public hearing required by these regulations or the laws of the State of Texas may be held jointly with any public hearing required to be held by the City Council or any other City Board or Commission except the Zoning Board of Adjustment. Such joint meetings may be held after published notice as required by law.
- C. **Consent Agendas for Public Meetings.** The City Council and any City Board or Commission that is identified in Article 12, Administrative Bodies except the Zoning Board of Adjustment may utilize a consent agenda. The consent agenda may consist of all matters brought before the decision-making body for action that do not require a public hearing. All items on the consent agenda shall be approved simultaneously by motion without comment or debate. An item may be removed from the consent agenda prior to approval at the request of any member of the decision-making body present at the meeting or by City staff. Items removed from the consent agenda shall be considered on the regular agenda.
- D. **Public Hearings.**
 - 1. **Procedures.** All decision-making bodies shall adopt rules of procedure for the conduct of public hearings. The following general procedures shall be reflected in the adopted rules of procedure:
 - a. Any person may appear at a public hearing, submit evidence, and be heard.
 - b. If a speaker represents an organization, the body conducting the hearing may request written evidence of that person's authority to speak on behalf of the group in regard to the matter under consideration.
 - c. Persons appearing at a public hearing shall identify themselves and state their address and similar information about any organization they represent.
 - d. Citizens, applicants, and the City have the right to present expert witnesses.
 - e. The chairperson may impose a reasonable time limit on speakers and may limit testimony that is deemed irrelevant or redundant.

2. **Representation.** Persons appearing before a decision-making body may appear in person or through a representative or agent. The representative or agent shall provide written authorization from the property owner granting the representative or agent authority to represent the property owner's interest in the application
3. **Decisions.**
 - a. Except where these regulations or Texas statutes provide otherwise, official action requires the favorable vote of a majority of a quorum present.
 - b. A favorable vote by the Zoning Board of Adjustment shall be governed by Texas Local Government Code Chapter 211.009.
 - c. Except when voice votes are authorized, a vote shall be conducted in accordance with the boards adopted rules of procedure.
4. **Time Limitations for Decisions.** For final plats and final development plans, the Planning Commission shall decide the application within 30 days of the date when City staff deemed the application complete and placed the application on the Planning Commission's agenda unless the applicant agrees to extend the 30 day time limit pursuant to Section 13.311.B.3.a.
- E. **Conditions of Approval.** Some procedures set forth in these regulations authorize the decision-making body to impose such conditions upon the property benefited by the approval as may be necessary to reduce, minimize, or eliminate potential adverse impact upon other property in the area or to carry out the general purpose and intent of the Comprehensive Plan and these regulations. In such cases, any conditions attached to approvals shall be directly related to the impacts of the proposed use or development and shall carry out the general purpose and intent of the *City of Galveston 2011 Comprehensive Plan* and these regulations. No conditions of approval, except for those attached to variance or minor modification approvals, shall be less restrictive than the requirements of these regulations.

SEC. 13.310 RECONSIDERATION OR REHEARING OF DECISIONS

- A. **Generally.** Decisions of the Planning Commission, Zoning Board of Adjustments, or the Landmark Commission may be brought up for a rehearing according to this Section. Decisions of the Planning Commission governed by the Article 6, Subdivision and Development Standards are not subject to the reconsideration or rehearing provision established in this Section.
- B. **Limitations.** A request for reconsideration or rehearing will be granted only if a member of the prevailing side of a vote of the board or commission finds, by majority vote of a quorum present, that:
 1. There was substantial procedural error in the original proceeding;
 2. The board or commission acted without jurisdiction in the original proceeding, and such jurisdictional defect has been since remedied; or

3. The original decision was based upon misunderstanding, fraud, or misrepresentation.
- C. **City Initiation.** If the reason for reconsideration or rehearing is based on subsection B.3, above, then only the City is authorized to present a case for rehearing or reconsideration. If there was or is suspected by the City to be intentional fraud or misrepresentation, the City may pursue any remedy at law through criminal or civil proceedings for compensatory and punitive damages allowed by law.
- D. **Conduct of Rehearing.** A rehearing shall be conducted in the same manner as required for the original proceedings before the board or commission and shall be subject to all requirements under this Article as applicable. If the initial hearing required a public hearing, any rehearing of a case or requested action shall also require a public hearing.
- E. **Timing of Rehearing.**
 1. **Same Meeting.** At the same meeting, the decision-making body may reconsider its decision based on reasons under subsection 13.310.B, above.
 2. **Different Meeting.** An exception to subsection 13.310.B, above, may be authorized by the Development Services Director, who shall consider changed conditions not previously known or addressed.
 3. **Delayed Consideration.** Any reconsideration of a decision for a reason not listed under subsection 13.310.B, above, shall only occur after a period of six months from the date of the original decision.

SEC. 13.311 CONTINUANCES AND WITHDRAWAL

- A. **Generally.** Consideration of applications may be postponed or applications withdrawn as provided in this Section.
- B. **Continuances.**
 1. **Request or Motion to Continue.** Consideration of an application may be postponed upon motion of the decision-making body or upon request of the applicant before a decision is made on the application.
 2. **Period of Continuation.** Should any item before a decision-making body be postponed in anticipation of information or events to occur prior to rendering a decision, such tabling shall be postponed to a date certain meeting.
 3. **Decision Required.** If at the conclusion of the continuation period the item under consideration remains in the same and/or unchanged state or condition as existed when the item was initially tabled, the item shall be removed from the table and shall either be approved based on the available information or shall be disapproved. In the case of a subdivision application, the decision to approve or deny the plat shall be made within 30 days of the date when City staff deemed the

application complete unless the applicant withdraws the plat from consideration or submits a sworn written statement agreeing to suspend the 30 day time limit.

- C. **Withdrawal.** Any application may be withdrawn, either in writing or on the record during the proceeding, before the recommendation or decision is made.

SEC. 13.312 EFFECT OF APPROVAL

Approval of an application shall be deemed to authorize only the particular use, plan, or other specific activity for which the approval was granted. Approvals shall run with the particular land for which approval is given. Text amendments to these Regulations are not related to particular parcels.

SEC. 13.313 EFFECT OF INACTION BY DECISION-MAKER

When a review or decision-making body does not take action on an application within the time required, which varies by type of application, such inaction shall be deemed a denial of the application unless:

- A. The decision-making body agrees to an extension of the time frame, or, in the case of subdivision plat review governed by Texas Local Government Code Section 212.009, the applicant submits a sworn written statement agreeing to suspend the 30 day time limit; or
- B. The decision-making body is a board or commission that did not meet between the date of application and the date by which action is required.

SEC. 13.314 SUCCESSIVE APPLICATIONS

- A. **Generally.** It is the policy of the City not to hear successive applications for a substantially similar application after an application is denied. The limitations of this Section prevent the consideration of successive applications.
- B. **Time Required Between Substantially Similar Applications.** The City shall not accept any application that is substantially similar to an application that was denied within the periods set out below:
 - 1. **Generally.** Six months shall elapse between the date an application is denied and the date a substantially similar application is filed.
 - 2. **Zoning Map, Classification, and Text Amendments.** Zoning Amendments follow the general rule of subsection 13.313B.1, above, except that if substantially similar rezoning applications are denied twice, two years shall elapse from the last date of denial before a new substantially similar application is accepted for processing.
 - 3. **Variances, Special Exceptions and Appeals Heard by the Zoning Board of Adjustment.** One year shall elapse between the date an application is denied and the date a substantially similar application is filed.
 - 4. **Appeals to the City Council.** One year shall elapse between the date an application is denied and the date a substantially similar application is filed.

- C. **Appeal and Waiver of Restrictions.** The determination by the Development Services Director that an application is substantially similar to a denied application is subject to administrative appeal to the Zoning Board of Adjustment.

SEC. 13.315 TERMINATION OF APPROVAL

- A. **Generally.** Development approvals shall expire after two years if no progress has been made toward completion of a project unless the applicant files a request for an extension or can show progress toward completion of a project.
- B. **Inconsistent Subsequent Approvals.** If a parcel proposed for development is subject to an approval that has not lapsed, then the approval of an inconsistent application (except approval of a request to modify the application) shall automatically terminate prior inconsistent approvals and prior subordinate approvals if construction has not commenced. For example, if property is rezoned from one classification to another and a site plan is approved under the prior zoning classification, then a subsequent rezoning to the new classification would terminate the earlier district designation (a prior inconsistent approval) and the site plan approved under it (a prior subordinate approval to the inconsistent approval). However, if the prior site plan was built out, then it would remain as a nonconforming use under the new zoning designation until it was redeveloped according to the new site plan.
- C. **Inconsistent Subsequent Development.** Variances shall terminate automatically if:
 - 1. Development that is approved by variance is modified in a manner that makes the variance unnecessary (*i.e.*, the modified development complies with these Regulations);
 - 2. Development that is approved by variance is demolished and an application to rebuild according to the previously approved plans is not filed within six months of the date of demolition; or
 - 3. An application is filed for a new project
- D. **Change in or Abandonment of a Limited Use.** A Limited Use that is abandoned may be changed to a permitted use in the zoning district.

Division 13.400 Zoning Variances

SEC. 13.401 VARIANCES FROM DEVELOPMENT STANDARDS

- A. **Generally.** The Zoning Board of Adjustment shall approve or deny variances from the zoning related development standards (such as height, bulk or area) of these regulations, but not from any subdivision related standards which are considered by the Planning Commission as alternative standards of compliance as provided in Article 6, Subdivision Design and Land Development.
- B. **Approval Standards.** The Board of Adjustment may grant a variance under this Section only if the variance is not prohibited by Section 12.401.C, and if the Zoning Board of

Adjustment makes a determination in writing that all of the following are demonstrated:

1. The request for the variance is rooted in special conditions of the applicant's property that do not generally exist on other properties in the same zoning district.
2. Due to said special conditions, the enforcement of the strict terms of these regulations would impose an unnecessary hardship on the applicant.
3. The variance is not contrary to the public interest, in that:
 - a. It does not allow applicants to impair the application of these regulations for:
 - i. Self-imposed hardships;
 - ii. Hardships based solely on financial considerations, convenience, or inconvenience; or
 - iii. Conditions that are alleged to be "special" but that are actually common to many properties within the same zoning district.
 - b. The variance will not have a detrimental impact upon:
 - i. The current or future use of adjacent properties for purposes for which they are zoned;
 - ii. Public infrastructure or services; and
 - iii. Public health, safety, morals, and general welfare of the community.
4. The degree of variance allowed from these regulations is the least that is necessary to grant relief from the identified unnecessary hardship.
5. The variance shall not be used to circumvent other procedures and standards of these regulations that could be used for the same or comparable effect (*e.g.*, if alternative development patterns, alternative development standards, or other flexible measures in these regulations are available that would avoid or mitigate hardship without using a variance, then they must be used).
6. By granting the variance, the spirit of these regulations is observed and substantial justice is done.
7. Should the Zoning Board of Adjustment approve a variance application that does not meet the approval standards established in this Section, the Planning Department shall notify the City Council within three days from the date the variance is approved.
- ~~8. The Planning Department may consider an application for a variance as an incomplete application should the application fail to establish the application is not contrary to the public interest as defined by subsection B3. a.i iii and B3. b. i iii of this Section.~~

SEC. 13.402 SPECIFIC USES

- A. **Generally.** The standards of this Section are applicable to all uses classified as specific uses by these regulations. Individual specific uses shall also comply with the applicable standards in Article 2, Permitted Uses and Supplemental Standards. All specific uses shall comply with all of the following standards:
1. The specific use will be consistent with any applicable goals, objectives, and policies of the *City of Galveston 2011 Comprehensive Plan* and any adopted neighborhood or special area plans;
 2. The specific use will not materially detract from the character of the immediate area or negatively affect the anticipated development or redevelopment trend; and
 3. The specific use is conducted in a manner that is not materially more disruptive to adjacent properties than uses permitted as-of-right in the district, unless the specific use is temporary and its limited duration will help to minimize the impact. Conditions of approval may be attached to the specific use to ensure that this requirement is satisfied.

SEC. 13.403 WAIVERS AND EXCEPTIONS

Waivers and exceptions are allowed only in cases that are specifically authorized by these regulations. Such waivers and exceptions shall be processed concurrently with the application to which they relate. They shall not be granted in circumstances where the resulting development would be injurious to the public health, safety, or welfare.

Height and density may be established by City Council through an exception for development exceeding the maximum FAR or height of a development within a specific zoning district. The building height determination shall follow the procedure for a zoning amendment as established in law and these regulations. This provision does not apply to the HDDZ.

Division 13.500 Subdivision Plat Procedures

SEC. 13.501 PRELIMINARY PLATS

- A. **Generally.** A preliminary plat is required prior to consideration of an application for final plat or final development plat approval (except minor plats), with any phased development or where restricting areas of improvements under common ownership, and/or where land that abuts a proposed development is under common ownership or control with the land that is the subject of the development proposal.
- B. **Consideration of Affected Abutting Property.**
1. When considering the phasing of development or where improvements are being restricted to a reduced area, adjacent lots, tracts, or parcels under or not under the same common ownership shall be evaluated as to the effects of the proposed plat upon those lands. There shall be no lots, tracts, or parcels that, upon platting, would prohibit the extension of utilities or the extension of approved access that results from the platting of lands.

2. A preliminary plat shall include all contiguous land under the same ownership. If only a portion of the land is intended for immediate development, the remaining lot(s), tract(s), or parcel(s) shall each be given a distinct number and shall be part of the preliminary plat and thereafter referenced.

SEC. 13.502 APPROVAL CRITERIA FOR PLATS

- A. **Generally.** Preliminary plats, final plats, and development plats shall be approved if, following review by City staff, it is determined that the plat meets all applicable regulations. The staff report may include “standard conditions” that serve as a checklist of ordinary regulatory requirements, but which are not corrections or changes necessary to conform to applicable regulations.
 1. If a plat is submitted to the Planning Commission with only the “standard conditions” in the staff report and no other conditions are required, then the plat will be considered to meet all applicable regulations, approval will be recommended, and the item may be placed on a consent agenda of the Planning Commission.
 2. If a plat does not meet all applicable regulations, the plat will be denied, except that readily verifiable conditions may be attached to preliminary approval, the satisfaction of which becomes a prerequisite for final approval.

SEC. 13.503 FINAL PLAT AND FINAL DEVELOPMENT PLAT

- A. **Generally.** Final plats and final development plats are approved as provided in Section 13.502, Approval Criteria for Plats. When a preliminary plat is required, the Planning Commission must also determine that the final plat is consistent with the approved preliminary plat, including satisfaction of any conditions of preliminary approval.
- B. **Procedure.** Final plats are processed as Planning Commission decisions according to the general procedures set out in Division 13.300, Standardized Development Approval Procedures.
- C. **Decision.** The Planning Commission shall approve or deny a final plat or final development plat.

SEC. 13.504 MINOR PLATS

- A. **Generally.** The Development Services Director is authorized to approve minor plats if the application complies with the standards set forth in Texas Local Government Code subsection 13.504.D, below. The Development Services Director, at his or her sole discretion, may also refer any application for a minor plat to the Planning Commission for review and decision.
- B. **Applicability.** Administrative plat approval shall be allowed based on the following criteria:
 1. There will be no more than four lots in the subdivision;
 2. All lots will front on an existing street;
 3. The subdivision does not require the creation of any new street;
 4. All lots will be served by existing municipal facilities (water, sewer, drainage, etc.); and

5. Combining no more than four (4) contiguous tracts for the purpose of creating less lots/density in a subdivision. ~~The plat must limit the use of lots for single-family or duplex residential units or be limited under appropriate zoning limitations, if applicable.~~
- C. **Process.** The Development Services Director shall receive the application and either approves it or schedules it for Planning Commission review and decision within 30 days of it being determined complete per Section 13.304, Application Completeness Review. The Development Services Director is not authorized to deny a minor plat.
- D. **Standards for Approval.** The Development Services Director shall approve a minor plat application if it meets all of the following criteria:
 1. The minor plat will be consistent with any applicable goals, objectives and policies of the *City of Galveston 2011 Comprehensive Plan* and any adopted neighborhood or special area plans; and
 2. The minor plat complies with the applicable requirements of these regulations.
- E. **Required Referral.** The Development Services Director shall not deny a minor plat. If the Development Services Director does not approve the plat, they shall place the plat on the agenda of the Planning Commission so that it may be considered within 30 days of it being determined complete per Section 13.304, Application Completeness Review.

SEC. 13.506 SITE PLANS

Site plan approval is required prior to the issuance of a building permit for the construction, erection, or alteration of a structure or building in any zoning district where these regulations specify such approval.

SEC. 13.507 AMENDING PLAT

- A. **Generally.** In accordance with the authorization to delegate approval responsibility pursuant to Texas Local Government Code Section 212.0063, an amending plat involving minor changes to an already approved plat may be approved by the Development Services Director to supersede the approved plat without requiring its vacation. The reasons for such approvals are established by Texas Local Government Code Section 212.016, and are set forth in subsection C, below.
- B. **Process.** Applications for minor plat amendments shall be submitted on a form approved by the Development Services Director. Such applications shall be processed administratively. Notice, a hearing, and the approval of other lot owners are not required for the approval and issuance of an amending plat.
- C. **Applicability.** The Development Services Director shall approve an amending plat if it implements any of the following purposes and, if standards or limitations are provided, complies with said standards or limitations:
 1. To correct an error in a course or distance shown on the preceding plat;
 2. To add a course or distance that was omitted on the preceding plat;
 3. To correct an error in a real property description shown on the preceding plat;
 4. To indicate monuments set after the death, disability or retirement from practice of the engineer or surveyor responsible for setting monuments;

5. To show the location or character of a monument that has been changed in location or character or that is shown incorrectly as to location or character on the preceding plat;
 6. To correct any other type of scrivener or clerical error or omission on a plat previously approved by the Planning Commission including lot numbers, acreage, street names, and identification of adjacent recorded plats;
 7. To correct an error in courses and distances of lot lines between two adjacent lots if:
 - a. Both lot owners join in the application for amending the plat;
 - b. Neither lot is abolished;
 - c. The amendment does not attempt to remove recorded covenants or restrictions; and
 - d. The amendment does not have a material adverse effect on the property rights of the other owners in the plat.
 8. To relocate a lot line to eliminate an inadvertent encroachment of a building or other improvement on a lot line or easement.
 9. To relocate one or more lot lines between one or more adjacent lots if:
 - a. The owners of all those lots join in the application for amending the plat;
 - b. The amendment does not attempt to remove recorded covenants or restrictions; and
 - c. The amendment does not increase the number of lots.
 10. To make necessary changes to the preceding plat to create six or fewer lots in the subdivision or a part of the subdivision covered by the preceding plat if the changes:
 - a. Do not affect applicable zoning and other regulations of the City;
 - b. Do not attempt to amend or remove any covenants, conditions or restrictions; and
 - c. Affect an area that approved by the Planning Commission as a residential improvement area.
 11. To replat one or more lots fronting on an existing street if:
 - a. The owners of all those lots join in the application for amending the plat;
 - b. The amendment does not attempt to remove recorded covenants or restrictions;
 - c. The amendment does not increase the number of lots; and
 - d. The amendment does not create or require the creation of a new street or make necessary the extension of City facilities.
- D. **Referral.** The Development Services Director shall not deny an application for a minor amending plat. If the Development Services Director does not approve the proposed amending plat it shall be referred to the Planning Commission.

SEC. 13.508 VACATING PLAT

- A. **Generally.** The owners of the tract covered by a plat may vacate the plat at any time before any lot in the plat is sold. The plat is vacated when a signed, acknowledged instrument declaring the plat vacated is approved and recorded in the manner prescribed for the original plat.

- B. **Restrictions.** If lots in the plat have been sold, the plat, or any part of the plat may be vacated on the application of all the owners of lots in the plat with approval obtained in the manner prescribed for the original plat.
- C. **Annotation.** Pursuant to Texas Local Government Code Section 212.013, the County Clerk shall write legibly on the vacated plat the word "Vacated" and shall enter on the plat a reference to the volume and page at which the vacating instrument is recorded.
- D. **Effect of Vacation.** On the execution and recording of the vacating instrument, the vacated plat has no effect.

SEC. 13.509 REPLATS

Replats may be allowed without prior vacation of the existing plat according to the applicable standards of Texas Local Government Code Section 212.0143.

Division 13.600 Map Amendments

SEC. 13.601 PROCEDURES FOR MAP AMENDMENTS

- A. **Generally.** The boundaries of any zoning district in the City may be changed or the zone classification of any parcel of land may be changed as provided in this Section.
- B. **Initiation of Rezoning.**
 - 1. A zoning map or classification amendment may be initiated by the owner of the property to be amended or their authorized agent, the City Council, the Planning Commission, or by the Development Services Director. The Landmark Commission may initiate a zoning map amendment to designate a GL, HZD, or NCD. Rezoning applications by property owners and their agents shall be submitted on a form approved by the Development Services Director.
 - 2. The Development Services Director may require the submission of such other information as may be necessary to permit the informed exercise of judgment under the criteria for the review of a rezoning application. Such information shall be related to the scale, location, and impacts of the rezoning application and may include, by way of illustration and not limitation, analysis of the capacity of the land to support development (*e.g.*, soil characteristics and hydrology) or the additional impacts (or reduction in impacts) that may be created by changing the district designation, in terms of:
 - a. Traffic (trip generation);
 - b. Drainage;
 - c. Visual, aesthetic and land use adjacency impacts;
 - d. Water and wastewater use and availability; and
 - e. Other information determined by the City as necessary to make an informed analysis and decision.

For a zoning map amendment application to be considered complete for the R-0 Single Family Residential District, the application must include:

- a. 75 percent of the dwellings in the proposed zoning area must be single-family owner occupied structures;

- b. 75 percent of the property owners shall initiate a petition to rezone to R-0;
 - c. Commercial uses and short term rentals prohibited;
 - d. The petition shall identify the streets, street blocks, and boundary subject to the rezoning;
 - e. The neighborhood must be similar in design and character; and
 - f. Dangerous and dilapidated structures as defined in the Municipal Code must not be present within the proposed boundary of the R-0 district.
- C. **Criteria for Approval.** The Planning Commission may recommend approval and City Council may grant the approval of a rezoning request if it is demonstrated that:
- 1. The proposed zoning is preferable to the existing zoning in terms of its likelihood of advancing the goals, objectives, and policies of the *City of Galveston 2011 Comprehensive Plan* and other adopted neighborhood plans, special area plans, redevelopment plans, or other plans applicable to the area;
 - 2. The proposed zoning is consistent with the future land use map of the *City of Galveston 2011 Comprehensive Plan* (a future land use map amendment may be processed concurrently with the rezoning);
 - 3. The proposed change is consistent with the implementation of existing or pending plans for providing streets, water and wastewater, other utilities, and the delivery of public services to the area in which the parcel proposed for rezoning is located;
 - 4. The range of uses and the character of development that is allowed by the proposed zone will be compatible with the properties in the immediate vicinity of the parcel proposed for rezoning, and the parcel proposed for rezoning has sufficient dimensions to accommodate reasonable development that complies with the requirements of these Regulations including parking and buffering requirements; and
 - 5. The pace of development and/or the amount of vacant land currently zoned for comparable development in the vicinity suggests a need for the proposed rezoning in order to ensure an appropriate inventory of land to maintain a competitive land market that promotes economic development.
- D. **Procedures.** Applications for a zoning map or classification amendment are processed according to the sequential steps set out in Section 13.302, Pre-Application Conference, through Section 13.309, Public Meetings and Public Hearings, and shall be decided by the City Council after recommendation of the Planning Commission (which is preceded by recommendation of the Landmark Commission to the Planning Commission for applications within historic districts) pursuant to the public hearing provisions of Section 13.309, Public Meetings and Public Hearings. All involved bodies shall hold public hearings. The procedure shall incorporate the following additional requirements, which supersede any conflicting provisions in Division 13.300, Standardized Development Approval Procedures:
- 1. At any time during or after application completeness review, if the Development Services Director requires additional information pursuant to subsection 13.601.B.2 above, the Development Services Director may retain the application and notify the applicant regarding the specific information requested.

2. The applicant shall provide the additional information within 30 days of the date of the request from the Development Services Director. If the materials are not submitted within said time period, the application shall lapse.
3. The Planning Commission shall make a preliminary report and hold a public hearing on the proposed rezoning before making a final report to the City Council. The Planning Commission may defer its report for no longer than its next meeting to have an opportunity to consider revisions to the submittal that are requested from or volunteered by an applicant, which may have a direct bearing on the proposed rezoning.
4. The Development Services Director shall forward the final report from the Planning Commission to the City Council with a recommendation.

E. Decision.

1. After receiving the final report of the Planning Commission, the City Council shall hold a public hearing on the proposed rezoning and, at the close of the hearing shall, based upon the recommendations of the Development Services Director and/or Planning Commission:
 - a. Approve the rezoning by ordinance;
 - b. Approve the rezoning by ordinance with modifications;
 - c. Deny the rezoning; or
 - d. Refer the proposed rezoning back to the Planning Commission, to the Development Services Director, to a committee of the City Council, or to an ad hoc committee for further consideration and recommendation.
2. The City Council shall support its decision with written findings of fact regarding the approval criteria in Section 13.601, Procedures for Map Amendments.

SEC. 13.602 CONSIDERATIONS FOR MAP AMENDMENTS

A. Purposes. Map amendment proposals shall serve the following purposes:

1. Securing adequate light, air, convenience of access and safety from fire, flood, and other danger;
2. Lessening or avoiding congestion in public ways;
3. Promoting the public health, safety, comfort, morals, convenience, and general welfare; and
4. Otherwise accomplishing the purposes of Texas Local Government Code Chapter 211, Municipal Zoning Authority.

B. Considerations. In preparing and considering proposals for map amendments, the Planning Commission and the City Council shall pay reasonable regard to:

1. The *City of Galveston 2011 Comprehensive Plan* and any adopted neighborhood or special area plans;
2. Current conditions and the character of current structures and uses in each district;
3. The most desirable use for which the land in each district is adapted;
4. The conservation of property values throughout the jurisdiction; and

5. Responsible development and growth.

Division 13.700 Text Amendments

SEC. 13.701 PROCEDURES FOR TEXT AMENDMENTS

- A. **Generally.** The City Council may amend the text of these regulations in accordance with the procedures set forth in this Section and Division 13.300, Standardized Development Review Procedures to implement the *City of Galveston 2011 Comprehensive Plan* as it may be amended from time to time, conform to state or federal legal requirements, address changing or changed conditions or otherwise advance the public health, safety, and welfare of the City.
- B. **Initiation of Amendment.** The City Council, the Planning Commission, the Zoning Board of Adjustment, and the Landmark Commission may initiate an amendment by motion. The Development Services Director may also initiate an amendment. Others who wish to propose potential text amendments shall do so in writing to the Development Services Director.
- C. **Criteria for Text Amendments.** Recommendations and decisions regarding petitions for amendments to the text of these regulations are legislative in nature, but shall be based on consideration of all the following criteria:
 1. The proposed amendment will help to implement the adopted *City of Galveston 2011 Comprehensive Plan* or if it involves a topic that is not addressed or not fully developed in the *City of Galveston 2011 Comprehensive Plan*, the proposed amendment will not impair the implementation of the adopted *City of Galveston 2011 Comprehensive Plan* and other adopted special-area and special-topic plans when compared to the existing regulations.
 2. The proposed amendment is consistent with the stated purposes of these regulations.
 3. The proposed amendment will maintain or advance the public health, safety, or general welfare.
 4. The proposed amendment will help to mitigate adverse impacts of the use and development of land on the natural or built environment, including, but not limited to mobility, air quality, water quality, noise levels, storm water management, wildlife protection, and vegetation or will be neutral with respect to these issues.
 5. The proposed amendment will advance the strategic objectives of the City Council such as fiscal responsibility, efficient use of infrastructure, public services, and other articulated City objectives.
- D. **Procedure.** Text amendments are processed according to the sequential steps set out in Section 13.302, Pre-Application Conference (for privately initiated text amendments) through Section 13.309, Public Meetings and Public Hearings and shall be decided by the City Council after recommendation of the Planning Commission (which is preceded by recommendation of the Landmark Commission to the Planning Commission for proposed text amendments with implications for historic districts and/or landmarks) pursuant to the public meetings provisions of Section 13.309, Public Meetings and Public Hearings. Both bodies shall hold public hearings. The procedure shall incorporate the following additional requirements:
 1. **Staff Review.** The Development Services Director shall review each proposed amendment in light of the approval criteria of subsection 13.701.C, above, and refer the application to City departments or other entities as deemed necessary. Based on the results of those

reviews, the Development Services Director shall provide a report and recommendation to the Planning Commission.

2. Planning Commission Recommendation.

- a. The Planning Commission shall make a preliminary report to the City Council and hold at least two public hearings on the proposed text amendment. Following the hearings, the Planning Commission shall make a final report to the City Council.
- b. Upon receiving the final report of the Planning Commission, the Development Services Director shall draft an ordinance, submit it to the City Attorney for approval as to form, and shall forward the ordinance to the City Council for consideration.

3. City Council Action. After receiving the final report of the Planning Commission, the City Council shall vote to approve, approve with amendments, or reject the proposed amendment, based on the approval criteria in subsection C, above. The City Council also may refer the proposed amendment back to the Planning Commission for further consideration, continue a public hearing, or postpone action on an application for a period not to exceed 90 days (or shorter period if the application is being processed concurrently with a plat and the plat application is still pending at the time the amendment is postponed).

- E. No Retroactive Cure of Violations.** The amendment of the text of these Regulations may transform a legally nonconforming situation into a conforming one. However, no petition for a text amendment shall be used to cure a violation of any part of these regulations.

SEC. 13.702 CONSIDERATIONS FOR TEXT AMENDMENTS

A. Purposes. Text amendment proposals shall serve the following purposes:

1. Advancing the goals, objectives, and policies of the *City of Galveston 2011 Comprehensive Plan* and other adopted special-area and special-topic plans;
2. Securing adequate light, air, convenience of access, and safety from fire, flood, and other danger;
3. Lessening or avoiding congestion in public ways;
4. Promoting the public health, safety, comfort, morals, convenience and general welfare; and
5. Otherwise accomplishing the purposes of Texas Local Government Code Chapter 211, Municipal Zoning Authority.

B. Considerations. In preparing and considering proposals for text amendments, the Planning Commission and the City Council shall pay reasonable regard to:

1. The *City of Galveston 2011 Comprehensive Plan* and related plans;
2. Current conditions and the character of current uses and structures in each district;
3. The most desirable use for which the land in each district is adapted;
4. The conservation of property values throughout the jurisdiction; and
5. Responsible development and growth.

Division 13.800 Protests

SEC. 13.801 ZONING AMENDMENTS PROTESTS

- A. **Generally.** Protests are a way for nearby landowners to object officially to a rezoning of a parcel proposed for development or to a proposed amendment to the text of these Regulations.
- B. **Effect of Protest.** If a protest is filed according to the requirements of this Section, a rezoning shall not be granted for a parcel that is the subject of a protest nor shall a protested text amendment be approved without a favorable vote of three-fourths of all the members of City Council.
- C. **Requirements for Protests.** Protests are initiated by way of a petition, which shall include:
 - 1. The signatures of the owners of:
 - a. 20 percent of the land within such area that would be directly affected by the proposed rezoning or amendment; or
 - b. 20 percent or more of the area of the lots immediately abutting either side of the territory included in such proposed change, or separated therefrom only by an alley or street.
 - 2. A list, map, or index of the lot and block number, subdivision name, or description of each signer's property along with the street address.
- D. **Timing of Protest.** Protest petitions shall be filed with the Development Services Director not less than one week before the City Council's public hearing on the requested amendment to the text of these Regulations or the proposed rezoning.

Division 13.900 Administrative Appeals

SEC. 13.901 ADMINISTRATIVE APPEALS

- A. **Generally.** Administrative appeals are processed according to the provisions of this Section.
- B. **Appellate Bodies Designated.**
 - 1. Appeals from final decisions of City staff are heard by the Zoning Board of Adjustment, except that appeals from decisions of City staff related to subdivision regulation are heard by the Planning Commission.
 - 2. Appeals from final decisions of the Landmark Commission are heard by the Zoning Board of Adjustment.
 - 3. Appeals from final decisions of the City Council, the Planning Commission with respect to subdivision matters, and the Zoning Board of Adjustment with respect to appeals from City staff decisions or from Landmark Commission decisions are heard by a court of competent jurisdiction.
- C. **Initiation and Timing of Appeal.**
 - 1. The applicant may appeal that decision to the body specified in subsection B, above, by filing a notice of appeal with the Development Services Director or with the Historic Preservation Officer for appeals of Landmark Commission decisions. The notice of appeal

must be filed not more than 10 business days from the date of the final decision. The right of appeal terminates if the notice of appeal is not filed in this time period.

2. The notice of appeal shall specify the decision appealed from and the basis for the appeal, which shall include the specific sections of these Regulations that are alleged to have been overlooked or applied in error, and in what specific way this has affected or will affect the aggrieved party who initiated the appeal. Such statement of the basis of the appeal shall provide sufficient detail to put the City on notice with respect to the matters to be raised.
- D. **Process.** Appeals shall be processed by the body specified in subsection B., above, according to the general procedures set out in Division 13.300, Standardized Development Approval Procedures, except that:
1. Staff shall provide a report describing the nature of the decision and the notice of appeal; and
 2. No recommendations are required from boards or commissions other than the decision-maker.
- E. **Hearings and Sworn Testimony.** A public hearing shall be held on the appeal. Testimony at the public hearing shall be sworn.
- F. **Decision.** In exercising the power to decide an appeal, the decision-maker may reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from and make such order, requirement, decision, or determination as ought to be made and to that end shall have all the powers of the officer or body from whom the appeal is taken. With respect to decisions of the Zoning Board of Adjustment, the concurring vote of 73 percent of the members of the board is necessary to reverse an order, requirement, decision, or determination of a City staff member.
- G. The Zoning Board of Adjustment on appeal shall decide an appeal of a determination of whether preexisting regulations apply to an application, approval, or permit, a determination that an application, approval, or permit has expired or an application, approval, or permit is dormant based upon the following factors:
1. Whether the City received fair notice of the project and the nature of the permit sought;
 2. Whether the nature and scope of the project prevents the City from applying one or more current regulations to the proposed or pending applications;
 3. Whether any prior approved applications for the property have expired or have been terminated in accordance with law;
 4. Whether any statutory exception to a right asserted pursuant to Texas Local Government Code Chapter 243 is applicable to one or more current regulations;
 5. Whether any exemption from one or more regulations under these Land Development Regulations or other ordinances is applicable to the project; and
 6. Whether the project is dormant.
- H. **Binding determination.** If an appeal is taken to the Board of Adjustment, their decision shall be so filed with the City as related to the project and the determination shall be considered binding upon the City and the applicant for the life of the project. The Zoning Board of Adjustment's decision on appeal shall be filed in the office of the Director of Development Services.

- I. **Judicial Review.** Should the applicant or City be aggrieved by or dissatisfied with the decision of the Zoning Board of Adjustment, the applicant or City may pursue all legal remedies to appeal the decision to a court of competent jurisdiction pursuant to Texas Local Government Code, Chapter 211.

Division 13.1000 Interpretations

SEC. 13.1001 ADMINISTRATIVE INTERPRETATIONS

- A. **Generally.** Any person may request an administrative interpretation of the terms, provisions, or requirements of these regulations if the application of the terms, provisions, or requirements is not obvious.
- B. **Applicability.** This Section applies to any request to interpret a provision of these Regulations.
- C. **Application Fee.**
 - 1. It is the intent of the City Council that these regulations be accessible and clear to the residents, business owners and landowners in the City, and that the spirit of Texas Local Government Code Chapter 552, Public Information, be observed. As such, City staff will provide:
 - a. General information to residents, business owners, and landowners with respect to the zoning districts that apply to property;
 - b. References to the standards that may be applied to individual uses or buildings; and
 - c. Requested public records that are related to the administration and enforcement of these regulations.
 - 2. It is not the intent of the City Council that the Development Services Director affirmatively evaluates the full development potential of individual properties or resolves other such detailed inquiries about specific properties or issues without a pending application.
 - 3. Within these guidelines, the Development Services Director is authorized to waive the application fee for specific inquiries that do not involve material time commitments or copying costs and to charge an hourly research fee for broad inquiries that are likely to involve material time commitments. Such fee shall be according to a fee schedule promulgated by City Council resolution.
- D. **Process.** The interpretation is made by the Development Services Director or other City staff member charged with administering the provision for which an interpretation is requested. The responsible City staff member and the City are not obligated to render an interpretation. The interpretation is not subject to appeal, although related appeals may proceed as provided in these Regulations (*e.g.*, appeals of decisions on applications that may be impacted by the interpretation). After an interpretation is issued, the Development Services Director may propose a text amendment to these Regulations to codify the interpretation.
- E. **Application Requirements.**
 - 1. Applications for interpretations shall be submitted on a form approved by the Development Services Director.

2. The applicant shall cite the specific provision for which interpretation is sought, a description of a hypothetical situation or scenario to which the application of these regulations is in question, and a statement of the nature of the interpretation sought.
- F. **Decision.** Within 10 business days after the application for an interpretation is filed, the Development Services Director shall make a good faith effort to interpret the provision that is the subject of the application. The response to the interpretation request may require more time if additional information is needed or input from others is pending. The response to the applicant shall be in writing, and the Development Services Director shall keep a copy of the response in a record of interpretations.
- G. **Standards for Interpretations.** The interpretation shall be based on:
1. The materials or scenario posed by the applicant;
 2. The plain and ordinary meaning of the terms that are subject to the application for an interpretation as set out in *Webster's Third New International Dictionary* or other current and authoritative dictionaries;
 3. The purpose statement for the Section of these regulations that is the subject of interpretation;
 4. Any other provision of the *City of Galveston 2011 Comprehensive Plan*, the City of Galveston Code of Ordinances, state law or federal law that are related to the same subject matter;
 5. Any technical meanings of the words used in the provision subject to interpretation;
 6. Other interpretations rendered by the City relating to the same or related provisions of these regulations;
 7. The consequences of the interpretation;
 8. The legislative history;
 9. The problem or issue that is addressed by the provision subject to interpretation; and
 10. Sources outside of the regulatory provision that provide a related source for the definition, such as technical or professional literature.
- H. **No Legal Advice.** The City does not provide legal advice to applicants or property owners. Private parties, including purchasers, lenders, title insurers, and others are advised to seek legal opinions from their attorneys with respect to specific potential applications of these Regulations. No interpretation provided by City staff pursuant to this Section shall be construed as legal advice.
- I. **No Binding Effect.** It is the policy of the City to evaluate applications for development approval comprehensively on their individual merits. Therefore, interpretations may be persuasive to the applicable development review bodies, but they are not binding on the City.
- J. **Recordkeeping.** The Development Services Director shall keep records of interpretations made pursuant to this Section.

Division 13.1100 Fees

SEC. 13.1101 AUTHORITY TO ESTABLISH FEES

- A. **Generally.** Fees for the administration of these regulations shall be established as provided in ~~this Section~~; [table 13.1101, below](#).

Table 13.1101	
ZONING	
Zoning Change (includes SUP, Zoning Text Change, and Classification of New and Unlisted Use)	\$1,000 (plus cost of signage and associated fees)
Planned Unit Development (PUD)	\$1,200 Master/Concept Plan and Revision; and, \$300 Minor Amendment to PUD Plan (admin)
Variance	\$375
Appeal	\$350
Zoning Verification Letter	\$100
Zoning Analysis	\$500
Certificate of Zoning Compliance (COZC)	\$100
SUBDIVISION	
Minor Plat	\$250
Preliminary Plat	\$750
Final Plat	\$750
Subdivision Variance	\$375
REAL ESTATE	
Abandonment	\$1,000 application plus fair market value
BEACHFRONT	
Beachfront Construction and Dune Protection Permit	\$500 (plus \$200 fibercrete maintenance fee per state, when applicable)
Beachfront Construction and Dune Protection Permit – Planning Commission Review	\$750 (plus \$200 fibercrete maintenance fee per state, when applicable)
Beach Maintenance Permit	\$500
DEVELOPMENT	
Site Plan Review	\$100 Residential, \$200 Commercial, \$500 HDDZ, and \$50 Historic
Height and Density Development Zone (HDDZ) Design Review	Based on professional services cost
Sign	\$100
Tree Mitigation	\$125 per caliper inch up to 12 inches and \$200 per caliper inch more than 12 inches
LANDMARK	
New Construction	\$250
Demolition	\$500
MISCELLANEOUS	
GIS Map	\$100 per linear foot
Plot Plan Reproduction	\$50 per page

- B. **Authority.** The City Council shall, from time to time, establish fees by resolution for the processing and review of the various applications that are required by these Regulations. The fees shall be reasonable but shall not exceed the actual costs to review the applications while also providing for monitoring of compliance for permits that require periodic renewal and developments approved subject to conditions. The City Council may provide for a flat fee plus require the reimbursement of extraordinary costs to the City that are necessitated by an application, such as fees for expert technical review or advice from consultants or fees for legal review.
- C. **Relationship to Application.** No application shall be eligible to be determined complete until all application fees are paid in full including escrow fees.

ARTICLE 14. DEFINITIONS

Division 14.100 Word Usage

SEC. 14.101 WORD USAGE

- A. **Generally.** The rules of this Division shall be observed and applied when interpreting these Regulations, except when the context clearly requires otherwise.
- B. **Word Usage.** Words shall be interpreted as follows:
1. Words used or defined in one tense or form shall include other tenses or forms.
 2. Words in the singular number shall include the plural number. Words in the plural number shall include the singular number.
 3. The masculine gender shall include the feminine. The feminine gender shall include the masculine.
 4. The words "shall" and "will" are mandatory.
 5. The words "may" and "should" are permissive.
 6. The word "person" includes individuals, partnerships, firms, corporations, associations, trusts and any other similar entities or combination of individuals.
 7. The word "building" includes structures.
 8. The word "lot" includes plots and tracts.

SEC. 14.102 ABBREVIATIONS AND ACRONYMS

- A. **Abbreviations.** The following abbreviations are used in these regulations:

1. [-: Prohibited Use](#)
2. ac: acre
3. [C: Commercial-Mixed Use](#)
4. [CB: Central Business](#)
5. DBH: diameter at breast height
6. du or du's: dwelling unit(s)
7. ft: feet
8. [H: Historic](#)
9. [HI: Industrial, Heavy](#)
10. [L: Limited](#)
11. [LI: Industrial, Light](#)
12. max: maximum
13. [MF: Multifamily](#)
14. min: minimum
15. n.a.: not applicable
16. [P: Permitted](#)
17. [R-0: Restricted Residential, Single-Family](#)
18. [R-1: Residential, Single-Family](#)
19. [R-2: Residential, General Duplex – Eightplex](#)
20. [RES/REC: Resort/Recreation](#)
21. [S: Specific Use](#)
22. sf: square feet

23. [TN: Traditional Neighborhood](#)

24. [UN: Urban Neighborhood](#)

B. Acronyms. The following abbreviations are used in these regulations:

1. [AASHTO: American Association of State Highway and Transportation Officials](#)
2. [ADU: Accessory Dwelling Unit](#)
3. [ANSI: American National Standards Institute](#)
4. [ATMs: Automated Teller Machine](#)
5. [BFE: Base Flood Elevation](#)
6. [CCRs: Covenants, Conditions and Restrictions](#)
7. [CEVMS: Changeable Electronic Variable Message Signs](#)
8. [DADS: Texas Department of Aging and Disability Services](#)
9. [DBH: Diameter at Breast Height](#)
10. [DXF file: Standard Digital Exchange Format](#)
11. [EEHD: East End Historical District](#)
12. [EMCs: Electronic Message Centers](#)
13. [ETJ: Extraterritorial Jurisdiction](#)
14. [FAA: Federal Aviation Administration](#)
15. FAR: Floor Area Ratio
16. [FCC: Federal Communications Commission](#)
17. FEMA: Federal Emergency Management Agency
18. FIRM: Flood Insurance Rate Map
19. [FIRMs: Flood Insurance Rate Maps](#)
20. [GL: Galveston Landmark](#)
21. GLO: Texas General Land Office
22. [HDDZ: Height and Density Development Zone](#)
23. [HOD: Historic Overlay District](#)
24. HPO: Historic Preservation Officer
25. [HZD: Historic Zoning District](#)
26. [LBHD: Lost Bayou Historical District](#)
27. [LCD: Liquid Crystal Displays](#)
28. LDR: Land Development Regulations
29. [LED: Light Emitting Diode](#)
30. [LTU: License to Use](#)
31. [NAVD: North American Vertical Datum 1988](#)
32. [NCD: Neighborhood Conservation District](#)
33. [NCP: Neighborhood Conservation Plan](#)
34. [NDS: Neighborhood Design Standard](#)
35. [PUD: Planned Unit Development](#)
36. [RVs: Recreational Vehicles](#)
37. [SHPO: State Historic Preservation Officer](#)
38. [SSHD: Silk Stocking Historical District](#)
39. [SUP: Specific Use Permit](#)
40. [TAS: Texas Accessibility Standards](#)
41. [TCEQ: Texas Commission on Environmental Quality](#)
42. [TND: Traditional Neighborhood Development](#)
43. [TUP: Temporary Use Permit](#)
44. [UE: Utility Easements](#)

SEC. 14.103 USE DEFINITIONS

This Section provides definitions of terms and phrases that are not defined in other Articles of these regulations:

Accessory Building means a structure that is subordinate to a principal building, and which serves a purpose that is customarily incidental to but clearly associated with the principal use. Examples of residential accessory buildings and structures include storage sheds, gazebos, home workshops, children's playhouses, greenhouses or other garden shelters, and detached residential garages and carports.

Accessory Dwelling Unit means a subordinate and complete dwelling unit that is accessory to the principal residential or nonresidential use on the same lot or parcel, whether integrated within, attached to, or detached from the principal structure. Occupants of an accessory unit associated with a principal residential use may include persons employed to work on the premises as a domestic worker or caretaker (e.g., nurse, nanny or "house-sitter"). The phrase does not include a "live-work unit" or a "single-family attached" dwelling such as a duplex or townhome.

Accessory Use means a use located on the same lot or parcel that is customarily associated with but incidental and subordinate to a particular principal use.

Adult Day Care means a facility that provides care for the elderly and/or functionally impaired adults in a protective setting for a portion of a 24-hour day.

Adult Use means:

1. Any use of property available to the public, whether for profit or not, that:
 - a. Involves nude or topless dancing;
 - b. Predominantly advertises and offers material and/or items that depict and/or are generally used in sexual activity; or
 - c. Allows other similar activities that depict, describe, simulate or relate to sexual activities.
2. Not limiting the preceding, the phrase shall also include any:
 - a. Bookstore/shop in which the primary type of material offered is of a sexual nature;
 - b. Motion picture arcade/motion picture theater in which the predominant type of material shown depicts sexual acts;
 - c. Cabaret/lounge/night club in which the predominant attraction is nude or topless dancing; or
 - d. Health spa/sauna in which services of a sexual nature are offered to the public.
3. Not limiting the preceding, and with respect to specific business types, the phrase shall also include, but is not limited to, any:
 - a. Adult arcade;
 - b. Adult bookstore or supply store;
 - c. Adult cabaret, lounge or night club;
 - d. Adult health spa or sauna;
 - e. Adult hotel or motel;
 - f. Adult model studio;
 - g. Adult motion picture theater;
 - h. Escort agency;
 - i. Lingerie modeling studio;
 - ~~j. Massage parlor;~~
 - ~~k. j.~~ Sexual encounter center; or

[L.k.](#) Any other business that offers its patrons services or entertainment that provide nude dancing or other live recording performances that depict, describe or relate to “specified anatomical areas” or “specified sexual activities.”

Agricultural Support means commercial, service and other uses that support agricultural uses, including:

1. Farm/ranch supply services;
2. Farm/ranch equipment dealers;
3. Grain storage; and
4. Large animal or livestock veterinarians, which involves an animal hospital or clinic that provides services for horses and other livestock.

Agriculture/Urban Farming means land, with and without farm residences, used for field crops, orchards, viniculture, aquaculture and truck farming. The term includes the raising or breeding of livestock, horses, poultry and/or bees. The term includes the necessary accessory uses for storing the products and inputs needed to produce them. The term does not include a “community garden.”

Airport means all facilities for the take-off and landing of aircraft, including flight training schools. The term does not include:

1. Airstrips for personal aircraft for the private use of an individual; and
2. “Heliports” that are accessory to another use, such as a hospital.

Alcoholic Beverage Sales, Package means an establishment engaged in the sale of alcoholic beverages for off-premises consumption.

Arena or Stadium means an enclosed building or open structure with tiers of seats rising around a field, court or track, intended to be used primarily for the viewing of athletic events, but may also be used for entertainment and other public gathering purposes, such as conventions, circuses, concerts, or horse or dog racing. The terms do not include a motor raceway, amphitheater, live theater or concert hall.

Assisted Living Facility means an establishment that:

1. Furnishes, in one or more facilities, food and shelter to four or more persons who are unrelated to the proprietor of the establishment;
2. Provides:
 - a. Personal care services; or
 - b. Administration of medication by a person licensed or otherwise authorized in this State to administer the medication; and
3. May provide assistance with or supervision of the administration of medication.

Auto Service/Fueling or Charging Station means a service establishment primarily engaged in the repair of automobiles, not including body repair or painting or an establishment engaged in the retail sale of vehicle fuel, lubricants, parts and accessories. These uses include service stations with convenience stores, self-service auto washes, and facilities having service bays for vehicle service and repair. The service and repair may include incidental maintenance and repair of automobiles and light trucks, but shall not include maintenance and repair of large trucks, or body and fender work or automobile painting on any vehicles.

Automotive Wrecking and Salvage Yard; Junkyard; Recycling Business means:

1. *Automotive Wrecking and Salvage Yard* means an outdoor place where a person stores three or more vehicles for the purpose of dismantling or wrecking the vehicles to remove parts for sale or for use in automotive repair or rebuilding.
2. *Junkyard* means a place where a business that owns junk, and is operated to store, buy or sell junk, keeps all or part of the junk outdoors until the business disposes of the junk.
3. *Recycling Business* means a business that is primarily engaged in the business of:
 - a. Converting metal or other material into raw material products that have:
 - i. Prepared grades; and
 - ii. An existing or potential economic value;
 - b. Using raw material products described by 3.a., above, in the production of new products; or
 - c. Obtaining or storing metal or other material for a purpose described by 3.a. or 3.b., above.

Bar means an establishment in which the principal business is the sale of alcoholic beverages for on-premises consumption. The term does not include a restaurant. For the purpose of this section a nightclub is considered a bar/tavern and means a commercial establishment which combines the consumption of alcoholic beverages (sold at the facility or brought in by patrons) on the premises with dancing and/or musical or other entertainment. Within the CB district a bar, retail establishment, night-club, or restaurant use may sell alcoholic beverages for off-premise consumption.

Bed and Breakfast means an owner-occupied/[resident manager](#) private home that offers lodging for paying guests, that may serve breakfast to these guests, and that allows for limited social functions as addressed in these regulations.

Boarding House, Dormitory, Fraternity or Sorority means any dwelling, other than a hotel or bed and breakfast establishment, where, for compensation:

1. Lodging and meals are provided; or
2. Sleeping accommodations and common kitchen facilities are provided for individuals while they are enrolled at an educational institution.

[**Boat** means a vehicle designed for travel on water. A boat shall not be considered as a recreational vehicle, passenger motor vehicle, seaplane, or similar vehicles.](#)

[**Boat Repair Facility** means a repair shop which could include a boat repair garage and boat storage yard where boats are repaired and stored until repairs are completed.](#)

[**Boat Sales or Rental** means a marine sales or rental use in which boats 46 feet or less in length are sold or rented.](#)

~~**Campground/RV Park** means a form of commercial lodging where guests bring tents, travel trailers, recreational vehicles (RVs), campers or other similar forms of shelter. The campground rents pads to the guests. The term "campground" also includes the phrase "RV Park."~~

Cemetery means a place that is used or intended to be used for interment of human remains or cremated remains, and includes, but is not limited to, any of the following:

1. *Columbarium* means a durable, fireproof structure, or a room or other space in a durable, fireproof structure, containing niches and used or intended to be used to contain cremated remains.

2. *Graveyard or Burial Park* means a tract of land that is used or intended to be used for interment in graves.
3. *Mausoleum* means a durable, fireproof structure used or intended to be used for entombment.

Child Care Facility, Day Care (Commercial) means a child-care facility that provides care at a location other than the residence of the director, owner, or operator of the child-care facility for seven or more children under 14 years of age for less than 24 hours a day, but at least two hours a day, three or more days a week.

Child Care Facility, Day Care (Residential) means a facility licensed or certified by the Texas Department of Family and Protective Services that operates for all of the 24-hour day.

Cleaning/Laundry Pick-Up means an establishment providing laundering, dry cleaning and/or custom cleaning of garments and other household materials (e.g., curtains, bedspreads) but only for customer drop-off and pick-up of items as the cleaning services are performed off premises.

Cleaning/Laundry-Mat Facility means an establishment providing laundering, dry cleaning and/or custom cleaning of garments and other household materials (e.g., curtains, bedspreads) where the cleaning services are performed on premises, with a pick-up station component for customer drop-off and pick-up of items. Cleaning/Laundry-Mat Facility also means an establishment where facilities are available for customers to complete their own laundering with limited assistance. Also commonly known as a Laundromat or Washateria. In some cases the cleaners and laundry-mat activity may be combined.

Clinic/Medical Lab /Medical Office means office space used by health care professionals for the examination and/or treatment of patients on an outpatient basis, with no overnight stays by patients. A medical office may include a medical lab and/or clinic which is a facility offering diagnostic or pathological testing and analysis of blood, blood fluids, pathological specimens, DNA sampling and analysis, and any other diagnostic test generally recognized in the healthcare industry. The term includes immediate care facilities, where urgent care treatment is the dominant form of care provided at the facility, but does not include a hospital or state-designated trauma center.

College / University / Vo-Tech means a community college, college, university, vocational / technical school, trade school, language school, business school, training center, beauty school, culinary school and comparable advanced or continuing education facilities. The term does not include music schools, fitness centers, sports instruction, swimming instruction or martial arts instruction.

Commercial Amusement/~~Recreation~~, Indoor means uses that provide commercial amusement indoors (except adult uses), including, but not limited to:

1. Bowling alleys and pool rooms;
2. Indoor skating rinks (ice or roller);
3. Indoor velodromes;
4. Internet cafes;
5. Local area network computer gaming centers;
6. Movie theaters and live performance theaters;
7. Museums and aquariums;
8. Shooting ranges (indoor), which means a building open to the general public wherein the shooting of firearms is allowed for the practice of marksmanship; and
9. Video arcades.

The phrase does not include indoor shooting ranges that are maintained or operated by a police department or United States military branch and that are not available to the general public. The phrase also does not include a casino, casino hotel, event wagering establishment or similar use.

Commercial Amusement, Outdoor means uses that provide commercial amusement outdoors (except adult uses), including, but not limited to:

1. Amphitheaters or other outdoor concert facilities;
2. Amusement parks or theme parks;
3. Batting cages;
4. Bungee jumping;
5. Drive-in theaters;
6. Fairgrounds or exhibition area;
7. Go cart track;
8. Golf driving ranges;
9. Miniature golf establishments;
10. Para sailing;
11. Shooting ranges (outdoor), which means the use of land for archery and/or the discharging of firearms for the purposes of target practice, skeet and trap shooting, and mock war games; and
12. Water slides.

Commercial Lodging means a place that offers overnight accommodations for short-term rental, including hotels and motels. The phrase also includes hotels that offer convention facilities or meeting rooms. This use does not include the short term rental of residential dwelling units.

~~**Commercial Retail** means commercial and retail uses that do not include regular outside storage or sales. The phrase includes:~~

- ~~1.—Furniture and home furnishings stores;~~
- ~~2.—Electronics and appliance stores;~~
- ~~3.—Paint and wallpaper stores;~~
- ~~4.—Hardware stores;~~
- ~~5.—Food and beverage stores;~~
- ~~6.—Health and personal care stores;~~
- ~~7.—Clothing and clothing accessory stores;~~
- ~~8.—Shoe repair;~~
- ~~9.—Personal custom services such as tailor or milliner (hats);~~
- ~~10.—Sporting goods, hobby, book and music stores;~~
- ~~11.—General merchandise stores; and~~
- ~~12.—Miscellaneous store retailers; and~~
- ~~13.—Gun shops, which includes any premise or portion thereof used principally for the sale of firearms, ammunition and/or ammunition components, or hunting and shooting equipment. The term does not include a department or specialty sales area that occupies less than half the floor area of a sporting goods or general merchandise store. The subject establishment shall not be located within 1,000 feet of a school, place of worship, or park, and shall be subject to local, State and Federal laws. If located within a residential dwelling as a home-based business, the use shall not involve retail or wholesales sales activity, except for sales distributors who fill orders for catalog type products and then make deliveries to the customer location, as opposed to customers coming to the place of business.~~

Commercial Stable means the stabling, training and feeding of horses, or the provision of riding facilities for the use of anyone other than the resident of the property. Equestrian trails that are

constructed as part of the common open space of a subdivision and intended for the exclusive use of residents of the subdivision are not commercial stables.

Commercial Warehousing and Logistics means indoor warehousing, distribution or logistics facilities; retail distribution centers; order fulfillment centers; and moving and storage services (including full-service moving and storage and indoor storage of shipping containers). The term does not include “self storage”; “wholesale”; or warehousing and distribution that are accessory to a light industrial or heavy industrial facility, nor parcel service drop-off locations that are not accessory to a parcel service processing facility.

~~**Community Care Facility** means a facility that provides 24-hour residential care or less than 24-hour day care for individuals rehabilitating from drug or alcohol abuse or addiction, for mentally impaired or emotionally disturbed individuals, or for battered or abused children or adults. The term does not include a “correctional or rehabilitation facility” or halfway houses for prison parolees or juveniles.~~

Community Garden means a private or public area of land that is used for the noncommercial cultivation of fruits, herbs, flowers, vegetables or ornamental plants by more than one person or family.

Condominium means three or more dwelling units in a multiunit building, that is separately owned and may be combined with an undivided interest in the common areas and facilities of the property.

Correctional or Rehabilitation Facility means a probation or parole office or a residential facility that:

1. Is operated by an agency of the state, a political subdivision of the state, or a private vendor operating under a contract with an agency of the State or a political subdivision of the State; and
2. Houses persons convicted of misdemeanors or felonies or children found to have engaged in delinquent conduct, regardless of whether the persons are housed in the residential facility:
 - a. While serving a sentence of confinement following conviction of an offense;
 - b. As a condition of probation, parole or mandatory supervision; or
 - c. Under a court order for out-of-home placement under Title 3, Texas Family Code, other than in a foster home operated under a contract with the Texas Youth Commission.

Cottage Food Production means the production and sale of cottage food products as defined and governed by state statute and exempted from municipal zoning regulations.

Credit Access Business means a credit services organization that obtains for a consumer or assists a consumer in obtaining an extension of consumer credit in the form of a deferred presentment transaction or a motor vehicle title loan.

Director of Development Services means the Director of the City’s Development Services Department, or their designee.

Duplex means a building that contains two dwelling units providing independent living facilities under one roof, side by side or one on top of the other separated by a common wall on a single lot.

Family Care Facility means a facility that provides temporary 24-hour residential care for children and their adult parents/guardians due to homelessness or physical threat of or actual family violence.

Fine Arts Instruction means uses that involve instruction or place designed for the practice of one of the fine arts including, but not limited to, drawing, vocal or instrumental music, painting, poetry, and other similar artistic disciplines.

Flea Market means a building or open area in which individual stalls or sales areas are rented or otherwise provided, which are intended for use by various unrelated individuals or businesses to sell articles that are either homemade, homegrown, handcrafted, old or obsolete, or antique, and may include the selling of new or used goods at retail by businesses or individuals who are generally engaged in retail trade. There are two types of flea markets:

1. Outdoor Flea Markets. Outdoor flea markets are flea markets that provide outdoor space to vendors. Outdoor flea markets operate daily or periodically, but are permanent land uses.
2. Indoor Flea Markets. Indoor flea markets are flea markets that provide indoor spaces to vendors. The spaces are typically designed so that they may be individually secured and quickly reconfigured (such as through the use of chain link fencing for walls). Indoor flea markets typically operate daily.

The term does not include “garage sale” (which is a temporary use), nor does it include retail stores that lease space to vendors but offer a common checkout area for all items that are sold at the store (which are “commercial retail” uses), nor does it include shopping malls (which offer bays that are separated from each other with solid walls), nor farmers markets.

Floor Area means the net horizontal area of a floor or several floors of a building or structure, excluding those areas not directly devoted to the principal or accessory use of the building or structure, such as storage areas and closets, stairwells, etc., measured from the exterior faces of exterior or interior walls.

Golf Carts, Sales and Service means a facility for the sale and repair of golf carts, a motor vehicle designed by the manufacturer primarily for transporting persons on a golf course. Gasoline powered golf carts are to remain in all auto oriented uses.

Gross Floor Area means the area of all floors in a building, extended to exterior walls, without deduction for corridors, stairways, closets, the thickness of interior walls, columns or other features, and not including the area of voids between floors.

Gun Shop means any premise or portion thereof used principally for the sale of firearms, ammunition and/or ammunition components, or hunting-related shooting equipment. The term does not include a department or specialty sales area that occupies less than half the floor area of a sporting goods or general merchandise store.

Heavy Industry means:

1. Primary processing or manufacturing or repair operations not specifically defined elsewhere in this Section, which involve:
 - a. An outside storage area that is larger than the area of the first floor of buildings on the same lot;
 - b. A material risk of environmental contamination, explosion or fire;
 - c. Perceptible ground vibration;
 - d. Excessive noise or dust;
 - e. Emission of objectionable odors; or
 - f. More than 12 trips by semi-trailer trucks per day; or

2. Processing of minerals (except precious and semi-precious stone cutting for jewelry or precision instruments such as lasers or watches), ores or fossil fuels; or
3. Industries that are required to undergo New Source Review under the Federal Clean Air Act, or are subject to construction or operation permits pursuant to the Texas Clean Air Act (Tex. Health and Safety Code Ch. 3842) or Title V of the Federal Clean Air Act.
4. For illustrative purposes, heavy industrial uses include, but are not limited to:
 - a. Coal cleaning plants with thermal dryers; coke oven batteries; carbon black plants (furnace process); petroleum refineries; petroleum storage and transfer units (except retail gasoline stations); and bulk fuel dealers;
 - b. Facilities used in the primary or secondary production of metals (e.g., primary zinc, copper or lead smelters; primary aluminum ore reduction plants; iron and steel mills; sintering plants; secondary metal production plants; and blacksmith shops);
 - c. Portland cement plants;
 - d. Sawmills and pulp mills;
 - e. Incinerators with the capacity to charge more than 250 tons of refuse per day;
 - f. Lime plants; phosphate rock processing plants; sulfur recovery plants; and hydrofluoric, sulfuric or nitric acid plants;
 - g. Fossil fuel combustion (boilers or electricity generation) totaling more than 250 million BTUs per hour of heat input;
 - h. Fabrication of building materials such as countertops, drywall and cut stone;
 - i. Fabrication of vehicles, manufacturing equipment, durable goods or pre-fabricated homes or home components;
 - j. Auto or marine body, paint or upholstery shops;
 - k. Drycleaner processing plants that use PERC (the chemical solvent Perchloroethylene, an alternate name for Tetrachloroethylene, that is also commonly referred to as “dry-cleaning fluid”) or comparable petrochemical solvents;
 - l. Meat or seafood processing plants;
 - m. Manufacture of glass products (e.g., window panes, bottles and jars), except hand-blown products;
 - n. Manufacture of plastic products (except assembly of parts that are manufactured elsewhere);
 - o. Plasma arc welding, cutting, gouging, surfacing or spraying; gas welding (but not brazing); arc welding with equipment that is rated at more than 200 amps; TIG welding; and other heavy welding procedures (e.g., for structural steel, automotive body, or heavy equipment manufacture or repair);
 - p. Hot mix asphalt plants.

Heavy Vehicle, Manufactured Home, Watercraft or Aircraft Sales or Rental means a business engaged in the sales or rental of heavy trucks, mechanized construction equipment, boats [more than 46 feet in length](#), or aircraft.

Heliport means an area designed to be used for the landing or take-off of helicopters, including operations facilities, such as maintenance, loading and unloading, storage, fueling or terminal facilities. Unlike a “helistop”, the use of a heliport is not limited to a specific user or purpose.

Helistop means an area used for the take-off and landing of private helicopters for the purpose of picking up and discharging of passengers or cargo. The use of the helistop is restricted to specific users or purposes (e.g., tenants of a corporate park or a hospital trauma center), and the term does not include facilities for general helicopter aviation use.

Home-Based Business means a business that is operated out of a dwelling unit but remains an accessory use to the principal residential use. The business may employ up to two persons who do not live in the dwelling unit and work within the dwelling unit.

Home-Based Occupation/~~Business~~ means a business that is operated out of a dwelling unit but remains an accessory use to the principal residential use. The business may not employ persons who do not live in the dwelling unit.

Homeless Shelter means a supervised public or private facility that provides temporary living accommodations for homeless individuals.

Hospital means a "general hospital" or a "special hospital" as defined in Tex. Health and Safety Code § 241.003, and includes all subclassifications thereof, or a "freestanding emergency medical care facility" as defined in Tex. Health and Safety Code § 254.001:

1. *General Hospital* means an establishment that:
 - a. Offers services, facilities and beds for use for more than 24 hours for two or more unrelated individuals requiring diagnosis, treatment or care for illness, injury, deformity, abnormality or pregnancy; and
 - b. Regularly maintains, at a minimum, clinical laboratory services, diagnostic X-ray services, treatment facilities including surgery or obstetrical care or both, and other definitive medical or surgical treatment of similar extent.
2. *Special Hospital* means an establishment that:
 - a. Offers services, facilities and beds for use for more than 24 hours for two or more unrelated individuals who are regularly admitted, treated and discharged and who require services more intensive than room, board, personal services and general nursing care;
 - b. Has clinical laboratory facilities, diagnostic X-ray facilities, treatment facilities or other definitive medical treatment;
 - c. Has a medical staff in regular attendance; and
 - d. Maintains records of the clinical work performed for each patient.
3. *Freestanding Emergency Medical Care Facility* means a facility, structurally separate and distinct from a hospital, that receives an individual and provides emergency care.

Hospital House Establishment means a residential structure, administered by a resident manager or 24-hour on-site management, which provides lodging only for families of children who are being treated for serious injuries and/or long-term illnesses and for those children being treated on an out-patient basis.

Improved Public Open Space means open space areas that are visible and accessible to the public during daylight hours.

1. Areas considered improved public open space may include:
 - a. Plazas;
 - b. Courtyards directly accessible from the street;
 - c. Landscaped park or pocket park areas;
 - d. Landscaped front and side yard setback areas;
 - e. Landscaped areas within view corridors; and
 - f. Improved waterfront areas with direct public access.
2. Areas not considered improved public open space include:
 - a. Landscaping in parking areas;

- b. Areas not visible from adjacent streets or located along through pedestrian connections; and
- c. Fenced front or side yard areas.

Industrial Housing means a residential structure that is:

- 1. Designed for the occupancy of one or more families;
- 2. Constructed in one or more modules or constructed using one or more modular components built at a location other than the permanent site; and,
- 3. Designed to be used as a permanent residential structure when the module or the modular component is transported to the permanent site and erected or installed on a permanent foundation system.

This definition includes the structure's plumbing, heating, air conditioning and electrical systems. Industrialized housing does not include:

- 1. A residential structure that exceeds three stories or 49 feet in height as measured from the finished grade elevation at the building entrance to the peak of the roof;
- 2. Housing constructed of a sectional or panelized system that does not use a modular component; or
- 3. A ready-built home constructed in a manner in which the entire living area is contained in a single unit or section at a temporary location for the purpose of selling and moving the home to another location.

Industrialized Building means a commercial structure that is:

- 1. Constructed in one or more modules or constructed using one or more modular components built at a location other than the commercial site; and
- 2. Designed to be used as a commercial building when the module or the modular component is transported to the commercial site and erected or installed.

This definition includes the structure's plumbing, heating, air conditioning and electrical systems. An industrialized building does not include:

- 1. A commercial structure that exceeds three stories or 49 feet in height as measured from the finished grade elevation at the building entrance to the peak of the roof.
- 2. A permanent commercial structure and a commercial structure designed to be transported from one commercial site to another commercial site.

Kennel means any premises where any combination of dogs, cats or other household pets, totaling four or more animals, six months of age or older, are kept and boarded for the intention of profit or rescue.

Library means a building containing printed and electronic information, and pictorial material for the public use and purpose of study, reference, and recreation.

Light Industry means uses that involve assembly, compounding, packaging or treatment of products from previously prepared materials, with limited outside storage and limited external effects or risks. For illustrative purposes, light industrial uses include:

- 1. Assembly or refurbishing of products, instruments, electronics, office and computing machines, and fixtures from pre-manufactured components;
- 2. Offices of general contractors, specialty subcontractors, or tradesmen which include:
 - a. Bay door access to indoor storage of tools, parts and materials;
 - b. Parking of commercial vehicles; or

- c. Outdoor storage areas that are smaller than the area of the first floor of the building, and that are used for storage of materials or vehicles that are less than 12 feet in height.
3. Communications facilities, except wireless telecommunications facilities;
4. Data centers, server farms, telephone exchange buildings and telecom hotels;
5. Food and beverage production and packaging other than meat and seafood processing, restaurants or produce packing that does not involve other processing;
6. Furniture making or refinishing;
7. Manufacture of textiles or apparel;
8. Screen printing of apparel;
9. Commercial cleaning, dyeing or laundry plant;
10. Printing and publishing, except copy centers, and except printing presses that require a Texas Clean Air Act Permit or a Federal Clean Air Act Permit (these are heavy industry);
11. Disassembly of consumer electronics and/or appliances into component parts, where all operations and storage are within an enclosed building;
12. Manufacture or compounding of pharmaceutical products, dietary supplements, health and beauty products, and herbal products; and
13. Packaging of consumer products.

Live-Work Unit means a dwelling unit that provides space that is designed for one or more commercial or office uses that are allowed in the zoning district. Access between the dwelling unit and the commercial or office space is provided within the unit.

~~**Manufactured Home Development** means a development of manufactured home lots, which are platted areas situated with*in the park that meet the standards of these regulations.~~

Marina means waterfront establishments whose business is offering marine sporting equipment and the servicing, repair and storage of boats on water. Such establishments may also provide lift services, slip rental, gasoline, bait, food or drink, and sanitary pumping. Other complementary on-site activities and services may include boat chartering, dry storage and launching, watercraft sales and/or rental, visitor facilities (e.g., showers, self-service laundry), and promotional events (e.g., fishing tournaments).

Mining / Extraction means uses that involve extraction of minerals and fossil fuels from the ground, including surface and subsurface mining, drilling and quarrying facilities.

Multi-family Residential means: A building, group of buildings, or portion of a building that contains (3) three or more dwelling units on a single parcel under single ownership. Structural types of multiple family dwellings may include triplexes, multiplexes, and high-rise buildings.

~~1.—Buildings that contain multiple dwelling units.~~

~~2.—Dwelling units that are located inside of mixed-use buildings.~~

The term does not include “boarding house, dormitory, fraternity or sorority” uses; “bed and breakfast” establishments; ~~“single-family attached dwellings”~~; or “commercial lodging.”

Floor Area means the net horizontal area of a floor or several floors of a building or structure, excluding those areas not directly devoted to the principal or accessory use of the building or structure, such as storage areas and closets, stairwells, etc., measured from the exterior faces of exterior or interior walls.

Nightclub means a commercial establishment which combines the consumption of alcoholic beverages (sold at the facility or brought in by patrons) on the premises with dancing and/or musical entertainment.

Nursery or Greenhouse, [Retail](#) means an enterprise that conducts the retail ~~and/or wholesale~~ sale of plants grown on [or off](#) the premises. The phrase also includes, as an accessory use, the sale of a limited selection of items (e.g., soil, planters, pruners, mulch, or rock, but not power equipment) that are directly related to the care and maintenance of landscapes.

Nursery Wholesale means an enterprise that conducts wholesale of plants and items directly related to the care and maintenance of landscapes.

Nursing / Convalescent Home means an establishment that:

1. Furnishes, in one or more facilities, food and shelter to four or more persons who are unrelated to the proprietor of the establishment; and
2. Provides minor treatment under the direction and supervision of a physician licensed by the Texas Medical Board, or other services that meet some need beyond the basic provision of food, shelter and laundry.

Office means uses in which professional, business, information processing or financial services are provided. The term includes such uses as:

1. Accounting, auditing and bookkeeping;
2. Administration of businesses (e.g., corporate headquarters);
3. Advertising and graphic design;
4. Architectural, engineering, urban planning and surveying services;
5. Attorneys and court reporters;
6. Banks, mortgage companies and financial services;
7. Call centers;
8. Computer programming;
9. Counseling services;
10. Data processing and word processing services;
11. Detective agencies;
12. Government offices;
13. Insurance;
14. Interior design;
15. Real estate sales and leasing;
16. Research and development that does not include on-site manufacturing;
17. Retail catalog, internet and telephone order processing, but not warehousing;
18. Travel agencies; and
19. Virtual office services.

Off-Street Parking Space means an all-weather surfaced area not in the rights-of-way for a street or alley that:

1. Is permanently reserved for the temporary storage of one automobile; and
2. Is connected with a street or alley by an all-weather surfaced driveway that affords unobstructed ingress and egress to each space.

[Outdoor Sales](#) means the display outside of a permanent structure, for the purpose of purchase by consumers, whether immediately or by placing of orders for any merchandise, services, products, or goods irrespective of whether payment for such is made outdoors or in a permanent structure.

[Outdoor Storage](#) means any materials stored outside for more than 24 hours. Outdoor storage includes, but is not limited to, the storage of equipment, boat(s), vehicles or golf carts other than those for sale by a vehicle or golf cart dealership, supplies, materials, machinery, building materials, waste or scrap, pallets, and other similar materials.

Parking and/or Multimodal Transportation Facility means a terminal's structure used for the ticketing, loading and unloading of ~~bus or train~~ passengers originating from any mode. Food and beverage sales and similar commercial retail activities conducted during normal terminal operations may be included as accessory uses.

Parking Lot, Commercial Surface Parking Area means an off-street, surfaced, ground level parcel of land provided for parking or storage of motor vehicles, which is not accessory to any other use on the same or any other lot, and which operates as a commercial enterprise for which any fee is charged for the rental of parking spaces.

Parking Lot, Incidental to Main Use means an off-street, surfaced, ground level parcel of land provided for self-parking by employees, visitors, and/or patrons of any office or governmental facilities, any public accommodations, commercial or industrial establishments, or any other business. The phrase also includes the area provided for self-parking by residents, visitors or employees of an apartment building available to the general public.

Parking Structure or lot, Incidental to Main Use means a structure of two or more stories, whether privately or publicly owned, provided for self-parking by employees, visitors, and/or patrons of any office or governmental facilities, any public accommodations, commercial or industrial establishments, or any other business open to the general public. The phrase also includes the area provided for self-parking by residents, visitors or employees of an apartment building available to the general public.

Parking Structure, Mixed Use Commercial means a structure of two or more stories, whether privately or publicly owned, which utilizes the floors above the first level for the temporary parking of motor vehicles as a commercial enterprise for which any fee is charged independently of any other use of the premises. The first floor of the subject structure, adjacent to any public right-of-way, shall be utilized for retail, commercial or office space, as permitted within the subject zoning district.

Passenger Motor Vehicle Sales or Rental means a business that is engaged in the sale or rental of passenger vehicles, light trucks and/or motorcycles.

~~1. **Golf Carts, Sales and Service** means a facility for the sale and repair of golf carts, a motor vehicle designed by the manufacturer primarily for transporting persons on a golf course. Gasoline powered golf carts are to remain in all auto oriented uses.~~

Palm Tree means any plant of the family Palmae having an unbranched trunk crowned by large pinnate palmate leaves.

Pawn Shop means an establishment that is licensed by the Consumer Credit Commissioner under Chapter 371, Texas Finance Code, and is engaged in the business of:

1. Lending money on the security of pledged goods; or
2. Purchasing goods on condition that the goods may be redeemed or repurchased by the seller for a fixed price within a fixed period.

Personal Care Home means a home which provide services of a personal care nature to four or more persons, unrelated to the owner. The home must be licensed under the Texas Department of Aging and Disability Services (DADS) licensure requirements.

Personal Fitness ~~or Music Instruction~~ means uses that involve instruction or facilities for physical fitness, or dance ~~or music instruction~~. Such uses include membership gymnasiums (with or without personal training instruction), and instruction in ~~music~~, yoga, dance, boxing, weight training, aerobic exercise or martial arts. The phrase does not include "personal services" or "professional services, instruction or counseling."

Pet Grooming and Services means uses that cater to owners of household pets by offering services such as pet grooming and training (e.g., guard dog, obedience). The phrase does not include a "kennel" or a "veterinarian" and, therefore, does not include any establishments that board, shelter or transport pets or practice small-animal veterinary medicine. Pet owners may leave their pets at the establishment for the provision of such services, but pets are not boarded beyond the operating hours of the business or overnight. This use may also involve the retail sale of pet-related merchandise as an accessory activity, but an establishment that specializes in such on-site merchandise sales is considered a "commercial retail" use.

Place of Private Assembly means a structure, or part of a structure, that can be temporarily rented for private gatherings (e.g., receptions, private parties, reunions, meetings/conferences).

Place of Public Assembly means an indoor place where people assemble for civic or cultural purposes. This use includes places of worship, meeting facilities and conference centers.

Power Generation means equipment or facilities to produce, generate, transmit, distribute, sell, or furnish electric energy to an electric utility.

Port and Harbor Facilities means structures and improvements generally associated with industrial waterfront areas and nearby land and adjacent water, including, but not limited to, docks, piers, facilities for securing and servicing vessels, facilities for loading/unloading of passenger vessels (e.g., cruise ships), railroad areas and facilities for freight handling/transfer, and/or shipyards.

1. Shipyard means a property where ships, boats, barges, vessels or off-shore platforms are built, repaired or maintained.

Private Club means a building in which members of a community or association may gather for social, educational or cultural activities.

Professional Services, Instruction or Counseling means services that principally involve communication between the proprietor or employee and the client, and which may involve services to more than one client at a time by a single proprietor or employee, including marriage counseling, tutoring, and financial planning. The phrase does not include "personal fitness" or ~~music instruction~~ "[Fine Arts Instruction](#)" or "personal services."

Public Safety Facility means a public safety facility owned and operated by [a](#) ~~the City~~ governmental agency.

Public Utility Facility, Neighborhood means public utility infrastructure owned and operated by the City [or private entity franchised by the City](#).

Public Utility Plant means [a building or other structure owned and operated by the City or private entity franchised by the City for water supply or wastewater treatment, or the production of electricity, steam, hot water or chilled water for consumption by the general public.](#)

Rail Yard means an area of land, a portion of which is covered by a system of tracks, that provides for the making up of trains by one or more railroads or private industry concerns. Necessary functions of a rail yard include, but are not limited to, the classifying, switching, storing, assembling, distributing, consolidating, moving, repairing, weighing or transferring of cars, trains, engines, locomotives and rolling stock.

Recreation, Indoor means uses that provide recreation opportunities indoors for the public (open to the community) or residents of a subdivision or development, which are not commercial in nature. Specifically excluded from the definition are health and exercise clubs and commercial amusement uses. The phrase includes:

1. Community recreation centers;

2. Gymnasiums;
3. Indoor swimming pools; or
4. Tennis, racquetball or handball courts.

Recreation, Outdoor means uses that provide recreation opportunities outdoors for the public (open to the community) or residents of a subdivision or development, which are not commercial in nature (except for golf courses and fishing piers, which may be commercial in nature). The phrase includes public areas for active or passive recreational activities including, but not limited to:

1. Jogging, cycling, tot-lots, playing fields, playgrounds, outdoor swimming pools and tennis courts;
2. Golf courses (regardless of ownership or membership);
3. Fishing piers;
4. Arboretums, wildlife sanctuaries and other natural areas that may be used for walking or hiking; or
5. Other passive recreation-oriented parks, including picnic areas, garden plots and beaches, and associated support activities such as bath houses and cabanas.

Recreational Vehicle means a vehicular-type unit primarily designed as temporary living quarters for recreational, camping, and travel or vacation use; and which is self-propelled, mounted on, or pulled by another vehicle.

Recycling Center means a facility for drop-off of recyclable materials (e.g., waste paper, motor oil, scrap metal, polystyrene foam, porcelain, batteries, electronic components, textiles, plastics, discarded shoes, cardboard and other discarded household materials), where the materials are sorted, temporarily stored and then shipped in bulk to other locations for processing.

Research and Testing Laboratory means an establishment which conducts research, investigation, testing, or experimentation, but not for manufacture, fabrication, processing, or the sale of products.

Residential Stable means a portion of a residential development site dedicated to the shelter, feeding or training of horses, and the provision of riding areas or equestrian trails and any associated corral or pasture areas, as an amenity for the exclusive, common use of residents of the development, and only as an accessory use to the principal residential use of the site. The phrase does not include a "commercial stable."

Restaurant means an establishment that sells prepared food and beverages to customers for consumption on-site or off-site. The term includes:

1. *Restaurant, No Drive-In or Drive-Through* means an establishment that serves prepared meals to customers for consumption on-site or off-site, but does not include drive-in or drive-through facilities (however, the use may include designated parking spaces for curbside pickup of food ordered in advance if the curbside pickup is a clearly subordinate function to the restaurant's operations), and includes:
 - a. Full-service restaurants;
 - b. Limited-service eating facilities;
 - c. Special food services; and
 - d. Gross sales shall be more than 50% from food sales.
2. *Restaurant, Drive-In or Drive-Through* means a restaurant located either within a retail center, or situated on its own freestanding pad, which:
 - a. Contains a drive-in or drive-through facility;
 - b. Primarily serves food that is prepared and packaged within five minutes; and
 - c. Customarily serves food in disposable containers.

Retail – Commercial means any business engaged in the buying and selling of goods and services in retail business. For this section, the term means commercial and retail uses that do not include regular outside storage or sales. The phrase includes uses that are comparable to the following:

1. Furniture and home furnishings stores;
2. Electronics and appliance stores;
3. Paint and wallpaper stores;
4. Hardware stores;
5. Food and beverage stores;
6. [Licensed](#) health and personal care ~~stores~~ [services](#);
7. Clothing and clothing accessory stores;
8. Shoe repair;
9. Personal custom services such as tailor or milliner (hats);
10. Sporting goods, hobby, book and music stores;
11. General merchandise stores; and
12. Miscellaneous store retailers.

Retail – Big Box means retail and/or service uses that occupy large, industrial-style buildings or stores with footprints that generally range from 20,000 square feet to 200,000 square feet. While most big-boxes operate as a single-story structure, they typically have a three-story mass that stands more than 30 feet tall. Big Box retail centers typically have regular outside service or outside storage areas or partially enclosed structures, as listed below:

1. Permanent retail operations that are located outside of enclosed buildings, except nurseries and outdoor flea markets;
2. Home centers;
3. Lumber and other building materials;
4. Lawn, garden equipment and related supplies stores; and
5. Warehouse clubs and super stores.

Retaining Wall means a wall or terraced combination of walls constructed for the purpose of raising the grade of a site, or portion of a site, greater than 32 inches from the adjacent lower grade. Retaining walls may provide a foundation wall for a structure, or may be open above.

RV Park means a form of commercial lodging where guests bring travel trailers and recreational vehicles, campers or other similar forms of shelter. The campground rents pads to the guests.

School, Private means an institution established for educational purposes and offering a curriculum similar to the public schools.

Self Storage means a building or group of buildings that are used for the indoor storage of personal property or records, where individual owners or tenants control individual storage spaces.

Short Term Rentals means the use of a residential dwelling unit or accessory building on a temporary or transient basis. A short term rental shall include a residential dwelling unit or accessory building used as a short term vacation rental, for any period less than 30 consecutive days.

~~Single-Family Attached means:~~

- ~~1. Two or more dwelling units that are designed so that individual units have individual ground floor access and are separated from each other by unpierced common walls from foundation to roof (e.g., side-by-side duplexes and all types of townhomes); or~~
- ~~2. Two dwelling units that are designed so that the individual units:~~
 - ~~a. May or may not have individual exterior doors, but provide no direct access between the first floor and second floor unit (access may be through a common interior foyer that provides access to both units or through separate exterior doors); and~~
 - ~~b. Are separated from each other by a floor (i.e., over-under duplexes).~~

Single-Family Detached means dwelling units that are:

1. Located in an individual building that is constructed on:
 - a. An individual lot; or
2. Separated from other dwelling units by outside walls; and
3. Designed for use by a single housekeeping unit.

Stealth Technology means a system, components, and materials used in the construction of Wireless Telecommunication Facilities which minimize adverse aesthetic and visual impacts to surrounding properties. This includes, but is not limited to, artificial tree, clock tower, bell steeple, light pole, and similar alternative-design mounting structures that camouflages or conceals the presence of communications antennas, monopoles, towers, and other facilities.

Subordinate means a use or structure that is less significant than the principal use or structure on the same lot, including but not limited to, floor area, building height, the economic importance of the use, the number of customers/visitors, and which serves a principal building or use.

Substance Abuse Facility means a facility that provides 24-hour residential care or less than 24-hour day care for individuals rehabilitating from drug or alcohol abuse or addiction. The term does not include a "correctional or rehabilitation facility" or halfway houses for prison parolees or juveniles.

Townhouse means a single-family dwelling unit constructed in a group of three or more attached units on its own lot in which each unit extends from the foundation to roof with open space on at least two sides.

Traditional Neighborhood Development ("TND") means a predominately residential neighborhood that consists of a variety of residential lot sizes and more than one type of housing, along with neighborhood supportive nonresidential development, designed so that internal streets tend to give equal or greater emphasis to pedestrian circulation compared to motorized vehicles.

Vehicle Wash means any area or business using self-service, in-bay automatic, or conveyor equipment for cleaning and washing motor vehicles, whether as a part of another business operation (e.g., as an accessory use to light automobile service/fueling station or vehicle sales, rental and service), or as a stand-alone operation, of any type, on a commercial basis. The phrase includes fleet and municipal in-bay automatic and conveyor vehicle wash facilities.

Vending Kiosk / ATM means a machine that is located in a fixed position outdoors (either attached to a building or in a freestanding structure), which does not require employees or attendants to conduct transactions, and which is used for:

1. Automated banking or other financial transactions (e.g., "ATM" or change machines);
2. Vending or dispensing products (e.g., water, ice, DVD purchases or rentals, postal supplies, soft drinks, newspapers, snacks, ice cream, coffee or other foods or consumer items), or

3. Downloading electronic files (e.g., electronic books, music or video) via wired connections. The phrase does not include wireless internet access points or wireless telecommunications facilities.

Veterinarian, Large Animal means veterinary clinics, hospitals, and pens that provide care for large domestic animals.

Veterinarian, Small Animal means veterinary clinics and hospitals that provide care for small domestic animals. The phrase does not include large animal and livestock veterinarians.

West End means the area between 103rd Street/Cove View Boulevard and the most western point of Galveston Island.

Window means an opening in the wall or roof of a building that is fitted with glass or other transparent material in a frame to admit light or air.

Wholesale means the business of:

1. Selling goods, equipment or food to retailers, generally in larger quantities than they are sold to final consumers, but often in smaller quantities than they are purchased from manufacturers; or
2. Selling specialized equipment and supplies to businesses, but not to the general public.

The term is qualified as follows:

1. It includes wholesale uses with warehousing and/or showrooms. If a wholesale use does not involve display, storage or distribution from the site of the use, then it is an "office" use.
2. It does not include wholesale clubs that offer memberships to the general public. Such uses are considered "heavy retail."
3. It does not include nurseries.

Wireless Telecommunication Facility means any exterior apparatus designed for wireless radio, television, microwave, or telephonic communication through the sending and/or receiving of electromagnetic spectrum waves. An antenna could include directional or panel antennas, ancillary antenna, parabolic or panel dishes, omnidirectional antennas such as whips, and other similar transmitting or receiving equipment intended for personal or communications use.

Division 14.200

Historic Preservation Definitions

SEC. 14.201 DEFINITIONS RELATED TO HISTORIC PRESERVATION

Addition means new construction added to an existing building or structure.

Alteration means any material construction or change to the exterior of a building, object, site or structure, including, but not limited to, the changing to a different type, style or size of roofing or siding materials; changing, eliminating or adding doors, door frames, windows, window frames, shutters, fences, railings, columns, beams, walls, steps, porte cocheres, porches, balconies, signs or other ornamentation; the changing of paint color; dismantling, removing or moving of any exterior features or demolition. Alterations shall not include ordinary repair and maintenance.

Appropriate means suitable or compatible.

Building means a structure created to shelter people or things, such as a house, barn, church, hotel, warehouse or similar structure.

Character means the qualities and attributes of any structure, site, street or district.

Compatible means existing or performing in harmonious, agreeable combination with its surroundings.

Compatible Property means a resource in a historic district distinguished by its scale, material, and composition so that it contributes to or is “compatible” with the character of the neighborhood.

Construction means the act of adding an addition to an existing building or structure, or the erection of a new principal or accessory building or structure on a lot or property.

Contributing Property means a resource in a historic district that contributes to the district’s historical significance through location, design setting, materials, workmanship, feeling and association, and which shall be afforded the same consideration as historic structures or buildings.

Demolition means any act or process that destroys or razes in whole, or in part, a building, object, site or structure, including the permanent impairment of structural integrity. This includes “**demolition by neglect**,” which is defined as inaction or a series of inactions that result in the destruction or irredeemable deterioration of a landmark building.

Design Standards means the City of Galveston Design Standards for Historic Properties, which are intended to provide criteria that assist the Historic Preservation Officer and the Landmark Commission in determining the appropriateness of proposed actions involving locally-designated historic landmarks and districts. When the alternative term “design guidelines” is used in the context of these regulations, it shall also mean the City’s enforceable “design standards.”

District means a designated section of the City of Galveston for which the City may regulate the erection, construction, reconstruction, alteration, repair, or use of buildings, other structures, or land.

Effect, Adverse. A negative change in the quality of the historical, architectural, archaeological, or cultural significance of a resource, or in the characteristics that qualify the resource as historically important.

Element means a material part or detail of a site, structure, street, or district.

Form means the shape and structure of a building.

Galveston Landmark means (i) any individual building, structure or object, or site that the Landmark Commission designates, upon the owner's request, as a Galveston Landmark; or, (ii) any individual building, structure or object, or site that is located within a designated historic zoning overlay district.

Harmonious means having a pleasing or congruent arrangement.

Historic District means an area designated as a “historic district” by ordinance of the City Council and which may contain, within definable geographic boundaries, one or more landmarks, and which may have within its boundaries other proportions or structures that, while not of such historic or architectural significance to be designated as landmarks, nevertheless contribute to the overall historic or architectural characteristics of the historic district.

Historic Property means a district, site, building, structure, or object significant in local, state or national history, architecture, engineering, archaeology, or culture.

Integrity means the ability of a property to convey its historic significance. To retain historic integrity, a property must possess a sufficient historic identity evidenced by the survival of physical characteristics.

Maintain means to keep in an existing state of preservation or repair.

Materials means the physical elements that were combined or deposited in a particular pattern or configuration to form a historic property.

New Construction means construction that is characterized by the introduction of new elements, sites, buildings or structures or additions to existing buildings and structures in historic areas and districts.

Object means a material thing of functional, aesthetic, cultural, or historical value that may be, by nature or design, moveable, yet related to a specific setting or environment.

Ordinary Repair and Maintenance means any work, the purpose and effect of which is to correct any deterioration or decay of, or damage to a building, object or structure, or any part thereof, and to restore the same, as nearly as may be practicable, to its condition prior to such deterioration, decay or damage, using the same materials, or those materials available which are as close as possible to the original. In-kind replacement, or repair, is included in this definition. **"In-kind replacement"** means the replacement of an element with a new element of the same material, color, texture, shape and form as the original.

Overlay Zone means a set of zoning requirements that is described in ordinance text, is mapped and is imposed in addition to those of the underlying district. Development within the overlay zone must conform to the requirements of both zones, or the more restrictive of the two.

Preservation means the act or process of applying measures to sustain the existing form, integrity and material of a building or a structure, including, but not limited to, initial stabilization work and ongoing maintenance of historic building materials and the existing form and vegetative cover of a site.

Reconstruction means the act or process of reassembling, reproducing or replacing by new construction, the form, detail and appearance of the property and its setting as it appeared at a particular period of time by means of the removal of later work, or by the replacement of missing earlier work, or by reuse of the original materials.

Rehabilitation means the act or process of returning a building, object, site or structure to a state of utility through repair, remodeling, or alteration, that makes possible an efficient contemporary use while preserving those portions or features of the building, object, site or structure, that are significant to its historical, architectural and cultural value.

Relocation means any change of the location of a building, object or structure in its present setting or to another setting.

Resource means a source or collection of buildings, objects, sites, structures, or areas that exemplify the cultural, social, economic, political or architectural history of the nation, state or city.

Restoration means the act or process of accurately recovering the form and details of a building, object, site or structure, and its setting as it appeared at a particular period of time by means of the removal of later work, or by the replacements of missing earlier work.

Retain means to keep secure and intact. The terms “retain” and “maintain” both describe the act of keeping an element, detail or structure, and continuing the same level of repair to aid in the preservation of elements, sites and structures.

Scale means proportional elements that demonstrate the size, materials and style of buildings. The proportions of the elements of a building to one another and the whole, and to adjacent buildings.

Setting means the sum of attributes of a locality, neighborhood or property that defines its character.

Significant means having particularly important associations within the context of architecture, history and culture.

Site means the location of a significant event, a prehistoric or historic occupation or activity, or a building or structure, whether standing, ruined or vanished, where the location itself maintains historical or architectural value regardless of the value of any existing structure.

Stabilization means the act or process of applying measures essential to the maintenance of a deteriorated building to establish structural stability and a weather resistant enclosure.

Streetscape means the distinguishing character of a particular street as created by its width, degree of curvature, paving materials, design of the street furniture, and forms of surrounding buildings.

Structure means a non-moveable work made up of interdependent and interrelated parts and a definite pattern of organization.

Style means a type of architecture distinguished by special characteristics of structure and ornament and often related in time. Also, a general quality of a distinctive manner.

Unique and Compelling Circumstances means those uncommon and extremely rare instances, factually detailed, which would warrant the Landmark Commission’s review, due to the evidence presented.

Division 14.300

Subdivision Regulation Definitions

SEC. 14.301 DEFINITIONS RELATED TO SUBDIVISION REGULATION

Alley means a minor way used primarily for secondary (service) access to the back or the side of a property that otherwise abuts a street.

Application or Application for Development Approval means any application that requests approval of any permit, permission or order required by these regulations. This includes, but is not limited to, any application that requests approval of a rezoning, site plan, preliminary subdivision plan, final plat, minor plat, amending plat, development plan, variance, specific use, building permit, or certificate of occupancy and compliance.

Arterial Street (see “Thoroughfare”).

Block means a land area consisting of contiguous lots established by recorded plats, usually bordered by a combination of streets, public parks, cemeteries, railroad right-of-way, or other barrier to the continuity of development.

Block Length means the distance between intersecting streets, or between a street and a street right-of-way, waterway (at least 30 feet wide), or the end of a dead-end street.

Building Line means a line beyond which buildings must be setback from the dedicated street rights-of-way line.

Collector Street means a street that carries traffic from minor streets to arterial streets and highways, including the principal entrance streets of a residential development and streets for circulation within that development.

Density, Net means the number of dwelling units divided by the net developable area. The “net developable area” means the land area of the site after deducting unbuildable areas including road rights-of-way, common open space, and any other areas excluded from development by these regulations. Net density is stated as dwelling units per net acre.

Director of Development Services means the Director of the City of Galveston’s Development Services Department, or their designee.

Double Frontage Lot means a lot which extends from one street frontage to another street.

Extraterritorial Jurisdiction or ETJ means the unincorporated area that is contiguous to the City’s municipal boundaries, and that occupies the area designated by Texas Local Government Code Chapter 42. The City has various regulatory powers in the ETJ as designated by the Texas statutes.

Final Plat means the division of any lot, tract or parcel of land that is to be recorded or of record.

Improvement means a street, utility, park, trail, open space, stormwater management facility, or similar infrastructure required by these regulations. This does not refer to dwelling units or buildings to be constructed within a subdivision or site plan.

Intensity means the square feet of development per acre.

Local Street means a street intended primarily to serve traffic within a limited district and provide access to building sites.

Municipal Utilities Director means the Director of Municipal Utilities as established in the City Code, or their designee.

Preliminary Plat means the plat of any lot, tract, parcel of land not intended to be recorded or of record.

Private Street means a Street that is not dedicated to public use.

Public Works Director means the Director of the City of Galveston Public Works Department, or their designee.

Replat means the resubdivision of any part of a previously platted subdivision. “Replatting” is the act of creating a replat.

Street Link means a section of the street network, or a local street, defined by a street node at each end or at one end. Stubs to adjacent property are not considered links.

Street Node means the terminus or intersection of two or more streets, including the head or bulb of a cul-de-sac.

Street Width means the shortest distance between the lines which delineate the rights-of-way of a street.

Subdivision means the division of a parcel of land into two or more lots or parcels if:

1. the purpose of the division is transfer ownership, or
2. the purpose of the division is for building development, or
3. a new street is involved.

The term includes **resubdivision**. When appropriate to the context, the term relates to the process of subdividing or to the land subdivided. The term includes resubdivision and the alteration of parcels or lots by the modification of existing property lines.

Thoroughfare means a street that connects remote parts of the city, and provides for free movement of traffic between neighborhoods, districts, or communities.

ORDINANCE NO. 18-___

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, GRANTING AN EXCLUSIVE, REVOCABLE FRANCHISE AGREEMENT TO BFI WASTE SERVICES OF TEXAS, LP, TO PROVIDE A GARBAGE AND REFUSE (WASTE) COLLECTION SERVICE FOR COMMERCIAL ACCOUNTS, WITHIN THE CITY OF GALVESTON FOR FIVE YEARS; TERMINATING ALL PRIOR FRANCHISE GRANTS FOR COMMERCIAL GARBAGE AND REFUSE COLLECTION SERVICES; PROVIDING FOR THE SCOPE AND NATURE OF THE OPERATION; PROVIDING FOR FEES; PROVIDING FOR A PENALTY PROVISION; PROVIDING FINDINGS OF FACT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to the City Code of the City of Galveston, Chapter 15 "Garbage and Trash", the City recommends a franchise agreement for garbage and refuse collection services for commercial accounts within the City of Galveston; and,

WHEREAS, BFI Waste Services of Texas, LP, has requested the opportunity to provide garbage and refuse collection (waste collection) services for commercial accounts within the City of Galveston; and

WHEREAS, the City has investigated the financial condition, experience and service record of BFI Waste Services of Texas, LP and finds it to be a well qualified company in the area of waste collection;

WHEREAS, the City finds that granting an exclusive Franchise to a sole commercial hauler will provide more efficiencies in managing such operations and will bring about more accountability and responsiveness between the parties;

WHEREAS, the terms, nature and scope of the Franchise Agreement are more fully set forth in Attachment A, the "Franchise Agreement", attached and fully incorporated herein for all purposes; and,

WHEREAS, after notice and publication of this Ordinance as required by the City Charter and applicable local and state laws and after public hearings where evidence was received concerning the granting of a franchise to BFI Waste Services of Texas, LP, it is the opinion of the City Council that it would promote the public health, welfare and safety, and that the applicant has demonstrated that the granting of this franchise would serve the public convenience and necessity.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Franchise. An exclusive franchise is hereby granted to BFI Waste Services of Texas, LP, hereinafter referred to as “Grantee” or “BFI”, to use the public streets, alleys and thoroughfares within the corporate limits of the City of Galveston, Texas, for the purpose of engaging in the business of collecting non-hazardous, commercial garbage, trash, brush, and other refuse, hereinafter “waste”.

The Franchise Agreement between the Parties consist of the terms and conditions set forth in **Attachment A**, the “Franchise Agreement”, attached and fully incorporated herein for all purposes, for the waste collection services for commercial accounts within the City of Galveston. All prior Commercial Hauler Franchise Grants are hereby terminated, revoked or rescinded.

SECTION 3. This Franchise Ordinance and Agreement does not pertain to Temporary Haulers which are addressed separately in the City Code.

SECTION 4. Term. The term of this Franchise shall be for a period of five years effective from October 1, 2018, and terminating September 30, 2023.

SECTION 5. FINDINGS OF FACT. The City Council hereby finds and declares that public convenience and necessity require the granting of an exclusive commercial refuse solid waste collection services franchise, which is to be furnished by the Grantee named herein.

SECTION 6. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

SECTION 7. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 8. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 9. This Ordinance shall be and become effective on October 1, 2018.

APPROVED AS TO FORM:

DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its Regular Meeting held on _____, 2018 as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this ___ day of _____, 2018.

Secretary for the City Council
of the City of Galveston

**FRANCHISE AGREEMENT
FOR COMMERCIAL SOLID WASTE COLLECTION SERVICES
FOR THE CITY OF GALVESTON**

This Franchise Agreement for Commercial Solid Waste Collection Services (herein Franchise) is made and entered into this _____ day of _____, 2018, by and between the City of Galveston ("City"), a Texas home-rule municipality, and BFI Waste Services of Texas, LP ("Franchisee", "Grantee" or "BFI"), located at 5301 Brookglen, Houston, Texas 77017. The City and Franchisee/Grantee may each be referred to hereinafter as a "Party" and/or collectively referred to as "the Parties".

WHEREAS, pursuant to the City Code of the City of Galveston, Chapter 15 "Garbage and Trash", the City recommends a franchise agreement for garbage and refuse collection services for commercial accounts within the City of Galveston (the "Agreement").

WHEREAS, BFI Waste Services of Texas, LP, has requested the opportunity to provide garbage and refuse collection (waste collection) services for commercial accounts within the City of Galveston.

WHEREAS, the City has established certain conditions and requirements that must be met by any person that wishes to receive a Franchise Agreement for commercial solid waste collection services in the city and the Franchisee has agreed to comply with the conditions and requirements the City has established in this Franchise Agreement and the Ordinance granting the Franchise.

WHEREAS, the Franchisee recognizes the privileges and benefits that the Franchisee will receive by entering into this Agreement with the City.

WHEREAS, the City has investigated the financial condition, experience and service record of BFI Waste Services of Texas, LP and finds it to be a well-qualified company in the area of waste collection.

WHEREAS, this Agreement between the Parties consist of the terms and conditions set forth herein, and **Exhibit A**, identified as the proposal from the Grantee for the collection of solid waste for commercial accounts within the City of Galveston. In the event that there is a conflict between this Agreement and **Exhibit A**, this Agreement controls.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter set forth, the parties do mutually agree as follows:

SECTION 1. Recitals and Definitions. The foregoing recitals are true, correct, and incorporated herein by reference. The following are definitions as used throughout this Agreement:

Commercial Solid Waste. Any non-hazardous Solid Waste, as defined below, generated by any Commercial Unit located with the City.

Commercial Unit. Any commercial or industrial enterprise operating within the corporate limits of City, excluding temporary containers of less than 30 days, the University of Texas Medical Branch and residential dwellings that are 4-plex apartment units or less.

Excluded Waste. Means highly flammable substances, Hazardous Waste, Liquid Waste, Special Waste, certain pathological and biological wastes, explosives, toxic materials, radioactive materials, material that the disposal facility is not authorized to receive and/or dispose of, and other materials deemed by state, federal or local law, or in the reasonable discretion of the Grantee, to be dangerous or threatening to health, or the environment, or which cannot be legally accepted at the applicable disposal facility.

Hazardous Waste. Waste defined as, or of a character or in sufficient quantity to be defined as, a "Hazardous Waste" by the Resource Conservation and Recovery Act, as amended, or any state or local laws or regulations with respect thereto, or a "toxic substance" as defined in the Toxic Substance Control Act, as amended, or any regulations with respect thereto, or any reportable quantity of a "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended or any regulations with respect thereto. The term "Hazardous Waste" also includes any waste whose storage, treatment, incineration or disposal requires a special license or permit from any federal, state or local government entity, body or agency and any substances that, after the effective date of this Agreement, is determined to be hazardous or toxic by any judicial or governmental entity, body or agency having jurisdiction to make that determination.

Infectious Medical Waste. Waste resulting from medical procedures which may cause or is capable of causing disease, such as:

- (i) Biological waste, including blood and blood products, excretions, exudates, secretions, suctionings and other bodily fluids that cannot be directly discarded into a municipal sewer system, including solid or liquid waste from renal dialysis and waste materials reasonably contaminated with biological fluids.
- (ii) Cultures and stocks and etiologic agents and associated biologicals, including specimen cultures and dishes and devices used to transfer, inoculate, and mix cultures; wastes from production of biologicals; and serums and discarded live and attenuated vaccines.
- (iii) Sharps that have been removed from their original sterile containers, including needles, IV tubing with needles attached, scalpel blades, lancets, glass tubes that could be broken during handling and syringes.

Solid Waste. All materials defined as solid waste by the laws of the State of Texas or regulations promulgated thereunder by the Texas Commission on Environmental Quality ("TCEQ") or other agency having jurisdiction over solid waste generated within such state, except that the term Solid Waste:

- i. is intended to mean and include only those substances which are normally permitted to be disposed of in a Type 1 sanitary landfill; and
- ii. shall exclude Special Waste, radioactive waste, Hazardous Waste and Infectious Medical Waste.
- iii. The solid waste shall not include any Excluded Waste.

Liquid Waste. Grease, oil, liquid waste and grease trap waste.

Special Waste. Any Solid Waste which is defined as special waste by the laws of the State of Texas or regulations promulgated thereunder by the TCEQ or other agency having jurisdiction over solid waste generated within such state.

Unacceptable Waste. Any waste excluded from the definition of Solid Waste, including Hazardous Waste, Infectious Medical Waste, Liquid Waste, Special Waste and any other material defined as unacceptable in the Franchise Agreement.

SECTION 2. Issuance of Exclusive, Revocable Franchise. An exclusive Franchise is hereby granted to BFI Transfer Systems of Texas, LP to use the public streets, alleys and thoroughfares within the corporate limits of the City of Galveston, Texas, for the purpose of engaging in the business of collecting Commercial Solid Waste.

The granting of this Franchise does not create any vested rights. The Franchise and this Agreement may be suspended or revoked (terminated) in accordance with the terms of this Ordinance and this Agreement.

SECTION 3. Term. The term of this Franchise shall be for a period of five (5) years effective from October 1, 2018, and terminating September 30, 2023. The term of this Franchise may be extended for an additional five (5) years upon mutual agreement of the Parties.

SECTION 4. Independent Contractors. The parties are independent contractors as to each other. Nothing in this Agreement shall be construed as creating any agency or employment relationship. Neither Party shall make any representations tending to create an apparent or implied agency or employment relationship; neither party has the authority to act for the other or to create obligations or debts binding on the other; and neither party shall be responsible for any obligations or expenses incurred by the other.

SECTION 5. Scope and Nature of Operation. Grantee shall at all times furnish Commercial Solid Waste collection services to meet or exceed current industry standards. Grantee shall collect and deliver for disposal Commercial Solid Waste, accumulated within the corporate limits of the city, for all city commercial accounts. Residential services including 4-Plex and other smaller residential properties are excluded. Services that are contracted for by individuals or companies with the Grantee are excluded.

Grantee will, at its own expense, furnish personnel and equipment to collect the Commercial Solid Waste and will establish and maintain in an efficient and businesslike manner such scheduled routes and special schedules as may be necessary to fulfill the solid waste service requirements of the accounts located within the city. The Grantee shall provide for the solicitation and servicing of customers and in its solicitation shall recommend schedules of service to said customers.

Grantee will ensure a smooth transition into an exclusive franchisee environment by meeting with all current and future customers prior to the effective Term to educate such customers on the transition process.

A. Special Scheduled Service: BFI shall provide special scheduled service for the following “Special Events” that occur within the City.

1. The Special Events are commonly known as:
 - a. The two weekends of the Galveston Mardi Gras;
 - b. The Lone Star Biker Rally;
 - c. Dickens on the Strand.
2. The City reserves the right to add or remove a Special Event by providing a minimum of 30 days’ notice prior to a change in the special event schedule.

The **special scheduled service** is described as the removal/management of Commercial Solid Waste that occurs on the first business day before the special event and on the first business day after the special event.

The **special schedule service area** is described as the Downtown business area from the center line of 20th Street and the center line of 25th Street and the center line of Avenue A and the center line of Avenue G, in the City of Galveston. The City reserves the right to expand or contract the geographic locations of these service areas and expand or contract the number of special events.

B. Curbside Residential Recycling Option. The City reserves the right to exercise the residential curbside recycling option in this agreement at any time during the term of the agreement subject to the costs as provided for in **Exhibit C**. However, Grantee shall be provided a reasonable amount of time to acquire the resources necessary to implement such program.

SECTION 6. Non-Waiver of Powers and Regulations. This Franchise shall not be taken, or held to imply the relinquishment, or waiver by the City of its power to make other reasonable requirements, or regulations which may be necessary, or proper to secure, to the greatest extent, the safety, welfare, and accommodation of the public, including the right to adopt and enforce regulations to protect and promote the health and general welfare of the public from danger, and inconvenience in the management and operations of garbage and waste collections, and to provide such service as is contemplated by this franchise. Nothing herein contained shall constitute a waiver of any of the requirements of the rules and regulations, heretofore adopted by the City, including the right to make such changes and amendments to the rules and regulations as the City may deem to be advisable or as required by state or federal law.

SECTION 7. Vehicles. All vehicles used by the Grantee for the collection and transportation of Commercial Solid Waste shall be covered at all times while loaded and in transit to prevent the blowing or scattering of waste onto the public streets or property adjacent thereto, and such vehicles shall be marked with the Grantee’s name in clearly legible letters, not less than six (“6”) inches in height. Any solid waste, litter or liquid spilled, discarded, or otherwise left on public or private property by Grantee shall be cleaned up immediately by Grantee. If Grantee fails to clean

up the same within two (2) hours of notification by the City, the City may cause such property to be cleaned and the City may charge all associated costs to Grantee in addition to any other penalties provided by this Ordinance and Agreement.

SECTION 8. Regulation of Containers. Grantee shall rent or lease containers to the owner or occupant of any commercial establishment within the City for waste, subject to the following requirements that include but may not be limited to:

- (1) ALL such containers shall be constructed according to good industry practice in the trade;
- (2) ALL such containers shall be equipped with suitable covers with secured, attached lids to prevent blowing or scattering of the waste while being transported for disposal of their contents;
- (3) ALL such containers shall be cleaned and maintained by Grantee so as to be in good repair, of a good appearance, and free of such refuse residues as may cause odor and provide a breeding place for flies and harborage for rodents; and
- (4) ALL such containers belonging to Grantee shall be of the same color and clearly marked with the Grantee's name and telephone number in letters not less than two ("2") inches in height. Grantee must remove its name from containers before transferring title to same, and may not place its name on containers belonging to others.
- (5) In the event of termination of this Agreement, Grantee shall as soon as practicable, but no later than 90 days, remove all containers at its sole expense.
- (6) The City may require the Grantee to service one or more of its customers' containers or enclosures at a frequency that is in addition to the contracted amount in the interest of public health. The Grantee shall respond to such a request as soon as practicable and such additional pick-ups shall be governed by the rate schedule provided for in **Exhibit B** and billed to the customer. Grantee shall work with such customer afterward to ensure that their containers are adequately sized and the frequency of their service is also adequate.
- (7) Grantee shall notify the City within 72 hours of any observed violation of the City Code, Chapter 15, "Garbage and Trash." This includes but is not limited to any dumpster enclosures that are not in compliance with the law and any parties operating within the City without a valid franchise agreement.

SECTION 9. Delinquency or Removal of Customer Service. Grantee shall remove its containers if the entity or person to which it is rented/leased has not paid Grantee in accordance with the terms of their agreement with Grantee. Grantee shall notify the City of delinquent accounts that are scheduled for termination of service when such account is 30 days past due. City shall notify the account holder of such delinquency to determine the reason for the delinquency and the plan to rectify. The Grantee shall subsequently notify the City if the termination or removal is no longer anticipated/necessary.

SECTION 10. Disposal of refuse/waste. Grantee shall deliver all acceptable waste collected to the City Transfer Station located at 5515 Harborside Drive. In the event the transfer station becomes unavailable for use, the Parties may agree on an alternative site. However, Grantee shall be required to utilize the Transfer Station to assure that the minimum amount of tonnage delivered to the Transfer Station by the City equals, or exceeds 75,000 tons of waste annually.

The Director of Sanitation shall monitor the tonnage on a monthly basis to guarantee the City will meet its minimum annual tonnage under the contract. No other location may be used for the disposal of such refuse and solid waste during the term of this Franchise without the written authorization of the Director of Sanitation or his/her designee.

Rules and regulations governing hours of operation and disposal practices at the disposal site, as may be published by the City, will be observed and followed by the Grantee while engaged in the disposal of refuse and solid waste collected under the Franchise.

Collection and Disposal of Unacceptable Waste. It is specifically understood and agreed that the collection and disposal of Unacceptable Waste by the Grantee is not required by this Agreement, and Grantee shall in no event be required to collect or dispose of any Unacceptable Waste. Grantee, may in its discretion, provide for collection of Unacceptable Waste as long as the collection and disposal is completed in compliance with all Federal, State and local laws and regulations, and may charge customers separately therefore. Method and pricing of Unacceptable Waste removal is at the sole discretion of the Grantee and not subject to the rates in Exhibit B, attached hereto.

SECTION 11. Pickup Schedule. Grantee shall determine pickup schedules and routes for collection services pursuant to this Agreement. Such schedules and routes shall provide for pickup with a frequency that provides adequate service to collection customers, but minimizes the amount of collection truck traffic on City streets. Grantee shall avoid the use of residential streets by collection trucks or other heavy equipment operated by the Grantee without the specific permission of the City. The City reserves the right to limit the hours of operation of Grantee within the City should the need arise.

SECTION 12. Customer Service. The Grantee, at its own expense, will provide a local telephone number for customer service calls, from 8 a.m. until 5 p.m. daily, Monday through Friday, excluding such holidays as may be approved by Grantor, for the purpose of handling calls regarding waste collection services, and also including complaints of service. The customer service number shall be made available to the public via the Grantee's social media sites. The City and Grantee shall publish said customer service number on their respective web sites.

1. Grantee shall provide the City with an administrative organizational chart to include key personnel name, position, telephone number, email, cellular number, and home phone number when appropriate. Grantee shall provide to City an updated chart within 14 days after any key personnel change.
2. Grantee shall supply City with a monthly summary of all complaints lodged against Grantee for services performed in the City indicating the date and hour of inquiry or complaint receipt, the nature of the complaint or inquiry, and the manner and timing of the resolution of the complaint or inquiry.
3. Grantee shall supply City with a report of any missed collections by 9:00 a.m. of the following business day.

SECTION 13. Property Damage. Grantee shall be solely responsible for the repair and/or replacement of any damages to public property, including pavement damage, during the operation

of containerized commercial solid waste collection services that is caused by the negligence or willful misconduct of the Grantee, its agents or employees. Repair and/or replacement of property includes, but is not limited to fences, gas meters, and water meters.

Section 14. Records, Reports and Inspections.

(a) The Grantee shall furnish to the City certified copies of its monthly financial and operating reports, for the City of Galveston service area, necessary to determine gross receipts, and an annual financial statement certified by a public accountant. The monthly financial operating reports shall be due within thirty (30) days of the close of the month and the annual audited financial report is due within sixty (60) days of the close of the Grantee's fiscal year. An extension of such period up to thirty (30) additional days may be granted by the City upon request by the Grantee.

(b) The Grantee shall furnish the City with an accurate copy of its customers every 3 months. The starting date to receive the reports shall be designated by the Grantor.

(c) Grantee shall keep and maintain all its books, record, accounts, documents, and papers pursuant to applicable state or federal record retention regulations.

(d) The City shall retain all of the investigative powers and other rights provided to the City by the Charter and state law.

(e) Nothing herein, shall require the Grantee to reveal confidential and proprietary information except as may be necessary to meet the requirements of this franchise. Grantor and Grantee shall endeavor to keep any information which could damage the business of the Grantee, confidential and a non-public record to the extent this can be accomplished under the law.

SECTION 15. Service Rates.

The City Council may fully regulate and fix the rates and charges for the services of the Grantee to its customers, to the full extent that such power is provided in the Charter, this franchise, and State law. Grantee's rates shall be as specified in **Exhibit B** attached hereto and made a part of this Ordinance and Franchise Agreement for all purposes. In the event there is a conflict between the rates, fees and charges outlined in Exhibit A and Exhibit B, Exhibit B shall control.

Grantee shall enter into a contract with each Customer in the same form as provided for in **Exhibit D**.

Grantee may from time to time propose changes in the general rates. Grantee shall file an application with the City Secretary for consideration by the City Council of the proposed rate change(s). City Council shall review the proposed change(s) within a reasonable time and shall afford the Grantee the opportunity to be heard at a public hearing. City Council may either approve, disapprove or otherwise amend the proposed rate changes.

The service rates in Exhibit B provide for an annual escalation clause of 2.5%. Grantee shall give the City notice of its intent to exercise such escalation clause by August 1st of each year during the Term.

The City shall not allow an unreasonable preference or advantage to anyone within a service classification, nor allow Grantee to subject anyone within a service classification to any unreasonable prejudice or discrimination. Distinctions in rates and services between locations and service classifications shall be reasonable and shall be approved by the City.

SECTION 16. Assignment of Franchise; Principal Office Location.

(a) The Grantee shall be a legal entity with legal capacity to operate, construct, reconstruct, and maintain garbage, trash, brush and commercial solid waste collection service in the City. Grantee shall maintain a place of business within the City or near enough to the City so that it can fulfill the obligation of its franchise without any unreasonable inconvenience to the public.

(b) This Franchise shall not be leased, assigned or otherwise amended without the approval by City Council.

SECTION 17. Conformity to Constitution, Statutes and City Code.

This Agreement is subject to the applicable provisions of the State and Federal Constitution, Federal laws and regulations, laws of the State of Texas, The Charter of the City of Galveston, and The City Code, as these laws may now read or hereinafter be amended. This Franchise shall in no way affect or impair the rights, obligations, or remedies of the parties under the Public Utility Regulatory Act of Texas, or amendments thereto, or any other applicable state or federal laws.

SECTION 18. Consideration.

(a) The Grantee hereby agrees to pay to the City, at the office of the Director of Finance, eight (8%) percent of the gross receipts measured by the waste collection service fees, revenues collected and other income from any source collected from the operation of the waste collection service pursuant to this Franchise with the City of Galveston, which remittance shall be made monthly on or before the 20th day of each following calendar month. Such payment shall not release the Grantee from the payment of ad valorem property taxes levied, or to be levied, on property Grantee owns within the City. No application for a franchise will be granted unless Grantee has fully paid and kept current all ad valorem property taxes on property it owns within the City. As further consideration, Grantee agrees to pay unto the City, all transfer station fees as established in Section 15-95 of the Code of the City of Galveston, as amended.

(b) Grantee shall file with the Grantor's Director of Finance simultaneously with each payment, a sworn and certified financial statement clearly showing the gross receipts received by Grantee during the preceding month. This statement shall be filed within twenty (20) days following the end of each month. In addition, the Grantee shall file with the Director of Finance annually, after the expiration of each of the Grantee's fiscal years, a sworn and certified financial statement clearly showing the gross receipts and all components thereof received by the Grantee on an annual basis during the preceding fiscal period.

During the years for which payments of percentages of gross receipts are made to the Grantor as compensation for this Franchise to use the public property of the Grantor for the purpose of engaging in the business of Grantee as described herein, the payments shall be in lieu of and shall be accepted as payment for all of Grantee's obligations to pay municipal charges, and fees, except ad valorem taxes and special taxes and assessments for public improvements and transfer station fees.

(c) In the event that any franchise payment, due but not received, on or before the applicable dates specified, interest shall be charged from such due date at the annual rate of twelve (12%) percent per annum provided; however, that if this rate should be in excess of the maximum rate authorized by state law the interest rate shall automatically be reduced to the maximum rate authorized by state law.

(d) Billing methods that have the effect of reducing or avoiding the payment of Franchise Fees are prohibited and shall be cause for termination of the Franchise and this Agreement. If the Franchisee or the Franchisee's employees, agents or representatives use billing methods that are false, misleading or fraudulent for the purpose of reducing or avoiding payment of Franchise fees, they may be subject to penalties as provided for herein, by the City of Galveston and by State and Federal law.

SECTION 19. INDEMNITY / INSURANCE

INDEMNIFICATION. IN ACCORDANCE WITH STATE LAW, THE GRANTEE AGREES TO INDEMNIFY, SAVE AND HOLD THE CITY OF GALVESTON HARMLESS, INCLUDING ITS OFFICERS, AGENTS, EMPLOYEES AND SERVANTS, FROM ANY CLAIMS, ACTIONS, LAWSUITS, PROCEEDINGS, DAMAGES, JUDGMENTS, OR LIABILITIES FOR PERSONAL INJURY, DEATH, OR PROPERTY DAMAGES RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF ANYONE UNDER THE GRANTEE'S SUPERVISION OR CONTROL.

IN THE EVENT OF ANY CAUSE OF ACTION OR CLAIM ASSERTED BY A PARTY TO THIS AGREEMENT OR ANY THIRD PARTY, THE CITY WILL PROVIDE THE GRANTEE WITH TIMELY NOTICE OF SUCH CLAIM, DISPUTE OR NOTICE. THEREAFTER, THE GRANTEE SHALL AT ITS OWN EXPENSE, FAITHFULLY AND COMPLETELY DEFEND AND PROTECT THE CITY AGAINST ANY AND ALL LIABILITIES ARISING FROM THIS CLAIM, CAUSE OF ACTION OR NOTICE.

INDEMNITY FOR INTELLECTUAL PROPERTY: GRANTEE HEREBY WARRANTS THAT THE USE OR SALE OF THE PRODUCTS, MATERIALS AND SERVICES DELIVERED HEREUNDER WILL NOT INFRINGE ON THE RIGHTS OF ANY TRADE SECRETS, PATENT, COPYRIGHT, REGISTERED TRADEMARK, OR OTHER INTELLECTUAL PROPERTY RIGHT COVERING SUCH MATERIALS AND GRANTEE AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY FOR ANY AND ALL COSTS, EXPENSES, JUDGMENTS AND DAMAGES WHICH THE CITY MAY HAVE TO PAY OR INCUR.

INSURANCE REQUIREMENTS: Grantee shall provide all required City of Galveston certificates of coverage and all renewals throughout the duration of the Franchise. For each policy except Workers' Compensation protection, Grantee shall name the City as an additional insured and shall provide that the policy require the insurance carrier to notify the City a minimum of thirty days (30) in advance of cancellation of all or part of the policy. All insurance policies are to be issued by an insurance company authorized to do business in the State of Texas and using an insurance company with an A.M. Best rating of B+ or better. All subcontractors utilized must also comply with these specifications. Specific details of coverage limits and conditions are listed below.

Required Insurance:

Commercial liability insurance, naming the City of Galveston as an additional insured and as certificate holder, and waiving subrogation per the contractual requirements of this Agreement. Limits are to be equal to or greater than:

\$1,000,000 Commercial General Liability

2,000,000 general liability (includes products and personal, etc.)

\$1,000,000 fire damage

\$1,000,000 automobile damage

\$500,000 workers compensation or other state-approved program, employer's liability in compliance with the laws of the State of Texas.

Insurance coverage shall be on an "per occurrence basis with a \$2,000,000 aggregate".

SECTION 20. Bonds.

1. The Grantee shall provide a Performance Bond to ensure the faithful performance of the terms and conditions of this Agreement. The Surety shall be a surety company duly authorized to do business in the State of Texas. The Grantee shall pay all premiums chargeable for the Performance Bond. The Grantee shall maintain the bond in full force and effect at all times during the term of this Agreement.

2. The Performance Bond must be in the amount of (One Million Five Hundred Thousand) \$1,500,000.00.

SECTION 21. Termination, Forfeiture and Default.

Termination for Convenience – The City of Galveston may terminate the Franchise upon at least ninety (90) days prior written notice for its convenience or for any reason deemed by the City to serve the public interest and/or the City of Galveston may terminate the contract upon thirty (30) days prior written notice for any reason resulting from any governmental law, order, ordinance, regulation, or court order. In no event shall the City be liable for any profits anticipated to be made hereunder by the Grantee should the contract be terminated early.

The Parties may cancel or terminate this Franchise at any time for failure to comply with the terms, conditions, or provisions of this franchise, City Charter, City Code, or state or federal law, in accordance with the following procedure:

1. Should Grantee violate or fail to comply with the terms and provisions of this Franchise or the terms and conditions of any applicable City ordinance over a period of thirty (30) days after the Grantee was duly notified in writing by the City to cease or desist from any such violation or failure to comply, then the Grantee may be deemed to have forfeited and annulled and shall there by forfeit and annul all rights and privileges granted by this franchise.

2. Such forfeiture shall be declared only by a written decision of the City after an appropriate public proceeding before the City Council. All due process requirements shall be met by providing the Grantee with at least fifteen (15) days prior written notice of any public hearing concerning the forfeiture of the franchise and, in addition, fifteen (15) days' notice by publication shall be given of the date, time and place of any public hearing to interested members of the public, which notice shall be paid for by Grantee.

3. The City Council, after full public hearing, may, in its discretion, forfeit the Franchise, or, upon finding a violation, or failure to comply, impose a lesser penalty than forfeiture of this franchise or excuse the violation, or failure to comply upon a showing by Grantee of mitigating circumstances, or upon showing good cause for said violation or failure to comply as may be determined by the Council. City Council, may declare said Franchise forfeited and may exclude the Grantee from further use of the streets of the City of Galveston under said Franchise forfeited and said Grantee shall thereupon immediately surrender all rights in and under the same and said franchise shall become null and void and no effect.

4. Grantee shall have the right to appeal any finding of violation or failure to comply that result in a forfeiture of the Franchise to any court of competent jurisdiction sitting in Galveston County, Texas, within thirty (30) days from the date of the City Council's decision, or the right to appeal is waived.

5. If after 90 days' notice by the City to Grantee to remove/collect their containers, and Grantee fails to collect their containers, it is understood and agreed that the City has the right but is not required, to remove, and sell said containers at any public auction to recover the removal and storage fees. Any excess proceeds after sale shall be remitted to Grantee.

SECTION 22. Retention of Rights by City. The City of Galveston, in granting this Franchise, fully retains and reserves all the rights, privileges, and immunities that it now has under the law to fully patrol and police the streets, alleys, and public ways within the city and the granting of this Franchise in no way interferes with the improvements or maintenance, or any other street, alleys, and public ways, and the rights of the Grantee herein to use said streets shall at all times be subservient to the right of the governing body of the City of Galveston to fully exercise its rights or control over said streets, alleys and public ways.

SECTION 23. Amendments. The City of Galveston expressly reserves the right, after due notice to Grantee, to modify, amend, alter, change or eliminate any of the provisions of this Franchise and to impose such additional conditions upon the Grantee as may be just, reasonable and necessary for the purpose of insuring adequate service to the public.

SECTION 24. No Waiver; Penalties

(a) Failure of the City to act upon any violation of any of the terms and conditions of the Franchise Agreement does not excuse or waive the Grantee from complying with any of the terms and conditions of the franchise Agreement.

(b) Grantee's violation or failure to comply with any of the provisions of the Ordinance or this Agreement is subject to a fine of not more than Five Hundred (\$500.00) Dollars and each day any violation or non-compliance continues shall constitute a separate and distinct offense.

(c) The penalty provided herein shall be cumulative of other remedies provided herein and by State and Federal law including, but not limited to, the power to forfeit or terminate this Franchise, the power of injunction or any other equitable remedies as provided by State law and the right to sue for damages which remedies may be exercised in enforcing this ordinance whether or not there has been a criminal complaint filed.

SECTION 25. Taxes. The Grantee shall promptly pay all lawful ad valorem taxes, and such other levies and assessments that may lawfully be imposed upon it. Failure to pay any of such charges or taxes shall be deemed a breach of the Franchise Agreement.

SECTION 26. Applicable Law, Venue and Jurisdiction: This Agreement shall be construed under and in accordance with the laws of the State of Texas, with jurisdiction in the courts of the State of Texas and venue in Galveston, County regardless of where the obligations of the parties were performed. By execution of this Agreement, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Texas in all matters relating to or arising out of this Agreement.

SECTION 27. Entire Agreement: This Agreement and all the terms and provisions contained herein, including without limitation the exhibits hereto, constitute the full and complete agreement between the Parties, and shall supersede and control over any and all prior agreements, understandings, representations, correspondence and statements, whether written or oral. Franchisee, by signing this Agreement, acknowledges the City of Galveston is entering into this Agreement in its governmental capacity, and not a proprietary capacity. No changes in the terms of this Agreement shall be binding unless it is in writing and signed by an authorized representative of both parties.

SECTION 29. Attorney's Fees: In the event there is a dispute concerning this Agreement, each party shall be responsible for its own costs and expenses including attorneys' fees and court costs incurred in the course of any dispute, mediation, or legal proceeding.

[Signatures on following page]

IN WITNESS WHEREOF, City and BFI have entered into this Agreement, effective as of the day and year first above written, with the intention of being legally bound hereby.

CITY OF GALVESTON
Grantor:

BFI Waste Services of Texas, LP
Grantee:

By: _____ Date: _____
Brian Maxwell, City Manager

By: _____ Date: _____
_____, General Partner

ATTEST:

Janelle Williams
City Secretary

APPROVED AS TO FORM:

City Attorney's Office

**BY EXECUTION OF THIS AGREEMENT, COMPANY ACKNOWLEDGES
RECEIPT OF A COPY OF THIS FRANCHISE AGREEMENT AND ORDINANCE, AND
HEREBY ACCEPTS THE TERMS OF THE SAME.**

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

On this day, BEFORE ME, personally appeared _____ its General Partner, of BFI Waste Services of Texas, LP., personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted executed the instrument.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2018.

Notary Public in and for the State of Texas

EXHIBIT A:

**FRANCHISEE'S PROPOSAL FOR SOLID WASTE COMMERCIAL HAULING
SERVICES WITHIN THE CITY OF GALVESTON**

EXHIBIT B:

COMMERCIAL RATE HAULER RATES

EXHIBIT B

DUMPSTER MONTHLY RATES Beginning 10/1/2018

Subsequent Years subject to 2.5% Base Rate Escalation

Frequency = times per week	1	2	3	4	5	6	7
2 CY Base Rate	\$ 53.15	\$ 98.51	\$ 140.76	\$ 178.33	\$ 211.21	\$ 239.43	\$ 262.96
FRF 20%	\$ 10.63	\$ 19.70	\$ 28.15	\$ 35.67	\$ 42.24	\$ 47.89	\$ 52.59
Franchise Fee 8%	\$ 5.10	\$ 9.46	\$ 13.51	\$ 17.12	\$ 20.28	\$ 22.99	\$ 25.24
Sales Tax 8.25%	\$ 5.68	\$ 10.53	\$ 15.05	\$ 19.07	\$ 22.58	\$ 25.60	\$ 28.12
Total 2 CY Dumpster	\$ 74.57	\$ 138.20	\$ 197.48	\$ 250.18	\$ 296.31	\$ 335.90	\$ 368.91
3 CY Base Rate	\$ 68.04	\$ 124.39	\$ 176.06	\$ 220.72	\$ 258.36	\$ 288.99	\$ 312.61
FRF 20%	\$ 13.61	\$ 24.88	\$ 35.21	\$ 44.14	\$ 51.67	\$ 57.80	\$ 62.52
Franchise Fee 8%	\$ 6.53	\$ 11.94	\$ 16.90	\$ 21.19	\$ 24.80	\$ 27.74	\$ 30.01
Sales Tax 8.25%	\$ 7.27	\$ 13.30	\$ 18.82	\$ 23.60	\$ 27.62	\$ 30.90	\$ 33.42
Total 3 CY Dumpster	\$ 95.45	\$ 174.51	\$ 247.00	\$ 309.65	\$ 362.46	\$ 405.43	\$ 438.57
4 CY Base Rate	\$ 75.13	\$ 134.68	\$ 187.98	\$ 231.94	\$ 266.54	\$ 291.80	\$ 307.69
FRF 20%	\$ 15.03	\$ 26.94	\$ 37.60	\$ 46.39	\$ 53.31	\$ 58.36	\$ 61.54
Franchise Fee 8%	\$ 7.21	\$ 12.93	\$ 18.05	\$ 22.27	\$ 25.59	\$ 28.01	\$ 29.54
Sales Tax 8.25%	\$ 8.03	\$ 14.40	\$ 20.10	\$ 24.80	\$ 28.50	\$ 31.20	\$ 32.90
Total 4 CY Dumpster	\$ 105.40	\$ 188.95	\$ 263.72	\$ 325.39	\$ 373.93	\$ 409.37	\$ 431.66
6 CY Base Rate	\$ 101.01	\$ 178.63	\$ 246.91	\$ 301.15	\$ 341.36	\$ 367.54	\$ 379.70
FRF 20%	\$ 20.20	\$ 35.73	\$ 49.38	\$ 60.23	\$ 68.27	\$ 73.51	\$ 75.94
Franchise Fee 8%	\$ 9.70	\$ 17.15	\$ 23.70	\$ 28.91	\$ 32.77	\$ 35.28	\$ 36.45
Sales Tax 8.25%	\$ 10.80	\$ 19.10	\$ 26.40	\$ 32.20	\$ 36.50	\$ 39.30	\$ 40.60
Total 6 CY Dumpster	\$ 141.71	\$ 250.60	\$ 346.39	\$ 422.49	\$ 478.90	\$ 515.63	\$ 532.69
8 CY Base Rate	\$ 119.09	\$ 207.00	\$ 282.44	\$ 339.17	\$ 377.21	\$ 396.53	\$ 397.15
FRF 20%	\$ 23.82	\$ 41.40	\$ 56.49	\$ 67.83	\$ 75.44	\$ 79.31	\$ 79.43
Franchise Fee 8%	\$ 11.43	\$ 19.87	\$ 27.11	\$ 32.56	\$ 36.21	\$ 38.07	\$ 38.13
Sales Tax 8.25%	\$ 12.73	\$ 22.13	\$ 30.20	\$ 36.26	\$ 40.33	\$ 42.40	\$ 42.46
Total 8 CY Dumpster	\$ 167.07	\$ 290.40	\$ 396.24	\$ 475.83	\$ 529.20	\$ 556.30	\$ 557.17
10 CY Base Rate	\$ 129.38	\$ 235.37	\$ 317.98	\$ 377.21	\$ 413.06	\$ 425.52	\$ 414.60
FRF 20%	\$ 25.88	\$ 47.07	\$ 63.60	\$ 75.44	\$ 82.61	\$ 85.10	\$ 82.92
Franchise Fee 8%	\$ 12.42	\$ 22.60	\$ 30.53	\$ 36.21	\$ 39.65	\$ 40.85	\$ 39.80
Sales Tax 8.25%	\$ 13.83	\$ 25.17	\$ 34.00	\$ 40.33	\$ 44.16	\$ 45.50	\$ 44.33
Total 10 CY Dumpster	\$ 181.51	\$ 330.21	\$ 446.10	\$ 529.20	\$ 579.49	\$ 596.97	\$ 581.65
Recovery Fee (FRF)	Calculated as Base Rate X 20%						
Franchise Fee	Calculated as Base Rate + FRF X 8%						
Sales Tax (State & Local)	Calculated as Base Rate + FRF + Franchise Fee X 8.25%						

EXHIBIT C

CURBSIDE RESIDENTIAL RECYCLING RATES DURING OPTION PERIOD

EXHIBIT C

PROJECTED CURBSIDE RECYCLING FEES
1 Issued Recycling Cart Only
2.5% Escalation Each Year After Year 1

Year	Escalation	Monthly Fee	Sales Tax	Cost per account	# of Accounts:	Total Cost
Year 1		\$ 10.00	\$ 0.83	\$ 10.83	21,500.00	\$ 232,737.50
Year 2	\$ 0.25	\$ 10.25	\$ 0.85	\$ 11.10	21,500.00	\$ 238,555.94
Year 3	\$ 0.26	\$ 10.51	\$ 0.87	\$ 11.37	21,500.00	\$ 244,519.84
Year 4	\$ 0.26	\$ 10.77	\$ 0.89	\$ 11.66	21,500.00	\$ 250,632.83
Year 5	\$ 0.27	\$ 11.04	\$ 0.91	\$ 11.95	21,500.00	\$ 256,898.65

**Additional fees will be applied for additional recycling carts.

EXHIBIT D
FORM OF CUSTOMER CONTRACT



Customer Service Agreement

INVOICE TO		SITE LOCATION	
CUSTOMER NAME		SITE NAME	
ATTN:		ADDRESS	
ADDRESS		CITY	
CITY		STATE	
STATE		ZIP CODE	
ZIP CODE		TEL. NO.	
TEL. NO.		FAX NO.	
		TITLE	
		TITLE	

AGREEMENT NUMBER
ACCOUNT NUMBER
855 -
EMAIL

N/O	CONT. GRP	TYPE	SIZE	C	QTY	ACCT. TYPE	CO	SERV. FREQUENCY	EST. LIFTS	S	P.O. REQ	REPT. REQ	LF CODE	OPEN/ CLOSE DATE	LIFT CHARGE	MONTHLY SERVICE	EXTRA LIFT	DISP RATE	ADDITIONAL CHARGES	ONE TIME CHARGES	TCRC CMP
																				Exchange Extra Yds Relocate Removal	

The undersigned individual signing this Agreement on behalf of the Customer acknowledges that he or she has read and understands the terms and conditions of this Agreement and that he or she has the authority to sign the Agreement on behalf of the Customer.

BY:	TITLE:
(AUTHORIZED SIGNATURE)	(AUTHORIZED SIGNATURE)
DATE OF AGREEMENT	

TERMS AND CONDITIONS

This Customer Service Agreement is made between BFI Waste Services of Texas, LP DBA Allied Waste Houston Services Group, Republic Services of Houston ("Company") and the customer listed on the order form ("Customer"). By using our website to submit the order form and checking the box to agree to this Customer Service Agreement, you are electronically signing and agreeing to transact electronically and to the following Terms and Conditions (together with the online order form and confirmation, the "Agreement")

SERVICES. Customer grants to Company the exclusive right to collect, transport, and dispose of or recycle all of Customer's non-hazardous solid waste materials (including Recyclable Materials) (collectively, "Waste Materials"), and Company agrees to furnish such services as permitted by Applicable Laws.

TERM. THE INITIAL TERM OF THIS AGREEMENT SHALL START ON THE DATE ON WHICH SERVICE UNDER THIS AGREEMENT COMMENCES AND CONTINUE FOR 36 MONTHS. THEREAFTER, THIS AGREEMENT SHALL AUTOMATICALLY RENEW FOR SUCCESSIVE 36 MONTH TERMS UNLESS EITHER PARTY GIVES WRITTEN NOTICE OF TERMINATION TO THE OTHER AT LEAST 60 DAYS BEFORE THE END OF THE THEN CURRENT TERM. ANY NOTICE OF TERMINATION UNDER THIS AGREEMENT BY CUSTOMER SHALL BE VOID UNLESS SENT VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND ACTUALLY RECEIVED BY COMPANY.

WASTE MATERIALS. The Waste Materials shall not contain any hazardous materials, wastes or substances; toxic substances, wastes or pollutants; contaminants; pollutants; infectious wastes; medical wastes; or radioactive wastes (collectively, "Excluded Waste"), each as defined by applicable federal, state or local laws or regulations (collectively, "Applicable Laws"). CUSTOMER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS COMPANY FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, SUITS, PENALTIES, FINES, REMEDIATION COSTS, AND LIABILITIES (INCLUDING COURT COSTS AND REASONABLE ATTORNEYS' FEES) (COLLECTIVELY, "LOSSES") RESULTING FROM THE INCLUSION OF EXCLUDED WASTE IN THE WASTE MATERIALS.

TITLE. Company shall acquire title to Waste Materials when they are loaded into Company's truck. Title to and liability for any Excluded Waste shall remain with Customer and shall at no time pass to Company.

CONTINUED ON NEXT PAGE

TERMS AND CONDITIONS (Continued from previous page)

PAYMENT. Customer shall pay Company for the services and equipment furnished by Company at the rates provided in this Agreement. Customer shall pay all taxes, fees and other governmental charges assessed against or passed through to Company (other than income or real property taxes). Customer shall pay such fees as the Company may impose from time to time by notice to Customer (including, by way of example only, late payment fees, administrative fees and environmental fees), with Company to determine the amounts of such fees in its discretion up to the maximum amount allowed by Applicable Law. Without limiting the foregoing, Customer shall pay Company: (a) a fee of \$50 (which Company may increase from time to time by notice to Customer) for each check submitted by Customer that is an insufficient funds check or is returned or dishonored; and (b) fuel/environmental recovery fees in the amount shown on each of Company's invoices, which amount Company may increase or decrease from time to time by showing the amount on the invoice. Customer shall pay Company within 20 days after the date of Company's invoice. At any time after Company becomes concerned about Customer's creditworthiness or after Customer has made any late payment, Company may request, and if requested Customer shall pay, a deposit in an amount equal to one month's charges under this Agreement.

RATE ADJUSTMENTS. Company may, from time to time by notice to Customer, increase the rates provided in this Agreement to adjust for any increase in: (a) disposal costs; (b) transportation costs due to a change in location of Customer or the disposal or recycling facility used by Company; (c) the Consumer Price Index for All Urban Consumers (Water, Sewer and Trash Collection Services), U.S. City Average; (d) the average weight per cubic yard of Customer's Waste Materials above the number of pounds per cubic yard upon which the rates provided in this Agreement are based as indicated on the cover page of this Agreement; (e) recycling sorting, processing and related costs; (f) costs related to Customer's failure to separate Recyclable Materials from other Waste Materials, the contamination of the Recyclable Materials, or other decreases in the value of the Recyclable Materials; or (g) Company's costs due to changes in Applicable Laws. Company may increase rates for reasons other than those set forth above with Customer's consent, which may be evidenced verbally, in writing or by the parties' actions and practices.

SERVICE CHANGES. The parties may change the type, size or amount of equipment, the type or frequency of service, and correspondingly the rates by agreement of the parties, which may be evidenced verbally, in writing or by the parties' actions and practices. This Agreement shall apply to any change of location of Customer within the area in which Company provides collection and disposal services.

RECYCLABLE MATERIALS. This section applies in the event Company has expressly agreed to remove and transport Recyclable Materials (material that Company determines can be recycled typically including, without limitation, aluminum cans (UBC – Used Beverage Containers), cardboard (free of wax), ferrous metal cans, mixed office paper, newspaper and plastics containers) to a material recovery facility, recycling center or similar facility. Customer agrees that Company in its sole discretion may determine any single load is contaminated and may refuse to collect it or may charge Customer for any additional costs, including (but not limited to) sorting, processing, transportation and disposal costs. Customer shall comply with all Applicable Laws regarding the separation of solid waste from Recyclable Materials and use of its best efforts to not place items in the container that may result in the decrease in the value of Recyclable Materials or make the Recyclable Materials unsuitable for recycling.

RESPONSIBILITY FOR EQUIPMENT; ACCESS. Any equipment Company furnishes shall remain Company's property. Customer shall be liable for all loss or damage to such equipment (except for normal wear and tear and for loss or damage resulting from Company's handling of the equipment). Customer shall use the equipment only for its proper and intended purpose and shall not overload (by weight or volume), move or alter the equipment. **CUSTOMER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS COMPANY FROM AND AGAINST ALL LOSSES ARISING FROM ANY INJURY OR DEATH TO PERSONS OR LOSS OR DAMAGE TO PROPERTY (INCLUDING THE EQUIPMENT) ARISING OUT OF CUSTOMER'S USE, OPERATION OR POSSESSION OF THE EQUIPMENT.** Customer shall provide safe, unobstructed access to the equipment on the scheduled collection day. Company may charge an additional fee for any additional collection service required by Customer's failure to provide access.

DAMAGE TO PAVEMENT. Company shall not be responsible for any damages to Customer's pavement, curbing or other driving surfaces resulting from Company providing service at Customer's location.

SUSPENSION. If any amount due from Customer is not paid within 60 days after the date of Company's invoice, Company may, without notice and without terminating this Agreement, suspend collecting and disposing of Waste Materials until Customer has paid such amount to Company. If Company suspends service, Customer shall pay Company a service interruption fee in an amount determined by Company in its discretion up to the maximum amount allowed by Applicable Law.

TERMINATION. In addition to its above suspension rights, Company may terminate this Agreement immediately by written notice to Customer if (a) any of the information contained in any credit application submitted to Company in connection with this Agreement is untrue or (b) Customer breaches this Agreement and fails to cure such breach within 10 days after Company gives Customer written notice of the breach. Company's failure to suspend service or terminate this Agreement when Customer fails to timely pay or otherwise breaches this Agreement shall not constitute a waiver of Company's right to suspend service or terminate this Agreement for any future failure to pay or other breach.

PAYMENT UPON TERMINATION. If Customer terminates this Agreement before its expiration other than as a result of a breach by Company, or if Company terminates this Agreement as a result of a breach by Customer (including nonpayment), Customer shall pay Company an amount equal to the most recent month's monthly charges multiplied by the lesser of (a) six months or (b) the number of months remaining in the term. Customer acknowledges that in the event of such a termination, actual damages to Company would be uncertain and difficult to ascertain, such amount is the best, reasonable and objective estimate of the actual damages to Company, such amount does not constitute a penalty, and such amount is reasonable under the circumstances. Any amount payable under this paragraph shall be in addition to amounts already owing under this Agreement.

ASSIGNMENT. Customer shall not assign this Agreement without Company's prior written consent, which Company shall not unreasonably withhold. Company may assign this Agreement without Customer's consent.

EXCUSED PERFORMANCE. Except for Customer's obligation to pay amounts due to Company, any failure or delay in performance due to contingencies beyond a party's reasonable control, including strikes, riots, terrorist acts, compliance with Applicable Laws or governmental orders, fires and acts of God, shall not constitute a breach of this Agreement.

ATTORNEYS' FEES. If any litigation is commenced under this Agreement, the successful party shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, litigation related expenses, and court or other costs incurred in such litigation or proceeding.

MISCELLANEOUS. If service to Customer includes Container Refresh, Customer is limited to requesting one exchange of each participating container every twelve months of paid enrollment; any additional exchange is subject to Company's standard container exchange fee. Customer agrees that during any enrollment year in which Customer receives an exchange under the program, any service change request by Customer to cancel Container Refresh will not be effective until Customer completes payment for twelve (12) consecutive months of enrollment in the program. Company reserves the right, in its sole discretion, to suspend or cancel the Container Refresh program. This Agreement sets forth the entire agreement of the parties and supersedes all prior agreements, whether written or oral, that exist between the parties regarding the subject matter of this Agreement. Company shall have no confidentiality obligation with respect to any Waste Materials. This Agreement shall be binding upon and inure solely to the benefit of the parties and their permitted assigns. If any provision of this Agreement shall be invalid, illegal or unenforceable, it shall be modified so as to be valid, legal and enforceable but so as most nearly to retain the intent of the parties. If such modification is not possible, such provision shall be severed from this Agreement. In either case, the validity, legality, and enforceability of the remaining provisions of this Agreement shall not in any way be affected thereby. Customer and Company agree that electronic signatures are valid and effective, and that an electronically stored copy of this Agreement constitutes proof of the signature and contents of this Agreement, as though it were an original.

Customer
Signature: _____
Date: _____



SITE LOCATION	
SITE NAME	
ADDRESS	
CITY	
STATE	
ZIP CODE	
TEL. NO.	
AUTHORIZED BY:	
CONTACT	
FAX NO.	
TITLE	
TITLE	

INVOICE TO	
CUSTOMER	
NAME	
ATTN:	
ADDRESS	
CITY	
STATE	
ZIP CODE	
TEL. NO.	

AGREEMENT NUMBER

ACCOUNT NUMBER

EMAIL

N/O	CONT. GRP	TYPE	SIZE	C	QTY	ACCT. TYPE	C/O	SERV. FREQUENCY	EST. LIFTS	S	P.O. REQ	RECP. REQ	LIF CODE	OPEN/ CLOSE DATE	LIFT CHARGE	MONTHLY SERVICE	EXTRA LIFT	DISP RATE	ADDITIONAL CHARGES	ONE TIME CHARGES	TCIRC CMP
																				Delivery Dry Run Dry Run Relocate Removal Removal Washout	

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BY: _____	BY: _____
TITLE: _____	TITLE: _____
(AUTHORIZED SIGNATURE)	(AUTHORIZED SIGNATURE)

CUSTOMER NAME (PLEASE PRINT) _____ DATE OF AGREEMENT _____

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Date: _____

Customer
Signature: _____



CITY OF GALVESTON, TEXAS

TRANSFER STATION AND RECYCLING CENTER OPERATIONS

RFP # 17-23



REPUBLIC
SERVICES

SUBMITTED BY: Steve Carroll
DATE: October 18, 2017
ADDRESS: 5301 Brookglen Drive
Houston, TX 77017
(713) 539-3782



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REPUBLIC SERVICES, INC 2016 SUSTAINABILITY REPORT



October 18, 2017

City of Galveston Purchasing Department
823 Rosenberg
Street Room 306
Galveston, TX 77553

Re: City of Galveston RFP # 17-23 "Transfer Station and Recycling Center Operations"

Good afternoon, Ladies and Gentlemen:

Enclosed, please find the submission of Republic Services of Houston in response to the above referenced Request for Proposals.

This submission conforms to the requirements and addresses all of the required elements as set forth in the Request. We have read and are familiar with the requirements of this Request and the information contained in this Proposal or any part thereof, including its exhibits, schedules and other documents and instruments delivered or to be delivered to the City are true, accurate and complete to the Proposer's knowledge. This Proposal includes all information necessary to ensure that the statements herein do not in whole or in part mislead the City as to any material facts. As required in Section 6(I), "Validity Period", all rates quoted herein will remain firm for a period of 90 (ninety) calendar days from the due date.

In our continuing effort to deliver quality services to the City on a "best value" basis, we have opted to submit proposed rates for the following services in the Request:

- Operation and Maintenance of the City Owned Solid Waste Transfer Station,
- Commercial and Industrial Containerized Solid Waste Collection and Disposal Services, and
- Residential Recycling Services

We are of the opinion that implementation of a successful curbside recycling program will minimize the need for a permanent citizen's drop off recycling center.

Should the City accept our Proposal, a final Agreement will be negotiated between the City and Republic Services which will include terms acceptable to both parties. Please note that Republic Services would take exceptions to specifications in the Request as detailed below:

Insurance Requirements: Republic Services takes the following exceptions to the insurance provisions:

- a) The City will not be named as an additional insured on any workers' compensation (or other state-approved program) policies.
- b) After "workers compensation", and "or other state-approved program" in Section I(3)(A)(i) as Republic is a non-subscriber to workers compensation in the State of Texas;
- c) Delete "including All States Endorsement" in Section I(3)(A)(i).
- d) Delete Medical Payments in Section I(3)(A)(ii) and add "blanket-form" before Endorsements in the last line of this same subsection.
- e) Delete the requirement to carry professional liability insurance in Section I(3)(a)(iv) as this is not applicable to the services.

Indemnity: Insert the following in Section II(3)(B) of the agreement: "Notwithstanding anything to the contrary in this section, Contractor shall have no obligation to indemnify the City of Galveston to the extent that any claims, losses, damages, causes of action, suits, or liabilities are caused by the negligence or willful misconduct of the City of Galveston, its offers, agents or employees."

Final Contract: Republic Services reserves the right, if awarded the bid, to negotiate a contract that is mutually acceptable to both parties. At a minimum, the final contract must include the following provisions:

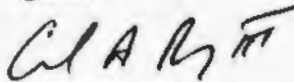
- a) The solid waste shall not include any Excluded Waste.
- b) "Excluded Waste" means highly flammable substances, Hazardous Waste, liquid wastes, special wastes, certain pathological and biological wastes, explosives, toxic materials, radioactive materials, material that the disposal facility is not authorized to receive and/or dispose of, and other materials deemed by state, federal or local law, or in the reasonable discretion of Contractor, to be dangerous or threatening to health or the environment, or which cannot be legally accepted at the applicable disposal facility.
- c) "Hazardous Waste" means waste defined as, or of a character or in sufficient quantity to be defined as, a "Hazardous Waste" by the Resource Conservation and Recovery Act, as amended, or any state or local laws or regulations with respect thereto, or a "toxic substance" as defined in the Toxic Substance Control Act, as amended, or any regulations with respect thereto, or any reportable quantity of a "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any regulations with respect thereto. The term "Hazardous Waste" also includes any waste whose storage, treatment, incineration or disposal requires a special license or permit from any federal, state or local government entity, body or agency and any substance that, after the effective date of this Agreement, is determined to be hazardous or toxic by any judicial or governmental entity, body or agency having jurisdiction to make that determination.
- d) Notwithstanding anything set forth in this Agreement or otherwise to the contrary, ownership and liability of Excluded Waste shall not pass to Contractor.

As required, rate information for individual services is included in those sections of the RFP rate documents. Please note that, all rates quoted by Republic Services of Houston in this submission are exclusive of applicable taxes and fees, including existing Franchise Fees.

We are proud to provide this submission to the City and look forward to discussing it with you at your convenience. Should you have questions or require additional clarification on any portion of our submission, please *do not hesitate* to contact me. I can be reached by phone at (225) 810-2434 or by email at CRay@republicservices.com. Should I be unavailable for any reason, you may also contact Steve Carroll by phone at (713) 539-3782 or by email at SCarroll@republicservices.com.

On behalf of Republic Services of Houston, we are extremely appreciative of the opportunity to have been of continual service to the City of Galveston during the past 10+ years and look forward to continuing our partnership with the City in the foreseeable future.

Regards,



Calvin A Ray III
For Republic Services of Houston

CR/sc

xc: B. Rogers

CERTIFICATE OF SECRETARY

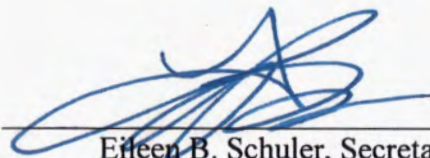
**RELATING TO THE BID OR PROPOSAL FOR
TRANSFER STATION AND RECYCLING CENTER OPERATIONS
FOR THE CITY OF GALVESTON
IN THE STATE OF TEXAS**

The undersigned, Secretary of **ALLIED WASTE LANDFILL HOLDINGS, INC.**, a Delaware corporation, the general partner (the "General Partner") of **BFI WASTE SERVICES OF TEXAS, LP**, a Delaware limited partnership (the "Partnership") hereby certifies that the following is a true and correct copy of the resolution which was duly adopted by written consent of the General Partner on February 24, 2016, that such resolution has not been rescinded, amended or modified in any respect, and is in full force and effect on the date hereof:

RESOLVED, that (i) any individual at the time holding the position of General Manager or Area Director, Finance be, and each of them hereby is, appointed as an Authorized Agent, to act in the name and on behalf of the General Partner, in its capacity as the General Partner of the Partnership, and to include the execution of related documents, in connection with the day-to-day business activities of the Partnership, and further, that (ii) in addition to the General Manager or Area Director, Finance, any individual at the time holding the position of Area Director, Business Development; Area Director, Operations; or Market Vice President be, and each of them hereby is, appointed as an Authorized Agent to execute any bid and proposal, and if awarded, any related contract for services to be performed by the Partnership and any bond required by such bid, proposal or contract, all in accordance with the existing Levels of Authority and other relevant policies and procedures.

I further certify that **CALVIN A. RAY, III** holds the title of General Manager and in such capacity has full authority to act in the name and on behalf of the Partnership as set forth in the foregoing resolution.

WITNESS MY HAND, this 2nd day of August, 2017.


Eileen B. Schuler, Secretary

Corporate Data Sheet Report

As of August 01, 2017

BFI Waste Services of Texas, LP

Formed in Delaware on 03/29/2001

Status:	Current	
Entity Type :	Limited Partnership	
Federal ID #:	86-1024527	Internal #: 8Z
Domicile:		

Primary Address

18500 North Allied Way
Phoenix, Arizona 85054

Partners

Title

Allied Waste Landfill Holdings, Inc.	General Partner
Allied Waste Systems Holdings, Inc.	Limited Partner

Direct Owners

	<u>Registered in</u>	<u>%Ownership</u>
Allied Waste Landfill Holdings, Inc.	Delaware	1.0000 %
Allied Waste Systems Holdings, Inc.	Delaware	99.0000 %

Registrations

		<u>Charter No.</u>	<u>Tax ID No.</u>	<u>Date</u>	<u>End Date</u>
Delaware	Formation	3375017		03/29/2001	
Louisiana	Qualification	41012954L		12/06/2012	
Texas	Qualification	00148677-11	18610245278	04/03/2001	



REPUBLIC
SERVICES



RFP # 17-23
Transfer Station and
Recycling Center
Operations

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Executive Summary

92% of municipalities partnered with Republic Services extend their contracts because of our partnerships and local expertise offering simple, reliable solutions that are environmentally responsible.

Best Value

We'll handle it from here™, our brand's promise, lets customers know they can always rely on us to handle their recycling and waste needs in a way that is easy and effortless for them.

There is an undeniable energy of excellence at Republic, and it is surging through everything we do. Excellence is the essence of our Growth through Differentiation strategy.

We believe that excellence means being better than competitors at everything we do. Every day. We begin by actively listening to our customers. We seek out thousands of conversations each month, mining for insights into customer wants and needs. Those insights

lead to innovation. Our innovation brings about simple solutions for our customers.

Republic Services is your low-risk, best value partner

- A number of employees live in the Galveston Area
- 20 years continuously serving Galveston and the Galveston Area
- Reliable - 99.9% pickup rate
- Environmental Responsibility - over 2,400 CNG trucks nationwide
- Safer - 41% fewer incidents than industry average
- Simple Solutions – Customer App, My Resource
- Only recycling and waste company named to the 2017 Forbes America's Best Employer List
- Only recycling and waste company on the Dow Jones Sustainability Index North America and World Indices
- Member of 2017 World's Most Ethical Company® List by Ethisphere Institute
- Three fully staffed, US-based, national customer resource centers

Figure 1. You're Low-Risk, Best Value Partner - Republic Services is proud to lead the industry in many key factors that make us your preferred partner for municipal recycling and waste services.

Strengths of our Company	Benefits to Municipality
99.9% On-time pickup rate	Happy community; fewer calls to City
41% safer than industry average	Fewer incidents; safer community streets for children at play
Simple Solutions for your community waste and recycling needs	Easy access to solutions for the growing number of waste streams
Recognized Globally on Dow Jones Sustainability Index	Peace of mind that you have a global leader in sustainable initiatives as your partner
Most advanced, integrated Customer Resource Centers in the industry	Longer customer service hours, with hundreds of trained agents networked together nationwide
Web and Smartphone based apps for easy access by community residents to relevant information	Stronger communications, and ease of alert and news dissemination
Robust community education and outreach	Better informed community leads to lower contamination and greater diversion rates

We configure products and services to the individual customer, at the right price.

Next, we make it an effortless and enjoyable experience. We enable customers to interact with us on their terms: online, in-person or by phone. Then, the best people deliver a superior product or service, fulfilling and exceeding our promise. Every time.

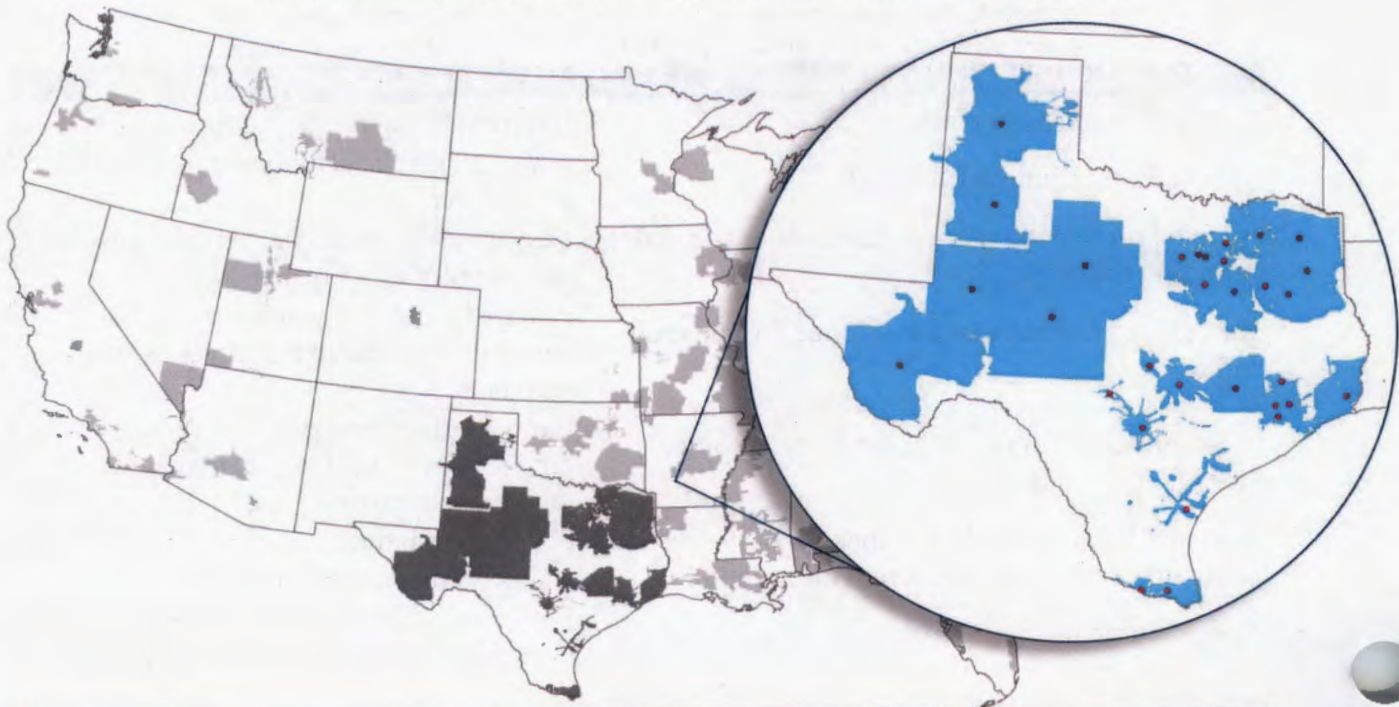
The zeal for our customers has brought forth new and exciting changes. From operations to talent to technology, we are focused on not just meeting the needs of our 14 million customers, but exceeding them.

Low cost providers in the industry sacrifice one or more of these elements, translating to risk to your municipality. Republic Services is your best-value partner, through our proven and demonstrated balance of these factors, while serving over 2,700 municipal contracts today.

Local Leadership with National Support

Our local team is vital to the successful delivery of this contract and its daily operations. This team's unique combination of collection experience, recycling expertise, and innovative management systems will ensure quality service for the duration of the contract. Our local and area management teams have extensive industry experience in operating and managing solid waste companies and have substantial experience in the region. As a result of retaining experienced managers with extensive knowledge of their local communities, we are proactive in anticipating customers' needs and adjusting to changes in the markets. We also seek to implement the best practices of our various business units throughout our operations to continue improving our operations and service to our customers.

Figure 2. **Local accountability backed by national support.** Our Galveston operations are backed by our corporate-wide strength and experience, incorporating innovations from other local operations.





While our local business operation is fully empowered and accountable for delivering on our commitments, they are also backed by the support and breadth of our area and corporate leadership teams, capable of amassing expertise and corporate support to assist or respond to any challenge. An example of this benefit to you is the response capabilities during times of crisis such as hurricanes, tornados, or other disasters. In times of challenges like this, our area and corporate teams activate to ensure people, assets and services are safe and can return to normal operations quickly. This is a considerable benefit and risk mitigation to Galveston that many other providers in the industry are unable to stand behind.

Sustainability

Sustainability contributes to a cleaner world, while also providing opportunities to improve brand awareness, to increase customer loyalty, to grow our business, to motivate our employees and to differentiate Republic Services from our competitors.

We believe we have a responsibility to regenerate our planet with the materials we are entrusted to handle every day by driving increased recycling, generating renewable energy, and helping our customers be more resourceful.

Additionally, we must lead by example, working diligently to improve our relationship with the environment and society through decreased vehicle emissions, innovative landfill technologies, use of renewable energy, community engagement and employee growth opportunities.

Operations

We exercise the utmost responsibility in our operations. This includes our fleet, our buildings, our landfill technology and the day-

Republic Services South Houston Division Exclusive Franchise Partners

<u>City of League City</u>	– 33,000 residences / 1000 commercial locations
<u>City of Texas City</u>	– 13,000 residences / 600 commercial locations
<u>City of Dickinson</u>	– 7,000 residences / 250 commercial locations
<u>City of La Marque</u>	– 6,000 residences / 250 commercial locations
<u>City of South Houston</u>	– 3,500 residences / 300 commercial locations
<u>City of Webster</u>	– 600 residences / 800 commercial locations
<u>Chambers County MUD #1</u>	– 1,200 residences
<u>Spring Meadows MUD</u>	– 1,500 residences

to-day activities we conduct in our communities. We are working hard to understand and measure our impact on air, land and water to minimize or eliminate any negative consequences, where possible.

Materials Management

We recognize the responsibility and opportunity we have in managing the nation's waste stream to provide a source of recovered and renewable materials and energy to the economy. We are innovative and constantly exploring new options to capture value and energy from materials in the waste stream, while ensuring environmental responsibility and sustainability.

Communities

We are dedicated to being a good neighbor in the communities in which we live and work. This includes investing back in our communities through customer engagement, philanthropic giving, volunteerism, environmentally responsible infrastructure, and operating in over 240 markets at the highest standards.

Republic's community engagement plan is based on the needs of the community-based organizations and civic and business entities in Galveston. Republic has a track record of giving to and spending in the Galveston area. Our estimated spend in this area is estimated to be nearly \$100,000.00 annually.

Safety

We prioritize safety above all else. When people feel safe, they can fully participate in the opportunities that are available to them every day.

Republic has a consistently low and trending lower occurrence of incidents and accidents and is known for its strict focus on safety and corresponding best in industry, multi-faceted, and well organized safety program. Republic's average OSHA scores are lower than the average OSHA scores for the waste industry

according to Department of Labor, Bureau and Statistics Data. Employees, the general public, and rate payers all benefit from Republic's dedication to safety. Republic has been and will continue to strive to be the safest waste services company in America. We are 41 percent safer than our competition. Republic also has one of the youngest fleets among waste services providers in the United States.

People

Engaged employees are the greatest indicator of our success. We provide ongoing job training, growth and development opportunities for our employees at every level. We are invested in our employees and continue to look for meaningful ways to demonstrate our appreciation for the hard work and dedication they show each and every day.

Republic is a local company staffed with a committed team of over 200 professionals who take personal responsibility for serving customers with care, and Republic is also an industry leader providing the strength of its national network, decades of experience, diversified capabilities and expertise serving clients of all sizes—including, proudly, the City of Galveston.

Figure 3. 5 Elements of Sustainability – These commitments are reflected in the way we do business and guided by the five elements of our sustainability platform.



Customer First

In 2016, Republic Services made a major commitment to further differentiate from our competitors by investing in the enhancement of the quality and reliability of our customer service capabilities. To accomplish this, we consolidated hundreds of small call centers across the country into three state-of-the-art, fully integrated Customer Resource Centers (CRC) located in Phoenix, AZ, Indianapolis, IN, and Charlotte, NC. These facilities were

selected for their location to ensure we can deliver call support for 15 hours per day (7:00am Eastern to 7:00pm Pacific) on weekdays, and 5 hours on Saturday.

We'll Handle It From Here™

Our brand promise is backed by the details of this proposal. In summary, we take pride in offering you a best-value partnership that consists of Simple Solutions, which are Reliable and Environmentally Responsible.

Figure 4. **We'll Handle It From Here™** – Our brand promise to you is backed by our three pillars of differentiation, enabling us to be your preferred recycling and waste partner.



Figure 5. **An industry leading safety program** that has been 41% better than the industry average.



- **Simple Solutions** – We offer a wide range of tailored products to assist the community in the responsible recycling or disposal of unique waste streams that include electronics, universal waste, or household hazardous waste. Additionally, our investments in customer-facing web and smartphone based apps allow simple interaction between customers and Republic Services, offering service details, alerts, as well as delivery schedules and billing information.

- **Reliable** – Our operations and performance metrics prove that we are your most reliable partner. Our 99.9% pickup rate means that you face fewer calls from the community regarding service, and when callers reach out to us for any needs, we strive for 1st call resolution through our fully integrated customer resource centers. Our drivers are the safest in the industry, which means your residents are better off with our team on your streets.
- **Environmental Responsibility** – We are globally recognized as a leader in sustainability. Our investments in recycling infrastructure, Natural Gas powered trucks, and landfill gas-to-energy plants are all examples of how we drive to be a good neighbor in every municipality we partner with.

It is through these initiatives and recognitions that we reiterate our commitment to Galveston. On behalf of the 33,000 employees at Republic Services, we appreciate the opportunity to earn your business through this submittal, and look forward to a long and continued partnership for years to come.

Company Overview

Republic Services is a leading provider of municipal recycling and waste services in the country, serving over 2,700 communities, with over 14 million customers in 39 states and Puerto Rico.

Local Presence

During the past 20 years, Republic Services has partnered with municipalities, residents, and businesses in the Galveston County area to provide solid waste, recycling, yard waste and bulky item collection services as well as post collection services including landfill and transfer station operations and management.

Republic Services invests in our communities by continuing to provide customers with safe, customer service focused solutions

- Municipalities that partner with Republic Services choose to renew or extend 92% of the time
- Our 15,000 drivers execute 5.8M pickups/day
- Average tenure of Republic Services Municipal customer is over 12 years
- As a corporate partner we sponsor and are present in the communities we serve.
- Over 50,000 residential customers, 5,000 commercial and industrial customers in the Galveston County Area.
- Republic Services deploys over 150 trucks daily from its local collection operations.

Republic Services is integrated in the community, employing approximately 50 people within the Galveston Area, some of whom live in Galveston County and the City of Galveston.

We place great importance on our human capital and recognize that our employees are our most important asset. Republic Services endeavors to provide the very best working conditions, including a safe environment, competitive pay and benefits, and many opportunities for professional growth. In fact, a number of our supervisors and managers began their careers at Republic Services as drivers, landfill operators, or technicians.

Our Company

Republic Services is an industry leader in the non-hazardous solid waste industry with revenues in excess of \$9.3 billion and over 33,000 dedicated employees. Figure 6 shows our lineage, which includes three of the industries most recognized brands, who combined in 2008. All of our legacy brands operate today as a part of the Republic Services family.

Republic's collection companies, transfer stations, recycling centers and landfills focus on providing effortless solutions for our more than 14 million commercial, industrial, and residential customers. Republic Services responsibly operates 333 collection operations, 204 transfer stations, 192 active solid waste landfills and 64 recycling centers across 39 states and Puerto Rico. We also have 71 landfill gas and renewable energy projects and are adding new facilities every year.

Figure 4. **Company History** – Today's Republic Services is the product of three former industry leaders

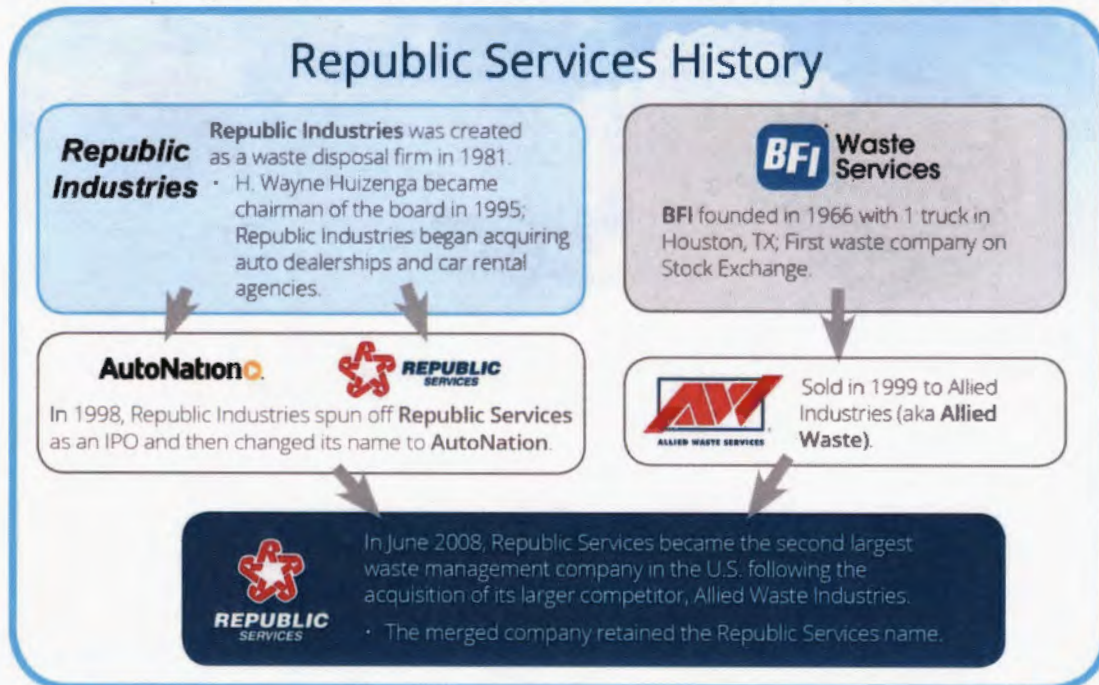


Figure 7. **Environmental Responsibility** - As stewards of our Blue Planet™ we have a responsibility to regenerate our planet with materials we are entrusted to handle every day



With over 16,000 vehicles Republic deploys the 8th largest fleet in the U.S. to collect approximately 100 million tons of waste and collect five million tons of recyclables.

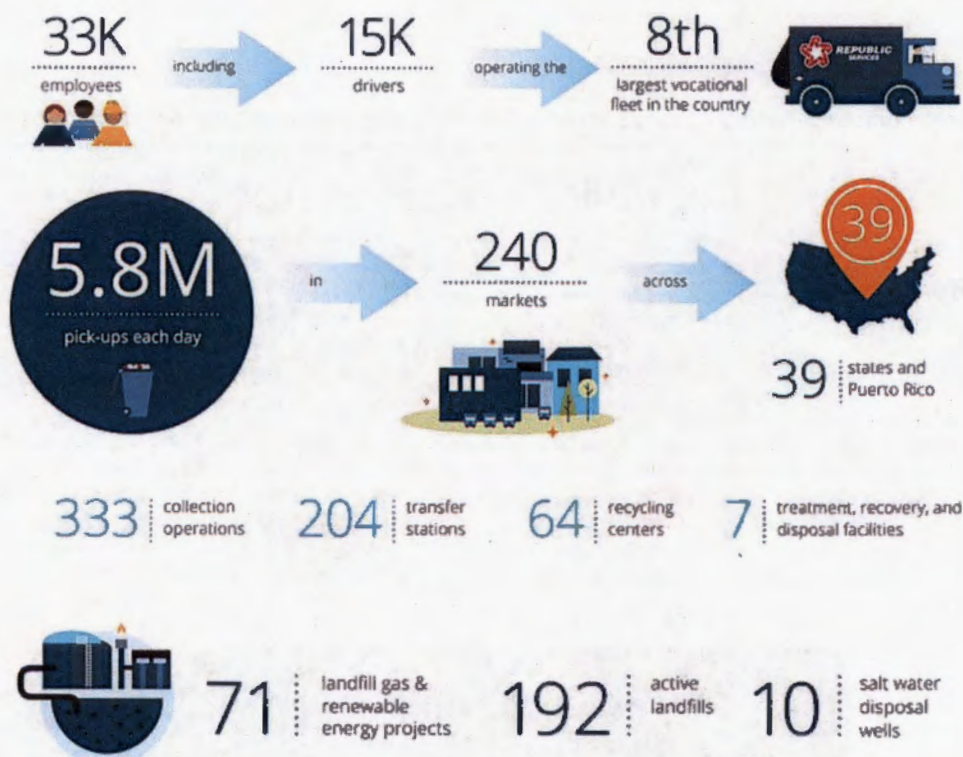
Vision

Republic Services' vision is to be America's preferred recycling and waste services partner. We'll earn this by providing our customers with simple solutions, reliability and environmental responsibility, wrapped with a level of service unmatched anywhere else in our industry.

Values

We believe that empowered and engaged employees are the greatest indicator of our success. We are guided by the principles we have adopted as our core values – to be

Figure 8. **Key Company Statistics** - Republic Services is an industry leader in the U.S. non-hazardous solid waste industry





Respectful, Responsible, Reliable, Resourceful and Relentless in all we do, every day. We are reminded of these principles every time we see the five R's joined together to form the Republic Services' Star.

Strategy

Our strategy is profitable growth through differentiation. Simply put, we hire the best people that deliver the best products that best meet our customers' needs.

Brand

We'll handle it from here.™, our brand's promise, lets customers know they can always rely on us to handle their recycling and waste needs in a way that is easy and effortless for them.

Sustainability

At Republic Services, we are dedicated environmental stewards entrusted to properly handle materials every day by driving increased recycling, generating renewable energy, and helping our customers be more resourceful. Republic Services leads by example, working diligently to improve our relationship with the environment and society through decreased vehicle emissions, innovative landfill technologies, use of renewable energy, community engagement and employee growth opportunities.

Sustainability contributes to a cleaner world, while also providing opportunities to increase customer loyalty, grow our business, motivate our employees and differentiate Republic Services from our competitors.

People

Our people are the center of our success. Attracting, developing and engaging the best talent is critical to our strategy of profitable growth through differentiation. Whether it's through our dedication to safety, robust

learning and talent development programs or expanding our diversity and inclusion initiative, Mosaic, we are committed to making Republic Services an Employer of Choice where the best and brightest come to work.

Leadership

Republic Services' operations are national in scope, but the physical collection and disposal of waste is very much a local business and the dynamics and opportunities differ in each of our markets.

Our national presence allows us to identify and incorporate best practices that drive greater overall operating efficiency across the company while maintaining day-to-day operating decisions at the local level, closest to the customer. We manage our operations through ten geographic operating areas, consisting of multiple divisions that each provides recycling and waste collection, transportation and disposal services.

Your municipal contract will be executed locally, by our seasoned teams located at 5301 Brookglen Drive and 5757A Oates Road in Houston. These teams are fully empowered within our company structure to deliver on our promise to be your preferred recycling and waste provider. These local teams are only two levels removed from our corporate staff, which means the backing and support of a national company is accessible on a moment's notice.

Ownership

Republic Services, Inc. is a publicly traded company on the New York Stock Exchange (NYSE symbol: **RSG**).

Ownership beyond five percent

The following table shows certain information as of January 6, 2017 with respect to the ownership of common stock by each shareholder who is known by Republic Services to own more than 5% of our outstanding common stock:

Name of Owner	% Outstanding	Shares
Cascade Investment, LLC	32.0%	108.8M
The Vanguard Group, Inc.	5.2%	17.8M

Credit Rating

Republic Services, Inc. has an "investment grade" rating. No creditor is owed a debt greater than 10 percent of the Company's total assets.

Associations

Republic Services is a member of the following associations and organizations. Republic Services employees are actively engaged in these organizations. In many cases, our employees serve on the Boards of Directors and are elected officers in many of these associations.

- National Waste & Recycling Association (NW&RA)
- Solid Waste Association of North America (SWANA)
- Environmental Research and Education Foundation (EREF)
- United States Green Building Council (USGBC)
- Public Affairs Council

- U.S. Conference of Mayors, Solid Waste Advisory Council
- National League of Cities (NLC)
- International Galveston Managers Association (ICMA)

Figure 5. Republic Services is a proud member of our industry association as well as many other trade associations.





Facilities

It is our business to help you and your residents to be environmentally responsible at their homes and workplaces. As you would expect, we strive to be exemplary in our own environmental compliance and responsibility.

Our facilities are engineered for safe, environmentally friendly operations. We use sustainable materials that facilitate energy and water conservation, as well as design principles to enhance employee and guest safety and comfort.

Providing outstanding recycling and waste services for your community requires the existence of multiple types of facilities, which typically include:

- Hauling Company
- Transfer Station
- Material Recovery Facility (MRF)
- Landfill
- Customer Resource Center (CRC)

Below is a brief description of our most common facility types. One or more of these facility types may reside at the same physical address/location in a Galveston.

*Figure 6. **Hauling Company** - Our hauling operations are the core of the collection service to your community, offering the newest truck fleet with the most tenured drivers in the industry*



Facilities that work with the environment are basic design elements at Republic

- Our newest recycling center uses 75 percent recycled steel and 1,776 solar panels.
- More than half of the materials in our new Customer Resource Center is from repurposed materials and has LED and natural lighting throughout.
- Low-flow water fixtures and xeriscaping in our newest facility in the Southwest reduces water consumption by 20 percent.
- Republic Services has operations in 240 markets across the US
- Responsibly operate 333 collection operations across the country

Hauling Company

A hauling company is the location that community recycling and waste collection services are based. These facilities typically serve several important functions that are critical to delivering exceptional service to your residents:

- A yard for parking all the trucks that serve the community, including fueling infrastructure if possible
- Storage yard for spare containers and containers, used to serve the residential, commercial and industrial customers in the community
- An industry leading maintenance facility, which delivers service for the trucks and containers
- Training facilities to keep our workforce at the forefront of learning and safety
- Administrative offices to interact with your municipal staff

It is typical that our largest workforce presence exists at a hauling company, to support the complex operation that goes into serving your community with 99.9% reliable on-time pickups every

Transfer Station

A transfer station is frequently used in communities that are located outside the recommended drive time from a landfill or other post-collection facility. The purpose of transfer stations is to enable the efficient transfer of recycling or municipal solid waste from the collection trucks to tractor trailer trucks that can more efficiently transport the material to the appropriate post-collection facility. Typical transfer stations consist of a large concrete tip floor, where collection trucks deposit the material after their trucks reach capacity on a route. Once on the tip floor, material is transferred to larger tractor trailers, where the material is hauled to the MRF, landfill or other post collection facility.

At Republic Services, our transfer stations are designed and operated with a focus on safety, environmental responsibility, and being a good neighbor. We invest frequently in Republic operated facilities to ensure they meet appropriate standards for operations and fit well within the areas in which they are located.

Figure 7. Transfer Stations - Reduce wear on roads and trucks by offering an efficient and local transfer of material for transport to post collection facilities



Material Recovery Facility (MRF)

A Material Recovery Facility (MRF) is a very complex facility that is designed to receive process and package the various recyclable commodities that are collected in the community. Material collected on recycling routes is brought to the MRF, where it is deposited on the tip floor. From there, the material is loaded onto a large conveyor belt that progresses through multiple stations in the facility. Each station of a MRF is specifically engineered to separate unique types of material from the recycling stream on the belt, such that all material is uniquely separated by the time it reaches the end of the MRF line. Once each commodity is separated, it is baled to assist in transportation and sale to end market buyers.

Examples of the typical commodities separated in a MRF include:

- Cardboard
- Paper
- Plastics
- Cartons
- Aluminum

Figure 8. Material Recovery Facility (MRF) - Republic Services operates some of the most advanced Material Recovery Facilities (MRF) in the country



Landfill

A landfill is where material that cannot be recycled in some manner is processed for disposal. This can be one of the most complex facilities in our portfolio due to the tremendous responsibility we hold to appropriately handle the nation's waste. Each landfill is segmented into cells, which are engineered in sections to handle the waste deposited at the facility. All of our landfill facilities are subject to the Resource Conservation Recovery Act (RCRA) Subtitle D regulations which ensure that the facility contains:

- Liner in the bottom of each cell to separate the deposited waste from the environment
- Layers of daily waste deposits from the community
- A layer of daily cover, such as soil to help reduce odors
- An elaborate leachate system, which catches and processes rain water that leaches through the landfill over time
- A complex system of pipes and pumps that capture and process the landfill gas (methane) which is a natural byproduct of waste over a period of time.
- An engineered cap that is placed over the top of a closed cell

*Figure 9. **Landfill** - Our landfill operations are staffed by highly trained environmental and landfill engineers*



- A top cover of soil that is placed over the top of a capped cell

Our landfills are staffed by trained environmental engineers who monitor the operations daily, as well as monitor closed landfill facilities for years after they have been closed and capped.

Customer Resource Center (CRC)

In 2016, Republic consolidated hundreds of small call centers into three state-of-the-art, fully integrated Customer Resource Centers (CRC) located in Phoenix AZ, Indianapolis IN, and Charlotte NC. These facilities were selected for their location to ensure we can deliver call support for 15 hours per day (7:00am Eastern to 7:00pm Pacific) on weekdays, and 5 hours on Saturday. These facility locations were also selected in markets known for a high population of call center agents, which means they are staffed with a highly trained and carefully selected staff who have each passed a rigorous 5 week training course. Additionally, every agent is equipped with industry-leading technology to ensure a superior customer experience when they call with questions or to request additional service.

*Figure 10. **Customer Resource Centers (CRC)** - combine state-of-the-art technology to give customers the best service possible*



Facilities Serving Galveston

Republic Services will serve Galveston with the following facilities

Facility Type	Address	Distance from City	No. of Employees	Hours of Operation
Republic Services South Houston Division	5301 Brookglen Houston, TX	40 Miles	270	M – F / 6:00am – 6:00pm
City of Galveston Transfer Station	5501 Harborside Galveston, TX	In City	20	M – F / 6:00am – 6:00pm
City of Galveston Recycling Center	702 61 st Street Galveston, TX	In City	10	M – Su / 8:00am – 5:00pm
Galveston County Landfill	3935 Avenue A, Santa Fe, Texas	18 Miles	20	M – F / 6:00am – 5:00pm Sat / 8:00am – 2:00pm
Customer Resource Center	Phoenix, AZ Indianapolis, IN Charlotte, NC	Virtual	300+ 300+ 300+	7:00am (EST) - 7:00pm (PST) – M-F 5 hours on Sat

Collections – Operations

Great operations come from great people. Republic's locally based operations team draws from extensive training and the backing of a seasoned corporate support team. The result is a 99.9% on-time service record, with an emphasis on safety, sustainable practices, and low risk operation for the Municipality.

Operations Overview

Successful collection operations begin with a seasoned operations supervisor who knows the business as well as your community. Your Republic local operations supervisor is responsible for the day-to-day collection operations, including development and evaluation of routing (in conjunction with the general manager), training and oversight of drivers, and implementation and enforcement of safety procedures.

We ensure our operations supervisors are not overloaded, nor tied to a desk. On average, we maintain a 15:1 ratio of routes to supervisor, which means that items needing attention are dealt with immediately, and that the supervisor knows your community intimately. In addition, our supervisors are out on the routes

Republic Services' operations team is market-leading through training, collaboration and hands on experience

- The most robust operations supervisor training in the industry
- Average of 15:1 route to dedicated supervisors ratio – means prompt response and oversight for your community
- Proven optimized routing process ensures efficiency, safety and minimal impact on Galveston streets
- Republic Services executes 5.8M pickups per day

regularly. At least twice per week, they conduct ride-alongs with drivers on their routes. This creates great opportunities for driver mentoring, ensures quality control on the route, and keeps the supervisor directly aware and familiar with the nuances of the route and the community. Few if any other companies in the industry dedicate their operations staff to success in this manner.

Operations Training

Our Operations Supervisor training programs are second to none. Every supervisor, upon starting employment at Republic Services, attends a rigorous 2-week boot camp training course. Regardless of prior industry experience, this boot camp level sets all our supervisors on *The Republic Way* of running operations, and builds a strong peer network with those who attend the training together. After the initial training boot camp, supervisors engage in regular refresher and new training opportunities, between 2 and 4 times per year. This yields an operations supervisory team that is able to share best practices and constantly look for ways to improve on the level of service in your community.

Figure 11. **Operational Excellence** - Our rigorous supervisor training program yields highly skilled operations teams.



Routing Optimization

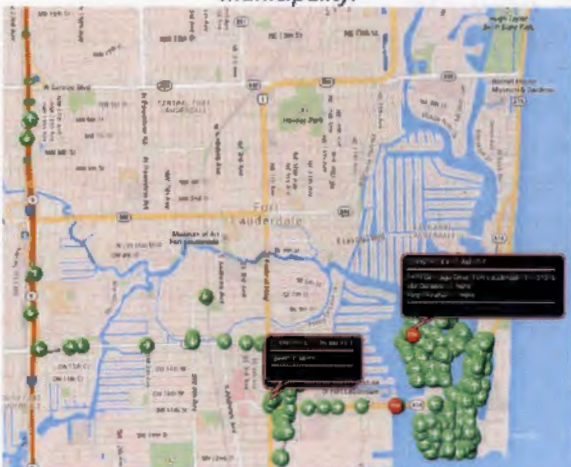
Establishing the most optimized routes for a community has dramatic effects on the quality of service, safety and efficiency of the collection

operation through shorter routes, safety in the neighborhoods, and ultimately the wear and tear on the streets in the municipality. We conduct a proven route optimization process for your municipality, which involves a tight collaboration between the local team and our corporate route optimization team. Through several iterations, these teams collaborate together, sharing local knowledge and details, while running our optimization processes to yield the best routes possible for your community. An example of this process, we evaluate planned routes to ensure that trucks are not conducting collection on streets during times that are known for congestion or traffic.

Communication with the Community

In addition to the regular collaboration between the routing teams, our Operations Team can communicate with the residents and commercial customers easily using several forms of technology. Our web and smartphone

Figure 12. Route Optimization – Our optimized routes yield safer, more efficient collection for your municipality.



based app, called *My Resource™*, enables customers to see their accounts, make service requests, or raise issues for resolution. This app also enables our operations team to offer alerts or emails to customers regarding changes in service for holidays or inclement weather, or even holidays. We also employ a technology known as *call-em-all*, which is a phone-based capability for distributing operations updates when needed to customers on effected routes.

Economy of Scale

Another benefit of Republic Services as your partner is our economy of scale. As an industry leader with a national operation, we are able to obtain trucks and equipment at a better price due to discounting, which allows us to refresh our assets more frequently than smaller companies. This applies to many of our vendors, including our uniforms, so our drivers and operations teams are better representatives of your Galveston when out in the community.

Figure 13. In Cab Technology – Our operations teams are in direct contact with our drivers in your community through our in-cab technology.



Collection – Rear Load Residential Recycling

When it comes to handling your residential recycling needs, Republic knows how important, safe and dependable curbside pickup is to you. We work to exceed your expectations with quality containers and outstanding customer service.

Residential Recycling Collection

Rear loader collection vehicles ensure a standard collection methodology for customer containers since they are typically specified for tree-lined streets, streets with overhead lines, and narrow alleys. These collection vehicles meet unique collection service requirements

The largest provider of municipal residential collection services in the US

- Over 12 million homes collected every week nationwide
- 99.9% on-time pickup
- 5.8M pickups each day
- Comprehensive collection services, including solid waste, recycling, yard waste, and bulk

due to their flexibility and durability.

Rear loader vehicles are operated with a crew of two—a driver and a helper, which allows for safe and continuous collection. The larger crew means that workers are aware of what is happening all around the vehicle at all times—creating greater safety.

Figure 14. **Residential Collection** – Our residential collection service is simple, reliable, and environmentally responsible



This collection methodology inherently requires the collection crew to supervise the emptying of contents into the truck's hopper—which is not the case with automated side-loader collection, where the driver remains in the cab and container contents are emptied by an automated arm on the side of the vehicle.

Since workers are surveying customer contents during emptying, household hazardous waste and other unpermitted materials can be identified and intercepted, and the customer notified of proper handling of these materials

We will offer all single-family customers weekly single-stream recycling collection services utilizing customer or Republic furnished containers.

Service Days

The following table reflects the service schedules for residential MSW, Recycle, Yard Waste and Bulk Items collection.



Figure 14. Simple Solutions for Residential Customers – Republic Services Rear Load Residential Truck

Figure 15. Service Days – below are the service days for your contract

<u>Service</u>	<u>Days of Week</u>	<u>Collection Hours</u>
MSW	N/A	N/A
Residential Recyclables	Weekdays	7:00AM 5:00PM
Yard waste	N/A	N/A
Bulky Items	N/A	N/A

Collections – Commercial

Republic provides effortless recycling and waste solutions for our commercial customers, working with them to evaluate and optimize their solution.

Commercial Solid Waste

Republic Services offers solid waste, recycling, and composting services with a variety of container sizes and service frequencies to meet every business' needs, from once weekly to daily collections and containers sizes from containers to commercial containers in 2 to 8 yard sizes.

Our commitment to you is simple, we will:

- Complete every collection as scheduled
- Return the container to its dedicated location
- Clean loose litter or debris
- Ensure that enclosures are properly secured

Commercial Recycling

Republic Services offers both single-stream recycling, in which the customer deposits recommended **empty, clean, and dry** recyclable materials in the one recycling container. Republic Services then collects and transports the materials to the Material Recovery Facility (MRF) for separation and processing.

Republic Services also offers source-separated recycling for cardboard and other commodities that can be taken directly to a local processing facility.

Flexible, Tailored Solutions

Our dedicated team is available to consult with businesses of any size to conduct a comprehensive on-site waste assessment to determine the needed services, collection frequencies, and container sizes. During the audit, we will identify container locations and

Commercial customers enjoy options and tailored solutions, regardless of their size

- In-person waste audits for commercial customers confirms the right level of service
- Wide range of services, including waste, recycling, and innovative sustainable solutions
- Range of container sizes, from 2 - 8 yards, with an average lifespan of over 10 years

access paths that allow for safe, convenient service.

Right-sizing service levels can increase waste diversion, improve collection productivity, and can lead to reduced costs for customers.

Methodology and Procedures

Republic Services uses front load collection vehicles to service small container commercial customers in the City of Galveston.

Figure 16. Waste Assessments - An onsite waste assessment ensures that all of your questions are asked and answered.

BluePrint Municipal Interview Guide: Current

Municipal Manager Name: _____ Date: _____

GENERAL COMMUNITY INFORMATION

Community Name: _____ Population: _____
 # of Homes Served: _____ Growth Rate %: _____
 M/I Income: _____

CONTACT INFORMATION

Contact's Name: _____
 Contact's Position/Title in Community: _____
 Phone (Direct): _____ Phone (Mobile): _____
 Email: _____ Preferred method of contact: _____

CURRENT SERVICES & PERFORMANCE

Time with Republic Services: _____ Contract Expiration: _____
 # of households served: _____ # of businesses served: _____
 Total annual waste spend \$: _____ Average annual waste spend per household \$: _____

Service	Currently Provided	% of Waste (If Yes)	Interviewed? (If no)	Frequency of Service (Per Week)	On Call	Other
Solid Waste	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X 8X 9X 10X	☐ On Call ☐ Other	
Recycling	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X 8X 9X 10X	☐ On Call ☐ Other	
Yard Waste	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X 8X 9X 10X	☐ On Call ☐ Other	
Bulk Waste	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X 8X 9X 10X	☐ On Call ☐ Other	
Organic Waste	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X 8X 9X 10X	☐ On Call ☐ Other	
Electronics	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X 8X 9X 10X	☐ On Call ☐ Other	
Refrigerators	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X 8X 9X 10X	☐ On Call ☐ Other	
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Refrigerators	☐ Yes ☐ No		☐ Yes ☐ No	1X 2X 3X 4X 5X 6X 7X		

Front Load Vehicles

We service commercial customers with front load collection vehicles with 28-cubic yard volume bodies because:

- The supplier is a company that has proven to be among the strongest, safest and lowest maintenance trucks in the industry
- Our first-hand local knowledge shows that this truck's size and attributes will "fit" every neighborhood we service, including hard-to-service accounts

Small Containers

Republic Services uses Small Containers constructed of durable steel bodies and two plastic lids. Containers range in size from 2 – 8 yards, and can be placed on casters for easy maneuverability, if necessary.

Holidays & Schedule Disruptions

Republic Services will take all necessary steps to notify customers prior to all holidays and unforeseen schedule disruptions via our MyResouce app and the Call-Em-All automated calling system.

*Figure 17. **Container Refresh** - Our customers know they can rely on us to handle their needs, allowing them to focus on growing their business.*



*Figure 18. **Simple Solutions for Commercial Customers** - Republic Services Front Load Commercial Truck*



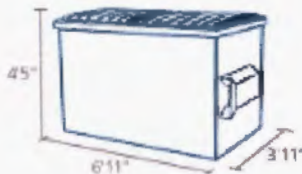
Small Container Dimension Guide

Upright - Front Load

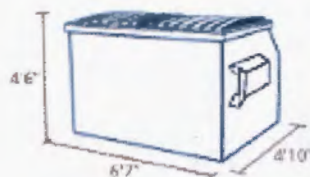
2 YARD



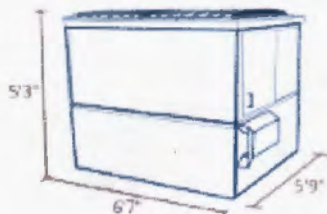
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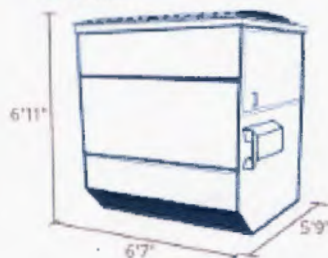
4 YARD



6 YARD



8 YARD

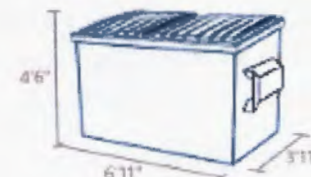


Slanted Top - Front Load

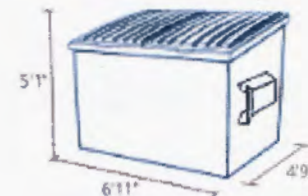
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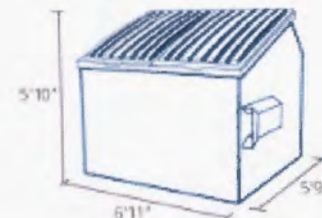
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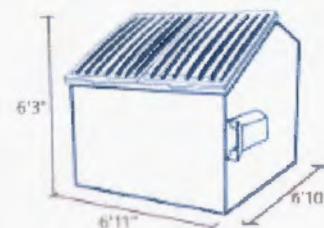
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6 YARD



8 YARD



Collections – Industrial Roll-Off

Republic Services' versatility ensures that every roll-off customer will receive the service they need, every time, whether it's an on-call open top at a construction site or compactors at the hospital, with strict service constraints.

Roll-off and Compactor Collection Overview

Republic Services offers roll-off collection, hauling, and disposal services to more than 70,000 customers in the United States, often for the principal employers in an area, such as:

- Construction Industry
- Manufacturers
- Public Institutions
- Hospitals

Republic's roll-off services are essential for a strong and growing economy

- High capacity containers ranging from 20 – 40 yards.
- Complete inventory of containers and back-up equipment.
- We have the resources to grow our fleet and equipment to meet industry needs

Roll-off service is unique, because every day requires a different route for each of our trucks.

We ensure that all routes are optimized daily for efficiency and service with continual investment in the best employees, best practices, best equipment, and the best technologies.

We provide a large inventory of containers ranging in size from 20 to 40 cubic yards, and scheduling options, from on-call to multiple times daily, to meet the needs of every customer throughout the year. Republic

Figure 19. **Industrial Collection Process** - Our service is efficient, reliable, and comprehensive.



Services is able to scale up services during peak times to accommodate large temporary projects or seasonal industries like construction.

Industrial Waste

Within the service area Republic Services operates a fully permitted Type 1 landfill site in addition to the City of Galveston Transfer Station, allowing us to efficiently collect and dispose of waste from hundreds of customers throughout Galveston on a daily basis

Industrial Recycling

Republic Services excels at helping customers meet their sustainability needs, by identifying disposal locations that are able to recycle their materials, and by sharing best management practices for on-site commodity separation. Implementation of a successful separation program will both increase commodity values and decrease landfill bound volumes.

Special Waste

Republic Services' roll-off fleet is used to meet the special waste needs of our customers. We work with each customer to accurately characterize and profile disposal needs prior to collection, and then collect and dispose of the waste in a manner that meets all regulatory

Figure 20. Industrial collection - Drivers can collect 6-12 containers per day



requirements.

Methodology and Procedures

Collection is serviced with roll-off trucks and open top containers or compactors coupled with a highly trained, professional driver.

Servicing the container starts by backing the truck up to the container, hooking a cable from the truck to the container, and then using a hydraulic mechanism called a "hoist" to pull the container onto the truck. All Republic Services roll-off trucks are equipped with an automatic tarp, which is placed over the container to prevent spillage during transport. Once the driver loads the container onto the truck, it is hauled to the disposal facility, dumped and returned back to the customer.

Service times vary daily, and depend on distance from prior stop and the distance to the disposal site. In some cases, the driver will arrive at the customer's site with an empty container and swap it for the full one.

Our hours of operation are 3:00 AM to 5:00 PM Monday - Saturday. In a typical day, the driver services 6 to 12 roll-off containers. The maximum weight per load cannot exceed 10 tons on most U.S. highways.

Account Accessibility

Customers can easily access their account 24/7 with the My Resource™ app or website. My Resource™ allows customers to schedule a pickup, pay invoices, and even sign up for new services while on the go.

Holidays & Schedule Disruptions

Republic Services will take all necessary steps to notify customers prior to all holidays and unforeseen schedule disruptions via our MyResource app and the *Call-Em-All* automated calling system.

Industrial Collection Equipment

The roll-off fleet is comprised of three axle collection vehicles with rail and hydraulic hoist systems. These vehicles are extremely durable and each can service all roll-off sizes while maintaining maneuverability in tight locations and varying terrain.

Industrial Containers

Roll-off containers are built to last with heavy gauge steel floors, sides and pockets along with fully welded in-seams and are designed for compatibility with our fleet. A rust-inhibiting primer inside and out improves durability. Containers meet all applicable ANSI safety standards.

The containers vary in size from 20 to 40 cubic yards. The average life span of these containers is typically 10 or more years



Figure 25. *Industrial Roll-off Containers*

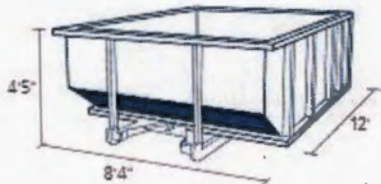
Figure 26. *Simple Solutions for Industrial Customers- Republic Services Roll-off Truck*



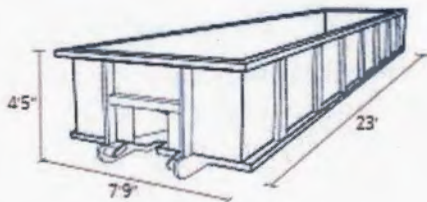
Large Container Dimension Guide

Tub - Open Top

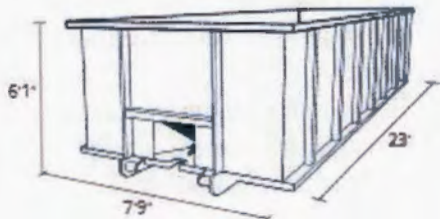
10 YARD



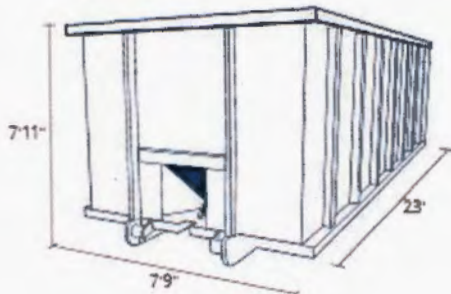
20 YARD



30 YARD

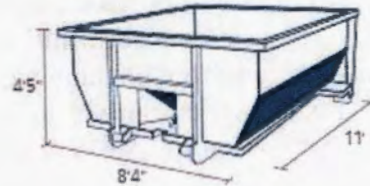


40 YARD

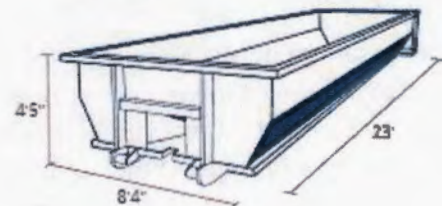


Box - Open Top

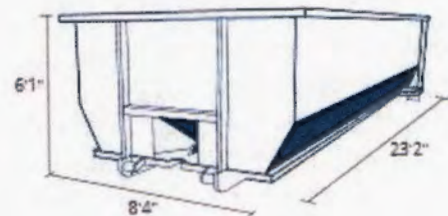
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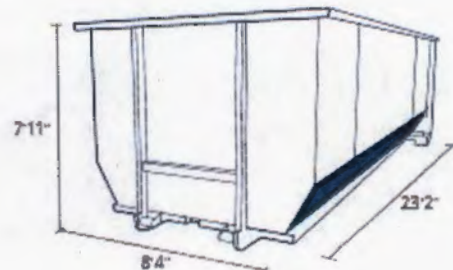
20 YARD



30 YARD



40 YARD



Collection – Multi Family

We provide an innovative combination of programs and services for Multi-Family customers.

Multi Family MSW Collection

Republic Services will provide a combination of programs and services for Multi-Family customers, ranging from containerized service similar to residential customers, to containerized service similar to commercial customers. Once defined and properly sized, multi-family customers are integrated into residential or commercial routes to provide the efficiency and reliability desired.

In all cases, Republic Services will identify the correct equipment to service multi-family complexes based on individual location and unique characteristics. If the complex requests containerized service, Republic Services can provide 2 through 8 yard capacity front load solid waste containers or 20, 30 or 40 yard capacity roll-off containers.

MSW collection issues such as narrow streets, traffic blockages and alleyways, may require the use of a rear-load vehicle and or alternative service options. In all cases, the servicing drivers are familiar with these areas and are

Figure 21. Multi-Family Container Options – Solutions for Multi-Family Complexes include containers, front-load, or roll-off



Personalized multi-family solutions to meet your needs

- Industry leading service and customized waste solutions ensures Republic Services will exceed your community's expectations.
- The latest single stream recycling technology paired with ongoing education make certain your community is receiving best in class service.
- There are approximately 35M multi family units across the US and growing

trained to ensure the personal safety, property protection, and awareness of traffic stops, distance to parked cars and other objects.

Multi Family Recycle Collection

Republic Services will offer weekly single-stream recycling services as part of its core services for all multi-family customers. Front load recycling containers are available in either 6 and 8 yard sizes.

The same equipment and methodology used in single-family container collection will be implemented when servicing multi-family recycling container customers. Multi-Family recycling front-load containers customers will be serviced using the same methodology as multi-family trash front-load containers customers and will be integrated into commercial routes

Post Collections – Transfer Stations & Landfills

Responsible waste disposal requires science, engineering and technology to manage an evolving waste stream in a manner that is protective of the air, land and water upon which our communities depend.

Post Collection Process

After waste is collected the material will be delivered to one of two places; a transfer station for further consolidation and transportation to a landfill or it will be direct hauled to a landfill for final disposal

Transfer Station

Republic Services owns or operate 204 transfer stations throughout the United States.

In its simplest form, a transfer station is a facility with a designated receiving area where waste collection vehicles empty their loads. The waste is then consolidated and loaded into larger vehicles for more efficient transport to an area landfill. No overnight storage of waste occurs at a transfer station; waste is quickly consolidated and loaded into larger vehicles and moved off-site.

A transfer station allows waste to be efficiently transported long distances, driving down costs for businesses and residents and positively impacting the environment through reduced air emissions and energy usage.

Benefits of Transfer Stations:

- Service customers faster
- Reduction of Greenhouse gasses and traffic congestion

A national leader in compliant and sustainable transfer stations and landfills

- Our transfer stations and landfills are designed, constructed, operated using the latest resources in environmental protection and monitoring technologies
- 71 landfill gas-to-energy projects have created enough energy to power over 250,000 homes
- 1.4B gallons of treated water returned to nation's watershed

City of Galveston Transfer Station Profile

Republic Services operates and maintains the City of Galveston Transfer Station located at 5515 Harborside Drive in Galveston.

Service Area: City of Galveston

Capacity: 1,500 Tons / Day

Accepted Materials:

- Yard Waste
- Solid Waste

Hazardous waste is not accepted at this transfer station.

This location's permit number is 164.

Figure 22. Transfer Stations reduce greenhouse gasses and traffic congestion in your community.



Landfill

Republic Services owns or operates 193 active landfills. As of December 31, 2015, we have approximately 37,100 permitted acres and total available permitted and probable expansion disposal capacity of approximately 5 billion in-place cubic yards. The in-place capacity of our landfills is subject to change based on engineering factors, requirements of regulatory authorities, our ability to continue to operate our landfills in compliance with applicable regulations, and our ability to successfully renew operating permits and obtain expansion permits at our sites. Some of our landfills accept non-hazardous special waste, including utility ash, asbestos and contaminated soils.

Most of our active landfill sites have the potential for expanded disposal capacity beyond the currently permitted acreage. We monitor the availability of permitted disposal capacity at each of our landfills and evaluate whether to pursue an expansion at a given landfill based on estimated future waste volumes and prices, market needs, remaining capacity and the likelihood of obtaining an expansion. To satisfy future disposal demand, we are currently seeking to expand permitted capacity at certain landfills.

Republic Services is committed to harnessing landfill gas, the natural byproduct of decomposing waste, and converting it to energy. The use of landfill gas provides our economy with benefits, including reducing air pollution through the capture and use of methane. As of December 31, 2016, we operated 71 landfill gas and renewable energy projects. We also have responsibility for 126 closed landfills, for which we have associated closure and post-closure obligations.

Galveston County Landfill Profile

Republic Services owns and operates the Galveston County Landfill located at 3935 Avenue A, Santa Fe, Texas

Facility Hours: Weekdays: 6AM – 5PM

Saturday: 8AM – 2PM

Service Area: Galveston County Area

Remaining Life: 30 + Years

Accepted Materials:

- Yard Waste
- Solid Waste

Hazardous waste is not accepted at this landfill station. This location's permit number is 1149-B.

Figure 23. Republic operates 71 landfill gas-to-energy projects, creating enough energy to power over 250,000 homes.



Design

We are a permitted Subtitle D lined facility with 24 inches of 1 x 10⁻⁷ cm/s compacted clay and a 60 mil HDPE composite liner.

Leachate is managed by a dual-lined leachate collection system with side-slope riser pumps and leachate storage tanks. The designed airspace was 56,140,000 cubic yards at 1,664 tons per day. Current remaining airspace as of November of 2016 is 36,007,200 cubic yards. This gives a life-expectancy of 56 years at the current daily tonnages.

Facility Operations

Operating plans and records are maintained on site. Operations are conducted in accordance with local, state and federal regulations, as well as the facility's permit requirements. One inbound and one outbound scale are utilized.

Site has a tipper available for tipping trailers.

Waste is covered daily with a minimum of 6" of soil or permitted Alternate Daily Cover (ADC).

Figure 24. Republic Services avoided 38 million metric tons of CO2 emissions in our landfills in 2015.



Methane gas is monitored quarterly. An active gas collection system is operational and maintained. Berms, pipes, drainage ditches and sediment ponds are used to prevent runoff and run-on storm water. Monitoring is conducted in accordance with the NPDES storm water permit and the Storm water Pollution Prevention Plan. Independent consultants collect samples and perform analyses at off-site laboratories.

Closure is performed as a normal operating procedure throughout the life of the facility. Post-Closure will be performed by Republic Services, for a minimum of 30 years after final closure.

Regulatory Compliance

We have an excellent record of compliance with Federal, State, and local regulatory requirements. In fact, our Environmental Managers (EM) are dedicated to this specific task. Our EMs have significant experience in the environmental and solid waste industry and have dealt with all aspects of Federal, State, and local regulations. Additionally, the EMs use a Compliance Tracking and Reporting System (CTRS), which is an intranet-based software system that assists them with tracking specific compliance tasks. The CTRS provides notification of specific permit conditions so that the conditions are satisfied and documented in an appropriate timeframe.

We obtain permits for our facilities and continuously renew these permits before they expire. Our EMs are well-versed with the permitting process for all types of solid waste facilities and have excellent relationships with the staff of the State's Solid Waste Section. Through these relationships, our permit applications are readily reviewed and approved without comment.

Post Collections – MRF

We are committed to investing in recycling processing infrastructure where appropriate, with over \$12M invested in 2016. We believe we have a responsibility to regenerate our planet with the materials we are entrusted to handle everyday by driving increased recycling, generating renewable energy, and helping our customers be more resourceful.

Recycling Overview

Republic Services owns or operates 67 recycling centers nationwide. As consumer demand for recycling services has increased, we have met the demand by integrating recycling components to each of our collection service offerings. Based on an industry trade publication, approximately 34% of municipal solid waste is recycled. Communities have increasingly committed to their residents to enhance and expand their recycling programs. We continue to focus on innovative waste disposal processes and programs to help our customers achieve their goals related to sustainability.

Marketing

Republic's Materials Marketing Group, a regional staff positioned throughout the country, is a team of highly experienced professionals who provide our recycling facility with assistance in the identification of material recovery opportunities and the best markets and marketing opportunities for those materials.

Equipment

We continue to invest in proven technologies to control costs and to simplify and streamline recycling for our customers. Advanced sorting equipment, such as disk screens, magnets and

optical sorters to increase efficiency and maximize our recycling efforts are used.

Processing Cycle

Recycling trucks collect from curbside or commercial locations, take their loads to the MRF, weigh in and continue to the tipping area. Trucks tip their loads and the loads are pushed by a rubber-tire loader into stockpiles in preparation for processing. The mixed material travels to a quality control station where contaminants and undesirable material are removed. Material goes over an OCC (Old Corrugated Cardboard) triple deck screen that has a series of shafts with discs that remove cardboard from the material stream.

Remaining materials travel through ONP (Old Newsprint) screens which pull the lighter newsprint material over the deck while heavier materials (plastic, steel, glass, and aluminum) fall onto a DRS (Debris Roll Screen) and larger plastic and steel containers roll off onto a conveyor. The spacing of the ONP screens allows the glass to fall through and then is conveyed to the glass screening system. An electromagnet pulls any metal cans out of the paper stream and the paper stream continues for further separation. For additional recovery there are more screens and optical scanners to

Figure 25. Industry Leading Recycling Capabilities - Established screening processes to maximize material recovery



capture and detect material types at the molecular level.

Residual Materials Management

Our dedication to residual management involves the entire system, not just efforts to eliminate contamination. What happens to residual materials once the processing is done is the next step in Republic Services' mission to let nothing go to waste. Residual material can contribute to a gas-to-energy facility, which generates clean, renewable energy by converting the methane gas (landfill gas) to electricity. From the Curb, through our facility, and in the end, Republic provides the most thorough and comprehensive plan to screen out non-recyclable contamination and gain the greatest benefit from the materials entrusted to us.

Permits and Regulatory Compliance

Republic Services strongly supports and advocates Sustainability, as a core component of our values. Republic Services understands that the sustainability of the environment depends on protecting and preserving natural resources and educating current and future generations on environmental compliance. In

*Figure 26. **Committed to Sustainability** - Our state of the art equipment minimizes residual waste.*



fact, Republic's sustainability program centers on the theme of "Protecting Today's Environment for a Better Tomorrow." This message is important to the quality of life and regional prosperity in the communities we serve and why compliance is so important to us.

*Figure 27 **Environmentally Responsible** - We continually expand capabilities to serve more communities or adjust to changing waste streams*



Customer Service

We strive for first-call resolution when customers contact us for service. We provide a superior experience through integrated facilities, technology, and highly knowledgeable employees.

Net Promoter Score

Our Net Promoter Score, or NPS, measures our customers' willingness to recommend a company's products and services. Republic Services' NPS has improved on a year-over-year basis for the fifth consecutive year which means our customers are seeing a difference in our product offering.

We Delight Our Customers

Our approach to customer service is to ask daily, "how have we delighted our customers?" For most customers, this means that our front-line customer service representatives—our professional drivers—collect everything on schedule. That also means drivers return containers in a safe and tidy manner—whether it's walking around a car to get to a container or rolling the container up a steep driveway for a disabled or elderly

Figure 28. **Outstanding Customer Service Talent** - We take pride in hiring and developing talented staff to exceed our customer's expectations.



We provide an exceptional customer experience when your residents or businesses contact us for assistance

- Three fully staffed, US-based, national call centers
- Powerful, integrated technology, enabling you to talk to a real person
- 1M customers expertly served each month via text, email, or phone
- Extended hours 7am EST to 7pm PST Monday thru Friday, until 12 pm PST Saturday
- Web based applications for 24/7 access
- Well trained staff
- Net Promoter Score has improved on a year-over-year basis for 5 consecutive years

customer.

We recognize that sometimes, customers have questions regarding scheduled service, or would like to order additional services. In that event, a speedy response is expected. We strive for first call resolution—from call, email, mobile app, website or in-person request.

Knowledge and Experience Delivers Satisfaction

Our representatives' experience and knowledge does not just come from the customer interactions, our representatives spend time in a classroom environment and participate in monthly/weekly training sessions to ensure our agents are in touch with the customer's needs and the ever changing conditions of the waste disposal industry. This is why our representatives are always ready, willing and able to help our customers and exceed their expectations.

Customer Access

Our call centers are fully networked together, allowing them to support callers from 7 a.m. EST to 7 p.m. PST Monday through Friday

and 7 a.m. EST to 12 p.m. PST on Saturday.

In addition to the call center hours customers also have the ability to reach us 24/7 via our website, www.republicservices.com, or our smartphone app, known as *MyResource*. Our self-service options are designed to improve overall response and resolution to customer inquiries and needs anytime, anywhere with the least amount of customer inconvenience as possible.

Customer Service Principles

Republic's customer services programs are based on the following five principles that guide our daily business operations and excellent service. These principles will also pave the way in development of the customer service program for Galveston

1. **Employ the highest quality personnel.** We retain highly skilled and experienced personnel and compensate them accordingly.
2. **Ensure easy and immediate access for customers and City of Galveston staff.** Appropriate staffing is critical to ensure easy and streamlined access to our professional staff for both customers and Galveston staff.
3. **Ensure timely and efficient issue resolution and follow-up.** We have detailed policies/ procedures for our customer service systems and controls which facilitate expeditious issue resolution and follow-up. Our use of appropriate methods, field communication, and same-day resolution goals will translate into a timely and efficient turn-around from point of contact by customer to resolution. All customer concerns are responded to within eight business hours of receiving the customer's phone call or message.
4. **The customer is always right.** Our employees are taught to give the benefit of

the doubt to every customer even if the facts may imply customer error.

5. Train all employees in customer service.

To ensure a high level of quality service, every Republic employee—whether a driver, administrative, or manager—is trained in customer service. This ensures all customer interactions, whether internal or external, are processed efficiently, professionally and up to Republic's standards. Employees are evaluated annually on their performance in this area.

What to Expect ...

When you call our Customer Resource Center, a sophisticated series of actions begin:

- Your phone number associates with known customer details in our database, and triggers the integrated system to populate with a map of your service address, level of service, past service requests, and your Galveston-specific contract information. This knowledge-based system even shows the agent your current weather.
- The Customer Service Representative's computer screen instantly populates with the information above and (in just a few seconds from the moment the customer calls), which ensures the agent has all possible information available in an instant to be ready for the caller.
- The agent confirms the customer's name and service address and begins to assist the customer with the reason for their call.
- Often the call is about a billing question, service-level change or "what do I do with" inquiry. If the question requires communication with the local operations team (such as, missed pick-up or container exchange), the agent can instantly connect with the local operations team through our national network.



- Often, the customer's concern is handled by the time s/he hangs up the phone. For those issues requiring operations support (container delivery, collection of a missed pick up), the issue will be addressed in the most-timely manner. Republic tracks hundreds of performance metrics to ensure continuous improvement.

Value of Three National Centers

Imagine US-based agents available 15 hours every weekday (7 a.m. Eastern time to 7 p.m. Pacific time) and five hours of support on Saturdays. Our CRC agents across the country enjoy the same training, follow the same protocols, and have access to each customers' specific contract details, regardless of their CRC location.

At a time when many service companies are handling billing or service calls through call centers based outside of the United States, we are extremely proud to be delivering high

quality customer service with a commitment to keeping jobs here at home. Republic's three sites (Phoenix, Indianapolis and Charlotte) were selected after exhaustive research and employ more than 600 call center experts, trained and staffed to serve your community.

Our siting team looked for cities renowned as call center markets, knowing that there would be a large population of prospective employees with the temperament and skills to seamlessly integrate into Republic Services' Customer Resource Center.

Figure 29. Industry Leading Customer Resource Centers - Our centers are strategically located in the US, and networked together to support any call from any location



Sustainability

We invest more than \$100 million per year in our sustainability initiatives, as a commitment to our BluePlanet™. We are the only solid waste company selected to the prestigious Dow Jones Index for Sustainability in both North American and International markets.

Our industry-leading sustainability platform is focused on increasing recycling, decreasing vehicle emissions, generating renewable energy, and enabling our customers to be more resourceful. In 2016, Republic Services steadily built upon its sustainability achievements, including:

- Earning the “gold standard” of corporate sustainability rankings. Republic was listed

Republic's BluePlanet™ initiative strives for a cleaner, safer and healthier world

- Named to the Dow Jones Sustainability Index (the only solid waste company listed)
- Scored 98 out of 100 in the Carbon Disclosure Project S&P 500 Climate Change Assessment
- More than a quarter of a million homes can be powered by our 70-plus landfill-gas-to-energy plants
- 2,200 (and counting) compressed natural gas vehicles

among the top companies in both the Dow Jones Sustainability Index North America and World indices. Republic is the only recycling and solid waste collection provider in the Commercial Services and Supplies sector included in the World Index

Figure 30. **Committed to Sustainability** – Republic's sustainability goals trace to four key areas





- Inclusion on two elite lists by the Carbon Disclosure Project (CDP), including the Global Climate A List as well as the Supplier A List. The CDP is an organization based in the United Kingdom which works with shareholders and corporations to disclose the greenhouse emissions of major corporations. In the last assessment, we scored 98 out of 100 in the S&P 500 Climate Change Assessment
- Receiving the industry's top awards for Recycling Facility of the Year. Republic's Southern Nevada Recycling Center, the largest and smartest residential recycling facility in North America, was recognized by the top two industry associations for its excellence
- Recognition for landfill gas utilization excellence by the Georgia Chapter of the Solid Waste Association of North America. Three Republic facilities in the metro-Atlanta area generate more than 24 megawatts of renewable energy, capable of powering more than 15,600 homes

- Designation as one of the World's Most Ethical Companies by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business

We continue to find new avenues for sustainability success. Consider our five-point sustainability platform (see Figure 50):

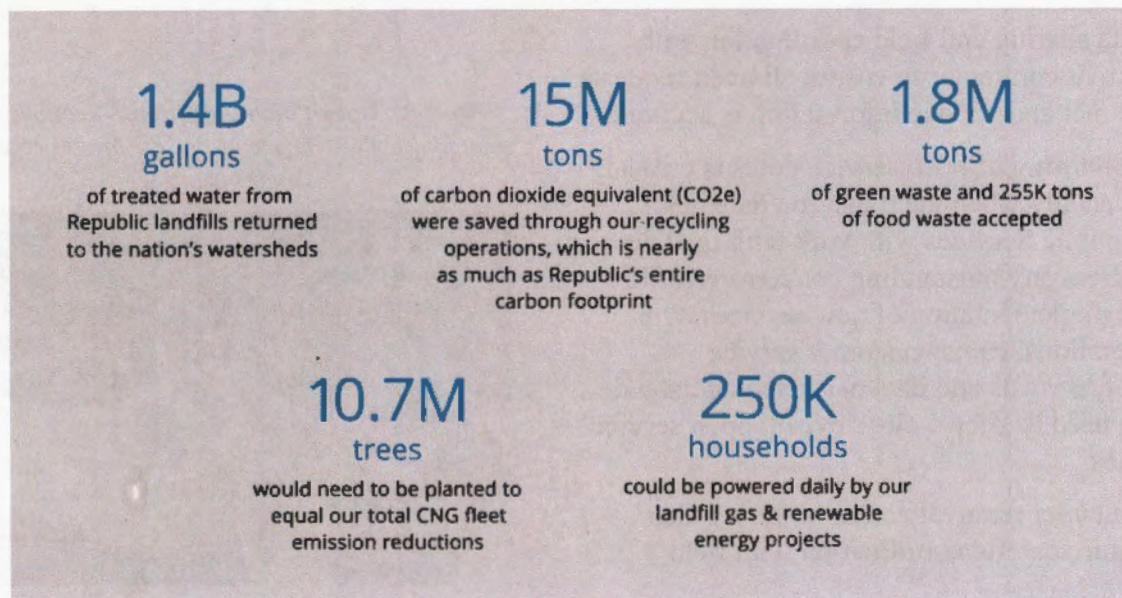
- **Operations.** We are working to minimize the impact of our operations around our fleet and our facilities. We will reduce our carbon emissions by 2.5 million tons in the next four years, by adding more recycling capacity in Galveston, increasing our CNG fleet and opening additional alternative energy-producing facilities.
- **Materials Management.** When we extract materials from the waste stream (commodities and/or energy), we reduce greenhouse gas emissions and your community's carbon footprint.
- **Communities.** Our *Empty, Clean, Dry* recycling outreach and education program helps customers recycle more / waste less.

Figure 31. 5 Elements of Sustainability – Republic Services is the lowest risk, best-value partner for your municipality, focusing our sustainability platform around these five areas



- **Safety.** We are committed to creating a safe environment for our customers, communities and employees. A recent national study found that Republic Services is the safest solid waste company – by a 41-percent margin.
- **People.** We employ and develop talented professionals who are committed to sustainability, our customers and each other.

Figure 32.– **Sustainability Statistics** – We are proud of our accomplishments in our efforts in helping to protect our Blue Planet™





Implementation Plan

We have successfully implemented new or emerging services into our 2,700 municipalities nationwide. Our team takes pride in our ability to implement new services without service impacts.

Our Approach

Your transition will take into consideration the unique needs of the contract and the City of Galveston. The key to success, regardless of project details, relies on communication plans to include:

- We start with a plan, crafted in collaboration with the the City. This plan includes milestones, roles/responsibilities and contact information and timeline for execution.
- Frequent, pro-active communication with the City to ensure no surprises along the way.
- Weekly in-person meetings and phone calls/emails as the situation requires. Our philosophy is sharing good news as well as bad news gives everyone a chance to prepare and respond in a timely and calm fashion.
- Data sharing and field coordination with current contractor to ensure all open requests are met and service information is accurate.
- Monitoring of open service notes is critical, especially when the transition date nears. Republic Services will work with the City to address any outstanding concerns prior to the implementation of new services. Our operations teams; customer service professionals and data partners understand the need to keep a close eye on open service notes.
- Container removal and/or delivery also require careful coordination with field

Decades of experience partnering with municipalities to implement new programs in the community

- 92% track record of successful extension or retention of existing partner contracts
- Frequent and transparent dialogue with the municipality
- All details and plans reviewed
- National strength, with local experts

crews. Customers need same-day service from both providers, and our local teams work with the current hauler to streamline this function.

- Timely and appropriate communication with residents and businesses—from events and mailings to website information and direct communication (phone, email, live chat). Redundant communications through a variety of channels is paramount to success.
- Daily communication with the internal team to assess project status.
- Our operations management will meet daily with our supervisors and maintenance crews to ensure critical-path items are addressed.

Figure 33. Open Communications - Republic will communicate with residents and businesses regarding services changes



The education team meets with the transition lead (operations manager), customer service manager and general manager to ensure customer-specific aspects of the rigorous training for customer service staff and drivers.

- Contract-specific information, route development and truck test drives will be used to bring a safe and well informed team to the City of Galveston.
- Regular communication with vendors supplying containers, printed material, trucks and on-board computing systems.

Republic Services brings relationships and experience to Galveston. We have extensive expertise in implementing collection programs from purchasing to operations, to communications, Republic has the national strength and the local experts to get the job done using our network of national and local suppliers.

Implementation Table

*Figure 34. **Implementation Schedule** – We are ready to review and refine the implementation schedule upon award*

Task	Assigned	Start	End	Comment
Contract Negotiations				
Equipment				
Operations				
Routing				
Customer Service				
Public Education				
Service Start				

Key Personnel

Our operations are run locally, by seasoned industry veterans who live in your community, and are backed by the experience and strength of their Area and Corporate leadership team.

Republic Services is structured along functional lines, which allows for local decision-making by managers with direct responsibility and experience relevant to the contract operations. They are knowledgeable of local collection and post-collection processing activities and are supported by the extensive resource recovery technical expertise and financial strength of our parent company Republic Services, Inc.

Republic's in-house training, personnel advancement, recruitment programs, and work force development are some of the most comprehensive in the industry. This enables Republic to attract and retain the most highly qualified, dedicated, and experienced professionals in the business today.

Local Leadership

Our local personnel are vital to the successful delivery of this contract and its daily operations. We will manage the various operational and administrative components of contract implementation and ongoing service to the City of Galveston. This team's unique combination of collection experience, recycling expertise, and innovative management systems will ensure quality service for the duration of the contract. Our local and area management teams have extensive industry experience in operating and managing solid waste companies and have substantial experience in the region. This allows us to quickly respond and meet your needs; all

Local Business Unit has over 50 years of Combined Industry Experience

- We provide jobs to over 31,000 people nationwide, including a number who live and work in your community
- The local General Manager and his business unit are fully empowered to serve your needs
- Every business unit is supported by Area and Corporate staff

the while staying in touch with you're your local businesses and residents. We believe our strong area management team allows us to effectively and efficiently drive our initiatives and helps ensure consistency across the organization. These teams have extensive authority, responsibility and autonomy for operations within their geographic markets. As a result of retaining experienced managers with extensive knowledge of their local communities, we are proactive in anticipating customers' needs and adjusting to changes in the markets. We also seek to implement the best practices of our various business units throughout our operations to continue improving our operations and service to our customers.

Figure 35. **Empowered Leadership** – The local business unit is fully empowered, with full support of Area and Corporate staff





National Backing

Each of our local business operations is fully empowered and accountable for delivering on our commitments to our customers. They are also backed by the support and breadth of our area and corporate leadership teams, capable of massing expertise and corporate might to assist or respond to any challenge during the term of the contract. An example of this benefit to you is the response capabilities during times of crisis such as hurricanes, tornados, or other disasters. In times of challenges like this, our area and corporate teams activate to ensure people, assets and services are safe and can return to normal operations as soon as possible.

Key Personnel Bios

Your local team has been working together for 5 years, serving a number of municipalities in your area, including the City of Galveston. The key positions and roles involved in the delivery of this contract are listed below:

Area President

Robert Boyer has over 9 years of experience in the solid waste industry, and oversees the strategic and operational direction for the State of Texas. Mr. Boyer has been with Republic Services since 2008. He is responsible for managing 3,600 employees in 19 solid waste divisions which include 27 landfills, 8 transfer stations and 3 materials recovery facilities (recycling centers). His business unit generates 1.2 billion in annual revenue with a focus on strategic integrated growth.

General Manager

Calvin Ray has been with Republic Services since 2012 and has been responsible for leading the business unit which serves Galveston County, Texas. Responsibilities include 240 employees, 8 municipal contracts, 1 landfill and 1 transfer station. Mr. Ray

comes to Republic with a wealth of management skills including operations, P&L Management, Risk Management, Customer Relations and Satisfaction, Sales, and Marketing Management.

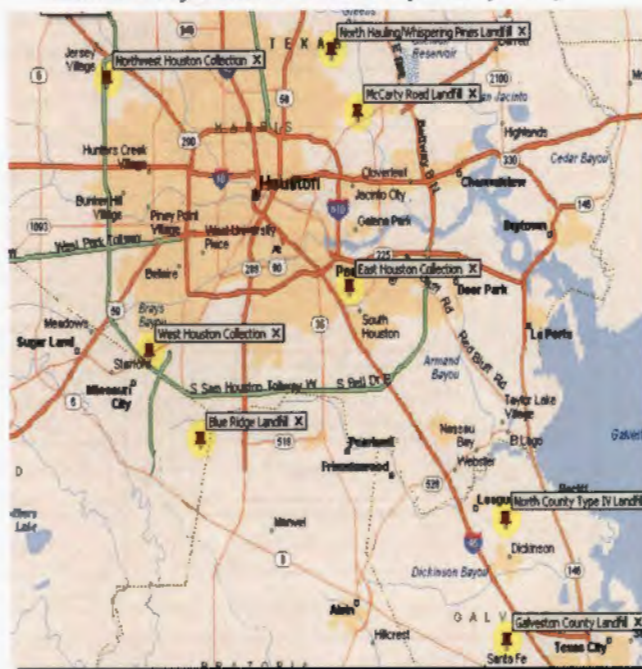
Municipal Manager

Steve Carroll has 25 years' experience in the solid waste industry. He is responsible for earning and maintaining contracts with our municipal partners in and around the Galveston County area. Additional responsibilities include marketing, public education, project development, governmental relations and negotiations.

Business Unit Controller

James Wingfield has 7 years within the solid waste industry and is currently responsible for all administrative, accounting and statistical reporting functions for Republic Services. He ensures that financial controls and records are maintained in accordance with company

Figure 36. Houston/Galveston Area Facilities – Our team is ready to deliver service to your city today.



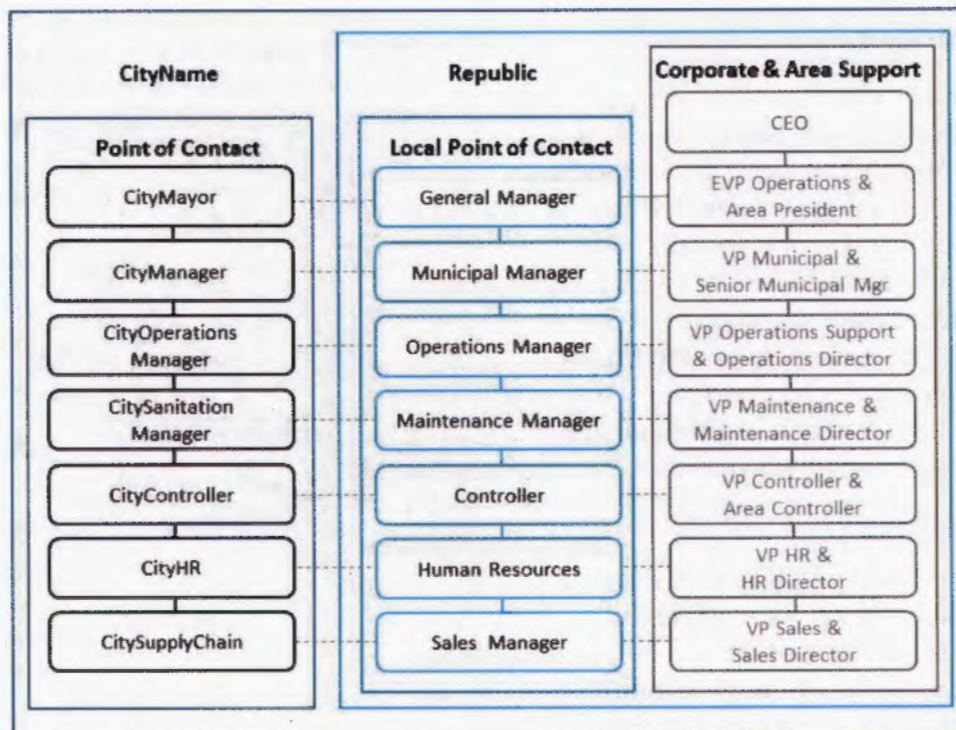
policy and legal requirements. He is responsible for providing and reviewing financial statements and variance analyses, billing, account reconciliation. In addition Mr. Wingfield is responsible for providing analytical support and assistance for the is responsible for providing analytical support and assistance for the division goals and action plans. He develops and coordinates the annual budget, negotiates contract rates for municipal bids, and manages and trains staff in the accounting department.

Operations Manager

Chris Wallace has 10 years of experience the solid waste industry and 2 years direct experience in municipal daily operations. He manages the daily operations for the East Houston hauling division and ensures maximum productivity and route management systems for commercial, roll off and

residential routes and establishes productivity improvement goals where needed. Responsibilities include the development of supervisory goals and objectives, management of labor hours, and disposal expenses. Mr. Wallace directly manages the budget for the operations department, which includes approval of purchase orders and vendor pricing. He also interacts with customers and local, state and federal government employees to resolve customer service concerns and the budget for the operations department, which includes approval of purchase orders and vendor pricing. He also interacts with customers and local, state and federal government employees to resolve customer service concerns and ensure regulatory compliance standards are met.

Figure 37. *Personal and Powerful* - Your dedicated local support backed by Republic infrastructure



Maintenance Manager

Dwyane Nelson joined the Republic Services team in 2015, bringing 20 years experience in the heavy truck / diesel repair industry. He is responsible for overseeing all aspects of our fleet maintenance program. Mr. Nelson ensures that all repair and maintenance work is performed in a safe, efficient and timely manner; reallocating resources among sites as appropriate. He oversees coordination, planning and scheduling of all repair work to increase productivity, while effectively managing the department's overtime.

Operations Supervisors

Michael Davis and Christopher Garcia serve as Operations Supervisors in our municipal partner cities. Together, they have 5 years' experience in the solid waste industry. These Supervisors are responsible for district route maps, route restructuring and supervision of employees providing waste collection and disposal.

Human Resources Manager

Nora Hodges has been with Republic Services for 23 years. As the Human Resources Manager, she is responsible for assessing, making recommendations, developing, implementing, and supporting human

resources processes to assist in employee hiring, engagement, retention, and policy standardization.

Customer Service Manager

Sylvia Moore has been in the solid waste industry for 5 years. Ms. Moore is responsible for managing a multi-department of customer service representatives and high volume call center for the business unit. She supervises Customer Service Representatives performing customer service activities including responding to service inquiries, retaining existing accounts, and problem resolution including, but is not limited to, hiring, training, and coaching representatives

*Figure 38. **Always Working For You** – Our local team is dedicated to the success of your community.*





One Fleet

The One Fleet management system enhances quality of service, maintains a reliable fleet and ultimately improves customer experience at the curb.

Republic Services is dedicated to operating the best running, safest and most environmentally friendly vehicles in the industry. This goal is achieved through a coordinated vehicular operation maintenance system called One Fleet.

With standardized procedures and consistent execution, the One Fleet system improves safety for the fleet, decreases repair downtime and improves customer satisfaction.

Nearly 18% of our total fleet now operates on natural gas, 74% of our residential fleet is automated, and 92% of our total fleet has been certified under our OneFleet maintenance program, up from 785 one year earlier. The expectation is to have our entire fleet certified by the end of 2017

Preventative Maintenance

Preventative Maintenance (PM) is the hallmark of One Fleet. Republic Services prescribes six levels of PM activity at varying truck hour markers.

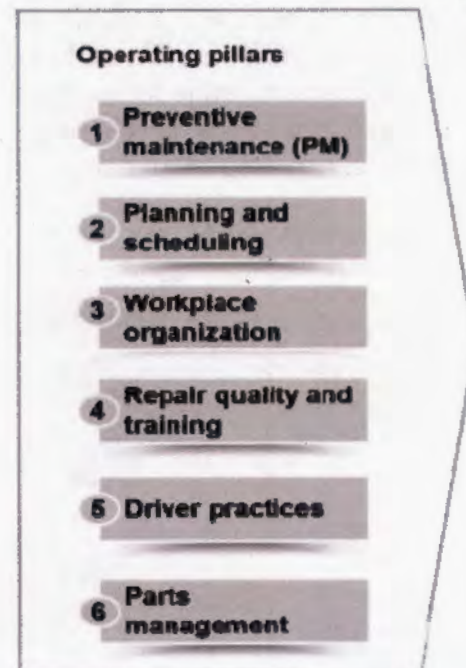
- 1) Every 150 hours (full inspection, including nuts/bolts/ fluids/no cracks)
- 2) Every 450 hours (A plus, full lubrication service)
- 3) Every 1350 hours (transmission, front suspension, air-to-air, hydraulics, CNG inspection)
- 4) Every 2700 hours (A, B, C plus drain transmission, new filters and fluids; crank ventilation filters; exhaust system inspection/service, cleaning, catalyst inspection/service)

The Republic Services One Fleet system leads the industry in creating a safer, more reliable fleet-both operationally and environmentally

- A scheduled preventative maintenance program provides a superior fleet traveling on your roads.
- Regular preventative maintenance contributes to our 99.9% reliability and 41% safer than industry average.
- One Fleet allows us to keep costs low and efficiency high which ultimately benefits the communities we serve.
- 92% of our trucks are certified under OneFleet
- Entire fleet is planned for certification by end of year 2017

- 5) Every 5,400 hours (A, B, C, D plus differential fluids, DPF system, overhead valve adjustment, fuel systems inspection/service)
- 6) Every Year – Annual Federal Safety Inspection

Figure 39. Our One Fleet
Preventative maintenance system contains six pillars



Planning and Scheduling

Standardized planning and scheduling leads to increased shop capacity and reduced fleet down time. Planning preventative repairs also make certain that parts are on hand and technicians are scheduled accordingly. Planning ahead also keeps the shop proactive and prepared and provides the benefit of prioritizing repairs and keeping the fleet ready at route time.

Workplace Organization

A clean and organized workplace makes for a safer and more efficient environment. At Republic Services, we manage the Five S's:

- Sort
- Straighten
- Sanitize
- Standardize
- Sustain

Training

The Republic Services One Fleet initiative is built on the foundation of an educated work force. Ongoing Tech Training, on the job projects as well as formal classroom clinics are all part of the Republic Way.

Drivers Practice

Joint accountability and proper communication between maintenance crews and operations

Figure 40. Our highly specialized Technicians deliver a best in class fleet for your municipality



personnel (drivers and supervisors) fosters fewer unscheduled repairs and breakdowns. Each day, drivers:

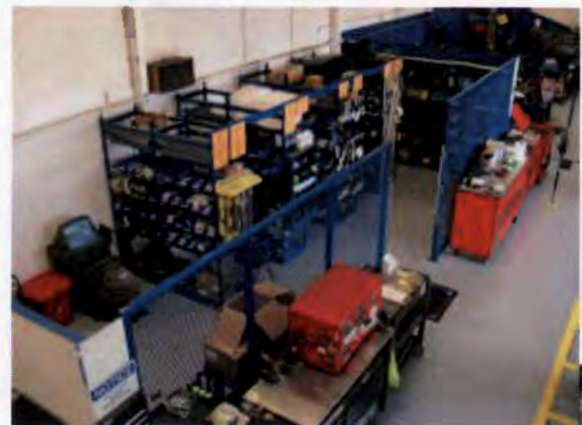
- Perform a pre/post-trip driver quality control inspection
- Ensure that any issues they identify are accurately communicated to the shop
- Ensure that customer & route expectations are understood in the mornings

Parts Management

The right part at the right time is critical to maintaining a fleet. With proper inventory management, parts are on hand for all scheduled repairs. That decreases truck and labor down time and reduces overall costs for the customer. Integral to the parts maintenance program is a maintenance bay. The floors and shelves are kept clean and orderly. With proper scheduling, parts are also staged on containers in advance of a technician's arrival.

The real benefit of One Fleet is the positive impact to the customers. Republic services drivers begin each day with a safe and reliable fleet. A reliable fleet allows the frontline employees to focus outwards and onto the MSW and recycling needs of the community.

Figure 41. Parts Management is a key component of our successful One Fleet program



Vehicle Inspection Reports

The key to the preventive maintenance program is daily completion of vehicle inspection reports. This is done by the collection vehicle's assigned CDL driver and includes both a pre-trip inspection and post-trip inspection. Drivers check fluid levels, lights, tires and other safety related areas of their truck and indicate on the inspection report any defects or deficiencies found that day. Shop personnel review the report and check any items marked by the driver as being questionable or problematic. Technicians then make any needed repairs before the vehicle returns to the route. Furthermore, each vehicle undergoes a through and comprehensive preventative maintenance inspection (PMI) every 150 hours of service. This inspection is conducted by a trained and certified brake inspector, according to USDOT requirements.

Vehicle Appearance

It is a fact that vehicles that are clean in appearance are usually well-maintained as well. Republic Services washes its collection vehicles weekly, utilizing biodegradable cleansing products, high and low pressure washers using a brush.

Figure 42. Clean, well maintained trucks – our well maintained fleet is a direct reflection of your municipality



Public Education and Outreach

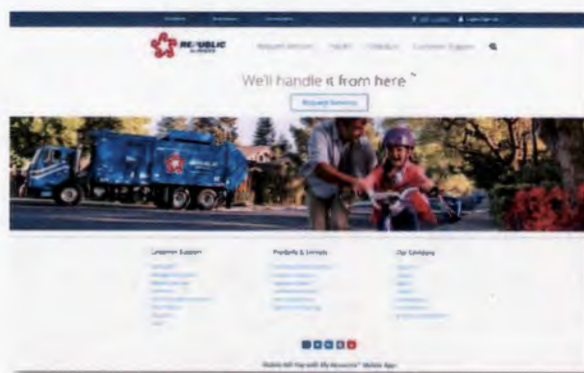
Public education is critical to maintaining an efficient and cost-effective service for recycling and waste in your community.

The goal of Republic Services Public Education and Outreach Program is to educate residents on industry trends and the services offered by Republic Services. We do this by engaging community groups and business associations, to educate local residents and businesses about the key elements of the program, including relevant program changes, and highlighting customer service, cost, environmental benefits and state requirements.

Website

The Republic Services website is designed to be a one-stop resource for current and potential customers. Here they will find news updates, collection information and educational tools. The Educational program provides in-depth information for both residential and commercial customers, and the programs are downloadable and can be used for outreach and environmental initiatives. When a resident enters their service address, they will find news and resources specific to

Figure 43. **Republic's Website** - RepublicServices.com is a one-stop resource



We develop and maintain a library of public education programs and materials that our partners can leverage in their communities

- Instant access to information via website and My Resource™ app
- Facility Tours
- School Education and Take-Home Materials
- Videos and Public Service Announcements
- Community Newsletters

the City of Galveston.

Republicservices.com provides in-depth content specific to residential and commercial needs. Residential pages allow the user to enter their address in order to receive information specific to them, including the ability to schedule pick-up, change service, or to identify the correct contact person within Republic Services for services requests (i.e. debris box orders, container repairs, or bulky pick-ups). If the customer is direct billed by Republic, they can also inquire into billing related questions or even view and securely pay their bill. Residential customers will also find resources on recycling and environmental needs.

Commercial pages allow users to login and view, pay their bills, view billing history, and schedule pick-ups. Commercial users will also find resources on how to responsibly dispose of e-waste, hazardous household material, and other environmentally harmful materials. As with residential users, commercial users will find the name and phone number for the correct contact person for various service needs.

On the main page of republicservices.com visitors will be able to view a video clip of Recycling Education that features our "Closed Loop" recycling collection program.

This video can easily be edited to focus on any new initiatives agreed upon with the City.

My Resource™

My Resource™ is an application for mobile devices that can be used to schedule a pick-up, report a missed pick-up, receive service notifications, search additional products and services, and much more. This app can be easily downloaded from the App Store for Apple users or for Android users from Google Play.

Reference Guides & Collateral

As part of the initial program implementation as well as Republic Services' ongoing education efforts, we will provide the following materials to ensure that residents are fully aware of the services provided by Republic Services and how to properly use these services.

Welcome Packet

At the commencement of service, Republic Services will provide an initial information packet to residents. This packet will contain information on the services offered and proper

preparation procedures. In addition, the packet will contain information on additional services and products offered by Republic Services as well as a collection day reminder for their specific location.

This packet will also be made available to new residents that move into the City.

Annual Education Updates

Republic Services will annually mail to each household an annual reference guide for collection services. This reference guide will contain information on collection services as well as any updates for acceptable or unacceptable materials. The reference guide will also contain information on new products and services available to residents.

Oops Tags

Oops tags are our first line of education for residents that have placed unacceptable items at the curb for collection. Drivers and route supervisors will provide a resident with an Oops tag in the event that a material cannot be picked up. Oops tags will provide the resident with the reason why the item was not picked up as well as a phone number to call for further follow up information.

Presentations to Schools and Other Community Organizations

Republic Services is a well-known friend, supporter and partner to local schools in Galveston. We believe that providing an environmental education to students will build a foundation and an appreciation to preserving and protecting the planet. Students in turn, bring this knowledge back to their families and become catalysts for promoting sustainable habits at home.

Republic Services trains teachers, staff and students on proper diversion and disposal practices. We place significant emphasis on

Figure 44. **Mobile App** – Over 1.8M customers use Republic Services' My Resource™ App to instantly access important information on services



the importance of recycling as it diverts reusable materials from being disposed of and allows for a longer lifespan for local landfills.

It is our goal to cover all aspects of environmental stewardship including trash, electriGalveston, water, paper, chemical, and emissions reductions. As well as empowering students to utilize what they have learned in their school communities about environmental sustainability to make a global impact.

Enroll and Involve the Entire School Community in Becoming Great Recyclers

Republic Services will engage school administrators, faculty, staff, and students in its efforts to conduct a successful recycling program. Once enrolled, the entire school community will receive specialized education based on that particular group's role in promoting recycling. Republic Services will include the following elements when addressing the education and training needs of each community member

1) Communication and Feedback

Republic Services will communicate the availability of educational resources to each school's administrators through a variety of media prior to the opening of school each fall. In addition recycling representative will follow up and respond to school/teacher requests for educational materials, resources, and presentations throughout the year.

2) Logistical Training in an Educational Format

Republic Services will meet with administrators, faculty, facilities personnel, and parents (through PTA meetings and other means) initially and as needed to establish and provide training on internal materials capture systems. We will provide educational

curriculum and program how-to information in a fun format, such as story-telling, recycling relays, competitions, waste audits, and videos. Educational curriculum, activities, and presentations are geared toward grade level/age groups.

3) Recycling Champions

Republic Services will work with all schools within the district to identify a recycling champion within each school who will act as the school's recycling coordinator. This coordinator will monitor faculty, staff, and administrators for optimal, proper recycling program participation, knowledge and utilize educational resources provided by Republic Services and other sources. They will also communicate recycling program results to students and staff.

4) District Recycling Committee

Republic Services proposes that the school district recycling committee be comprised of the identified recycling champions named in Item 3 above, and headed by a District administrator and Republic Services Recycling Representative. The recycling committee would meet according to need and District preference until recycling programs are

Figure 45. Engaging kids through Schools - We believe that providing an environmental education to students will build a foundation and an appreciation to preserving and protecting the planet.



functional in all schools.

5) Recycling Education

All educational materials will be provided in the primary languages represented in the student body of the district.

Republic Services involvement with local schools goes beyond how we can help with environmental education, we also believe in supporting students at all levels. For example, we provide educational and safety programs at local schools featuring characters such as Recycling Rosie, Garbage Gus and Driver Mike.

The presentation is interactive and features information on how to recycle and teaches children how to be safe around collection vehicles. Children receive a complementary coloring book that reinforces the safety message. At the conclusion of the presentation, children are escorted out to the parking lot, where a Republic Services truck and driver are on hand so that children can sit in the cab, view the controls, and ask the driver questions.

Republic Services also encourages an annual recycling contest among local elementary schools. Each school is challenged to reduce waste, recycle more, and separate their food

scraps for composting. Schools will compete for the greatest year-over-year diversion results (measured Fall through early Spring). The winning school is rewarded with an all-expenses paid recycling fair that will feature multiple activity stations including: recycled art projects, an opportunity to view the inside of a recycling collection truck, and products made from recycled materials.

In addition to providing a unique and comprehensive school outreach program, Republic Services plans to reach out to various community organizations such as the Chamber of Commerce, Rotary, business associations and other appropriate groups to provide detailed recycling outreach education and offer tools and support for successful programs.

Public Events

Republic Services will continue to be a true leader in Galveston, not only because of our dedication to excellence in service, but because we are a proud community partner. We participate in numerous community events on an annual basis and propose to build on these existing efforts by partnering with the City to develop and launch a sustainability-themed outreach schedule for public events.

The program would involve creating a family of "green" recycling-specific educational hand-outs, and a common, customizable booth design that could be used at local street fairs, art festivals and concerts.

Republic Services will not only continue to provide service and assistance to community events, we will also work with event planners to bring additional value. This would include upfront planning for logistics detail, such as placement of containers, providing a full contingent of containers at each collection point with clear messaging to encourage recycling participation, clean up services,

Figure 46. **Recycling Education** - Our educational materials include flyers and stickers for distribution through mailers or at schools



sponsorships, and educational materials. We see this as an opportunity to engage with the community to become even stronger and more vibrant. The City of Galveston can continue to count on Republic Services to be a true corporate citizen and community partner in greening the Galveston service area and educating residents and businesses every step of the way.

Curbing Contamination

The best way to reduce contamination is at the source, with both restricted access container lids and container spot checks.

Contamination Spot Checks: Our drivers are well trained to check for and document contamination in our customer service interface every time they service a container. The driver can then remotely update the account to reflect the contamination note, allowing our dedicated staff to notify the customer and offer one-on-one assistance. We work closely with each customer to develop a solution to their contamination problem. We can also provide resources to the Galveston they can share with residents and property staff.

*Figure 47. **Creative Public Engagement** - Republic Services is an active participant in local events providing education information to improve recycling participation*



*Figure 48. **Reducing Contamination** - Republic Services will work with Galveston to reduce contamination through spot checks and optional specialized equipment*



Community Engagement

Serving our 14 million customers goes beyond handing their recycling and waste needs. Service is about being a good neighbor to the communities where we live, work, and raise our families. Whether we are volunteering, or donating our time or resources, our willingness to give back is yet another way we make a difference.

At Republic Services, our customers can always rely on us to handle their recycling and waste needs in a way that is easy and effortless for them. But our promise goes far beyond our business. It is about being a good neighbor and supporting the communities where we live and work. This is why Republic Services centers our charitable giving around community development and neighborhood revitalization to help build stronger, safer communities.

Thought Leadership

Delivering exceptional services to a community requires that we remain a thought leader in the complex topics that our industry requires. We understand the complex regulations and requirements to responsibly manage and dispose of the nation's recycling and waste, and are able to help municipal leaders and the community understand these topics as well.

Figure 49. **We are a visible** and highly engaged partner, because we live and work in your community.



We are a committed, visible partner for your municipality

- We're watching out for you program - partnering with local law enforcement
- \$5M donated annually - cash or in-kind
- \$6.7M in local sponsorships nationwide

We are heavily engaged in the top municipal associations in the country, as well as important local organizations, which include:

- National League of Cities (NLC)
- International Galveston Manager's Association (ICMA)
- Council of Mayors
- National Waste and Recycling Association (NWRA)
- Solid Waste Association of North America (SWANA)
- Houston-Galveston Area Council of Governments Solid Waste Advisory Committee
- Texas Association of Business
- Galveston Regional Chamber of Commerce

Through these forums, we are able to contribute as a thought leader, as well as listen and understand the top and emerging topics that we must address. This enables us to continue to tell our customers that "We'll handle it from here™".

Community Events

Helping the local community and leaders understand the complexity of the industry is a big part of our role. We frequently execute events that enable increased awareness and understanding of how to responsibly dispose of recycling and waste, as well as events that assist the community in doing the right thing. Shred events help the disposal of large

volumes of recyclable paper. Recycling events can educate the community on what and how to recycle properly, using our *Empty, Clean and Dry* guidance. Lastly, we offer tours of our facilities, to help educate the community on how the operations work, and to show how much effort and care goes into ensuring that the recycling and waste material from your community is properly handled and disposed in a responsible manner.

Volunteering

A number of our employees live, work, and are committed to being involved in your community. We frequently dedicate time to volunteering at community events, local charities, and with initiatives that are important to the municipality. As a partner in your community, we engage with your staff to ensure we understand the initiatives and events that our employees can align with, so that our volunteer efforts can help advance your goals and visions.

In-Kind or Cash Contributions

As a good neighbor, we often support community events and initiatives through in-kind donation of recycling and waste services, or cash donations.

Large community events involve large crowds

*Figure 50. **Good neighbors** help build stronger neighborhoods, which is why we volunteer in our communities.*



of people. Our event boxes are easily distributed throughout community events, offering easy and environmentally conscious solutions for recycling and waste disposal. Where needed and appropriate, larger containers can be utilized to manage the consolidation and removal of recycling and waste from an event. In 2016, Republic donated over \$5M to our community partners through cash or in-kind services.

Awards and Recognition

As a result of our efforts, Republic Services has been recognized numerous times for our actions as a business and a community partner. Some of these awards and recognition include:

- Republic Services recognized among Top Companies as a Leader in Climate Change, with CDP's Highest Performance "A" rating - October 2016
- SWANA Recycling Systems Excellence Award - July 2016
- NWRA Best Recycling Facility, Southern Nevada Recycling Center - September 2016
- NWRA Driver of the Year, Dave Bedford - July 2016
- NWRA Driver of the Year, Fernando Lopez - July 2016
- 30 Most Meaningful Companies to Work for in America - Business Insider

Safety

Safety is Republic Services' highest priority. We adhere to a strict policy of safety protocols with supporting infrastructure, where employees are trained to think, choose, live within a framework designed for safety.

Safety Overview

Republic Services has an industry leading safety program that has been 41% better than the industry average for the past nine years, based on OSHA data. In addition, we have been recipients of 75% of industry Driver of the Year awards for the large truck category since 2009.

Republic Services and its employees maintain strict compliance with all applicable OSHA and Federal, State, and Local safety requirements while performing all work related functions. We recognize that a safe workforce is not simply a discussion with a new hire, but a dedicated plan to review, educate, and verify employee practices throughout their careers.

Republic Services has the lowest occurrence of incidents and accidents in the industry due to its company-wide emphasis on safety, extensive employee training and on-going educational development programs. Republic Services requires all operations personnel to participate in extensive in house (off truck) training and testing as well as on road auditing and policy reinforcement.

Republic Services offers full-spectrum safety initiatives and award-winning safety training programs to all employees. We are an industry leader in safety and we are very proud of our safety track record.

Our employees are our greatest asset, and our dedication to every employee's safety is second to none

- 41% Safer than the Industry Average, while maintaining the 8th largest commercial fleet in the United States
- "Think, Choose, Live" embodies our company culture
- Winners of 75% of industry Driver of the Year awards since 2009

Think. Choose. Live.

Every day, drivers face a multitude of challenges and are required to make decisions that can greatly impact their safety, as well as the safety of those in the communities we serve. We instituted a best-in-class driver training program that drives continual improvement for all of our 15,000 drivers.

Our Think. Choose. Live. philosophy helps navigate these situations by encouraging employees to **Think** about what they're doing, **Choose** the safe answer and **Live** to go home to their families.

ReSOP Program

The Republic Safety Observation Program (ReSOP) is paramount to decreasing safety incidents throughout the company. Supervisors are required to conduct a minimum of two in-

Figure 51. Republic Services ReSOP Program decreased safety incidents since implementation



person driver observations per week.

The purpose is mutual improvement in safety and service. The driver and their leaders work together towards excellence; improving safety and efficiency throughout the process. Upon completion of each ReSOP, drivers receive corresponding steps for improvement.

Safety Meetings & Training

Republic Services provides intensive safety training for all operational employees (Operations, Maintenance, Landfill) to develop on-going awareness through a combination of annual, monthly, and weekly training.

Safety topics are developed based on accident potential and subject matter required under OSHA regulation. Republic Services prepares well-developed tailgate sessions, provides appropriate translators to engage all employees, encourages open discussion and participation by all and documents every session.

Meeting topics can include:

- Injury and illness prevention/safety rules
- Back injury prevention
- Emergency response/fire safety
- Exposure control plan
- Drug and alcohol program
- Personal protective equipment
- Employee right-to-know
- Hearing conservation safety
- Lock out and tag out safety
- Slips, trips, and falls
- Confined space entry

Safety Recognition Program

The Republic Services Safety Recognizing Excellence Program is designed to identify, recognize and reward safety-sensitive employees in the company who are dedicated to safety and excellence in their workplace.

This program consists of two tiers that recognize and reward safety-sensitive employees who have excelled in key areas.

Employee safety and excellence is measured on six criteria including no preventable accidents, no lost time injuries, no safety warning letters, and perfect attendance. Each employee who qualifies is recognized monthly and annually.

Drivers' Alert System

Republic is dedicated to continually identifying and correcting unsafe behavior. The Drivers' Alert allows community members to report unsafe behaviors while drivers are on the road. When calls are made by the public, an alert goes out to the local management team. The driver is then counseled and the event logged as part of our driver grading system.

Driver Grading System

Republic Services uses a grading system to rate safe driver performance and to identify drivers who require additional training and

Figure 52. Continually Improving Safety is Top Goal for Republic Services



monitoring. All incidents or Drivers' Alerts are catalogued and evaluated monthly relative to each driver. The frequency of occurrences determines a grade. The organization then identifies at-risk drivers and focuses employee observations, in-cab ride-a-longs and training to correct driving behavior.

Quality Control

To ensure extreme reliability and a consistently high level of customer service, Republic Services has a quality control program called Driver Service Management (DSM).

DSM includes an extensive driver-lead reporting process, accompanied by regular auditing, that is focused on safeguarding against procedural failures. DSM standards guarantee that all driver issues will be addressed and completely resolved by supervisors or management within seven days of discovery. Other key benefits of this program include:

- Increased driver communication and accountability with Republic management
- Improved documentation and resolution of driver issues
- Improved customer service
- Improved on-route safety

The program is monitored and conducted by a Driver Service Coordinator responsible for:

- Conducting pre and post route briefing with drivers;
- Entering and monitoring DSM issues; and
- Running and distributing reports.

Drivers must observe and record issues while performing collection duties, and report findings to the Driver Service Coordinator during the pre- and post-route briefings daily.

The objective of the pre-route briefing is to ensure all drivers have the necessary tools to

run their routes safely, competently, and accurately each day. The Driver Service Coordinator reviews the following topics during the briefing:

- Confirms the driver is wearing the proper uniform and gear: clean uniform and personal protective equipment (PPE).
- Confirms the driver has the necessary route paperwork: sequenced route sheets and special/extra paperwork.
- Confirms the driver has completed the pre-trip vehicle inspection report (VCR).
- Ensures route completion by end of day.

During collection activities, drivers are instructed to make notes on their route sheets

Figure 53. Driver performs pre-route inspection to ensure vehicle is safe for driving



throughout the day.

The objective of the post-route briefing is to collect all valuable route information from each driver. Driver Service Coordinators must complete the post-route briefing section of the Driver Check-In form and drivers must sign the form before clocking out each day.

Finally, Driver Service Coordinators must submit any findings to the appropriate department that same day. For example, customer service will receive issues such as billing concerns and questions; operations will receive issues such as poorly sequenced routes; sales will receive items such as commercial coverage issues; safety will receive information pertaining to safety items such as low hanging wires or dangerous container locations; and maintenance will be forwarded issues such as container repair and replacement needs.

Should an item remain open for longer than seven days, it is forwarded to the General Manager to bring matters to an immediate resolution.

The following reports are disbursed:

- Driver Services Issues Cover Sheets are printed automatically each day for any route that has associated issues and is distributed to drivers along with their daily route sheets.
- Open Issue Reports are run daily by department managers and includes the day's new issues.
- Aged Open Issue Reports are run by the Driver Service Coordinator as needed and is intended to bring awareness to the General Manager of challenging issues that need to be closed out.
- Closed Issue Reports are posted weekly in the driver break room to increase driver awareness.

Together for Safer Roads

As the operator of the 8th largest vocational fleet in the country, with an industry leading safety record, we have a direct effect on roadway safety each day. While our strong safety performance is significant in the communities we serve, we aspire for more.

Today, we are proud to be the only recycling and waste services provider associated with Together for Safer Roads. This innovative coalition brings together global private sector companies across industries to collaborate on improving road safety and reducing deaths and injuries caused by road traffic crashes.

The Coalition's mission to provide guidelines and processes to keep employees, partners and contractors safe on the road closely aligns with our continuous work in fostering an environment that provides ongoing road safety education.

Focus 6

Our Focus 6 program provides employees with tips and techniques to reduce the frequency of our six most common types of serious accidents. This industry-leading program, which involves in-class training and

Figure 54. Our Focus 6 safety program assists in tips and techniques to reduce our top 6 most common accident types



a practical skills course exercise, helped to reduce accidents by 22% in 2015.

Personal Protective Equipment

Republic Services is committed to providing the safest collection and disposal process possible and recognizes that effective management of workers safety and health protection is a decisive factor in reducing the extent, severity, and cost of work related injuries and illnesses.

Eye and face, head, hand and high visibility PPE is required to be worn at all times, by all employees while operating a vehicle, on the lot, or at a disposal facility.

Driver of the Year

We believe strong safety records should be acknowledged and celebrated. Each year, drivers who meet our stringent safety criteria are eligible for the National Waste & Recycling Association's Driver of the Year.

With more than 1,000 nominations each year, this award is the most coveted in the industry and demonstrates winners' commitment to safety. Since 2009, we have had 18 winners

Figure 55. Our 2016 Driver of the Year Efren "Fernando" Lopez Thinks, Chooses, and Lives to come home to his family every day



Figure 56. Our 2016 Driver of the Year David Bedford. Thinks, Chooses, and Lives to come home to his family every day



out of 24 in the large company categories. In 2016, Republic's winners were Efren "Fernando" Lopez from our Stockton, CA division and David Bedford from our Boise, ID division.

Mr. Lopez began his driving career in 1987 in Stockton, CA. Over the past 28 years, he has earned a reputation for his strong work ethic and pride in keeping the cleanest truck in the local fleet. Mr. Lopez is known for his superior and reliable service, perfect safety record and his dedication and commitment to serve the community. He has collected over 160,800 tons of solid waste and served more than six million households throughout his career.

Mr. Bedford began his driving career in 1981 in Boise, ID. Over the past 35 years, he has earned a reputation as an ambassador for the company and industry. He is a leader and mentor who goes above and beyond for his customers. Mr. Bedford is known for his superior and timely service, perfect safety record and sincere interest in getting to know his customers. Each week, he drives an average of 600 miles collecting more than 250 tons of waste.

Subcontract / MBE

As an industry leader, Republic Services is committed to partnering with small, disadvantaged, minority-owned, woman-owned, and veteran-owned business enterprises. These relationships help grow successful businesses in the municipalities we serve and live.

Our experience and interaction with state and local governments will allow Republic Services to work with our municipal partners in Galveston, Texas and adhere to government procurement law. We can also assist qualified contractors earn and retain M/W/DBE certification.

Fostering Economic Growth

Republic Services recognizes that small business enterprises, especially those owned by minorities, women, disadvantaged individuals, and veterans (MWDVBE), are an integral part in growing the Galveston Area economy through job creation. Republic Services partners with qualified businesses across the country in a variety of roles. We partner with these firms, and offer mentoring to assist them in operating at our high standards, which often helps them establish repeatable processes and controls that lead to

continued success. Numerous partner firms have ultimately grown over years of working with Republic, to the point they exceed the small business qualifications.

Sub-Contracting Opportunities

Republic Services employs subcontractors wherever possible to promote local jobs and economic development. Typically, our subcontractors have specialized skills and knowledge, which allows Republic Services to focus on our core functions.

Opportunities for sub-contracting vary based on location, and often include:

- Container Maintenance
- Transfer Station Transportation
- Public Education & Outreach
- Other Services

Figure 57. Republic Services hires locally owned business for container maintenance.



Transition Plan

We are seasoned experts in the low risk, successful transition of services from your current provider to Republic Services. Through transparent and involved collaboration with you, our seamless transition will leave the Galveston and your residents happy with your choice to switch to Republic Services.

Experience Matters

Republic Services successfully implements more than 75 new municipal contracts each year, and we will bring our national strength and local expertise to every one of them.

Each transition takes into consideration the unique needs of the contract and Galveston. The key to success, regardless of project details, relies on communication:

- We start with a transition timeline, crafted in collaboration with the Galveston. This transition plan includes milestones, roles/responsibilities and contact information. See Figure 78 for a sample of our transition timeline for the city of Galveston.
- Frequent, pro-active communication with the City to ensure no surprises along the way. Weekly in-person meetings and phone

Figure 58. Low Risk Transition - From contract award to service start date our teams are visible and in constant communications



Successful transitions cover many details and require strong communication

- Communication is key to a successful transition
- Capital asset procurement and delivery
- Driver hiring, training and route planning
- Community education and messaging

calls/emails as the situation requires. Our philosophy is sharing news as that gives everyone a chance to prepare and respond in a timely fashion.

- Data sharing and operational field coordination with current contractor to ensure all open requests are met and service information is accurate.

Monitoring of open service notes is critical, especially when the transition date nears. The current hauler is responsible for the service note up until the current contract expires; there may be some service issues that cannot be resolved in the time allotted and will become the new haulers responsibility. Our operations teams, customer service professionals and data partners understand the need to keep a close eye on open service notes.

Container removal and delivery also require careful coordination with field crews. Customers need same-day service from both providers, and our local teams work with the current hauler to streamline this function for a seamless transition.

- Timely and appropriate communication with residents and businesses—from events and mailings... to website information and direct communication (phone, email, live chat). Redundant communications through a variety of channels is key to a successful transition.

- Daily communication with the internal team to assess project status and time line benchmarks.

Our operational management team meets daily with our supervisors and maintenance team to ensure critical-path items are addressed.

The publiGalveston and education team meets with the transition lead (operations manager), customer service manager and general manager to ensure customer-specific aspects of the rigorous training for customer service staff and drivers.

Dedicated phone lines, contract-specific information, route development and truck test drives combine to bring a safe and well informed team to your Galveston

- Regular communication with vendors supplying containers, printed material, trucks and on-board computing systems.

Our experience has shown that relationships matter—when we need equipment, we get it. Our national strength and buying power is leveraged for your benefit. Locally, we have secured relationships with key printing/mail house partners who put our needs first in a time-critical situation.

Figure 59. **Our draft Implementation plan** - can be found in the appendix; a sample is depicted below.

Implementation Overview			Borgida				
Sammanish Contract Executed	12/1/2015	12/1/2015				G	
Weekly Meetings with City Staff	12/15/2015	5/15/2016				G	Can adjust schedule as needed
Implementation Plan Due to City	1/1/2016	1/1/2016				G	
						G	
Transition Meeting with Current Contractor	2/1/2016	2/1/2016				G	
Contract Start Date	1/1/2017	1/1/2017				G	
Equipment and Procurement			Whyland				
Trucks						G	
Place order for Collection Vehicles	12/1/2015	12/15/2015				G	All CHG
Take delivery of new Collection Vehicles	6/1/2016	8/1/2016				G	In-house test, road test
Truck electronics - FleetMind						G	
Load and test software	6/1/2016	9/1/2016				G	
Install hardware in trucks	7/1/2016	10/1/2016				G	
Carts						G	
Confirm decal sizes for existing carts	1/1/2016	1/1/2016				G	
Develop cart decals and graphics	5/1/2016	6/1/2016				G	
Place cart order	4/1/2016	4/1/2016				G	
Receive carts	6/1/2016	6/1/2016				G	
Relabel or Deliver carts	9/1/2016	11/1/2016				G	
Steel and Plastic Bins and Bomes						G	
Place order	1/1/2016	1/1/2016				G	
Receive	5/1/2016	6/1/2016				G	
Resticker and/or deliver new containers	9/1/2016	11/1/2016				G	



Financials and Other Requested Information

Republic Services is among the leading recycling and waste services companies in the United States, with annual revenues exceeding \$9 billion, guaranteeing the financial strength and stability to exceed Galveston's expectations for the duration of the contract and beyond.

Financial Overview

Republic Services' financial stability allows us to guarantee our commitments and obligations presented to Galveston in our proposal. We have the capability to continually invest in equipment and preventative maintenance, as evidenced by the youngest fleet in the industry.

Republic Services does not use third party financing, meaning Republic Services owns all assets used to perform the duties of this agreement. The City will not need to be concerned with the potential for adverse business or performance conditions affecting the ability of our company to perform or obtain financing.

We implore you to take financial stability into serious consideration when choosing a long term partner for your recycling and waste needs. In many instances, the success of a service provider is dependent on their ability to invest in necessary equipment or personnel.

Financial Reporting

Republic Services, Inc. provides audited financial statements on behalf of its subsidiaries. Republic Services, Inc. is a publicly traded (NYSE:RSG), Fortune 300 Company and will be the signatory for the corporate guarantee.

The financial strength you need in a long term partner for your municipality

- Financial capability to continually invest in equipment and preventative maintenance
- Youngest fleet in the industry
- Reinvesting in state of the art equipment and facilities.
- Republic Services contributes over \$5 million to charities annually.

Republic's most recently completed audited financial statements can be found at on our website at www.republicservices.com

The Annual Reports to Shareholders have been prepared in accordance with Securities and Exchange Commission requirements, with New York Stock Exchange Commission requirements, and in accordance with generally accepted accounting principles (GAAP).

Labor Agreements and Wages

Republic Services offers a safe, respectful and rewarding workplace for our employees and provides the best training and safety programs in the industry.

Republic Services focuses on maintaining a positive and professional relationship with its

Figure 60. Excellence Driven - Republic Services takes pride in being excellence driven, which includes continuous investment in new vehicles, containers, and technologies.



workforce through continuous training and consistent communication. We utilize this approach with both our represented and non-represented employees. Nearly 40 percent of Republic Services over 33,000 employees are represented under various collective bargaining agreements across the country.

We negotiate fairly with our labor unions, carefully balancing the needs of the workforce with the cost to provide service and the ultimate impact it will have upon the municipality we are partnering with.

Republic Services works tirelessly with our labor partners to ensure labor peace and although the parties do not always agree, both sides work respectfully and relentlessly to reach an expeditious resolution.

Republic Services will commit to the the City that the organization will take every

reasonable measure to avoid a labor dispute or labor unrest during the term of the collection services agreement.

Litigation Information

Republic Services is involved in routine judicial and administrative proceedings that arise in the ordinary course of business and that relate to, among other things, personal injury or property damage claims, employment matters and commercial and contractual disputes. We are subject to federal, state and local environmental laws and regulations.

Due to the nature of our business, we are also often routinely a party to judicial or administrative proceedings involving governmental authorities and other interested parties related to environmental regulations or liabilities.

Figure 61. Republic Strength - Republic Services dedication to our employees, the communities we serve, and environmental sustainability is impeccable.

Forbes | 2017 AMERICA'S BEST LARGE EMPLOYERS

POWERED BY STATISTA

Forbes America's Best Large Employer List

- Only recycling & waste company to make the list
- Anonymous survey to employees who are willing to recommend Republic Services
- High Net Promoter Score

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

Dow Jones Sustainability Index

- Only recycling & waste company to make the 2016 DJSI North America and DJSI World Indices
- Scored in the 90th percentile or higher on 8 of the Index's sustainability dimensions

CDP DRIVING SUSTAINABLE ECONOMIES

Carbon Disclosure Project

- 2015 Climate Change Report
- Scored of 98 out of 100
- Among top 10 percent globally
- Highest score in the industry

HUMAN RIGHTS CAMPAIGN

Human Rights Campaign

- 2016 Corporate Equality Index
- Scored of 85 out of 100
- National benchmarking survey and report on corporate policies and practices relating to lesbian, gay, bisexual, and transgender



U.S. Environmental Protection Agency

- 2015 Electricity Project of the Year Award
- Renewable energy project at Sand Valley Landfill in Alabama



U.S. Department of Energy

- 2015 Award and Recognition
- Commitment to operating a growing CNG fleet, as part of the federal government's clean fleets initiative



Solid Waste Association of North America

- 2015 Award and Recognition
- Gold award for Recycling Excellence
- North Texas Recycling Center



National Waste & Recycling Association

- Driver of the Year awards in the large company category
- 14 out of 18 times (since 2009)
- 2016 Recycling Facility of the Year
- Southern Nevada Recycling Center



From time to time, we may also be subject to actions brought by citizens' groups, adjacent landowners or others in connection with the permitting and licensing of our landfills or transfer stations, or alleging personal injury, environmental damage, or violations of the permits and licenses pursuant to which we operate. Additional information can be provided upon request.

In the previous five years, Republic Services has not experienced any of the following claims against:

- Officers of the company
- Local key personnel
- A bid or proposal
- Performance bond
- Any contractual default or termination

Republic Services Identifications, Classifications and Ratings

Federal Employee Identification Number	65-0716904
Dun's Identification Number	61342862
U.S. Dept. of Labor (SIC) Code	4953 – Sanitary Services / Refuse Systems
North American Industry Classification System (NAICS) - Primary	562212 – Solid waste landfills combined with collection and/or hauling of waste materials
North American Industry Classification System (NAICS) – Secondary	562111 – Solid waste collection 562920 – Material Recovery Facilities 562920 – Other non-hazardous waste treatment and disposal
Standard & Poor's Identification Number and Rating	(TIN): 13-1026995 BBB+
Moody's Identification Number and Rating	(TIN): 13-3998945 Baa3
Fitch's Identification Number and Rating	(NRSRO): 3235-0625 BBB

Summary Financial Information – Accountants).

Income Statement

These historical results are not necessarily indicative of the results to be expected in the future. Amounts are in millions, except per share data. The financial statements contained in the Annual Report were audited by Ernst & Young, LLP (Independent Registered Public

Figure 62. Republic Services' 2016 Year Ending Consolidated Income Statement - selected financial data

REPUBLIC SERVICES, INC. CONSOLIDATED STATEMENTS OF INCOME (in millions, except per share data)			
	Years Ended December 31,		
	2016	2015	2014
Revenue	\$ 9,387.7	\$ 9,115.0	\$ 8,803.3
Expenses:			
Cost of operations	5,764.0	5,518.6	5,643.1
Depreciation, amortization and depletion	991.1	970.6	906.9
Accretion	79.1	79.4	78.0
Selling, general and administrative	969.8	983.1	918.9
Withdrawal costs – multiemployer pension funds	5.6	4.5	1.5
(Gain) loss on disposition of assets and impairments, net	(0.1)	-	20.0
Restructuring charges	40.7	-	1.8
Operating income	1,537.5	1,558.8	1,233.1
Interest expense	(371.3)	(364.9)	(348.7)
Loss on extinguishment of debt	(196.2)	-	(1.4)
Interest income	0.9	0.8	0.6
Loss from unconsolidated equity method investment	(6.1)	-	-
Other income, net	1.1	1.2	1.7
Income before income taxes	965.9	1,195.9	885.3
Provision for income taxes	352.7	445.5	337.4
Net income	613.2	750.4	547.9
Net income attributable to noncontrolling interests in consolidated subsidiary	(0.6)	(0.5)	(0.3)
Net income attributable to Republic Services, Inc.	\$ 612.6	\$ 749.9	\$ 547.6
Basic earnings per share attributable to Republic Services, Inc. stockholders:			
Basic earnings per share	\$ 1.79	\$ 2.14	\$ 1.54
Weighted average common shares outstanding	343.0	350.0	356.7
Diluted earnings per share attributable to Republic Services, Inc. stockholders:			
Diluted earnings per share	\$ 1.78	\$ 2.13	\$ 1.53
Weighted average common and common equivalent shares outstanding	344.4	351.4	358.1
Cash dividends per common share	\$ 1.24	\$ 1.16	\$ 1.08



Summary Financial Information – Balance Sheet

Figure 63. Republic Services' 2016 Year Ending Consolidated Balance Sheet - selected financial data

REPUBLIC SERVICES, INC. CONSOLIDATED BALANCE SHEETS (in millions, except per share data)		
	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 67.8	\$ 32.4
Accounts receivable, less allowance for doubtful accounts and other of \$44.0 and \$46.7, respectively	994.8	962.9
Prepaid expenses and other current assets	221.9	235.0
Total current assets	1,284.5	1,230.3
Restricted cash and marketable securities	90.5	100.3
Property and equipment, net	7,588.6	7,552.8
Goodwill	11,163.2	11,145.5
Other intangible assets, net	182.3	246.4
Other assets	320.5	260.6
Total assets	<u>\$ 20,629.6</u>	<u>\$ 20,535.9</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 553.8	\$ 577.4
Notes payable and current maturities of long-term debt	5.8	5.5
Deferred revenue	312.9	313.9
Accrued landfill and environmental costs, current portion	142.7	149.8
Accrued interest	71.8	71.6
Other accrued liabilities	725.0	716.6
Total current liabilities	1,812.0	1,834.8
Long-term debt, net of current maturities	7,653.1	7,527.4
Accrued landfill and environmental costs, net of current portion	1,684.8	1,677.9
Deferred income taxes and other long-term tax liabilities, net	1,210.2	1,131.8
Insurance reserves, net of current portion	274.6	278.1
Other long-term liabilities	301.2	309.3
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 50 shares authorized; none issued	-	-
Common stock, par value \$0.01 per share; 750 shares authorized; 348.2 and 346.0 issued including shares held in treasury, respectively	3.5	3.5
Additional paid-in capital	4,764.5	4,677.7
Retained earnings	3,324.0	3,138.3
Treasury stock, at cost (8.8 and 0.4 shares, respectively)	(414.9)	(14.9)
Accumulated other comprehensive income (loss), net of tax	14.2	(30.5)
Total Republic Services, Inc. stockholders' equity	7,691.3	7,774.1
Noncontrolling interests in consolidated subsidiary	2.4	2.5
Total stockholders' equity	7,693.7	7,776.6
Total liabilities and stockholders' equity	<u>\$ 20,629.6</u>	<u>\$ 20,535.9</u>

Bank and Credit References

Available Credit Lines

Total All Banks (as of 12-31-16): \$ 2.4 billion

Bank References

All inquiries for bank references must be made by fax.

Bank of America
Attn: Confirmation Department
Reference: Republic Services Inc.
Tax ID: 65-0716904
Phone: (803)832-7770
Fax (toll #): (900)733-5100
Online: www.bankVOD.com

J P Morgan Chase Bank
Attn: Confirmation Credit Inquiries
PO Box 955200
Fort Worth, TX 76155-2732
Reference: AWIN Management, Inc.
Tax ID: 76-0353318
Phone: (800)550-8509
Fax: (817)345-3795

Credit References

Heil Environmental 2030 Hamilton Place Blvd., Suite 200 Chattanooga, TN 37421 Contact: Sherri Wilson Telephone: (423) 855-3465 Fax: Email: swilson@doveresg.com	Mansfield Oil Co. 1025 Airport Parkway, SW Gainesville, GA 30501 Contact: Erica Johnstone, Credit & Collections Analyst Telephone: (678) 450-2330 Fax: (770) 532-6266
Mack Truck Vanguard Truck Center Tower Place 200 3348 Peachtree Rd. NE. Suite 1450 Atlanta, GA 30326 Contact: Tom Ewing, President Telephone: (404) 963-9143 Fax: (404) 963-9152	FleetPride P.O. Box 9156 Corpus Christi, TX 78469 Contact: Mr. Steven Stockseth (Please fax requests) Telephone: (361) 445-3765 Fax: (361) 883-3323
Wastequip Corporate Headquarters 1901 Roxborough Road Suite 300 Charlotte, NC 28211 Contact: Pattie Shidler Telephone: (800) 285-0666, ext. 241	



Employee Engagement

We aspire to be a company where the best people want to work and are committed to doing their best work every day.

Republic Services understands the importance of hiring dedicated, competent, and qualified employees to work on our team. We work to create and maintain an environment that attracts, develops and retains people who assure our success with customers, differentiate us from our competitors and allow us to be an employer of choice, for top talent.

Our driver screening and testing is set at a higher standard than DOT regulations and is the highest standard in the waste industry. This means that all communities who partner with Republic Services can rest assured knowing we hire the safest drivers in the industry. Additionally, our drivers stay with Republic, yielding a higher driver retention rate, and thus a longer driver tenure, than other companies in the waste industry.

Training and developing our people is a top priority. As such, all employees go through extensive training once they are hired to work at Republic Services, whether drivers, technicians, operations, or management positions.

Driver Training

All newly hired drivers regardless of their waste experience go through extensive driver training. During the first week of employment all drivers are sent to our state of the art training facility in Houston. During this training, drivers have a combination of classroom and hands-on skill development. Drivers will learn about equipment inspections, defensive driving skills and techniques, operational requirements including routing efficiencies, and safety.

After the week-long training the drivers return to their division to begin behind the wheel instruction with daily performance feedback. The behind-the-wheel training is anywhere from 2-4 weeks in duration depending on the driver's skills and abilities. During this training the newly hired driver will work alongside a more experienced driver and manager to learn municipal route schedules. The driver does not graduate from his coursework until the operations manager assesses his abilities and is fully comfortable putting the driver on the route.

At Republic Services we understand that training is of the utmost importance and should be an on-going effort. As such, we have an annual Defensive Driving course that establishes a uniform baseline for our drivers regardless of their location.

Figure 64. Extensive Driver Training – Our drivers go through extensive training, because they are the most visible employee in your community



Additionally our driver observation and improvement program, called ReSOP, is used throughout the country, and is a big focus at Republic Services. During the ReSOP, our supervisors perform a minimum of two observations per week observing our drivers on route. The purpose is mutual improvement in safety and service. The driver and his leaders work together towards excellence; improving safety and efficiency throughout the process.

Supervisor Training

All newly hired supervisors go through an extensive 10-day boot camp before they assume their full time duties. During the boot camp all supervisors are trained in safety, leadership skills, communication, customer service, route performance and efficiency, and forecasting. This training is important to your community because it is proven to reduce turnover, improve engagement, increase proficiency, and improve customer service satisfaction. The supervisor boot-camp

Figure 65. Annual National Driver Competition - Our drivers compete each year in our Truck ROAD-EO, a safety and skills competition that recognizes the best of the best



We are dedicated to robust learning & talent development programs for 33,000 employees nationwide.

- Republic operational team members are tenured and professional
- Our drivers and supervisors are required to attend a number of extensive training and certification programs each year
- Driver screening and testing is set at a higher standard than the DOT regulations

exposes our employees to executive leadership and gives all of our supervisors the tools to succeed as a front-line leader. All supervisors receive an individually designed development plan for progression within the company.

Management Training

In addition, all supervisors and managers within Republic have weekly and monthly training opportunities in their online portal. There are hundreds of training modules housed on our state of art employee portal that employees have access to 24/7. Examples of training modules include ethics training, customer service, sales, routing, and emergency preparedness.

There are also traveling training opportunities where managers can learn about various aspects of the business. Company leaders in each department frequently gather to share lessons learned and best practices with each other. This translates into a more engaged employee base, who transfer their new knowledge to the customers and communities they serve. For example, our Municipal Managers participate in annual training with their peers, to learn about new or emerging trends in the industry, which they can bring back to your municipality to help keep your municipal staff and leaders informed.

Career Development

Republic Services facilitates a career plan with our employees. We review their career history and develop a document that will be shared with our business leaders who are in a position to assist the employee to achieve their career goals. For this reason, our employees remain with the company, serving our partner municipalities for many years.

Creative Offerings and Solutions

Our additional products enable Galveston to address the emerging waste streams that exist in your community with environmental responsibility.

In addition to meeting the base recycling and waste needs of Galveston, it is important to recognize that additional waste is generated daily in your community that the residents and commercial owners do not know how to properly dispose.

- Electronics
- Medical / Sharps
- Universal Waste
- Household Hazardous Waste

Absent an existing program to address these important waste streams, the community will typically throw the material in their MSW container, which leads to both safety and environmental issues. Examples of these issues are batteries that can burst and cause fires in the processing facilities, as well as employees getting needle sticks from medical needles that are disposed of in the recycling stream.

Republic Services has studied each of these waste streams, and developed offerings to allow Galveston to add these services under the contract, or as an offering that can be

Republic Services is uniquely positioned to offer the your community solutions to their additional waste streams

- Electronics Recycling via BlueGuard ensures electronics are properly handled
- Our Household Hazardous Waste (HHW) product addresses collection and disposal of paints, solvents, and other HHW
- Sharps product enables proper disposal of household medical waste and needles
- Universal Recycling ensures bulbs, ballasts and batteries are not thrown in a landfill

marketed directly to the community, and purchased directly from Republic Services.

The following pages offer a more detailed explanation of each creative offering that is available to the City of Galveston. We look forward to discussing each of these with you to ensure that your questions are answered, and that you can identify the best approach to addressing these needs in your community. For each offering that the City selects to add, we are ready to implement the additional offering based on the time line and collection method that works best for the Galveston.

Figure 66. Other Creative Offerings and Services – We are ready to add the additional important products that address existing and growing waste streams that should not be in a landfill

Creative Products Available	Benefits to Westminster
Electronics Recycling with BlueGuard	Keeps any electronics with a power cord, including those with sensitive data, out of the landfill
Sharps	Simple solution for residents who generate medical waste such as diabetic treatment needles
Universal Recycling	Ensures that residents properly dispose of bulbs, ballasts and batteries in their house
Household Hazardous Waste (HHW)	Easy disposal of the numerous hazardous waste items for homeowners



Electronics Recycling with BlueGuard™

Republic Services makes it easy to recycle your electronics securely and responsibly. Our experts specialize in the safe and proper dismantling of electronic materials to protect your residents from identity theft, while our recycling solutions help ensure materials are processed responsibly – protecting our planet from hazardous waste.

The proliferation of electronics hardware in this digital age has created a growing need for safe, secure, and responsible electronics recycling programs. Not only do customers need to protect sensitive data from theft, they must do their part to prevent hazardous chemicals and elements from polluting the environment.

Our Electronics Recycling program utilizes BlueGuard™ safety practices, which adhere to U.S. Department of Defense standards, to ensure that obsolete electronics are recycled safely, completely and responsibly. Our solutions include a mail-back program, pack-up and pick-up or full service, where we pack it and haul it.

About 85% of electronics are discarded in landfills or incinerators with another 5 million tons in storage. It's easy to forget they may contain personal information or hazardous materials that need to be disposed of or recycled differently than everyday solid waste.

When you recycle electronics through Republic Services' BlueGuard™ program, you are guaranteed of the following:

- Data is protected from theft or loss through stringent software-based destruction.
- An online tracking and account management tool is available which allows you to review your recycled electronics order in real time.

Safe, Secure, Responsible Electronics Recycling for your community

- Customized solutions range from mail-back, drop off, or scheduled pick-up
- For any device that has or uses a power cord
- Ensures data protection and destruction of electronics holding data files (phones, computers)
- Over 700,000lbs. recycled in 2016
- High standards backed by industry certifications

A certificate of recycling can even be downloaded using this tool.

- All breakdown and recycling is done in-house, never exported, while keeping items recycled out of the landfill.

Sustainability

We strive to go beyond traditional recycling to find new solutions that help our planet stay Blue. By recycling old, obsolete electronics, we are breaking down materials into their commodity levels which can then be made into new products. We are also giving refurbished electronics a second life, decreasing the depletion of our resources.

Figure 67. Easy for the Resident - Republic Services makes it easy to recycle your electronic waste.



Safety

Our BlueGuard™ safety practices provide peace of mind, adhering to the highest security and environmental standards in place by the electronics recycling industry. Utilizing state of the art shredding and dismantling systems allows responsible recycling of all materials.

Security

Considering all of the personal data on household electronics – it's a bit scary to think what can happen if it falls into the wrong hands. Improperly recycled electronics leave residents vulnerable to identity theft and financial loss. Our BlueGuard security and data termination practices keep information safe and secure, strictly adhering to the Department of Defense and NIST standards and ensuring comprehensive data destruction.

Figure 68. **Mail-Back Options** – Our BlueGuard™ mail-back options include 5 box sizes



Environmental Protection

Electronics can contain materials, such as lead, cadmium, and mercury that are hazardous to the environment if handled incorrectly. It is important to minimize the environmental impact, and our BlueGuard safety practices help to ensure these materials are kept out of the landfills.

Storage Space

Not only do we want to meet your residents' needs outside of the home, but inside of the home as well. Storing old household electronics can take up considerable space within your residents' homes. Regular recycling of electronics keeps homes safe and clutter free.

Product Delivery Options

Our BlueGuard product can be added to your municipal contract, or can be marketed by the municipality as a direct transaction between the community and Republic Services. These options allow you to decide how you would like to enable your community to do the right thing with regard to their electronic waste.

Collection Methods

Depending on the product delivery option selected, the universal material can be collected through various methods.

- If part of the municipal contract, community residents can call and order a mail-back kit using a special coupon code, or we can establish drop off locations or scheduled pickup dates.
- Residents calling for a direct transaction typically order a convenient mail back kit, which allows them to collect their electronics and return via mail when they are ready. Figure 42 depicts the mail back box options available to customers.



Universal Recycling

Republic Services makes it easy to recycle your bulbs, batteries, ballasts and other mercury-containing waste. Our experts specialize in the responsible management and recycling of these materials.

Marketplace conditions often make once simple procedures more complicated. Today, communities and businesses face an increasing number of compliance requirements related to the disposal of universal waste items, such as batteries, bulbs and ballasts. These items contain mercury, lead or other hazardous materials that should not be thrown away with regular waste. Keeping up with compliance requirements can be time-consuming and burdensome.

To answer this need, Republic Services introduced two options: a mail-back kit for smaller quantities of universal waste items and a pack-up and pick-up service to handle larger quantities. Our products are designed to make universal recycling as easy as possible for all types of universal materials, big and small.

Why recycle universal materials?

- 99.98% of the mercury in recycled bulbs can be recovered and reused
- Newly manufactured batteries are made of up to 80% recycled materials
- Proper disposal of bulbs, batteries and ballasts
- Simple solutions through mail-back, drop off locations, or scheduled pickup
- Allowing them to be landfilled is bad for the environment

Product Delivery Options

Our Universal Recycling product can be added to your municipal contract, or can be marketed by the municipality as a direct transaction between the community resident and Republic Services. These options allow you to decide how you would like to enable your community to do the right thing with regard to their universal waste.

Peace of Mind

The universal recycling practices of our nationwide recycling centers meet all government regulations. These standards ensure environmentally responsible results for your community – no matter which solution you choose. You'll also receive a Certificate of Recycling, which ensures regulatory compliance.

Sharps

Many community residents and commercial customers generate medical waste, from diabetic needles to medical facility waste. The Republic Services Sharps program offers a simple method to properly dispose of this waste.

Republic Services offers a straightforward, cost-effective, confidential and convenient method for proper disposal of sharps waste. Every year, millions of people use needles and syringes to manage medical conditions at home. This waste stream should never be mixed with household waste, as it poses a health and safety risk for industry workers. The Republic Services sharps mail-back kit includes all components required for simple and proper collection, transportation and disposal of medical sharps.

Environmentally responsible

The kits are ideal for people who use needles at home to treat diabetes, arthritis, cancer or other medical conditions. It's an environmentally responsible way to dispose of the increasing amount of home-generated sharps waste while keeping the community safe.

As a leading national waste and recycling services provider and Fortune 300 Company,

Figure 69. Republic Services sharps mail-back kits are simple and safe



Proper management of sharps waste is the right thing for our communities and our workers

- 9 Million Americans throw used sharps into trash because they don't know of an alternative disposal solution for at-home sharps users
- 850,000 are people injured annually due to improper disposal
- Proper disposal of common medical waste, including needles

Republic Services offers an environmentally-responsible solution to managing home-generated medical waste for our municipal residents. The products are compliant with the United States Postal Service, the Environmental Protection agency and the Food and Drug Administration.

Depending on the desired solution, a unique coupon code or discount code is created for the municipality based on resident zip codes

Simple program

Each Republic Services Sharps mail back kit includes a government-approved plastic container specially designed for sharps waste, a plastic liner, a prepaid-postage return shipping box with return shipping label as well as disposal and tracking documents.

Trouble-free set up

Customers residing in eligible municipalities can order sharps kits directly by contacting our dedicated Republic Services customer support team. Residents simply call (855) 737-7871 to place their orders. Orders will be shipped directly to resident's home within one week. Resident will fill the container, complete the paperwork and mail back the kit for final disposal via US mail.



Household Hazardous Waste

Household Hazardous Waste (HHW) is often trapped in residential garages, or thrown into the traditional waste stream, leading to contamination. Our HHW service offers a reliable and responsible solution to properly deal with this complicated waste stream.

Not all household products can be thrown in the regular garbage. You can rely on Republic Services to provide safe, convenient disposal options for household hazardous materials to prevent potential harm to the environment, our employees or others.

Household hazardous waste consists of materials that pose potential threats to people and the environment, including but not limited to:

- Products marked “Flammable”, “Poisonous”, or “Hazardous”
- Motor oil
- Fats, oils, grease
- Paint cans (latex and oil-based)
- Pool chemicals
- Animal carcasses
- Solvents
- Household cleaning products
- Mercury thermometers
- Personal care products (e.g. medicine, sunscreen, insect repellent, etc.)
- Medicine
- Lead, acid/wet cell batteries
- Railroad ties
- Toxic materials
- Bio hazardous materials or waste
- Propane/oxygen/helium tanks
- Explosives
- Live ammunition or weapons

Republic Services has programs for these special collection items.

Simple solution to a common yet complicated waste challenge

- Proper disposal of household waste that should not be in a landfill
- Simple solutions through drop off locations or scheduled pickup
- Enabled via the Galveston, or via direct transaction with community customers

There are two ways to collect household hazardous waste, they are:

Drop off location

Residents may bring their household hazardous waste materials to Republic's designated drop off location where materials will be properly stored and disposed of. This can be a permanent location or a temporary single event location.

Scheduled Pick Up

Residents may contact Republic to arrange for a pick up their household hazardous waste at their place of business or residence.

*Figure 70. **Hazardous materials** - can be found throughout your house. Call Republic Services and “We’ll handle it from here”™*



Emergency Response

As the largest municipal solid waste hauler in the country, Republic Services has the resources to mobilize a response to help clean up the mess Mother Nature left behind.

Republic Services Responds

It all starts with a plan. Republic Services key objectives in responding to an emergency or disaster recovery include:

- Protect our employees and their families (when our employees know their families are safe, they can concentrate on helping their neighbors);
- Secure and safeguard our property and assets, so they are available for you when needed;
- Provide service to our customers and satisfy their needs, even if means calling up resources from other parts of the country;
- Expedite and minimize the post emergency/disaster cleanup effort, which includes coordinating with FEMA and other relief agencies.

At the onset, and throughout the term of an emergency or disaster, we will work closely with the City of Galveston personnel to define our role and develop solutions.

Figure 71. Pre-defined Response Plans –Our teams are there after disasters to assist the municipality and residents with cleanup and disposal needs



Our goal is to work with you until life returns to normal

- We coordinate our response with you and have experience working directly with FEMA and other disaster relief organizations.
- Our national footprint means that crews from outside the area can be drawn upon to respond locally.
- Our human resources team ensures our local employees have what they need so they can concentrate on helping the community.

Republic Services provides essential community services, and we will be an integral member of the community leadership team planning for and responding to an emergency.

Republic Services was among the first responders after Hurricane Katrina devastated New Orleans and most recently, Hurricane Matthew along the eastern seaboard. We are eager to share our response plan with you so together, we can ensure safety and essential services for our community during a major catastrophe.

Plan Implementation

Once word of a major disaster hits, our local team and corporate leaders initiate the communications and response plan, which includes notifying FEMA of our ability to support recovery efforts. The strength of a national company backing to our local teams is evident in these situations. Everything from fuel, water, safe accommodations for employees and their families to communications and payroll is managed by our team.

Locally, the team will

- Conduct damage assessment
- Identify staging site
- Activate debris removal
- Conduct meetings/briefings with Galveston staff



RFP # 17-23
Transfer Station and
Recycling Center
Operations

Republic Services
Unit Selected Data

Report Date: 5/17/2017; Period

Unit	Spec - Chassis Make	Spec - Chassis Model	Spec - Body Type	Mfg Year
0014-4843 (Cont delivery) 4855AW-HSG	Ford	F650	Container delivery	2006
048-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2011
052-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pick Up Truck	2007
1280-4855 (FEL) 4855AW-HSG	Mack	MR688S	Commercial - FEL	2001
1302-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1368-4855 (FEL) 4855AW-HSG	Mack	MR688S	Commercial - FEL	2006
1369-4855 (FEL) 4855AW-HSG	Mack	MR688S	Commercial - FEL	2007
1370-4855 (FEL) 4855AW-HSG	Mack	MR688S	Commercial - FEL	2007
1371-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2008
1372-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2008
1373-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2008
1378-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2010
1380-4855 (FEL) 4855AW-HSG	Mack	MR688S	Commercial - FEL	2006
1382-4855 (FEL) 4855AW-HSG	Mack	MR688S	Commercial - FEL	2007
1384-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2010
1385-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2010
1393-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1394-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1395-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1396-4855(VIN) (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1398-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1399-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1400-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1401-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011

Unit Selected Data

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1402-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2011
1403-4855 (FEL) 4855AW-HSG	Peterbilt	320	Commercial - FEL	2012
1404-4855 (FEL) 4855AW-HSG	Peterbilt	320	Commercial - FEL	2012
1405-4855 (FEL) 4855AW-HSG	Peterbilt	320	Commercial - FEL	2013
1406-4855 (FEL) 4855AW-HSG	Peterbilt	320	Commercial - FEL	2015
1407-4855 (FEL) 4855AW-HSG	Peterbilt	320	Commercial - FEL	2015
1408-4855 (FEL) 4855AW-HSG	Peterbilt	320	Commercial - FEL	2015
1409-4855 (FEL) 4855AW-HSG	Peterbilt	320	Commercial - FEL	2016
1410-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2017
1411-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2017
1412-4855 (FEL) 4855AW-HSG	Mack	MRU613	Commercial - FEL	2017
2070-4859 (REL) 4855AW-HSG	Mack	CV713	Residential - REL	2004
2088-4855 (REL) 4855AW-HSG	Mack	MR688S	Residential - REL	2005
2093-4855 (REL) 4855AW-HSG	Mack	MR688S	Residential - REL	2007
2095-4855 (REL) 4855AW-HSG	Mack	MR688S	Residential - REL	2007
2119-4855 (REL) 4855AW-HSG	Mack	MR688S	Residential - REL	2007
2166-4855 (ASL) 4855AW-HSG	Mack	MRU613	Automated Side Load	2009
2170-4855 (REL) 4855AW-HSG	Mack	CV713	Residential - REL	2007
2171-4855 (REL) 4855AW-HSG	Mack	CV713	Residential - REL	2007
2176-4855 (ASL) 4855AW-HSG	Mack	MRU613	Automated Side Load	2010
2177-4855 (ASL) 4855AW-HSG	Mack	MRU613	Automated Side Load	2010
2178-4855 (ASL) 4855AW-HSG	Mack	MRU613	Automated Side Load	2010
2179 (REL) 4855AW-HSG	Mack	MRU613	Residential - REL	2010
2180-4855 (REL) 4855AW-HSG	Mack	MRU613	Residential - REL	2010
2181-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013

Unit Selected Data

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2182-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2183-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2184-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2185-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2186-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2187-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2188-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2189-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2193-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2194-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2195-4855 (REL) 4855AW-HSG	Peterbilt	F Series	Residential - REL	2013
2196-4855 (REL) 4855AW-HSG	Peterbilt	348	Residential - REL	2013
2197-4855 (REL) 4855AW-HSG	Peterbilt	384	Residential - REL	2013
2198-4855 (REL) 4855AW-HSG	Peterbilt	384	Residential - REL	2013
2199-4855 (REL) 4855AW-HSG	Peterbilt	384	Residential - REL	2013
2200-4855 (REL) 4855AW-HSG	Peterbilt	384	Residential - REL	2013
2201-4855 (REL) 4855AW-HSG	Mack	MR688S	Residential - REL	2002
2202-4855 (REL) 4855AW-HSG	Volvo	WG	Residential - REL	2002
2203-4855 (REL) 4855AW-HSG	Peterbilt	382	Residential - REL	2015
2204-4855 (REL) 4855AW-HSG	Peterbilt	320	Residential - REL	2015
2205-4855 (REL) 4855AW-HSG	Peterbilt	320	Residential - REL	2015
2206-4855 (REL) 4855AW-HSG	Peterbilt	320	Residential - REL	2015
2207-4855 (REL) 4855AW-HSG	Peterbilt	320	Residential - REL	2015
2208-4855 (REL) 4855AW-HSG	Peterbilt	320	Residential - REL	2015
2209-4855 (REL) 4855AW-HSG	Mack	GU813	Residential - REL	2016

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2398-4820 (ASL) 4855AW-HSG	Mack	MR688S	Automated Side Load	2007
2477-4855 (ASL) 4855AW-HSG	Mack	MRU613	Automated Side Load	2008
2560-4852 (FEL) 4855AW-HSG	Mack	MR688S	Commercial - FEL	2005
3137-4855 (R/O) 4855AW-HSG	Mack	GU813	Cable	2008
3193-4852/4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3195-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3197 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3198-4852/4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3200-4855 (R/O) 4855AW-HSG	Mack	RD688S	Cable	2000
3202-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2006
3206-4855 (R/O) 4855AW-HSG	Kenworth	T800	Cable	2002
3207-4855 (R/O) 4855AW-HSG	Volvo	VHD64F	Cable	2004
3212-4855 (R/O) 4855AW-HSG	Mack	RD688S	Cable	2000
3214-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3217-4855 (R/O) 4855AW-HSG	Kenworth	T800	Cable	1999
3219-4855 (R/O) 4855AW-HSG	Kenworth	F750	Cable	2001
3226-4855 (R/O) 4855AW-HSG	Mack	RD688S	Cable	2000
3232 (R/O) 4855AW-HSG	Mack	RD688S	Cable	2001
3233-4855 (R/O) 4855AW-HSG	Mack	RD688S	Cable	2001
3237-4855 (R/O) 4855AW-HSG	Peterbilt	357	Cable	2004
3238 (R/O) 4855AW-HSG	Peterbilt	357	Cable	2004
3241-4855 (R/O) 4855AW-HSG	Peterbilt	357	Cable	2005
3242-4855 (R/O) 4855AW-HSG	Peterbilt	357	Cable	2005
3243-4855 (R/O) 4855AW-HSG	Peterbilt	357	Cable	2005
3244-4855 (R/O) 4855AW-HSG	Peterbilt	357	Cable	2005

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3245-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3246-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3247-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2006
3248-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3249-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3250-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2007
3251-4855 (R/O) 4855AW-HSG	Peterbilt	357	Cable	2003
3253-4855 (R/O) 4855AW-HSG	Mack	GU813	Cable	2008
3254-4855 (R/O) 4855AW-HSG	Mack	GU813	Cable	2008
3255-4855 (R/O) 4855AW-HSG	Mack	GU813	Cable	2009
3256-4855 (R/O) 4855AW-HSG	Mack	GU813	Cable	2009
3257-4855 (R/O) 4855AW-HSG	Peterbilt	365	Cable	2013
3258-4855 (R/O) 4855AW-HSG	Peterbilt		Cable	2014
3260-4855 (R/O) 4855AW-HSG	Peterbilt	379	Cable	2014
3304-4855 (R/O) 4855AW-HSG	Mack	CV713	Cable	2005
3318-4855 (R/O) 4855AW-HSG	Peterbilt	365	Cable	2014
346-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2002
347-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pick Up Truck	2003
349-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2003
350-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pick Up Truck	2003
351-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2008
352-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2008
353-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2008
355-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2007
357-4855(PICKUP (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2013

Unit Selected Data

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358-4855(PICKUP (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2013
365-4855(PICKUP (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2013
366-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pickup Truck	2016
370-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pick Up Truck	2011
373-4855 (PICKUP) 4855AW-HSG	Ford	F150	Pick Up Truck	2011
3832-4852/9855 (R/O) 4855AW-HSG	Mack	GU813	Cable	2009
3904-4855 (R/O) 4855AW-HSG	Peterbilt	567	Cable	2015
3905-4855 (R/O) 4855AW-HSG	Peterbilt	567	Cable	2015
3906-4855 (R/O) 4855AW-HSG	Kenworth	T800	Cable	2011
3907-4855 (R/O) 4855AW-HSG	Kenworth	T800	Cable	2012
3910-4855 (R/O) 4855AW-HSG	Kenworth	T800	Cable	2010
3911-4855 (R/O) 4855AW-HSG	Kenworth	T800	Cable	2010
5500-4855 (Cont delivery) 4855AW-HSG	Ford	F750	Container delivery	2015
6005-4975 (Tractor- 5th Wheel) 4855AW-HSG	Peterbilt		R/O - Tractor	2012
7033-4855 (Brush Truck) 4855AW-HSG	Peterbilt	567	w/ Boom	2016
7217-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CH613	R/O - Tractor	2001
7218-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CH613	R/O - Tractor	2001
7219-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CH613	R/O - Tractor	2002
7220-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CH613	R/O - Tractor	2002
7223-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CH613	R/O - Tractor	1999
7225-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CH613	R/O - Tractor	1996
7226-4855 (Trac (Tractor- 5th Wheel) 4855AW-HSG	Mack	CH613	R/O - Tractor	1996
7230-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2010
7231-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2010
7232-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2010

Unit Selected Data

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7233-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2010
7234-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2012
7235-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2012
7236-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2012
7237-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2012
7238-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2012
7239-4855 (Tractor- 5th Wheel) 4855AW-HSG	Mack	CHU613	R/O - Tractor	2012
7240-4855 (Tractor- 5th Wheel) 4855AW-HSG	Peterbilt	367	R/O - Tractor	2015
7241-4855 (Tractor- 5th Wheel) 4855AW-HSG	Peterbilt	367	R/O - Tractor	2015
7243-4855 (Tractor- 5th Wheel) 4855AW-HSG	Peterbilt	367	R/O - Tractor	2015
9021-4820 (Brush Truck) 4855AW-HSG	Sterling	LT9501	w/ Boom	2005

BID BOND

KNOW ALL BY THESE PRESENTS, That we, BFI Waste Services of Texas, LP dba Republic Services of Houston
5301 Brookglen Dr, Houston, TX 77017
_____ as Principal, hereinafter called the Principal,
and the Liberty Mutual Insurance Company
of 175 Berkeley Street, Boston, MA 02116, a corporation duly organized under
the laws of the State of MA, as Surety, hereinafter called the Surety, are held and firmly bound unto
City of Galveston _____ as Obligor, hereinafter called the Obligor,
in the sum of Twenty Five Thousand Dollars and 00/100 Dollars
(\$ \$25,000.00), for the payment of which sum well and truly to be made, the said Principal and the said
Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for RFP No: 17-23 - Transfer Station and Recycling Center Operations

NOW, THEREFORE, if the Obligor shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligor in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligor the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligor may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 5th day of October, 2017

Jamie Strohm
_____ Witness

John Drummer, Jr.
_____ Witness

BFI Waste Services of Texas, LP
dba Republic Services of Houston (Seal)
Principal
By: Brandi Heinbaugh
Brandi Heinbaugh Attorney-in-Fact Title

Liberty Mutual Insurance Company
By: Timothy S. Buhite
Timothy S. Buhite Attorney-in-Fact



POWER OF ATTORNEY

Republic Services, Inc., a Delaware corporation having its principal place of business at 18500 N. Allied Way, Phoenix, Arizona 85054, hereby makes, constitutes and appoints WELLS FARGO INSURANCE SERVICES USA, INC., acting through and by any one of Debbie Lindstrom, John Drummey, Jr., Timothy S. Buhite, Kathleen M. Mitchell, Scott C. Alderman, Peggy A. Firth, Simone Rae Frederick, or Brandi Heinbaugh, its true and lawful attorney to sign and seal any and all surety bonds, bid bonds, performance bonds and payment bonds at or below the monetary threshold of Five Million Dollars (\$5,000,000.00) on behalf of REPUBLIC SERVICES, INC. and its subsidiaries, relating to the provision of solid waste collection, transportation, transfer, recycling, disposal and/or energy services by REPUBLIC SERVICES, INC. and its subsidiaries and affix its corporate seal to and deliver for and on behalf as surety thereon or otherwise, bonds of any of the following classes, to wit:

1. Surety bonds, bid bonds, performance bonds and payment bonds to the United States of America or agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; license and permit bonds or other indemnity bonds under the laws, ordinances or regulations of any state, city, town, village, board, other body organization, public or private; bonds to transportation companies; lost instrument bonds; lease bonds; worker's compensation bonds; miscellaneous surety bonds; and bonds on behalf of notaries public; sheriffs, deputy sheriffs and similar public officials.

2. Surety bonds, bid bonds performance bonds and payment bonds on behalf of REPUBLIC SERVICES, INC. and its subsidiaries in connection with bids, proposals or contracts.

REPUBLIC SERVICES, INC. hereby agrees to ratify and confirm whatsoever WELLS FARGO INSURANCE SERVICES USA, INC. shall lawfully do pursuant to this power of attorney, and until notice or revocation has been given by REPUBLIC SERVICES, INC., the acts of said attorney shall be binding on the undersigned.

IN WITNESS WHEREOF, this Power of Attorney has been signed this, 9 day of January, 2017 on behalf of REPUBLIC SERVICES, INC. by its Assistant Secretary Eileen B. Schuler.

REPUBLIC SERVICES, INC.,
a Delaware Corporation

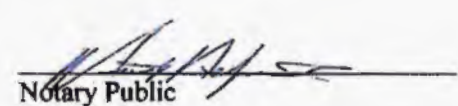

Eileen B. Schuler

STATE OF ARIZONA

COUNTY OF MARICOPA

Subscribed and sworn to before me this 9th day of JANUARY, 2017 by Eileen B. Schuler, Assistant Secretary.




Notary Public

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated. Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees. To confirm the validity of this Power of Attorney call 610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint Timothy S. Buhite of the city of Seattle, state of WA its true and lawful attorney-in-fact, with full power and authority hereby conferred to sign, execute and acknowledge the following surety bond:

Principal Name: BFI Waste Services of Texas, LP dba Republic Services of Houston

Obligee Name: City of Galveston

Surety Bond Number: Bid Bond Bond Amount: See Bond Form

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 6th day of March, 2017.



The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA
COUNTY OF MONTGOMERY

ss

On this 6th day of March, 2017, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires March 28, 2021
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 5th day of October, 2017.



By: Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary



Wells Fargo
Insurance Services USA, Inc.
CA DOI # OD08408
999 Third Avenue
Suite 4100
Seattle, WA 98104
Tel: 206 731 1200
Fax: 206 731 1209

October 5, 2017

City of Galveston

823 Rosenberg

Galveston, TX 77553

RE: RFP No: 17-23 - Transfer Station and Recycling Center Operations

Gentlemen:

We are writing to you at the request of BFI Waste Services of Texas, LP dba Republic Services of Houston.

This principal has or is about to submit a proposal for Bid for _____

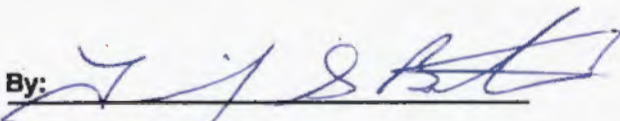
RFP No: 17-23 - Transfer Station and Recycling Center Operations _____

If a contract for this work is awarded to BFI Waste Services of Texas, LP dba Republic Services of Houston,
Liberty Mutual Insurance Company **a surety licensed to conduct business in the State of**
TX _____ **has agreed to act as surety on the bond as specified in the bid proposal.**

Please let us know if you need anything further in this regard.

Sincerely,

Liberty Mutual Insurance Company

By: 

Timothy S. Buhite
Attorney-in-Fact

Surety Phone No. 206-731-1200

Together we'll go far



This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated. Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees. To confirm the validity of this Power of Attorney call 610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Timothy S. Buhite of the city of Seattle, state of WA its true and lawful attorney-in-fact, with full power and authority hereby conferred to sign, execute and acknowledge the following surety bond:

Principal Name: BFI Waste Services of Texas, LP dba Republic Services of Houston

Obligee Name: City of Galveston

Surety Bond Number: Letter of Intent Bond Amount: See Bond Form

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 6th day of March, 2017.



The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA
COUNTY OF MONTGOMERY

ss

On this 6th day of March, 2017, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires March 28, 2021
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

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ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

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I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 5th day of October, 2017.



By: Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary



ANNUAL PERFORMANCE BOND

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, that we, _____, as

Principal, and Liberty Mutual Insurance Company _____, licensed to do business in the State of
Massachusetts _____, as Surety, are held and firmly bound unto _____

(Obligee), in the penal sum of _____ Dollars (_____),

lawful money of the United States of America, for the payment of which sum, well and truly to be made, the
Principal and Surety do bind themselves, their heirs, executors, administrators, and successors and assigns, jointly
and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the above bounden Principal has
entered into a certain written Contract with the above named Obligee the _____ day of _____,
_____, for _____

for a period of _____ years, which Agreement is made a part hereof and incorporated herein by reference, except that
nothing said therein shall alter, enlarge, expand or otherwise modify the term of the bond as set out below.

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if
the Principal shall well and truly perform each and every obligation in said contract at the time and in the manner
specified during the term of this bond, and shall reimburse said Obligee all loss and damage which said Obligee
may sustain by reason of failure or default on the part of said Principal, then this obligation shall become null and
void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, This bond is executed by the Surety and accepted by the Obligee subject to the
following express conditions:

1. This bond is for the term beginning _____ and ending _____.
2. In the event of a default by the Principal in the performance of the Agreement during the term of this
bond, the Surety shall be liable only for payment of the loss to the Obligee due to actual excess costs of
performance, reasonable attorney's fees and enforcement costs, which occurred during the effective
period of the bond, up to the maximum penalty of this bond.
3. No claim, action, suit, or proceeding, except as hereinafter set forth, shall be had or maintained against
the Surety on this instrument unless same be brought or instituted upon the Surety within one year
from termination or expiration of the bond term.
4. Neither non-renewal or cancellation by the Surety, nor failure, nor inability of the Principal to file a
replacement bond shall constitute loss to the Obligee recoverable under this bond.
5. This bond may be extended for additional terms at the option of the Surety, by continuation certificate
executed by the Surety.

6. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrators or successors of the Obligee.
7. This bond may be canceled by the Surety at any time provided notice is sent to the Obligee by Certified Mail at least sixty (60) days prior to the effective date of such cancellation.

Signed and sealed this _____ day of _____, _____.

Principal

By: _____

Witness

Liberty Mutual Insurance Company

Surety

By: _____
Attorney-in-fact

Witness

Surety Phone No. _____





Summary of Financial Information for Republic Services, Inc. (as of December 31, 2016)

Financial Capabilities

Republic Services is America's second largest non-hazardous solid waste services company and has the most experienced management team in the industry. Headquartered in Phoenix, AZ, Republic Services provides waste collection, transfer, recycling and disposal services to millions of residential, commercial and industrial customers. Republic's team of approximately 33,000 dedicated employees is committed to delivering service that exceeds the customers' highest expectations.

The Company's 2016 Annual Report to Shareholders (Form 10-K) contains financial information about the Company and is submitted in response to the request for financial information. The Annual Report to Shareholders has been prepared in accordance with Securities and Exchange Commission ("SEC") requirements and in accordance with generally accepted accounting principles.

The financial statements contained in the Annual Report were audited by Ernst & Young LLP (Independent Registered Public Accountants) – Phoenix, Arizona. Their reports, which are dated February 16, 2017, express an unqualified audit opinion with respect to the consolidated financial statements of Republic Services, Inc. as of December 31, 2016 and for each of the three years in the period then ended and the effectiveness of internal control over financial reporting of Republic Services, Inc. as of December 31, 2016.

Republic Services, Inc. is a publicly owned company whose shares are traded on the New York Stock Exchange (NYSE symbol: RSG).

Summary Financial Data (in millions)

	2016	2015	2014	2013	2012
Revenue	\$9,387.7	\$9,115.0	\$8,803.3	\$8,417.2	\$8,118.3
Operating income	\$1,537.5	\$1,558.8	\$1,233.1	\$1,210.3	\$1,320.6
Net income	\$613.2	\$750.4	\$547.9	\$589.1	\$572.1
Total assets	\$20,629.6	\$20,535.9	\$20,052.4	\$19,949.2	\$19,616.9
Stockholders' equity	\$7,693.7	\$7,776.6	\$7,747.8	\$7,906.1	\$7,705.7

As of December 31, 2016 Republic Services, Inc. reported total assets of \$20,629.6 million.

The financial prospects for Republic Services indicate long-term stability based on the Company's assets. Republic Services has 333 collection operations, 204 transfer stations, 192 active landfills, 64 recycling centers, 7 treatment, recovery and disposal facilities, and 10 salt water disposal wells in 39 states and Puerto Rico. It is the Company's belief that it has the financial capabilities and sufficient working capital or access to sufficient working capital to finance and perform the required work.

Credit Information

Republic Services, Inc. of Phoenix, Arizona, is a leading provider of non-hazardous solid waste collection, transfer and disposal services.

Available Credit Lines

Total All Banks (as of 12-31-16): \$ 2.4 billion

Bank References

All inquiries for bank references must be made by fax.

Bank of America
Attn: Confirmation Department
Reference: Republic Services Inc.
Tax ID: 65-0716904
Phone: (803)832-7770
Fax (toll #): (900)733-5100
Online: www.bankVOD.com

J P Morgan Chase Bank
Attn: Confirmation Credit Inquiries
PO Box 955200
Fort Worth, TX 76155-2732
Reference: AWIN Management, Inc.
Tax ID: 76-0353318
Phone: (800)550-8509
Fax: (817)345-3795

Credit References

Heil Environmental 2030 Hamilton Place Blvd., Suite 200 Chattanooga, TN 37421 Contact: Sherri Wilson Telephone: (423) 855-3465 Fax: Email: swilson@doveresg.com	Mansfield Oil Co. 1025 Airport Parkway, SW Gainesville, GA 30501 Contact: Erica Johnstone, Credit & Collections Analyst Telephone: (678) 450-2330 Fax: (770) 532-6266
Mack Truck Vanguard Truck Center Tower Place 200 3348 Peachtree Rd. NE. Suite 1450 Atlanta, GA 30326 Contact: Tom Ewing, President Telephone: (404) 963-9143 Fax: (404) 963-9152	FleetPride P.O. Box 9156 Corpus Christi, TX 78469 Contact: Mr. Steven Stockseth (Please fax requests) Telephone: (361) 445-3765 Fax: (361) 883-3323
Wastequip Corporate Headquarters 1901 Roxborough Road Suite 300 Charlotte, NC 28211 Contact: Pattie Shidler Telephone: (800) 285-0666, ext. 241	

Public Debt Rating

Rating Agency	Rating
Standard & Poor's	BBB+
Fitch Ratings	BBB
Moody's	Baa3

Republic Services, Inc. carries an "investment grade" credit rating.



CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 2

DATE (MM/DD/YYYY)
06/17/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CANNON COCHRAN MANAGEMENT SERVICES, INC. 17015 N. SCOTTSDALE RD. SCOTTSDALE, AZ 85255	CONTACT NAME:	
	PHONE (A/C No.Ext):	FAX (A/C No.Ext):
INSURED REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	E-MAIL ADDRESS: certificateteam@ccmsi.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: ACE American Insurance Co.	
	INSURER B: Indemnity Insurance Company of NA	
	INSURER C: ACE Fire Underwriters	
	INSURER D: Illinois Union Insurance Company	
INSURER E:		
INSURER F:		

COVERAGES**CERTIFICATE NUMBER: 1213304****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			HDO G27867789	06/30/2017	06/30/2018	EACH OCCURRENCE	\$ 5,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 5,000,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person)	
	☐ GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY	\$ 5,000,000
	☐ POLICY ☐ PROJECT ☐ LOC						GENERAL AGGREGATE	\$ 5,000,000
							PRODUCTS -COMP/OP AGG	\$ 5,000,000
	AUTOMOBILE LIABILITY			ISA H0906073A	06/30/2017	06/30/2018	COMBINED SINGLE LIMIT (Ea accident)	\$ 5,000,000
	☒ ANY AUTO						BODILY INJURY (Per person)	
	☒ ALL OWNED AUTOS ☒ SCHEDULED AUTOS						BODILY INJURY (Per accident)	
	☒ HIRED AUTOS ☒ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	
	☐ DED ☐ RETENTION \$							
B A C A D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	N/A	WLR C64412917 - AOS WLR C64412905 - CA/MA/OR SCF C64412929 - WI WCU C64412899 - OH XS TNS C49166436 - TX NSXS	06/30/2017 06/30/2017 06/30/2017 06/30/2017	06/30/2018 06/30/2018 06/30/2018 06/30/2018	☒ WC STATU-TORY LIMITS ☐ OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N					E.L. EACH ACCIDENT	\$ 3,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE -EA EMPLOYEE	\$ 3,000,000
							E.L. DISEASE -POLICY LIMIT	\$ 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

EVIDENCE OF COVERAGE - FOR USE FOR REPUBLIC SERVICES, INC. AND ALL ITS SUBSIDIARIES

CERTIFICATE HOLDER**CANCELLATION**

EVIDENCE ONLY

United States

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY		NAMED INSURED	
POLICY NUMBER See First Page		REPUBLIC SERVICES, INC. 18500 N. ALLIED WAY PHOENIX, AZ 85054	
CARRIER See First Page	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

The following provisions apply when required by written contract. As used below, the term certificate holder also includes any person or organization that the insured has become obligated to include as a result of an executed contract or agreement.

GENERAL LIABILITY:

Certificate holder is Additional Insured when required by written contract.

Coverage is primary and non-contributory when required by written contract.

Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

AUTO LIABILITY:

Certificate holder is Additional Insured when required by written contract.

Waiver of Subrogation in favor of the certificate holder is included when required by written contract.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY:

Waiver of Subrogation in favor of the certificate holder is included when required by written contract where allowed by state law.

Stop gap coverage for ND, WA and WY is covered under policy no. WLR C64412917 and stop gap coverage for OH is covered under policy no. WCU C64412899, as noted on page 1 of this certificate.

TEXAS EXCESS INDEMNITY AND EMPLOYERS LIABILITY:

Republic Services, Inc. and its subsidiaries are registered non-subscribers to the Texas Workers Compensation Act. Republic Services, Inc. has filed an approved Indemnity Plan with the Texas Department of Insurance which offers an alternative in benefits to employees rather than the traditional Workers Compensation Insurance in Texas. The excess policy (#TNS C49166436) shown on this certificate provides excess Indemnity and Employers Liability coverage for the approved Indemnity Plan.

Contractual Liability is included in the General Liability and Automobile Liability coverage forms. The General Liability and Automobile Liability policies do not contain endorsements excluding Contractual Liability.

Separation of Insured (Cross Liability) coverage is provided to the Additional Insured, when required by written contract, per the Conditions of the Commercial General Liability Coverage form and the Automobile Liability Coverage form.

Company Name	Facility Name	Facility Type	Violation Type
BFI Waste Services of Texas, LP	Republic Services of Houston (Little York)	Hauling Facility	Administrative
BFI Waste Services of Texas, LP	Houston Sort Center	Materials Recycling Facility (Recycling)	Administrative
BFI Waste Services of Texas, LP	Allied Waste Services of Corpus Christi	Hauling Facility	Administrative
BFI Waste Services of Texas, LP	Republic Services of Houston (Brookglen)	Hauling Facility	Administrative
BFI Waste Services of Texas, LP	Republic Services of Houston (Brookglen)	Hauling Facility	Administrative
BFI Waste Services of Texas, LP	Republic Services of Houston (Little York)	Hauling Facility	Administrative

Action Caption	Action Date	Violation Date	Case Number
Notice of Enforcement	1/29/2015	5/22/2014	2015-0334-IHW-E
Notice of Violation	5/23/2014	2/13/2014	
Notice of Violation for Compliance Evaluation Investigation	12/12/2013	12/12/2013	1138615
Notice of Violation	10/11/2013	9/24/2013	
Notice of Violation	4/24/2012	1/31/2012	
Notice of Violation	4/5/2012	2/6/2012	

Description of Alleged Violation	Violation Status
Allegations that the transporter failed to dispose of HEPA filters at an authorized landfill. On 9/4/2012, transported 20-cubic yard roll-off containing the waste load of HEPA filters characteristically hazardous for lead (D0008) from HPD Fleet and disposed of the hazardous waste at Tall Pines Landfill.	Resolved
Alleged violations include: 1) Failed to have a copy of the approved application for MSW Registration No. 40098. 2) Failed to record fence and gate inspections at the required frequency. Additionally, the facility failed to record daily windblown waste collection inspections.	Resolved
1) Failed to determine if solid waste generated is hazardous and to classify any nonhazardous waste. 2) Failed to maintain documentation on site immediately upon generation for each waste stream as it pertains to hazardous wastes determinations and waste classifications. 3) Failed to submit to the executive director in writing, at a minimum, the following information: the type(s) of industrial solid waste or municipal hazardous waste to be recycled, the method of storage prior to recycling, and the nature of the recycling activity, 90 days prior to recycling of industrial solid waste or municipal hazardous waste.	Resolved
Allegation the facility exceeded the zinc limit in the facility discharge permit.	Pending
Allegation that a composite sample of industrial discharge did not comply with permit limitations.	Resolved
Alleged Industrial wastewater parameter concentration exceeds permit limits.	Resolved

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number: 1-14267

REPUBLIC SERVICES, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

18500 North Allied Way
Phoenix, Arizona

(Address of Principal Executive Offices)

65-0716904

(IRS Employer Identification No.)

85054
(Zip Code)

Registrant's telephone number, including area code: (480) 627-2700

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class
Common Stock, par value \$0.01 per share

Name of Each Exchange on which Registered
The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities

Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2016, the aggregate market value of the shares of the Common Stock held by non-affiliates of the registrant was \$17.6 billion.

As of February 6, 2017, the registrant had outstanding 339,128,998 shares of Common Stock (excluding treasury shares of 308,560).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement relative to the 2017 Annual Meeting of Shareholders are incorporated by reference in Part III hereof.

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Unless the context requires otherwise, all references in this Form 10-K to “Republic,” “the Company,” “we,” “us” and “our” refer to Republic Services, Inc. and its consolidated subsidiaries.

PART I

ITEM 1. BUSINESS

Overview

Republic is the second largest provider of non-hazardous solid waste collection, transfer, disposal, recycling, and energy services in the United States, as measured by revenue. As of December 31, 2016, we operated in 39 states and Puerto Rico through 333 collection operations, 204 transfer stations, 192 active landfills, 64 recycling centers, 7 treatment, recovery and disposal facilities, and 10 salt water disposal wells. We also operated 71 landfill gas and renewable energy projects and had post-closure responsibility for 124 closed landfills. We were incorporated in Delaware in 1996.

Based on an industry trade publication, the United States non-hazardous solid waste services industry generates annual revenue of approximately \$60 billion, of which approximately 45% is generated by publicly owned waste companies. Industry data also indicates that the non-hazardous solid waste services industry in the United States remains fragmented as privately held companies and municipal and other local governmental authorities generate approximately 35% and 20%, respectively, of total industry revenue. We believe growth in the solid waste industry historically has been linked primarily to population growth and growth in the overall economy, including the level of new household and business formation and changes in residential and commercial construction activity.

Our operations are national in scope, but the physical collection and disposal of waste is very much a local business and the dynamics and opportunities differ in each of our markets. By combining local operating management with standardized business practices, we drive greater overall operating efficiency across the Company while maintaining day-to-day operating decisions at the local level, closest to the customer.

The Five Pillars of Our Strategy - Profitable Growth through Differentiation

We believe that our products and services are valuable, and that by developing a superior team and delivering superior products, we can differentiate ourselves from our competitors. Differentiation allows us to attract and retain the best talent, win more customers, increase loyalty, and ultimately drive higher revenue and profits. Our strategy of Profitable Growth through Differentiation is built on five key pillars including (1) market position, (2) operating model, (3) people and talent agenda, (4) customer zeal, and (5) digital platform.

Market Position

The goal of our market position pillar is to develop the best vertically integrated market position to enable us to build density and improve returns. We strive to have a number one or number two market position in each of the markets we serve, or have a clear path on how we will achieve a leading market position over time. In situations where we cannot establish a leading market position, or where operations are not generating acceptable returns, we may decide to divest certain assets and reallocate resources to other markets.

We have a robust market planning process to identify opportunities to grow internally through capital investments and infrastructure development, and externally through acquisitions and public-private partnerships. Additionally, our market planning process allows us to analyze market conditions and proactively adjust to trends as they emerge, including the effects of demographic shifts, market changes and the competitive landscape.

Internal Growth

- **Volume Growth** - We believe waste volumes are driven by population growth, household formation and new business formation. Volume growth through increases in our customer base and service offerings is the most capital efficient method to grow our business. We seek to obtain long-term contracts for collecting solid waste under residential collection contracts with municipalities, exclusive franchise agreements, and small-container commercial and large-container industrial contracts. By obtaining such long-term agreements, we can grow our contracted revenue base at the same rate as the underlying economic growth in these markets. In addition, by securing a base of long-term recurring revenue, we are better able to protect our market position from competition. We work to increase volumes while ensuring that prices charged for services provide an appropriate return on our capital investment.
- **Price Increases** - We seek to secure price increases necessary to offset increased costs, improve our operating margins and earn an adequate return on our substantial investments in vehicles, equipment, landfills, transfer stations and recycling centers.

- **Expansion of Recycling Capabilities** - Based on an industry trade publication, we believe approximately 35% of municipal solid waste is recycled. Communities have increasingly committed to enhance and expand their recycling programs for their residents. We continue to focus on innovative waste disposal processes and programs to help our customers achieve their goals related to sustainability and environmentally sound waste practices while also generating an acceptable return. We will continue to look for opportunities to expand our recycling capabilities in markets where these services are desired and provide an appropriate return on our investment.
- **Infrastructure Development** - We seek to identify opportunities to further our position as an integrated service provider in markets where we are not fully integrated. Our goal is to create market-specific, vertically integrated operations typically consisting of one or more collection operations, transfer stations, landfills and recycling centers. Where appropriate, we obtain permits to build transfer stations, recycling centers and landfills that would vertically integrate our waste services or expand the service areas for our existing disposal sites. Development projects, while generally less capital intensive than acquisitions, typically require extensive permitting efforts that can take years to complete with no assurance of success. We undertake development projects when we believe there is a reasonable probability of success and where reasonably priced acquisition opportunities are not available.

External Growth

- **Acquisitions and Public-Private Partnerships** - Our acquisition growth strategy focuses primarily on acquiring privately held solid waste and recycling companies that complement our existing business platform. We believe our ability to successfully complete these acquisitions is enhanced by the challenges facing many privately held companies, including increasing competition in the solid waste industry, increasing capital requirements due to changes in solid waste regulatory requirements and the limited number of exit strategies for privately held companies. We also evaluate opportunities to acquire operations and facilities that are being divested by other publicly owned waste companies.

We continue to invest in accretive acquisitions in existing markets. Generally, we expect to maintain a steady pace of tuck-in acquisition investment of approximately \$100 million annually. Given our free cash flow, availability under our credit facilities and our ability to access the public capital markets, we have the flexibility to make additional acquisitions that will complement our existing business platform, including larger acquisitions if the right opportunities present themselves.

We also focus on growth through public-private partnerships, which include the waste and recycling operations and facilities of municipal and other local governments. We believe we have an opportunity to acquire operations and facilities from municipalities and other local governments, as they increasingly seek to raise capital and reduce risk.

We realize synergies from consolidating businesses into our existing operations, whether through acquisitions or public-private partnerships, which allow us to reduce capital and expense requirements associated with truck routing, personnel, fleet maintenance, inventories and back-office administration.

Operating Model

The goal of our operating model pillar is to deliver a consistent, high quality service to all of our customers through the Republic Way: *One Way. Everywhere. Every day.* This approach of developing standardized processes with rigorous controls and tracking allows us to leverage our scale and deliver durable operational excellence. The Republic Way is the key to harnessing the best of what we do as operators and translating that across all facets of our business.

A key enabler of the Republic Way is our organizational structure that fosters a high performance culture by maintaining 360 degree accountability and full profit and loss responsibility with local management, supported by a functional structure to provide subject matter expertise. This structure allows us to take advantage of our scale by coordinating functionally across all of our markets; while empowering local management to respond to unique market dynamics.

We have rolled out several productivity and cost control initiatives designed to deliver the best service possible to our customers in the most efficient and environmentally sound way.

Fleet Automation

Approximately 74% of our residential routes have been converted to automated single driver trucks. By converting our residential routes to automated service, we reduce labor costs, improve driver productivity, decrease emissions and create a safer work environment for our employees. Additionally, communities using automated vehicles have higher participation rates in recycling programs, thereby complementing our initiative to expand our recycling capabilities.

Fleet Conversion to Compressed Natural Gas (CNG)

Approximately 18% of our fleet operates on natural gas. We expect to continue our gradual fleet conversion to CNG, our preferred alternative fuel technology, as part of our ordinary annual fleet replacement process. We believe a gradual fleet conversion is most prudent to realize the full value of our previous fleet investments. Approximately 36% of our replacement vehicle purchases during 2016 were CNG vehicles. We believe using CNG vehicles provides us a competitive advantage in communities with strict clean emission initiatives that focus on protecting the environment. Although upfront capital costs are higher, using CNG reduces our overall fleet operating costs through lower fuel expenses. As of December 31, 2016, we operated 38 CNG fueling stations.

Standardized Maintenance

Based on an industry trade publication, we operate the eighth largest vocational fleet in the United States. As of December 31, 2016, our average fleet age in years, by line of business, was as follows:

	Approximate Number of Vehicles	Approximate Average Age
Residential	7,300	7
Small-container Commercial	4,400	7
Large-container Industrial	4,100	9
Total	15,800	7.5

OneFleet, our standardized vehicle maintenance program, enables us to use best practices for fleet management, truck care and maintenance. Through standardization of core functions, we believe we can minimize variability in our maintenance processes, resulting in higher vehicle quality and a lower environmental footprint, while extending the average service life of our fleet. We believe operating a more reliable, greener, safer and more efficient fleet will lower our operating costs. We have implemented standardized maintenance programs for approximately 92% of our fleet maintenance operations as of December 31, 2016. We expect the entire fleet will be certified under OneFleet by the second quarter of 2017.

Organizational Structure

In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. Following our restructuring, our senior management now evaluates, oversees and manages the financial performance of our operations through two field groups, referred to as Group 1 and Group 2. Group 1 primarily consists of geographic areas located in the western and portions of the mid-western United States, and Group 2 primarily consists of geographic areas located in Texas, the southeastern and portions of the mid-western United States, and the eastern seaboard of the United States. Each field group is organized into several areas and each area contains multiple business units or operating locations. Each of our field groups and all of our areas provide collection, transfer, recycling and landfill services. See Note 14, *Segment Reporting*, to our consolidated financial statements in Item 8 of this Form 10-K for further discussion of our operating segments.

People and Talent Agenda

The goal of our people and talent agenda pillar is to create an environment to attract and retain the best talent. Our people continue to be the most critical component in successfully executing our strategy. We strive to make Republic a desirable place to work for our approximately 33,000 full-time employees by creating learning experiences, programs, compensation and benefits that attract, develop, train, engage, motivate, reward and retain the best workforce. With a focus on safety, learning and talent development, and diversity and inclusion, we aspire to be a company where the best people want to work and are engaged every day.

Safety

Republic is dedicated to the safety of our employees, customers and the communities we serve. Due to the nature of our industry, we prioritize safety above all else and we recognize and reward employees for outstanding safety records. Over the past nine years, our safety performance (based on OSHA recordable rates) has been 41% better than the industry average. Our *Think, Choose, Live* slogan encapsulates our everyday safety messaging to our employees to: *Think* about what you are doing, *Choose* the safe answer, and *Live* to go home to your family. With the phrase printed on numerous items, including hard hats and the equipment our employees touch, there are constant reminders for employees to go home in the same condition that they came to work. Our goal is to ensure every one of our employees returns home safely each night.

We are proud of our two safety incentive programs: Dedicated to Safety and Dedicated to Excellence. For Dedicated to Safety, employees must meet all safety requirements for the year, including no preventable accidents and no safety warnings. For

Dedicated to Excellence, employees must earn the Dedicated to Safety Award and meet additional criteria for customer service, attendance and other performance metrics. Further, our safety training program, Focus 6, provides employees with tips and techniques to prevent the six most common types of serious accidents: backing, intersections, push-pull-lift, rear collisions, rollover, and pedestrian.

We take pride in recognizing employees who demonstrate a relentless commitment to safety. Employees with the best driving records are eligible for the industry's most prestigious award, the National Waste & Recycling Association's Driver of the Year. Republic drivers have won 75% of the Driver of the Year awards issued for the large truck category since 2009.

Learning and Talent Development

We are committed to developing our employees throughout their careers. Targeted onboarding experiences, including our Driver Training Center, Supervisor Onboarding and Sales Acceleration programs, focus on providing the fundamental skills each employee needs to succeed in his or her role. Our Leadership Trainee Program, an 18-month rotational experience for recent college graduates, is another example of our commitment to providing opportunities for growth.

Developing our leaders is also a critical part of our people and talent agenda. From Leadership Fundamentals, a program for new front line supervisors, to our Leadership Trainee and General Manager Acceleration program for early career leaders, we have developed programs and experiences to help ensure that as our leaders progress, they are accumulating the skills necessary to be successful at each level. Over the last two years, more than 2,000 leaders have completed our Leadership Fundamentals program, creating a common language and toolkit for how we coach and develop employees.

Diversity and Inclusion

We are actively and intentionally creating an environment in which all individuals are welcomed and valued. In 2013, we launched Mosaic as our renewed approach and commitment to diversity and inclusion. Through Mosaic, we have developed new strategies and activities to continue creating a more diverse workforce and inclusive work environment. In this way, we can leverage our best thinking to improve our culture and better serve our customers.

We believe there is no better way to protect our planet than to recruit and hire the heroes who have protected our country. We actively recruit and hire veterans - those transitioning from military life as well as those long discharged from active duty. We value the skills, experience and operational excellence they bring to our organization, as well as their commitment to a better tomorrow. Historically, we have had great success hiring veterans. In 2016, for example, 22% of general managers, 25% of operations managers, and 27% of maintenance managers that we hired self-identified as having served in the U.S. Army, Navy, Marines, Air Force or Coast Guard.

Customer Zeal

The goal of our customer zeal pillar is to drive customer loyalty by offering differentiated products and services specifically designed to meet our customers' needs. We believe this increases customer loyalty and willingness to pay for a higher value service.

To help our sales team with their ability to identify specific customer needs and configure the right offering, we use a Priority Based Selling (PBS) technique and our Capture pricing tool nationwide.

- PBS enables us to identify and segment customers' buying priorities, and attract customers that are willing to pay for enhanced offerings.
- Capture is a cloud-based pricing tool that creates a more professional sales experience, helps realize better pricing levels at the point of sale and provides enhanced controls over the price quoting process.

In response to our customers' requests, we expanded our suite of products to include Electronics Recycling with BlueGuard™, Universal Recycling and All-in-One Office. For those services that we don't provide, we fulfill demand through our alliance partnerships while maintaining the customer facing relationship.

To help ensure a consistent customer experience, we invested in our customer service capabilities and have made continued progress on the consolidation of our over 100 customer service locations into three Customer Resource Centers. The new state-of-the-art facilities and the technology deployed provide our customer service employees with the tools and capabilities they need to provide better levels of service across a myriad of touch points, including voice, email, text, social media channels and live chat. The state-of-the-art centers enhance the customer experience and will lower the Company's cost structure once the transition is complete by the end of 2017.

To help ensure our efforts are making an impact and building customer loyalty, we also have enhanced the way we receive feedback from our customers, including net promoter score, so that every General Manager receives recent, relevant feedback that allows him or her the ability to reach out to customers directly and address issues immediately.

Digital Platform

The goal of our digital platform pillar is to allow us to provide a consistent experience across our business while enabling our customers to do business with us through more channels and with better access to information.

We are responding to our customers' requests for options to do business with us digitally. By increasing the ease of use and functionality of our web-based market presence, we believe we enhance customer satisfaction, interaction, and connectivity while lowering our costs. These tools reinforce to our customers that they can rely on us to handle their recycling and waste service needs in a way that is easy and convenient for them.

- Our MyResource customer portal and mobile app are online account management tools, allowing customers access to their accounts and our services. Approximately 1.8 million customers are now enrolled in MyResource, significantly enhancing our interaction and connectivity with those customers.
- Our ecommerce sales channel allows customers to secure services on a real-time basis, provides capabilities to meet our customer's evolving buying preferences, and provides a lower cost sales channel.

We believe that leveraging technology to improve our core business strengthens our existing model and customer relationships, and will serve to solidify our differentiated offering.

Corporate Responsibility and Sustainability

In addition to being committed to our customers and employees, we are also committed to the communities we serve and to the environment. We strive to be America's preferred recycling and waste services partner. At Republic, we believe in the preservation of our Blue Planet - a cleaner, safer and healthier world.

We believe we have a responsibility to regenerate our planet with the materials we are entrusted to handle every day by driving increased recycling, generating renewable energy, and helping our customers be more resourceful. Additionally, we must lead by example, working diligently to improve our relationship with the environment and society through decreased vehicle emissions, innovative landfill technologies, use of renewable energy, community engagement and employee growth opportunities. Sustainability contributes to a cleaner world, while also providing opportunities to improve brand awareness, to increase customer loyalty, to grow our business, to motivate our employees and to differentiate Republic from our competitors.

To maximize our efforts, we have chosen to focus our sustainability platform around the following five areas:

- *Operations.* We are working to minimize the effect of our operations around our fleet, our landfills and our buildings. Whenever we reduce waste and inefficiency, we become more sustainable and we reduce our costs.
- *Materials Management.* We recognize we have an opportunity to extract value from materials in the waste stream in the form of commodities and energy and also reduce greenhouse gas emission from those materials.
- *Communities.* We are devoted to being a good neighbor through customer engagement, philanthropic giving, and infrastructure investments.
- *Safety.* We are committed to creating a safe environment for our employees, our customers and the communities we serve.
- *People.* We employ and develop talented professionals who are committed to our planet, our customers and our Company.

Each of these areas has a significant effect on the environment and society and contributes to preserving our Blue Planet, while forming the foundation of our business going forward. We have developed programs that will enable us to reduce our emissions by 2.5 million tons of carbon dioxide equivalent by 2018, including developing at least two landfill gas-to-energy projects each year, adding at least 150,000 tons per year of recycling capacity, and reducing the greenhouse gas emissions from our fleet by 3% by 2018. We added a safety goal in 2016 to reduce our OSHA recordable rates by 7% per year.

We have been steadily building on our sustainability progress and performance. We were announced as a CDP Climate A List company. Less than 10% of companies worldwide who participate are named to the Climate A List. In addition, we were inducted into both the North American and World Dow Jones Sustainability Indices (DJSI). We believe the DJSI is the gold standard for corporate sustainability. Republic is the only recycling and solid waste collection provider in the Commercial Services and Supplies sector that is included in the 2016 DJSI World Index. These achievements demonstrate our ability to connect financial performance with environmental and social performance. The rankings also highlight Republic's leadership in corporate governance, environmental, social and financial aspects of sustainability. Finally, we released our second Sustainability Report that follows the GRI G4 protocol which is available on our website at www.republicservices.com.

Republic is one of the few Fortune 500 companies whose board has a Sustainability and Corporate Responsibility Committee. This committee has oversight responsibility with respect to our sustainability performance, our corporate responsibilities, our

role as a socially responsible organization and our enterprise risk, including cyber security, environmental and reputational risks.

Cash Utilization Strategy

We believe our ability to consistently increase free cash flow drives shareholder value and provides confirmation regarding the recurring cash provided by our operations. Free cash flow also demonstrates our ability to execute our cash utilization strategy, which includes investments in acquisitions and returning a majority of free cash flow to our shareholders through dividends and share repurchases. We are committed to an efficient capital structure and maintaining our investment grade credit ratings on our senior debt, which was rated BBB+ by Standard & Poor's Ratings Services, BBB by Fitch Ratings, Inc. and Baa3 by Moody's Investors Service, Inc. as of December 31, 2016. Such ratings have allowed us, and should continue to allow us, to readily access capital markets at competitive rates.

We manage our free cash flow by ensuring that capital expenditures and operating asset levels are appropriate in light of our existing business and growth opportunities, and by closely managing our working capital, which consists primarily of accounts receivable, accounts payable, and accrued landfill and environmental costs.

Dividends

In July 2016, our board of directors approved an increase in the quarterly dividend to \$0.32 per share, which represents an increase of approximately 7% over the prior year. Over the last five years, our dividend has increased at a compounded annual growth rate of 7.8%. We expect to continue paying quarterly cash dividends and may consider additional dividend increases if we believe they will enhance shareholder value.

Share Repurchases

In October 2015, our board of directors added \$900 million to the existing share repurchase authorization. As of December 31, 2016, there was \$451.7 million remaining under our share repurchase authorization. At least annually, our board of directors reviews the intrinsic value of our stock. During 2017, we expect to use all our remaining authorization to repurchase shares of our common stock.

Shareholder Value

We are committed to creating long-term shareholder value by generating consistent earnings and cash flow growth, while continually improving returns on invested capital. Our incentive compensation programs are aligned with these objectives at all levels of management. We have an active shareholder outreach program and routinely interact with shareholders on a number of matters, including governance and executive compensation.

Management Team

We believe we have one of the most experienced management teams in the solid waste industry.

Donald W. Slager became our Chief Executive Officer (CEO) and remained our President on January 1, 2011, after having served as our President and Chief Operating Officer (COO) from the Allied Waste Industries, Inc. (Allied) acquisition in December 2008 until then. Prior to the Allied acquisition, Mr. Slager worked for Allied from 1992 through 2008 and served in various management positions, including President and COO from 2004 through 2008 and Executive Vice President and COO from 2003 to 2004. From 2001 to 2003, Mr. Slager served as Senior Vice President, Operations. Mr. Slager held various management positions at Allied from 1992 to 2003, and was previously General Manager at National Waste Services, where he served in various management positions since 1985. Mr. Slager has over 35 years of experience in the solid waste industry. Mr. Slager has been a member of our Board of Directors since June 24, 2010.

Catharine D. Ellingsen was named Executive Vice President, Chief Legal Officer, Chief Ethics and Compliance Officer, and Corporate Secretary in June 2016. Ms. Ellingsen joined Allied as Corporate Counsel in August 2001 and has experience in a variety of roles of increasing responsibility. She was named Managing Corporate Counsel in January 2003, Director, Legal and Associate General Counsel in January 2005, and Vice President and Deputy General Counsel in June 2007. Ms. Ellingsen continued as Vice President and Deputy General Counsel at Republic following the Allied acquisition in December 2008. She was then named Senior Vice President, Human Resources in August 2011 and served in that position until June 2016. Before joining Allied, Ms. Ellingsen was an attorney at Steptoe & Johnson LLP from 1996 to 2001 and at Bryan Cave LLP from 1993 to 1996.

Jeffrey A. Hughes was named Executive Vice President, Chief Administrative Officer in December 2008. Before that, Mr. Hughes served as Senior Vice President, Eastern Region Operations for Allied from 2004 until the Allied acquisition in December 2008. Mr. Hughes served as Assistant Vice President of Operations Support for Allied from 1999 to 2004 and as a District Manager for Allied from 1988 to 1999. Mr. Hughes has over 29 years of experience in the solid waste industry.

Charles F. Serianni was appointed Executive Vice President, Chief Financial Officer in August 2014. Mr. Serianni has over 30 years of experience in a variety of roles of increasing responsibility. He was named Vice President, Region Controller for the Company's former West Region in July 2013. Before that, Mr. Serianni served as our Assistant Controller starting in June 1998 and progressed to Senior Vice President, Chief Accounting Officer in December 2008. He served as the Accounting Operations Director for Republic Industries, Inc. (AutoNation) from February 1997 to June 1998. Before that, Mr. Serianni served as the Accounting Operations Director for Sunglass Hut International, Inc. from May 1993 to February 1997, and as Manager, Accounting and Auditing Services for Deloitte & Touche from September 1984 to May 1993.

Our local and area management teams have extensive industry experience in growing, operating and managing solid waste companies and have substantial experience in their local geographic markets. This allows us to quickly respond to and meet our customers' needs and stay in touch with local businesses and municipalities. We believe our strong area management teams allow us to effectively and efficiently drive our initiatives and help ensure consistency throughout the organization. Our area management teams and area presidents have extensive authority and responsibility over operations within their respective geographic markets. As a result of retaining experienced managers with extensive knowledge of and involvement in their local communities, we are proactive in anticipating customers' needs and adjusting to changes in our markets. We also seek to implement the best practices of our various business units throughout our operations to continue improving our operations and our operating margins.

Integrated Operations

We believe Republic is a company with a strong, national operating platform that allows us to compete more effectively and efficiently in the local markets in which we operate. We seek to achieve a high rate of internalization by controlling waste streams from the point of collection through processing or disposal. During the year ended December 31, 2016, approximately 68% of the total waste volume we collected was disposed at landfills we own or operate (internalization). Our fully integrated markets generally have a lower cost of operations and more favorable cash flows than our non-integrated markets. Through acquisitions, landfill operating agreements and other market development activities, we create market-specific, integrated operations typically consisting of one or more collection operations, transfer stations and landfills. We also operate recycling centers in markets where diversion of waste is a priority, it is profitable to do so, and we can earn an appropriate return on our investment.

Our operations primarily consist of providing collection, transfer and disposal of non-hazardous solid waste, recovering and recycling of certain materials, and energy services.

Collection Services

We provide residential, small-container commercial, and large-container industrial solid waste collection services through 333 collection operations. In 2016, approximately 76% of our total revenue was derived from our collection business, of which approximately 24% of our total revenue relates to residential services, approximately 31% relates to small-container commercial services, and approximately 21% relates to large-container industrial services.

Our residential collection business involves the curbside collection of waste for transport to transfer stations, or directly to landfills or recycling centers. We typically perform residential solid waste collection services under contracts with municipalities, which we generally secure by competitive bid and which give us exclusive rights to service all or a portion of the homes in the municipalities. These contracts usually range in duration from one to five years, although some of our exclusive franchises are for significantly longer periods. We also perform residential services on a subscription basis, in which individual households contract directly with us. The fees received for subscription residential collection are based primarily on the market, collection frequency, type of service, the distance to the disposal facility and the cost of disposal. In general, subscription residential collection fees are paid quarterly in advance by the customers receiving the service.

In our small-container commercial business, we supply our customers with waste containers of varying sizes. We typically perform commercial collection services under one- to three-year service agreements, and fees are determined based on a number of factors including the market, collection frequency, type of equipment furnished, type and volume or weight of the waste collected, transportation costs and the cost of disposal. Our small-container commercial services are typically offered to small business complexes, multi-family housing and strip malls, and include industries such as restaurants, retail, real-estate, and professional and other services.

Our large-container industrial collection business includes both recurring and temporary customer relationships. For the recurring portion, we supply our customers with waste containers of varying sizes and rent compactors to large waste generators. We typically perform the collection services under one- to three-year service agreements, and fees are determined based on a number of factors including the market, collection frequency, type of equipment furnished, type and volume or weight of the waste collected, transportation costs and the cost of disposal. Our recurring large-container industrial services are typically offered to larger facilities, hotels and office buildings, and include industries such as manufacturing, retail, hospitality and professional and other services.

For the temporary portion of our large-container industrial collection business, the majority of the waste relates to construction and demolition activities and is typically event-driven. We provide temporary waste collection services on a contractual basis with terms ranging from a single pickup to one-year or longer.

We also provide recycling collection services tailored to our customers' requirements to complete our service offerings.

Transfer Services

We own or operate 204 transfer stations. Revenue at our transfer stations is primarily generated by charging tipping or disposal fees, which accounted for approximately 5% of our revenue during 2016. Our collection operations deposit waste at these transfer stations, as do other private and municipal haulers, for compaction and transfer to disposal sites or recycling centers. Transfer stations provide collection operations with a cost effective means to consolidate waste and reduce transportation costs while providing our landfills with an additional "gate" to extend their geographic reach.

When our own collection operations use our transfer stations, this improves internalization by allowing us to retain fees we would otherwise pay to third-party disposal sites. It also allows us to manage costs associated with waste disposal because: (1) transfer trucks have larger capacities than collection trucks, allowing us to deliver more waste to the landfill in each trip; (2) waste is accumulated and compacted at strategically located transfer stations to increase efficiency; and (3) we can retain volume by managing the waste to one of our own landfills rather than to a competitor's.

Landfill Services

We own or operate 192 active landfills. Our tipping fees charged to third parties accounted for approximately 12% of our revenue during 2016. As of December 31, 2016, we had approximately 37,400 permitted acres and total available permitted and probable expansion disposal capacity of approximately 5 billion in-place cubic yards. The in-place capacity of our landfills is subject to change based on engineering factors, requirements of regulatory authorities, our ability to continue to operate our landfills in compliance with applicable regulations, and our ability to successfully renew operating permits and obtain expansion permits at our sites. Some of our landfills accept non-hazardous special waste, including utility ash, asbestos and contaminated soils.

Most of our active landfill sites have the potential for expanded disposal capacity beyond the currently permitted acreage. We monitor the availability of permitted disposal capacity at each of our landfills and evaluate whether to pursue an expansion at a given landfill based on estimated future waste volumes and prices, market needs, remaining capacity and the likelihood of obtaining an expansion. To satisfy future disposal demand, we are currently seeking to expand permitted capacity at certain landfills; however, we cannot assure you that all proposed or future expansions will be permitted as designed.

Republic is committed to harnessing landfill gas, the natural byproduct of decomposing waste, and converting it to energy. The use of landfill gas provides our economy with benefits, including reducing air pollution through the capture and use of methane. As of December 31, 2016, we operated 71 landfill gas and renewable energy projects.

We also have responsibility for 124 closed landfills, for which we have associated closure and post-closure obligations.

Recycling Services

We own or operate 64 recycling centers. These facilities generate revenue through the processing and sale of old corrugated containers (OCC), old newsprint (ONP), aluminum, glass and other materials, which accounted for approximately 5% of our revenue during 2016. Approximately 74% of our recycling center volume relates to OCC, ONP and other mixed paper. Of the 5.0 million tons we sold during 2016, 2.5 million moved through our recycling centers and 2.5 million we collected and delivered to third parties.

Changing market demand for recycled commodities causes volatility in commodity prices. At current volumes and mix of materials, we believe a \$10 per ton change in the price of recycled commodities will change annual revenue and operating income by approximately \$27 million and \$18 million, respectively.

In certain instances we issue recycling rebates to purchase materials from municipalities or large industrial customers, which can be based on the price we receive upon the final sale of recycled commodities, a fixed contractual rate or other measures. We also receive rebates when we dispose of recycled commodities at third-party facilities.

As consumer demand for recycling services has increased, we have met that demand by integrating recycling components to each of our collection service offerings. Our goal is to provide a complete waste stream management solution to our customers in an environmentally sustainable way.

We continue to invest in proven technologies to control costs and to simplify and streamline recycling for our customers. For example, advanced sorting equipment, such as disk screens, magnets and optical sorters, identifies and separates different kinds of paper, metals, plastics and other materials to increase efficiency and maximize our recycling efforts.

Energy Services

In addition to certain of our landfill disposal sites, we own or operate 7 treatment, recovery and disposal facilities and 10 salt water disposal wells. Energy services waste is generated from the by-products of oil and natural gas exploration and production activity, including waste created throughout the initial drilling and completion of an oil or natural gas well, production wastes and water produced during a well's operating life, contaminated soils that require treatment during site reclamation, and substances that require clean-up after a spill. Revenue is therefore primarily generated through waste managed from vertical and horizontal drilling, hydraulic fracturing, production and clean-up activity, as well as other services including closed loop collection systems and the sale of recovered products. In 2016, approximately 1% of our revenue was derived from energy services. Energy services activity varies across market areas that are tied to the natural resource basins in which the drilling activity occurs and reflects the regulatory environment, pricing and disposal alternatives available in any given market.

Other Services

Other revenue consists primarily of National Accounts revenue generated from nationwide or regional contracts in markets outside our operating areas where the associated waste handling services are subcontracted to local operators. Consequently, substantially all of this revenue is offset with related subcontract costs, which are recorded in cost of operations.

Competition

We operate in a competitive industry. Competition in the non-hazardous solid waste industry comes from a few other large, national publicly owned companies, several regional publicly and privately owned companies, and thousands of small privately-owned companies. In any given market, competitors may have larger operations and greater resources. In addition, we compete with municipalities that maintain waste collection or disposal operations. These municipalities may have financial advantages due to the availability of tax revenue and tax-exempt financing.

We compete for collection accounts primarily on the basis of price and the quality of our services. From time-to-time, our competitors reduce the price of their services in an effort to expand market share or to win a competitively bid municipal contract. Our ability to maintain and increase prices in certain markets may be impacted by our competitors' pricing policies. This may have an effect on our future revenue and profitability.

Seasonality and Severe Weather

Our operating revenues tend to be somewhat higher in the summer months, primarily due to higher volumes of construction and demolition waste. The volumes of large-container industrial and residential waste in certain regions of the country also tend to increase during the summer months. Our second and third quarter revenues and results of operations typically reflect this seasonality.

Our operations can be adversely affected by periods of inclement or severe weather, which could increase the volume of waste collected under our existing contracts (without corresponding compensation), delay the collection and disposal of waste, reduce the volume of waste delivered to our disposal sites or delay the construction or expansion of our landfill sites and other facilities. Our operations also can be favorably affected by severe weather, which could increase the volume of waste in situations where we are able to charge for our additional services.

Regulation

Our facilities and operations are subject to a variety of federal, state and local requirements that regulate, among other things, the environment, public health, safety, zoning and land use. Operating and other permits, licenses and other approvals generally are required for landfills and transfer stations, certain solid waste collection vehicles, fuel storage tanks and other equipment and facilities that we own or operate. These permits are subject to denial, revocation, modification and renewal in certain circumstances. Federal, state and local laws and regulations vary, but generally govern wastewater or storm water discharges, air emissions, the handling, transportation, treatment, storage and disposal of hazardous and non-hazardous waste, and the remediation of contamination associated with the release or threatened release of hazardous substances. These laws and regulations provide governmental authorities with strict powers of enforcement, which include the ability to revoke or decline to renew any of our operating permits, obtain injunctions, or impose fines or penalties in the event of violations, including criminal penalties. The U.S. Environmental Protection Agency (EPA) and various other federal, state and local authorities administer these regulations.

We strive to conduct our operations in compliance with applicable laws, regulations and permits. However, from time to time we have been issued citations or notices from governmental authorities that have resulted in the need to expend funds for remedial work and related activities at various landfills and other facilities or in the need to expend funds for fines, penalties or settlements. We cannot assure you that citations and notices will not be issued in the future despite our strong regulatory compliance efforts. We have established final capping, closure, post-closure and remediation reserves that we believe, based on

currently available information, will be adequate to cover our current estimates of regulatory costs; however, we cannot assure you that actual costs will not exceed our reserves.

Federal Regulation

The following summarizes the primary federal, environmental, and occupational health and safety-related statutes that affect our facilities and operations:

- *The Solid Waste Disposal Act, including the Resource Conservation and Recovery Act (RCRA).* RCRA establishes a framework for regulating the handling, transportation, treatment, storage and disposal of hazardous and non-hazardous solid waste, and requires states to develop programs to ensure the safe disposal of solid waste in sanitary landfills.

Subtitle D of RCRA establishes a framework for regulating the disposal of municipal solid waste. Regulations under Subtitle D currently include minimum comprehensive solid waste management criteria and guidelines, including location restrictions, facility design and operating criteria, final capping, closure and post-closure requirements, financial assurance standards, groundwater monitoring requirements and corrective action standards. All of the states in which we operate have implemented permit programs pursuant to RCRA and Subtitle D. These state permit programs may include landfill requirements that are more stringent than those of Subtitle D. Our failure to comply with any of these environmental requirements at any of our locations may lead to temporary or permanent loss of an operating permit, which would result in costs in connection with securing new permits and reduced revenue from lost operational time.

All of our planned landfill expansions and new landfill development projects have been engineered to meet or exceed Subtitle D requirements, as applicable. Operating and design criteria for existing operations have been modified to comply with these regulations. Compliance with Subtitle D regulations has resulted in increased costs and may in the future require substantial additional expenditures in addition to other costs normally associated with our waste management activities.

- *The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA).* CERCLA, among other things, provides for the cleanup of sites from which there is a release or threatened release of a hazardous substance into the environment. CERCLA may impose strict joint and several liability for the costs of cleanup and for damages to natural resources upon current owners and operators of a site, parties who were owners or operators of a site at the time the hazardous substances were disposed of, parties who transported the hazardous substances to a site, and parties who arranged for the disposal of the hazardous substances at a site. Under the authority of CERCLA and its implementing regulations, detailed requirements apply to the manner and degree of investigation and remediation of facilities and sites where hazardous substances have been or are threatened to be released into the environment. Liability under CERCLA is not dependent on the existence or disposal of only "hazardous wastes," but also can be based upon the existence of small quantities of more than 700 "substances" characterized by the EPA as "hazardous," many of which are found in common household waste. Among other things, CERCLA authorizes the federal government to investigate and remediate sites at which hazardous substances have been or are threatened to be released into the environment, or to order persons potentially liable for the cleanup of the hazardous substances to do so themselves. In addition, the EPA has established a National Priorities List of sites at which hazardous substances have been, or are threatened to be, released and which require investigation or cleanup.

CERCLA liability is strict liability. It can be founded upon the release or threatened release, even as a result of unintentional, non-negligent or lawful action, of hazardous substances, including very small quantities of such substances. Thus, even if we have never knowingly transported or received hazardous substances, it is likely that hazardous substances have been deposited or "released" at landfills or other facilities that we presently or historically have owned or operated, or at properties owned by third parties to which we have transported waste. Therefore, we could be liable under CERCLA for the cost of cleaning up, or protecting against the release of, such hazardous substances at such sites and for damages to natural resources, even if those substances were deposited at our facilities before we acquired or operated them. The costs of a CERCLA cleanup can be very expensive and can include the costs of disposing of hazardous substances at appropriately-licensed facilities. Given the difficulty of obtaining insurance for environmental impairment liability, any such liability could have a material effect on our business, financial condition, results of operations and cash flows.

- *The Federal Water Pollution Control Act of 1972 (the Clean Water Act).* This act regulates the discharge of pollutants from a variety of sources, including solid waste disposal sites, into streams, rivers and other waters of the United States. Runoff from our landfills and transfer stations that is discharged into surface waters through discrete conveyances must be covered by discharge permits that generally require us to conduct sampling and monitoring, and, under certain circumstances, to reduce the quantity of pollutants in those discharges. Storm water discharge regulations under the Clean Water Act require a permit for certain construction activities and for runoff from industrial

operations and facilities, which may affect our operations. If a landfill or transfer station discharges wastewater through a sewage system to a publicly owned treatment works, the facility must comply with discharge limits imposed by that treatment works. In addition, states may adopt groundwater protection programs under the Clean Water Act or the Safe Drinking Water Act that could affect the manner in which our landfills monitor and control their waste management activities. Furthermore, if development at any of our facilities alters or affects wetlands, we may be required to secure permits before such development starts. In these situations, permitting agencies may require mitigation of wetland impacts.

- *The Clean Air Act.* The Clean Air Act imposes limitations on emissions from various sources, including landfills. In March 1996, the EPA promulgated regulations that require large municipal solid waste landfills to install landfill gas monitoring systems along with landfill gas control systems unless emissions are below established thresholds. These regulations apply to landfills that commenced construction, reconstruction or modification on or after May 30, 1991, and, principally, to landfills that can accommodate 2.5 million cubic meters or more of municipal solid waste. The regulations apply whether the landfills are active or closed. The date by which each affected landfill must have a gas collection and control system installed and made operational varies depending on calculated emission rates at the landfill. On July 14, 2016, the EPA issued final amendments to its regulations that require large landfills that commenced construction, reconstruction, or modification on or after July 17, 2014 to capture additional landfill gas to reduce emissions of methane and certain non-methane gases, which are recognized as greenhouse gases. In a separate rule finalized that same day, the EPA issued updates to its 1996 Emission Guidelines to reduce emissions of landfill gas from existing active landfills. Both actions were part of the Obama Administration's Climate Action Plan - Strategy to Reduce Methane Emissions. These and other efforts to curtail the emission of greenhouse gases and to ameliorate the effect of climate change may require our landfills to deploy more stringent emission controls and monitoring systems, with resulting capital or operating costs. Many state regulatory agencies also currently require monitoring systems for the collection and control of certain landfill gas. Certain of these state agencies are also implementing greenhouse gas control regulations that would also apply to landfill gas emissions. See Item 1A, *Risk Factors* – “*Regulation of greenhouse gas emissions could impose costs on our operations, the magnitude of which we cannot yet estimate,*” in this Form 10-K.

In addition, our vehicle fleet also may become subject to higher efficiency standards or other carbon-emission restrictions. Over the past three years, the EPA and the National Highway Traffic Safety Administration (NHTSA) have adopted regulations mandating the reduction of vehicle tail pipe emissions as a means of reducing greenhouse gas emissions. The regulations take the form of fuel economy standards. The EPA and the NHTSA have developed fuel economy standards in two vehicle categories: (1) conventional automobiles and light-duty trucks; and (2) heavy-duty trucks, including solid waste collection vehicles and tractor trailers. We own and operate vehicles in both categories. For conventional automobiles and light-duty trucks, in May 2010 the EPA and the NHTSA finalized fuel economy standards for model years 2012 through 2016. In October 2011, the EPA and the NHTSA initiated a second round of rulemaking for conventional automobiles and light-duty trucks in model years 2017 through 2025. In August 2011, the EPA and the NHTSA finalized standards for heavy-duty trucks, including solid waste collection vehicles and tractor trailers, for model years 2014 through 2018. On August 16, 2016, the EPA and the NHTSA jointly issued additional regulations that would impose more stringent standards for heavy-duty vehicles through model-year 2027. In issuing the proposed fuel economy standards for heavy-duty trucks (including tractor trailers), the government estimated that the increased equipment cost would be recouped over a period of two years for a tractor/trailer combo, and over a period of 6 years for a garbage truck, and each vehicle would continue to save fuel costs over its operating life.

- *The Occupational Safety and Health Act of 1970 (OSHA).* This act authorizes the Occupational Safety and Health Administration of the U.S. Department of Labor to promulgate occupational safety and health standards. A number of these standards, including standards for notices of hazardous chemicals and the handling of asbestos, apply to our facilities and operations.

State and Local Regulation

Each state in which we operate has its own laws and regulations governing solid waste disposal, water and air pollution, and, in most cases, releases and cleanup of hazardous substances and liabilities for such matters. States also have adopted regulations governing the design, operation, maintenance and closure of landfills and transfer stations. Some counties, municipalities and other local governments have adopted similar laws and regulations. In addition, our operations may be affected by the trend in many states toward requiring solid waste reduction and recycling programs. For example, several states have enacted laws that require counties or municipalities to adopt comprehensive plans to reduce, through solid waste planning, composting, recycling or other programs, the volume of solid waste deposited in landfills. Additionally, laws and regulations restricting the disposal of certain waste in solid waste landfills, including yard waste, newspapers, beverage containers, unshredded tires, lead-acid batteries, electronic wastes and household appliances, have been adopted in several states and are being considered in others.

Legislative and regulatory measures to mandate or encourage waste reduction at the source and waste recycling also have been considered, or are under consideration by, the U.S. Congress and the EPA.

To construct, operate and expand a landfill, we must obtain one or more construction or operating permits, as well as zoning and land use approvals. These permits and approvals may be burdensome to obtain and to comply with, are often opposed by neighboring landowners and citizens' groups, may be subject to periodic renewal, and are subject to denial, modification, non-renewal and revocation by the issuing agency. Significant compliance disclosure obligations often accompany these processes. In connection with our acquisition of existing landfills, we may be required to spend considerable time, effort and money to bring the acquired facilities into compliance with applicable requirements and to obtain the permits and approvals necessary to increase their capacity.

Other Regulations

Many of our facilities own and operate underground storage tanks that are generally used to store petroleum-based products. These tanks can be subject to federal, state and local laws and regulations that mandate their periodic testing, upgrading, closure and removal. In the event of leaks or releases from these tanks, these regulations require that polluted groundwater and soils be remediated. If underground storage tanks we own or operate leak, we could be liable for response costs and, if the leakage migrates onto the property of others, we could be liable for damages to third parties. We are unaware of facts indicating that issues of compliance with regulations related to underground storage tanks will have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

With regard to our solid waste transportation operations, we are subject to the jurisdiction of the Surface Transportation Board and are regulated by the Federal Highway Administration, Office of Motor Carriers, and by regulatory agencies in states that regulate such matters. Various state and local government authorities have adopted, or are considering adopting, laws and regulations that would restrict the transportation of solid waste across state, county, or other jurisdictional lines. In 1978, the U.S. Supreme Court ruled that a law that restricts the importation of out-of-state solid waste is unconstitutional; however, states have attempted to distinguish proposed laws from those involved in and implicated by that ruling. In 1994, the U.S. Supreme Court ruled that a flow control law, which attempted to restrict solid waste from leaving its place of generation, imposes an impermissible burden upon interstate commerce and is unconstitutional. In 2007, however, the U.S. Supreme Court upheld the right of a local government to direct the flow of solid waste to a publicly-owned and publicly-operated waste facility. A number of county and other local jurisdictions have enacted ordinances or other regulations restricting the free movement of solid waste across jurisdictional boundaries. Other governments may enact similar regulations in the future. These regulations may cause a decline in volumes of waste delivered to our landfills or transfer stations and may increase our costs of disposal, thereby adversely affecting our operations and our financial results.

Liabilities Established for Landfill and Environmental Costs

We have established reserves for landfill and environmental costs, which include landfill site final capping, closure and post-closure costs. We periodically reassess such costs based on various methods and assumptions regarding landfill airspace and the technical requirements of Subtitle D of RCRA, and we adjust our amortization rates used to expense final capping, closure and post-closure costs accordingly. Based on current information and regulatory requirements, we believe that our recorded reserves for such landfill and environmental expenditures are adequate; however, environmental laws may change, and we cannot assure you that our recorded reserves will be adequate to cover requirements under existing or new environmental laws and regulations, future changes or interpretations of existing laws and regulations, or adverse environmental conditions previously unknown to us. Refer to the "Contractual Obligations" section of our *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in Item 7 of this Form 10-K and to Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements in Item 8 of this Form 10-K for further information.

Liability Insurance and Bonding

The nature of our business exposes us to the possible risk of liabilities arising out of our operations, including damages to the environment, property, employees or the general public. Although we focus on operating safely and prudently, we occasionally receive claims, alleging damages, negligence or other wrongdoing in the planning or performance of work, which resulted in harm to the environment, property, employees or the general public. These liabilities can be significant. We also could be subject to fines and civil and criminal penalties in connection with alleged violations of regulatory requirements. We maintain various policies of insurance that, subject to limitations, exclusions, or deductibles, provide coverage for these types of claims. While we believe the amount of insurance is appropriate for our type of business, we can neither assure you that such insurance would be adequate, in scope or amount, in the event of a major loss, nor that we will not be exposed to uninsured liabilities that could have a material adverse effect on our consolidated financial condition, results of operations or cash flows. We also cannot assure you that we would continue to maintain the insurance should market conditions in the insurance industry make such coverage cost prohibitive.

Accruals for deductibles are based on claims filed and actuarial estimates of claims development and claims incurred but not reported. Due to the variable condition of the insurance market, we have experienced, and may experience in the future, increased deductible retention levels and increased premiums or unavailability of insurance. As we assume more risk through higher retention levels, we may experience more variability in our insurance reserves and expense.

In the normal course of business, we also purchase surety bonds, insurance policies, letters of credit or marketable securities deposits in connection with municipal residential collection contracts, financial assurance for closure and post-closure of landfills, environmental remediation, environmental permits, and business licenses and permits as a financial guarantee of our performance.

Availability of Reports and Other Information

Our corporate website is www.republicservices.com. We make available on that website, free of charge, access to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements on Schedule 14A, and amendments to those materials filed or furnished with the Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. We make such materials available as soon as reasonably practicable after we electronically submit them to the SEC. Our corporate website also contains our Certificate of Incorporation, Bylaws, Corporate Governance Guidelines, Code of Ethics, Political Contributions Policy, and Charters of the Audit Committee, Management Development and Compensation Committee, Nominating and Corporate Governance Committee, and Sustainability and Corporate Responsibility Committee of the board of directors. In addition, the SEC makes available at its website (www.sec.gov), free of charge, reports, proxy statements, and other information regarding issuers, such as us, that file electronically with the SEC. Information on our website or the SEC website is not part of this Form 10-K. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K and applicable New York Stock Exchange (NYSE) rules regarding amendments to or waivers of our Code of Ethics by posting this information on our website at www.republicservices.com.

ITEM 1A. RISK FACTORS

This Form 10-K contains certain forward-looking information about us that is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as “guidance,” “expect,” “will,” “may,” “anticipate,” “plan,” “estimate,” “project,” “intend,” “should,” “can,” “likely,” “could,” “believe” and similar expressions are intended to identify forward-looking statements. These statements include statements about our plans, strategies and prospects. Forward-looking statements are not guarantees of performance. These statements are based upon our management's current beliefs and expectations and are subject to risk and uncertainties, including the risks set forth below in these Risk Factors, which could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that the expectations will prove to be correct. Accordingly, you should not place undue reliance on the forward-looking statements, which speak only as of the date of this Form 10-K. Except to the extent required by applicable law or regulation, we undertake no obligation to update or publish revised forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events.

General economic conditions can directly and adversely affect our operating results.

Our business is directly affected by changes in national and general economic factors and overall economic activity that are outside of our control, including consumer confidence and interest rates. A weak economy generally results in decreases in volumes of waste generated, which adversely affects our revenues. In addition, we have a relatively high fixed-cost structure, which is difficult to adjust quickly to match declining waste volume levels. Consumer uncertainty and the loss of consumer confidence may decrease overall economic activity and thereby limit the amount of services we provide. Additionally, the decline in waste volumes may result in increased competitive pricing pressure and increased customer turnover, resulting in lower revenue and increased operating costs. Operating in an environment of worsening economic conditions could have a material adverse effect on our consolidated financial condition, results of operations and cash flows. Further, recovery in the solid waste industry historically has lagged behind recovery in the general economy. Accordingly, we cannot assure you that an improvement in general economic conditions will result in an immediate, or any, improvement in our consolidated financial condition, results of operations or cash flows.

Weakness in the U.S. economy may expose us to credit risk for amounts due from governmental agencies, large national accounts, industrial customers and others.

Weakness in the U.S. economy reduces the amount of taxes collected by various governmental agencies. We provide services to a number of these agencies, including numerous municipalities. These governmental agencies may suffer financial difficulties resulting from a decrease in tax revenue and may ultimately be unable or unwilling to pay amounts owed to us. In addition, weakness in the economy may cause other customers, including our large national accounts, or industrial or energy services clients, to suffer financial difficulties and ultimately to be unable or unwilling to pay amounts owed to us. This could negatively impact our consolidated financial condition, results of operations and cash flows.

The waste industry is highly competitive and includes competitors that may have greater financial and operational resources, flexibility to reduce prices or other competitive advantages that could make it difficult for us to compete effectively.

We principally compete with large national waste management companies, numerous municipalities, and numerous regional and local companies. Competition for collection accounts is primarily based on price and the quality of services. Competition for disposal business is primarily based on price, geographic location and quality of operations. One of our competitors may have greater financial and operational resources than we do. Further, many counties and municipalities that operate their own waste collection and disposal facilities have the benefits of tax revenue or tax-exempt financing. Our ability to obtain solid waste volume for our landfills also may be limited by the fact that some major collection operations also own or operate landfills to which they send their waste. In certain markets in which we do not own or operate a landfill, from time to time our collection operations may have difficulty competing effectively. If we were to lose market share or if we were to lower prices to address competitive issues, it could negatively impact our consolidated financial condition, results of operations and cash flows.

Price increases may not be adequate to offset the effect of increased costs and may cause us to lose volume.

We seek to secure price increases necessary to offset increased costs, improve our operating margins and earn an adequate return on our substantial investments in assets such as our landfills. From time to time, our competitors reduce their prices in an effort to expand their market share. Contractual, general economic or market-specific conditions also may limit our ability to raise prices. For example, many of our contracts have price adjustment provisions that are tied to an index such as the consumer price index. Particularly in a weak U.S. economy, our costs may increase in excess of the increase, if any, in the consumer price index. This may continue to be the case even when the U.S. economy recovers because a recovery in the solid waste industry historically has lagged behind a recovery in the general economy. As a result, we may be unable to offset increases in costs, improve our operating margins and obtain adequate investment returns through price increases. Price increases also might cause us to lose volume to lower-cost competitors.

Increases in the cost of fuel or petrochemicals would increase our operating expenses, and we cannot assure you that we would be able to recover such cost increases from our customers.

We depend on fuel purchased in the open market to operate our collection and transfer trucks and other equipment used for collection, transfer and disposal. Fuel prices are unpredictable and fluctuate significantly based on events beyond our control, including geopolitical developments, actions by the Organization of the Petroleum Exporting Countries and other oil and gas producers, supply and demand for oil and gas, war, terrorism and unrest in oil-producing countries, adverse weather and regional production patterns. Due to contractual or market factors, we may not be able to offset such volatility through fuel recovery fees. Our fuel costs were \$317.0 million in 2016, or 3.4% of revenue, compared to \$362.4 million in 2015, or 4.0% of revenue.

To manage our exposure to volatility in fuel prices, we have entered into multiple swap agreements whereby we receive or make payments to counter-parties should the price of fuel vary from a specified amount. During 2016, approximately 20% of our fuel volume purchases were hedged with swap agreements. Additionally, we are able to collect fuel recovery fees from some customers. At current consumption levels, a twenty-cent per gallon change in the price of diesel fuel changes our fuel costs by approximately \$25 million on an annual basis. Offsetting these changes in fuel expense would be changes in our fuel recovery fee charged to our customers. At current participation rates, we believe a twenty-cent per gallon change in the price of diesel fuel changes our fuel recovery fee by approximately \$25 million. Accordingly, a substantial rise or drop in fuel costs could result in a material effect to our revenue and cost of operations.

Over the last several years, regulations have been adopted mandating changes in the composition of fuels for motor vehicles. The renewable fuel standards that the EPA sets annually affect the type of fuel our motor vehicle fleet uses. Pursuant to the Energy Independence and Security Act of 2007, the EPA establishes annual renewable fuel volume requirements for four different categories of renewable fuels (renewable fuel, advanced biofuel, cellulosic biofuel, and biomass-based diesel). These volume requirements set standards for the proportion of refiners' or importers' total fuel volume that must contain renewable fuels (as designated by regulation). The total volume metrics for each year vary based upon a number of factors (e.g., the

availability of such fuels), and it is difficult to predict the ultimate quantity that the EPA will eventually mandate for 2017 and beyond. These regulations are one of many factors that may affect the cost of the fuel we use.

Our operations also require the use of products (such as liners at our landfills) whose costs may vary with the price of petrochemicals. An increase in the price of petrochemicals could increase the cost of those products, which would increase our operating and capital costs. Petrochemical prices, and hence our operating and capital costs, may be further affected by regulatory efforts to reduce greenhouse gases from the industries that produce such petrochemicals. We are also susceptible to increases in indirect fuel recovery fees from our vendors.

Fluctuations in prices for recycled commodities that we sell to customers may adversely affect our consolidated financial condition, results of operations and cash flows.

We purchase or collect and process recyclable materials such as paper, cardboard, plastics, aluminum and other metals for sale to third parties. Our results of operations may be affected by changing prices or market requirements for recyclable materials. The resale and purchase prices of, and market demand for, recyclable materials are volatile due to changes in economic conditions and numerous other factors beyond our control. These fluctuations may affect our consolidated financial condition, results of operations and cash flows. Approximately 74% of our recycling center volume relates to OCC, ONP and other mixed paper.

Historically, to manage our exposure to fluctuations in prices for recycled commodities, we have entered into multiple hedging arrangements whereby we receive or make payments to counter-parties should the price of recycled commodities vary from a specified amount or range. During 2016, we entered into multiple agreements related to forecasted OCC sales. At current volumes and mix of materials, we believe a \$10 per ton change in the price of recycled commodities will change annual revenue and operating income by approximately \$27 million and \$18 million, respectively, on an annual basis. Accordingly, a substantial rise or drop in recycled commodity prices could result in a material effect to our revenue and cost of operations.

Adverse weather conditions, including those brought about by climate change, may limit our operations and increase the costs of collection and disposal.

Our collection and landfill operations could be adversely impacted by extended periods of inclement weather, or by increased severity of weather and climate extremes resulting from climate change, some of which we may already be experiencing. Recent studies suggest that global warming is occurring faster than previously projected, with the EPA projecting a 3° to 12° Fahrenheit temperature increase in the United States by the end of the century. In addition to sea level rise, this temperature increase is expected to result in more severe droughts, floods, and other extreme weather events. Any of these factors could increase the volume of waste collected under our existing contracts (without corresponding compensation), interfere with collection, transfer station and landfill operations, delay the development of landfill capacity or reduce the volume of waste generated by our customers. In addition, adverse weather conditions may result in the temporary suspension of our operations, which can significantly affect our operating results in the affected regions during those periods.

The solid waste industry is a capital-intensive industry and our capital expenditures may exceed current expectations, which could require us to obtain additional funding for our operations or impair our ability to grow our business.

Our ability to remain competitive and to grow our business largely depends on our cash flow from operations and access to capital. If our capital efficiency programs cannot offset the effect of inflation and business growth, it may be necessary to increase the amount we spend. Additionally, if we make acquisitions or further expand our operations, the amount we spend on capital, capping, closure, post-closure, environmental remediation and other items will increase. Our cash needs also will increase if the expenditures for capping, closure, post-closure and remediation activities increase above our current estimates, which may occur over a long period due to changes in federal, state or local government requirements and other factors beyond our control. Increases in expenditures would negatively impact our cash flows.

We may be unable to obtain or maintain required permits or to expand existing permitted capacity of our landfills, which could decrease our revenue and increase our costs.

We cannot assure you that we will be able to obtain or maintain the permits required to operate because permits to operate new landfills and transfer stations, or to expand the permitted capacity of existing landfills, have become more difficult and expensive to obtain and maintain. Permits often take years to obtain as a result of numerous hearings and compliance requirements with regard to zoning, environmental and other regulations. These permits are also often subject to resistance from citizen or other groups and other political pressures. Local communities and citizen groups, adjacent landowners, governmental agencies and others may oppose the issuance of a permit or approval we may need, allege violations of the permits under which we currently operate or laws or regulations to which we are subject, or seek to impose liability on us for environmental damage. Responding to these challenges has at times increased our costs and extended the time associated with establishing new landfills and transfer stations and expanding existing landfills. In addition, failure to receive regulatory and zoning approval may prohibit us from establishing new landfills or transfer stations or expanding existing landfills. Our failure

to obtain the required permits to operate our landfills and transfer stations could have a material adverse effect on our consolidated financial condition, results of operations and cash flows. In addition, we may have to dispose collected waste at landfills operated by our competitors or haul the waste long distances at a higher cost to one of our other landfills, either of which could significantly increase our waste disposal costs.

If we do not appropriately estimate landfill capping, closure, post-closure and remediation costs, our financial condition and results of operations may be adversely affected.

A landfill must be closed and capped, and post-closure maintenance commenced, once the landfill's permitted capacity is reached and additional capacity is not authorized. Further, we undertake remediation activities at some of our solid waste facilities. We have significant financial obligations relating to capping, closure, post-closure and remediation costs at our existing owned or operated landfills, and will have material financial obligations with respect to any future owned or operated landfills. We establish accruals for the estimated costs associated with capping, closure, post-closure and remediation obligations. We could underestimate such costs, and our financial obligations for capping, closure, post-closure or remediation costs could exceed the amounts accrued or amounts otherwise receivable pursuant to trust funds established for this purpose. Additionally, if a landfill must be closed earlier than expected or its remaining airspace is reduced for any other reason, the accruals for capping, closure, post-closure and remediation could be required to be accelerated. If our capping, closure, post-closure or remediation costs exceed the amounts accrued, or if such accruals are required to be accelerated, this could have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

Alternatives to landfill disposal could reduce our disposal volumes and cause our revenues and operating results to decline.

Most of the states in which we operate landfills require counties and municipalities to formulate comprehensive plans to reduce the volume of solid waste deposited in landfills through waste planning, composting, recycling or other programs. Some state and local governments mandate waste reduction at the source and prohibit the disposal of certain types of wastes, such as yard waste, at landfills. Further, many of our customers voluntarily are diverting waste to alternatives to landfill disposal, such as recycling and composting, while also working to reduce the amount of waste they generate. Many of the largest companies in the U.S. are setting zero-waste goals in which they strive to send no waste to landfills. Although such actions help to protect our environment, they have reduced, and will in the future reduce, the volume of waste going to landfills and may affect the prices that we can charge for landfill disposal. Accordingly, we cannot assure you that we will be able to operate our landfills at their current volumes or charge current prices for landfill disposal services due to possible decreases in demand for such services. If we cannot expand our service offerings and grow lines of business to service waste streams that do not go to landfills and to provide services for customers that wish to reduce waste entirely, this could have a negative effect on our consolidated financial condition, results of operations and cash flows. Further, even if we can develop such service offerings and lines of business, disposal alternatives nonetheless could have a negative effect on our consolidated financial condition, results of operations and cash flows.

The possibility of landfill and transfer station site development projects, or expansion projects not being completed or certain other events could result in material charges to income.

In accordance with U.S. GAAP, we capitalize certain expenditures relating to development, expansion and other projects. If a facility or operation is permanently shut down or determined to be impaired, or a development, expansion or other project is not completed or is determined to be impaired, we will charge against earnings any unamortized capitalized expenditures relating to such facility or project that we are unable to recover through sale, transfer or otherwise. We also carry a significant amount of goodwill on our consolidated balance sheets, which we must assess for impairment annually, and more frequently in the case of certain triggering events. We may incur charges against earnings in accordance with this policy, or other events may cause impairments. Such charges could have a material adverse effect on our results of operations.

The business and assets we operate expose us to safety, operational and other risks, including the risk of personal injury to our employees or third parties.

The provision of waste collection, transfer, disposal, recycling and energy services, including the operation of landfills, CNG fueling stations, a substantial fleet of trucks and other waste-related assets, involves risks. These risks include, among others, the risk of truck accidents, equipment defects, malfunctions and failures, improper use of dangerous equipment, the release of hazardous substances, fire and explosion, any of which could result in environmental liability, personal injury, loss of life, business interruption or property damage or destruction. While we carry insurance to cover many contingencies, and seek to minimize our exposure to these risks through maintenance, training and compliance programs, any substantial losses could have a material adverse effect on our business, results of operations and financial condition.

We are subject to costly environmental regulations and flow-control regulations that may affect our operating margins, restrict our operations and subject us to additional liability.

Complying with laws and regulations governing the collection, treatment, storage, transfer and disposal of solid and hazardous wastes and materials, air quality and emissions of greenhouse gases, water quality and the remediation of contamination associated with the release of hazardous substances is costly. Laws and regulations often require us to enhance or replace our equipment and to modify landfill operations or initiate final closure of a landfill. We cannot assure you that we will be able to implement price increases sufficient to offset the costs of complying with these laws and regulations. In addition, environmental regulatory changes could accelerate or increase expenditures for capping, closure, post-closure and environmental and remediation activities at solid waste facilities and obligate us to spend sums in addition to those presently accrued for such purposes.

Our collection, transfer, and landfill operations are and will continue to be affected by state or local laws or regulations that restrict the transportation of solid waste across state, county or other jurisdictional lines or that direct the flow of waste to a specified facility or facilities. Such laws and regulations could negatively affect our operations, resulting in declines in landfill volumes and increased costs of alternate disposal.

Regulation of greenhouse gas emissions could impose costs on our operations, the magnitude of which we cannot yet estimate.

Efforts to curtail the emission of greenhouse gases and to ameliorate the effects of climate change continue to progress. Our landfill operations emit anthropogenic methane, identified as a greenhouse gas, and our vehicle fleet emits, among other things, carbon dioxide, which also is a greenhouse gas. Conventional wisdom still suggests that passage of comprehensive, federal climate change legislation is highly unlikely. Nonetheless, should comprehensive federal climate change legislation be enacted, we expect it to impose costs on our operations, the materiality of which we cannot predict.

Absent comprehensive federal legislation to control greenhouse gas emissions, the EPA is moving ahead administratively under its existing Clean Air Act authority. The EPA is compelled to issue rules by the U.S. Supreme Court's April 2007 *Massachusetts v. EPA* ruling that greenhouse gases are "pollutants" for purposes of the Clean Air Act and the EPA's December 2009 finding that continued emissions of greenhouse gases endanger human health and welfare. With respect to our light- and heavy-duty vehicle fleet, the EPA has since finalized regulations limiting greenhouse gas emissions and increasing fuel economy standards. The EPA and the NHTSA have finalized such regulations applicable to heavy-duty vehicles through model-year 2018 and to light-duty vehicles through model-year 2025. On August 16, 2016, the EPA and the NHTSA issued additional regulations that would impose more stringent standards for heavy-duty vehicles through model-year 2027. Federal efforts to curtail greenhouse gas emissions and to increase the fuel efficiency of light-duty and heavy-duty vehicles could have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

With regard to greenhouse gas emissions from our landfills, on July 14, 2016, the EPA issued amendments to its regulations that require large landfills that commenced construction, reconstruction or modification on or after July 17, 2014 to capture additional landfill gas to reduce emissions of methane and certain non-methane gases, which are recognized as greenhouse gases. In a separate action finalized that same day, the EPA issued updates to its 1996 Emission Guidelines to reduce emissions of landfill gas from existing active landfills. Both actions are part of the Obama Administration's Climate Action Plan - Strategy to Reduce Methane Emissions. These regulations may require our landfills to deploy more stringent emission controls and monitoring systems, with resulting capital or operating costs. The application of these or other greenhouse gas regulations to our landfills could have a material adverse effect on our landfill operations and on our consolidated financial condition, results of operations and cash flows.

We may have environmental liabilities that are not covered by our insurance. Changes in insurance markets also may impact our financial results.

We may incur environmental liabilities arising from our operations or properties. We maintain high deductibles for our environmental liability insurance coverage. If we were to incur substantial liability for environmental damage, our insurance coverage may be inadequate to cover such liability. This could have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

Also, due to the variable condition of the insurance market, we have experienced, and may experience in the future, increased insurance retention levels and increased premiums or unavailability of insurance. As we assume more risk for insurance through higher retention levels, we may experience more variability in our insurance reserves and expense.

Despite our efforts, we may incur additional liability under environmental laws in excess of amounts presently known and accrued.

We are a potentially responsible party at many sites under CERCLA, which provides for the remediation of contaminated facilities and imposes strict, joint and several liability for the cost of remediation on current owners and operators of a facility at which there has been a release or a threatened release of a "hazardous substance." CERCLA liability also extends to parties who were site owners and operators at the time hazardous substances were disposed, and on persons who arrange for the disposal of such substances at the facility (e.g., generators of the waste and transporters who selected the disposal site). Hundreds of substances are defined as "hazardous" under CERCLA and their presence, even in minute amounts, can result in substantial liability.

Notwithstanding our efforts to comply with applicable environmental laws, we may have additional liability under environmental laws in excess of our current reserves because, among other things, hazardous substances may be present in waste collected by us or disposed of in our landfills (or in waste collected, transported or disposed of in the past by companies we have acquired), environmental laws may change, or there may be adverse environmental conditions that develop or were otherwise previously unknown to us. For example, during 2012 through 2014, we recorded an aggregate of approximately \$400 million in charges relating to environmental remediation at our closed landfill in Bridgeton, Missouri. Actual costs for liabilities at Bridgeton or other sites could be significantly greater than amounts we have accrued for these purposes. Environmental liabilities in excess of our current reserves could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

We have substantial indebtedness, which may limit our financial flexibility.

As of December 31, 2016, we had approximately \$7.7 billion in principal value of debt and capital leases outstanding. This amount of indebtedness and our debt service requirements may limit our financial flexibility to access additional capital and make capital expenditures and other investments in our business, to withstand economic downturns and interest rate increases, to plan for or react to changes in our business and our industry, and to comply with the financial and other covenants of our debt instruments. Further, our ability to comply with these financial and other covenants may be affected by changes in economic or business conditions or other events that are beyond our control. If we do not comply with these covenants, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating dividends or stock repurchases, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital.

We may be unable to maintain our credit ratings or execute our financial strategy.

Our ability to execute our financial strategy depends in part on our ability to maintain investment grade ratings on our debt. The credit rating process is contingent upon a number of factors, many of which are beyond our control. We cannot assure you that we will be able to maintain our investment grade ratings in the future. If we were unable to do so, our interest expense would increase and our ability to obtain financing on favorable terms may be adversely affected.

Our financial strategy also depends on our ability to generate sufficient cash flow to reinvest in our existing business, fund internal growth, acquire other solid waste businesses, pay dividends, repurchase stock, and take other actions to enhance shareholder value. We cannot assure you that we will succeed in executing our broad-based pricing initiatives, that we will generate sufficient cash flow to execute our financial strategy, that we will be able to pay cash dividends at our present rate, or increase them, or that we will be able to continue our share repurchase program.

Currently pending or future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements.

We are and will continue to be involved in lawsuits, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of our business. Many of these matters raise complicated factual and legal issues and are subject to uncertainties. The timing of the final resolutions to lawsuits, regulatory inquiries, and governmental and other legal proceedings is uncertain. Further, the possible outcomes or resolutions to these matters could include adverse judgments or settlements, either of which could require substantial payments and adversely affect our consolidated financial condition, results of operations and cash flows.

For example, we incur costs to defend against litigation brought by government agencies and private parties who allege we are in violation of our permits and applicable environmental laws and regulations, or who assert claims alleging nuisance, environmental damage, personal injury or property damage. As a result, we may be required to pay fines or judgments or implement corrective measures, or we may have our permits and licenses modified or revoked. A significant judgment against us, the loss of a significant permit or license, or the imposition of a significant fine could have a material adverse effect on our consolidated financial condition, results of operations and cash flows. We establish accruals for our estimates of the costs

associated with lawsuits, regulatory, governmental and other legal proceedings. We could underestimate such accruals. Such shortfalls could result in significant unanticipated charges to income.

We may be unable to manage our growth effectively.

Our growth strategy places significant demands on our financial, operational and management resources. To continue our growth, we may need to add administrative, managerial and other personnel, and may need to make additional investments in operations and systems. We cannot assure you that we will be able to find and train qualified personnel, or do so on a timely basis, or to expand or otherwise modify our operations and systems to the extent, and in the time, required.

We may be unable to execute our acquisition growth strategy.

Our ability to execute our growth strategy depends in part on our ability to identify and acquire desirable acquisition candidates and on our ability to successfully integrate acquired operations into our business. The integration of our operations with those of acquired companies may present significant challenges to our management. In addition, competition for acquisition candidates may prevent us from acquiring certain acquisition candidates. Thus, we cannot assure you that:

- desirable acquisition candidates exist or will be identified;
- we will be able to acquire any of the candidates identified;
- we will effectively integrate and manage companies we acquire; or
- any acquisitions will be profitable or accretive to our earnings.

If any of these factors force us to alter our growth strategy, our growth prospects could be adversely affected.

Businesses we acquire may have undisclosed liabilities.

Our due diligence investigations of acquisition candidates may fail to discover certain undisclosed liabilities. If we acquire a company having undisclosed liabilities such as environmental, remediation or contractual liabilities, as a successor owner we may be responsible for such undisclosed liabilities. We try to minimize our exposure to such liabilities by conducting due diligence, by obtaining indemnification from each seller of the acquired companies, by deferring payment of a portion of the purchase price as security for the indemnification and by acquiring only specified assets. However, we cannot assure you that we will be able to obtain indemnification or that any indemnification obtained will be enforceable, collectible or sufficient in amount, scope or duration to fully offset any undisclosed liabilities arising from our acquisitions.

Our consolidated financial statements are based on estimates and assumptions that may differ from actual results.

Our consolidated financial statements have been prepared in accordance with U.S. GAAP and necessarily include amounts based on management's estimates. Actual results may differ from these amounts. Significant items requiring management to make subjective or complex judgments that are inherently uncertain include the recoverability of long-lived assets, the depletion and amortization of landfill development costs, accruals for final capping, closure and post-closure costs, valuation allowances for accounts receivable and deferred tax assets, liabilities for potential litigation, claims and assessments, and liabilities for environmental remediation, multiemployer pension plans, employee benefit plans, deferred taxes, uncertain tax positions, insurance and our estimates of the fair values of assets acquired and liabilities assumed in any acquisition. We cannot assure you that the liabilities recorded for items such as these will be adequate to cover the costs we ultimately will face.

The introduction of new accounting rules, laws or regulations could adversely impact our reported results of operations.

Complying with new accounting rules, laws or regulations could adversely impact our results of operations or cause unanticipated fluctuations in our results of operations or financial conditions in future periods.

We may be subject to workforce influences, including work stoppages, which could increase our operating costs and disrupt our operations.

As of December 31, 2016, approximately 27% of our workforce was represented by various local labor unions. If our unionized workers were to engage in strikes, work stoppages or other slowdowns, we could experience a significant disruption of our operations and an increase in our operating costs, which could have an adverse effect on our consolidated financial condition, results of operations and cash flows. Additional groups of employees may seek union representation in the future and, if successful, the negotiation of collective bargaining agreements could divert management's attention and result in increased operating costs. If a greater percentage of our workforce becomes unionized, our consolidated financial condition, results of operations and cash flows could be adversely impacted due to the potential for increased operating costs.

Our obligation to fund multiemployer pension plans to which we contribute, or our withdrawal from such plans, may have an adverse effect on us.

We contribute to 26 multiemployer pension plans under collective bargaining agreements (CBAs) covering union-represented employees. Approximately 20% of our total current employees participate in such multiemployer plans. We do not administer these plans and generally are not represented on the boards of trustees of these plans. The Pension Protection Act enacted in 2006 (the PPA) requires under-funded pension plans to improve their funding ratios. Based on the information available to us, we believe that some of the multiemployer plans to which we contribute are either “critical” or “endangered” as those terms are defined in the PPA. We cannot presently determine the amount of additional funding, if any, we may be required to make to these plans. However, plan assessments could have a material adverse effect on our results of operations or cash flows for a given period.

Further, under current law, upon the termination of a multiemployer pension plan, or in the event of a withdrawal by us (which we consider from time to time) or a mass withdrawal of contributing employers (each, a Withdrawal Event), we would be required to make payments to the plan for our proportionate share of the plan's unfunded vested liabilities. We cannot assure you that there will not be a Withdrawal Event with respect to any of the multiemployer pension plans to which we contribute or that, in the event of such a Withdrawal Event, the amounts we would be required to contribute would not have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

For additional discussion and detail regarding multiemployer pension plans see, Note 11, *Employee Benefit Plans*, to our consolidated financial statements in Item 8 of this Form 10-K.

The costs of providing for pension benefits and related funding requirements are subject to changes in pension fund values and fluctuating actuarial assumptions, and may have a material adverse effect on our results of operations and cash flows.

We sponsor a defined benefit pension plan that is funded with trustee assets invested in a diversified portfolio of debt and equity securities. Our costs for providing such benefits and related funding requirements are subject to changes in the market value of plan assets. Our pension expenses and related funding requirements are also subject to various actuarial calculations and assumptions, which may differ materially from actual results due to changing market and economic conditions, interest rates and other factors. A significant increase in our pension obligations and funding requirements could have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

The loss of key personnel could have a material adverse effect on our consolidated financial condition, results of operations, cash flows and growth prospects.

Our future success depends on the continued contributions of several key employees and officers. The loss of the services of key employees and officers, whether such loss is through resignation or other causes, or the inability to attract additional qualified personnel, could have a material adverse effect on our consolidated financial condition, results of operations, cash flows and growth prospects.

Our strategy includes an increasing dependence on technology in our operations; if any of our key technology fails, our business could be adversely affected.

Our operations are increasingly dependent on technology. Our information technology systems are critical to our ability to drive profitable growth through differentiation, continue the implementation of standardized processes and deliver a consistent customer experience. One of the five pillars of our strategy is to grow through enabling our customers to do business with us through more channels and with better access to information and, accordingly, we have made substantial investment in our e-commerce platform. Problems with the operation of the information or communication technology systems we use could adversely affect, or temporarily disable, all or a portion of our operations. Inabilities and delays in implementing new systems can also affect our ability to realize projected or expected revenue or cost savings. Additionally, any systems failures could impede our ability to timely collect and report financial results in accordance with applicable laws.

A cyber security incident could negatively impact our business and our relationships with customers.

We use computers in substantially all aspects of our business operations. We also use mobile devices, social networking and other online activities to connect with our employees and our customers. Such uses give rise to cyber security risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including customers' personal information, private information about employees, and financial and strategic information about the Company and its business partners. We also rely on a Payment Card Industry compliant third party to protect our customers' credit card information. While the Company pursues its strategy to grow through acquisitions and to pursue new initiatives that improve our operations and cost structure, the Company is also expanding and improving its information technologies,

resulting in a larger technological presence and corresponding exposure to cyber security risk. If we fail to assess and identify cyber security risks associated with acquisitions and new initiatives, we may become increasingly vulnerable to such risks. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventive measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate office is located at 18500 North Allied Way, Phoenix, Arizona 85054, where we currently lease approximately 145,000 square feet of office space.

Our principal property and equipment consists of land, landfills, buildings, vehicles and equipment. We own or lease real property in the states in which we conduct operations. As of December 31, 2016, we owned or operated 333 collection operations, 204 transfer stations, 192 active landfills, 64 recycling centers, 7 treatment, recovery and disposal facilities, and 10 salt water disposal wells in 39 states and Puerto Rico. In the aggregate, our active solid waste landfills total approximately 107,500 acres, including approximately 37,400 permitted acres. We also have post-closure responsibility for 124 closed landfills. We believe that our property and equipment are adequate for our current needs.

ITEM 3. LEGAL PROCEEDINGS

General Legal Proceedings

We are subject to extensive and evolving laws and regulations and have implemented safeguards to respond to regulatory requirements. In the normal course of our business, we become involved in legal proceedings. Some may result in fines, penalties or judgments against us, which may impact earnings and cash flows for a particular period. Although we cannot predict the ultimate outcome of any legal matter with certainty, we do not believe the outcome of any of our pending legal proceedings will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

As used herein, the term *legal proceedings* refers to litigation and similar claims against us and our subsidiaries, excluding: (1) ordinary course accidents, general commercial liability and workers' compensation claims, which are covered by insurance programs, subject to customary deductibles, and which, together with self-insured employee health care costs, are discussed in Note 7, *Other Liabilities*, to our consolidated financial statements in Item 8 of this Form 10-K; and (2) environmental remediation liabilities, which are discussed in Note 8, *Landfill and Environmental Costs*, to our consolidated financial statements in Item 8 of this Form 10-K.

We accrue for legal proceedings when losses become probable and reasonably estimable. We have recorded an aggregate accrual of approximately \$48 million relating to our outstanding legal proceedings as of December 31, 2016. As of the end of each applicable reporting period, we review each of our legal proceedings and, where it is probable that a liability has been incurred, we accrue for all probable and reasonably estimable losses. Where we are able to reasonably estimate a range of losses we may incur with respect to such a matter, we record an accrual for the amount within the range that constitutes our best estimate. If we are able to reasonably estimate a range but no amount within the range appears to be a better estimate than any other, we use the amount that is the low end of such range. If we had used the high ends of such ranges, our aggregate potential liability would be approximately \$45 million higher than the amount recorded as of December 31, 2016.

Legal Proceedings over Certain Environmental Matters Involving Governmental Authorities with Possible Sanctions of \$100,000 or More

Item 103 of the SEC's Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and the proceedings involve potential monetary sanctions unless we reasonably believe the monetary sanctions will not equal or exceed \$100,000. We are disclosing the following matters in accordance with that requirement:

Bridgeton Landfill Matters - Regulatory

On July 23, 2012, the Missouri Department of Natural Resources (MDNR) issued a notice of violation (NOV) to the closed Bridgeton Landfill in Bridgeton, Missouri after it determined that a sub-surface smoldering event (SSE) was occurring at the landfill. The NOV specified required actions intended to prevent the spread of the SSE, offsite odors, and environmental pollution. On March 27, 2013, the Missouri Attorney General's Office, on behalf of MDNR, sued Republic Services, Inc., and our subsidiaries Allied Services, LLC, and Bridgeton Landfill, LLC in the Circuit Court of St. Louis County in connection with

odors and leachate from the landfill. The action alleges, among other things, violations of the Missouri Solid Waste Management, Hazardous Waste Management, Clean Water, and Air Conservation Laws, and claims for nuisance, civil penalties, costs, and natural resource damages. The suit seeks a preliminary and permanent injunction requiring us to take measures to remedy the alleged resulting nuisance, civil penalties of approximately \$37 million, and other relief. On May 13, 2013, the court entered a stipulated preliminary injunction under which Bridgeton Landfill, LLC agreed, among other things, to continue remedial work plans previously approved by MDNR and to continue reporting to MDNR. On June 19, 2014, the court entered an agreed amendment to the injunction providing for increased frequency in some carbon monoxide monitoring, three new rounds of air sampling, implementation of an Odor Management Plan, and cost reimbursement to MDNR. On October 1, 2015, we removed the case to the United States District Court for the Eastern District of Missouri. The Missouri Attorney General's motion to remand the case to the Circuit Court of St. Louis County was granted on April 26, 2016. The case is presently set for trial beginning October 31, 2017. On April 28, 2016, Bridgeton Landfill, LLC and the United States Environmental Protection Agency entered into an Administrative Settlement Agreement and Order on Consent addressing certain remedial actions in the north quarry of the Bridgeton Landfill, including a heat extraction barrier, an expanded landfill cover, and additional temperature monitoring probes.

Sunshine Canyon Landfill Matter

The Sunshine Canyon Landfill in Sylmar, California entered into settlement agreements with the South Coast Air Quality Management District (SCAQMD) in 2012 and 2013. The settlement agreements resolved claims for excess emission charges, civil penalties, and investigative and administrative costs relating to odor-related and surface emissions NOVs received from SCAQMD. Since the end of the period covered by the 2013 settlement agreement, which was September 6, 2013, and through February 10, 2017, Sunshine Canyon has received an additional 122 NOVs from SCAQMD for odors. We have received a \$2.2 million civil penalty demand from the SCAQMD, and the SCAQMD's Executive Officer filed a Petition before the Hearing Board of the SCAQMD for an abatement order. We have entered into a Stipulated Abatement Order with the Hearing Board providing for certain abatement measures to be implemented at the landfill. We expect to contest the penalty amount.

Hunt County Matter

On July 15, 2015, Hunt County, Texas (the County) and the State of Texas Commission on Environmental Quality filed suit against Republic Services, Inc. and our subsidiaries, Republic Waste Services of Texas, Ltd. and Republic Waste Services of Texas GP, Inc., alleging violations of the Texas Water Code and Texas Health and Safety Code due to allegedly improper and unpermitted storage and disposal of waste on our surplus property adjacent to the Maloy Landfill. The parties have reached an agreement to resolve the dispute, which includes \$400,000 in civil penalties. The agreement has been approved by the County and is pending final approval by the Texas Attorney General's Office.

Arbor Hills Landfill Matter

BFI Waste Systems of North America, LLC (BFIWS) formerly owned a landfill gas collection and control system (GCCS) at the Arbor Hills Landfill in Salem Township, Michigan. The Michigan Department of Environmental Quality issued NOVs to BFIWS on February 2, March 15, April 29, and December 14, 2016 and the EPA issued a Finding of Violation (FOV) to BFIWS on September 29, 2016. The NOVs and FOV, which were issued prior to the transfer of ownership of the GCCS, relate to alleged off site odors and operation conditions at the landfill. BFIWS has not yet received a civil penalty demand from either agency.

Pine Avenue Landfill Matter

On December 20, 2016, the EPA issued an FOV to Allied Waste Niagara Falls Landfill, LLC (Allied-Niagara). The FOV alleges violations of the Clean Air Act and associated regulations relating to operation of Allied-Niagara's Pine Avenue Landfill in Niagara Falls, New York. Allied-Niagara has not yet received a civil penalty demand from the agency.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**Market Information, Holders and Dividends**

The principal market for our common stock is the New York Stock Exchange, and it is traded under the symbol RSG. The following table sets forth the range of the high and low sale prices per share of our common stock on the New York Stock Exchange and the cash dividends declared per share of common stock for the periods indicated:

	High	Low	Dividends Declared
<i>Year Ended December 31, 2016:</i>			
First quarter	\$ 48.76	\$ 41.82	\$ 0.30
Second quarter	51.31	45.56	0.30
Third quarter	52.92	49.42	0.32
Fourth quarter	58.00	49.18	0.32
<i>Year Ended December 31, 2015:</i>			
First quarter	\$ 42.05	\$ 38.95	\$ 0.28
Second quarter	41.46	38.99	0.28
Third quarter	43.71	39.17	0.30
Fourth quarter	45.35	40.67	0.30

There were 639 holders of record of our common stock at February 6, 2017, which does not include beneficial owners for whom Cede & Co. or others act as nominees.

In February 2017, our board of directors declared a regular quarterly dividend of \$0.32 per share for shareholders of record on April 3, 2017. We expect to continue to pay quarterly cash dividends, and we may consider increasing our dividends if we believe it will enhance shareholder value.

We have the ability under our credit facilities to pay dividends and repurchase our common stock if we are in compliance with the financial covenants in our credit facilities. As of December 31, 2016, we were in compliance with those financial covenants.

Issuer Purchases of Equity Securities

The following table provides information relating to our purchases of shares of our common stock during the three months ended December 31, 2016:

	Total Number of Shares Purchased (a)	Average Price Paid per Share (a)	Total Number of Shares Purchased as Part of Publicly Announced Program (b)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (c)
October 1 - 31	1,330,907	\$ 50.08	1,330,907	\$ 482,274,256
November 1 - 30	452,326	52.39	452,326	458,574,918
December 1 - 31	122,326	56.02	122,326	451,722,360
	<u>1,905,559</u>		<u>1,905,559</u>	

- (a) In October 2015, our board of directors added \$900.0 million to the existing share repurchase authorization that now extends through December 31, 2017. Share repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable federal securities laws. While the board of directors has approved the program, the timing of any purchases, the prices and the number of shares to be purchased will be determined by our management, at its discretion, and will depend upon market conditions and other factors. The share repurchase program may be extended, suspended or discontinued at any time. As of December 31, 2016, there were no repurchased shares pending settlement.

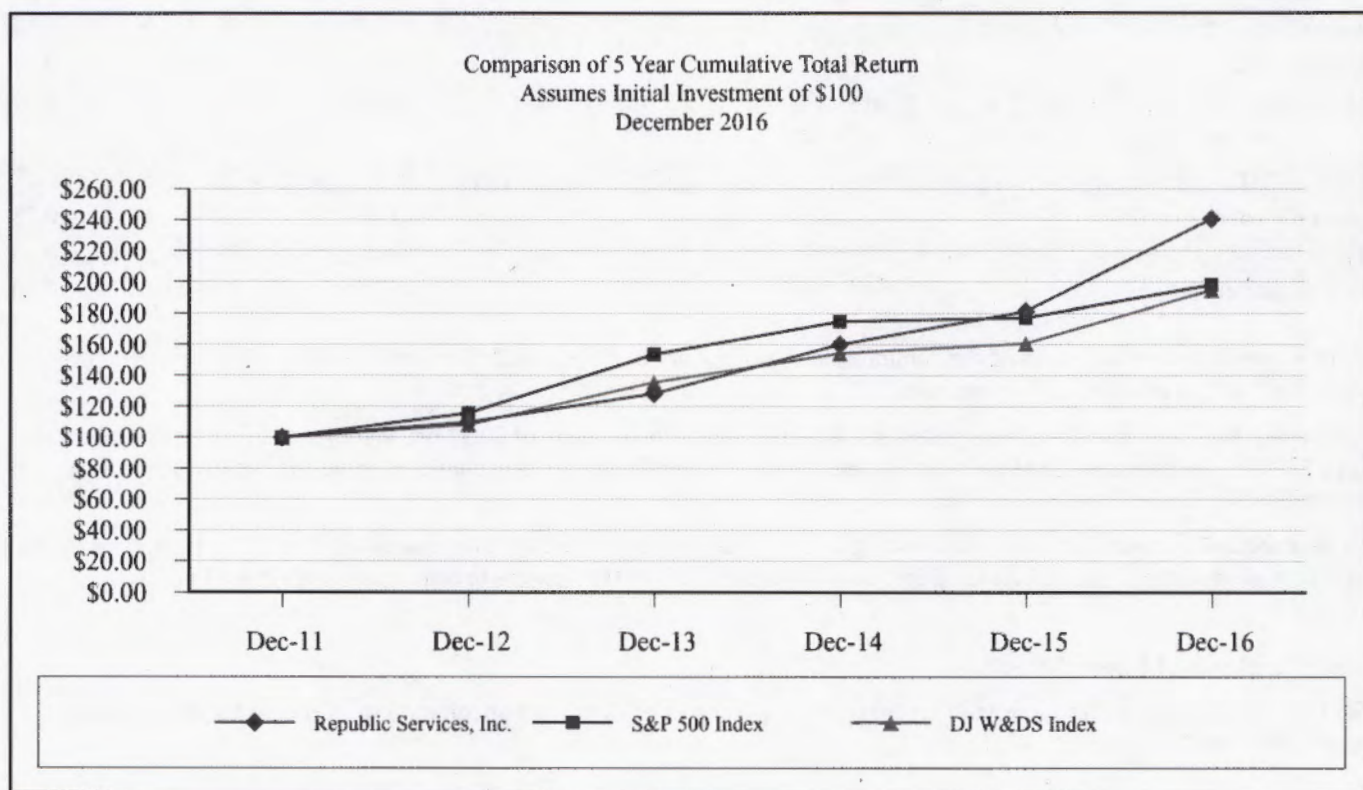
- (b) The total number of shares purchased as part of the publicly announced program were all purchased pursuant to the October 2013 and October 2015 authorizations.
- (c) Shares that may be purchased under the program exclude shares of common stock that may be surrendered to satisfy statutory minimum tax withholding obligations in connection with the vesting of restricted stock units issued to employees.

Recent Sales of Unregistered Securities

There were no sales of unregistered securities during the three months ended December 31, 2016.

Performance Graph

The following graph compares the performance of our common stock to the Standard & Poor's 500 Stock Index (S&P 500 Index) and the Dow Jones Waste & Disposal Services Index (DJ W&DS Index). The graph covers the period from December 31, 2011 to December 31, 2016 and assumes that the value of the investment in our common stock and in each index was \$100 as of December 31, 2011 and that all dividends were reinvested.



	Indexed Returns for the Years Ended December 31,					
	2011	2012	2013	2014	2015	2016
Republic Services, Inc.	\$ 100.00	\$ 110.01	\$ 128.30	\$ 160.05	\$ 181.21	\$ 240.73
S&P 500 Index	100.00	116.00	153.57	174.60	177.01	198.18
DJ W&DS Index	100.00	108.50	135.56	154.20	160.66	194.63

ITEM 6. SELECTED FINANCIAL DATA

You should read the following Selected Financial Data in conjunction with Item 8, *Financial Statements and Supplementary Data*, which includes our consolidated financial statements and notes thereto as of December 31, 2016 and 2015 and for each of the three years ended December 31, 2016, 2015 and 2014 and Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in this Form 10-K.

See Notes 1, 2, 3, 8, 9, 10 and 12 to our consolidated financial statements in Item 8, *Financial Statements and Supplementary Data*, of this Form 10-K for a discussion of basis of presentation, significant accounting policies, business acquisitions and divestitures, landfill and environmental costs, debt, income taxes and stockholders' equity and their effect on comparability of year-to-year data. These historical results are not necessarily indicative of the results to be expected in the future. Amounts are in millions, except per share data.

	Years Ended December 31,				
	2016	2015	2014	2013	2012
Statement of Operations Data:					
Revenue	\$ 9,387.7	\$ 9,115.0	\$ 8,803.3	\$ 8,417.2	\$ 8,118.3
Expenses:					
Cost of operations	5,764.0	5,518.6	5,643.1	5,234.7	5,005.7
Depreciation, amortization and depletion	991.1	970.6	906.9	877.4	848.5
Accretion	79.1	79.4	78.0	76.6	78.4
Selling, general and administrative	969.8	983.1	918.9	853.8	820.9
Withdrawal costs - multiemployer pension funds	5.6	4.5	1.5	157.7	—
(Gain) loss on disposition of assets and impairments, net	(0.1)	—	20.0	(1.9)	(2.7)
Restructuring charges	40.7	—	1.8	8.6	11.1
Operating income	1,537.5	1,558.8	1,233.1	1,210.3	1,356.4
Interest expense	(371.3)	(364.9)	(348.7)	(360.0)	(388.5)
Loss on extinguishment of debt	(196.2)	—	(1.4)	(2.1)	(112.6)
Interest income	0.9	0.8	0.6	0.7	1.0
Loss from unconsolidated equity method investment	(6.1)	—	—	—	—
Other income, net	1.1	1.2	1.7	2.3	3.4
Income before income taxes	965.9	1,195.9	885.3	851.2	859.7
Provision for income taxes	352.7	445.5	337.4	262.1	251.8
Net income	613.2	750.4	547.9	589.1	607.9
Net income attributable to noncontrolling interests in consolidated subsidiary	(0.6)	(0.5)	(0.3)	(0.2)	(0.3)
Net income attributable to Republic Services, Inc.	\$ 612.6	\$ 749.9	\$ 547.6	\$ 588.9	\$ 607.6
Basic earnings per share attributable to Republic Services, Inc. stockholders:					
Basic earnings per share	\$ 1.79	\$ 2.14	\$ 1.54	\$ 1.63	\$ 1.56
Weighted average common shares outstanding	343.0	350.0	356.7	362.1	366.9
Diluted earnings per share attributable to Republic Services, Inc. stockholders:					
Diluted earnings per share	\$ 1.78	\$ 2.13	\$ 1.53	\$ 1.62	\$ 1.55
Weighted average common and common equivalent shares outstanding	344.4	351.4	358.1	363.4	368.0
Cash dividends per common share	\$ 1.24	\$ 1.16	\$ 1.08	\$ 0.99	\$ 0.91
Other Operating Data:					
Cash provided by operating activities	\$ 1,847.8	\$ 1,679.7	\$ 1,529.8	\$ 1,513.8	\$ 1,766.7
Purchases of property and equipment	927.8	945.6	862.5	903.5	936.5
Proceeds from sales of property and equipment	9.8	21.2	35.7	28.7	34.6
Balance Sheet Data:					
Cash and cash equivalents	\$ 67.8	\$ 32.4	\$ 75.2	\$ 213.3	\$ 67.6
Restricted cash and marketable securities	90.5	100.3	115.6	169.7	164.2
Total assets	20,629.6	20,535.9	20,052.4	19,949.2	19,616.9
Total debt	7,658.9	7,532.9	7,018.1	7,070.5	6,921.8
Total stockholders' equity	7,693.7	7,776.6	7,747.8	7,906.1	7,705.7

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our audited consolidated financial statements and the notes thereto included elsewhere in Item 8 of this Form 10-K. This discussion may contain forward-looking statements that anticipate results that are subject to uncertainty. We discuss in more detail various factors that could cause actual results to differ from expectations in Item 1A, Risk Factors in this Form 10-K.

Overview

Republic is the second largest provider of services in the domestic non-hazardous solid waste industry, as measured by revenue. As of December 31, 2016, we operated in 39 states and Puerto Rico through 333 collection operations, 204 transfer stations, 192 active landfills, 64 recycling centers, 7 treatment, recovery and disposal facilities, and 10 salt water disposal wells. We also operated 71 landfill gas and renewable energy projects and had post-closure responsibility for 124 closed landfills.

Revenue for the year ended December 31, 2016 increased by 3.0% to \$9,387.7 million compared to \$9,115.0 million in 2015. This change in revenue is due to increases in average yield of 2.1%, volume of 1.0%, acquisitions, net of divestitures of 0.6%, and recycled commodities of 0.5%, partially offset by decreases in fuel recovery fees of 0.8% and energy services of 0.4%.

The following table summarizes our revenue, costs and expenses for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars and as a percentage of revenue):

	2016		2015		2014	
Revenue	\$ 9,387.7	100.0%	\$ 9,115.0	100.0%	\$ 8,803.3	100.0%
Expenses:						
Cost of operations	5,764.0	61.4	5,518.6	60.5	5,643.1	64.1
Depreciation, amortization and depletion of property and equipment	919.8	9.8	898.7	9.9	838.5	9.5
Amortization of other intangible assets and other assets	71.3	0.8	71.9	0.8	68.4	0.8
Accretion	79.1	0.8	79.4	0.9	78.0	0.9
Selling, general and administrative	969.8	10.3	983.1	10.8	918.9	10.4
Withdrawal costs - multiemployer pension funds	5.6	0.1	4.5	—	1.5	—
(Gain) loss on disposition of assets and impairments, net	(0.1)	—	—	—	20.0	0.3
Restructuring charges	40.7	0.4	—	—	1.8	—
Operating income	\$ 1,537.5	16.4%	\$ 1,558.8	17.1%	\$ 1,233.1	14.0%

Our pre-tax income was \$965.9 million, \$1,195.9 million and \$885.3 million for 2016, 2015 and 2014, respectively. Our net income attributable to Republic Services, Inc. was \$612.6 million, or \$1.78 per diluted share for 2016, compared to \$749.9 million, or \$2.13 per diluted share, for 2015, and \$547.6 million, or \$1.53 per diluted share, for 2014.

During each of 2016, 2015 and 2014, we recorded a number of charges, other expenses and benefits that impacted our pre-tax income, net income attributable to Republic Services, Inc. (net income – Republic) and diluted earnings per share as noted in the following table (in millions, except per share data). Additionally, see our “Cost of Operations,” “Selling, General and Administrative Expenses” and “Income Taxes” discussions contained in the Results of Operations section of this Management’s Discussion and Analysis of Financial Condition and Results of Operations for a discussion of other items that impacted our earnings.

	Year Ended December 31, 2016			Year Ended December 31, 2015			Year Ended December 31, 2014		
	Pre-tax Income	Net Income - Republic	Diluted Earnings per Share	Pre-tax Income	Net Income - Republic	Diluted Earnings per Share	Pre-tax Income	Net Income - Republic	Diluted Earnings per Share
As reported	\$ 965.9	\$ 612.6	\$ 1.78	\$ 1,195.9	\$ 749.9	\$ 2.13	\$ 885.3	\$ 547.6	\$ 1.53
Withdrawal costs - multiemployer pension funds ⁽¹⁾	5.6	3.4	0.01	4.5	2.7	0.01	1.5	0.9	—
Restructuring charges ⁽¹⁾	40.7	24.6	0.07	—	—	—	1.8	1.0	—
Loss on extinguishment of debt ⁽¹⁾	203.4	122.7	0.36	—	—	—	1.4	0.9	—
(Gain) loss on disposition of assets and impairments, net	(0.1)	—	—	—	—	—	20.0	12.6	0.04
Bridgeton (insurance recovery) / remediation charge and other	—	—	—	(50.0)	(30.3)	(0.08)	227.1	137.6	0.38
Total adjustments	249.6	150.7	0.44	(45.5)	(27.6)	(0.07)	251.8	153.0	0.43
As adjusted	\$ 1,215.5	\$ 763.3	\$ 2.22	\$ 1,150.4	\$ 722.3	\$ 2.06	\$ 1,137.1	\$ 700.6	\$ 1.96

(1) The aggregate effect of the noted items to adjusted diluted earnings per share totals to \$0.01 for the year ended December 31, 2014.

We believe that presenting adjusted pre-tax income, adjusted net income – Republic, and adjusted diluted earnings per share, which are not measures determined in accordance with accounting principles generally accepted in the United States (U.S. GAAP), provides an understanding of operational activities before the financial effect of certain items. We use these measures, and believe investors will find them helpful, in understanding the ongoing performance of our operations separate from items that have a disproportionate effect on our results for a particular period. We have incurred comparable charges and costs and have recorded similar recoveries in prior periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. In the case of the Bridgeton remediation charges and insurance recovery, we are adjusting such amounts due to their significant effect on our operating results; however, in the ordinary course of our business, we often incur remediation charges and recoveries that we do not adjust from our operating results. Our definition of adjusted pre-tax income, adjusted net income – Republic, and adjusted diluted earnings per share may not be comparable to similarly titled measures presented by other companies.

Withdrawal costs - Multiemployer Pension Funds. During 2016 and 2015, we recorded charges to earnings of \$5.6 million and \$4.5 million, respectively, for withdrawal events at the multiemployer pension plan to which we contribute related to our operations in Puerto Rico. During 2014, we recorded charges to earnings of \$1.5 million, primarily related to costs associated with our 2013 withdrawal from the Central States, Southeast and Southwest Areas Pension Fund (the Fund).

Restructuring charges. In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. These changes included reducing administrative staffing levels, relocating office space and closing certain office locations. Additionally, in the second quarter, we began the redesign of our back-office functions as well as the consolidation of over 100 customer service locations into three Customer Resource Centers. The savings realized from these restructuring efforts will be reinvested in our customer-focused programs and initiatives. We expect our consolidation efforts to continue through 2017.

During 2016, we incurred \$40.7 million of restructuring charges that consisted of severance and other employee termination benefits, relocation benefits, and the closure of offices with lease agreements with non-cancelable terms. We paid \$32.5 million related to these restructuring efforts. We expect to incur additional charges of approximately \$15 million over the next year related to our field realignment, the consolidation of our customer service locations, and the redesign of our back-office functions. Substantially all of these restructuring charges will be recorded in our corporate segment.

During 2014, we incurred costs of \$1.8 million due to a change in estimate of amounts recoverable from sublet income associated with abandoned office space with non-cancellable lease terms.

Loss on extinguishment of debt. During 2016, we priced cash tender offers to purchase \$575.4 million of outstanding notes and debentures with coupons ranging from 5.7% to 7.4% (the Existing Notes). Additionally, we issued \$500.0 million of 2.90% senior notes due 2026 (the 2.90% Notes) and used the net proceeds of the offering, together with borrowing under our credit facilities, to purchase the \$575.4 million of the combined aggregate principal amount of the Existing Notes. We also used the net proceeds to pay a premium due of \$148.1 million and early tender consideration of \$28.7 million. The tender of the Existing Notes and sale of the 2.90% Notes closed on July 5, 2016. In 2014, we refinanced our credit facilities and certain of our tax-exempt financings, resulting in non-cash charges for deferred issuance costs of \$1.4 million. For a more detailed discussion of

the components of these costs and the debt series to which they relate, see our “*Loss on Extinguishment of Debt*” discussion contained in the Results of Operations section of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Gain) loss on disposition of assets and impairments, net. During 2016, we recorded a charge to earnings of \$4.6 million primarily related to environmental costs associated with one of our divested landfills. During 2016, we also recorded a net gain on disposition of assets and impairments related to a business divestiture of \$4.7 million. During 2014, we recorded a charge to earnings of \$20.0 million primarily related to environmental costs associated with one of our divested landfills, of which \$14.1 million is related to closure and post-closure costs and \$5.9 million is related to remediation expenditures.

Bridgeton (insurance recovery) / remediation charge and other. During 2015, we collected an insurance recovery of \$50.0 million related to our closed Bridgeton Landfill in Missouri. As such, we recorded a reduction of remediation expenses included in our cost of operations. During 2014, we updated our cost and timeline estimates to build and operate a leachate management facility and related infrastructure, manage the remediation area and monitor the site. Accordingly, we recorded environmental remediation charges of \$210.6 million. Additionally, we recorded certain remediation charges for the adjacent superfund site and ongoing litigation costs.

Recent Developments

2017 Financial Guidance

In 2017, we will continue to focus on managing the controllable aspects of our business by enhancing the quality of our revenue, investing in profitable growth opportunities and reducing costs. Our team remains focused on executing our strategy to deliver consistent earnings and free cash flow growth, and improve return on invested capital. We are committed to an efficient capital structure, maintaining our investment grade credit ratings and increasing cash returns to our shareholders.

Our guidance is based on current economic conditions and does not assume any significant changes in the overall economy in 2017. Specific guidance follows:

Revenue

We expect 2017 revenue to increase by approximately 4.5 to 5.0% comprised of the following:

	Increase (Decrease)
Average yield	2.0%
Volume	1.0 to 1.25
Energy services	0.25
Fuel recovery fees	0.25
Recycled commodities	0.50 to 0.75
Acquisitions	0.50
Total change	4.5 to 5.0%

Changes in price are restricted on approximately 50% of our annual service revenue. Of these restricted pricing arrangements:

- approximately 60% of the revenue has price changes based on fluctuations in a specific index (primarily a consumer price index) as defined in the contract;
- approximately 25% of the revenue has fixed price increases based on stated contract terms; and
- approximately 15% of the revenue has price changes based on a cost plus a specific profit margin or other measurement.

The consumer price index varies from a single historical stated period of time or an average of trailing historical rates over a stated period of time. In addition, the initial effect of pricing resets typically lags 6 to 12 months from the end of the index measurement period to the date the revised pricing goes into effect. As a result, current changes in a specific index may not manifest themselves in our reported pricing for several quarters into the future.

Adjusted Diluted Earnings per Share

The following is a summary of anticipated adjusted diluted earnings per share for the year ending December 31, 2017 compared to the actual adjusted diluted earnings per share for the year ended December 31, 2016. Adjusted diluted earnings per share is not a measure determined in accordance with U.S. GAAP:

	(Anticipated) Year Ending December 31, 2017	(Actual) Year Ended December 31, 2016
Diluted earnings per share	\$ 2.29 - 2.33	\$ 1.78
Withdrawal costs - multiemployer pension funds	—	0.01
Restructuring charges	0.03	0.07
Loss on extinguishment of debt	—	0.36
(Gain) loss on disposition of assets and impairments, net	—	—
Adjusted diluted earnings per share	\$ 2.32 - 2.36	\$ 2.22

The 2017 anticipated adjusted diluted earnings per share assumes an effective tax rate of approximately 39.5%.

We believe that the presentation of adjusted diluted earnings per share, which excludes withdrawal costs - multiemployer pension funds, restructuring charges, loss on extinguishment of debt, and (gain) loss on business dispositions and impairments, net, provides an understanding of operational activities before the financial effect of certain items. We use this measure, and believe investors will find it helpful, in understanding the ongoing performance of our operations separate from items that have a disproportionate effect on our results for a particular period. We have incurred comparable charges and costs in prior periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. Our definition of adjusted diluted earnings per share may not be comparable to similarly titled measures presented by other companies.

Property and Equipment, Net

In 2017, we anticipate receiving approximately \$975 million of property and equipment, net of proceeds from sales of property and equipment, as follows:

Trucks and equipment	\$ 350
Landfill	330
Containers	160
Facilities and other	150
Property and equipment received during 2017	990
Proceeds from sales of property and equipment	(15)
Property and equipment received, net of proceeds, during 2017	\$ 975

Results of Operations*Revenue*

We generate revenue primarily from our solid waste collection operations. Our remaining revenue is from other services, including transfer station, landfill disposal, recycling, and energy services. Our residential and small-container commercial collection operations in some markets are based on long-term contracts with municipalities. Certain of our municipal contracts have annual price escalation clauses that are tied to changes in an underlying base index such as a consumer price index. We generally provide small-container commercial and large-container industrial collection services to customers under contracts with terms up to three years. Our transfer stations, landfills and, to a lesser extent, our recycling facilities generate revenue from disposal or tipping fees charged to third parties. In general, we integrate our recycling operations with our collection operations and obtain revenue from the sale of recycled commodities. Our revenue from energy services consists mainly of fees we charge for the treatment of liquid and solid waste derived from the production of oil and natural gas. Other revenue consists primarily of revenue from National Accounts, which represents the portion of revenue generated from nationwide or regional contracts in markets outside our operating areas where the associated waste handling services are subcontracted to local operators. Consequently, substantially all of this revenue is offset with related subcontract costs, which are recorded in cost of operations.

The following table reflects our revenue by service line for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars and as a percentage of revenue):

	2016		2015		2014	
Collection:						
Residential	\$ 2,239.7	23.9%	\$ 2,242.3	24.6%	\$ 2,193.6	24.9%
Small-container commercial	2,877.5	30.7	2,799.9	30.7	2,723.3	30.9
Large-container industrial	1,975.8	21.0	1,890.2	20.7	1,784.0	20.3
Other	38.2	0.4	39.8	0.4	37.2	0.4
Total collection	7,131.2	76.0	6,972.2	76.4	6,738.1	76.5
Transfer	1,157.6		1,112.7		1,062.6	
Less: intercompany	(694.1)		(682.3)		(654.4)	
Transfer, net	463.5	4.9	430.4	4.7	408.2	4.6
Landfill	2,083.6		2,036.4		1,975.8	
Less: intercompany	(962.4)		(951.9)		(928.1)	
Landfill, net	1,121.2	11.9	1,084.5	11.9	1,047.7	11.9
Energy services	76.4	0.8	95.8	1.1	38.7	0.5
Other:						
Sale of recycled commodities	420.4	4.5	372.0	4.1	405.8	4.6
Other non-core	175.0	1.9	160.1	1.8	164.8	1.9
Total other	595.4	6.4	532.1	5.9	570.6	6.5
Total revenue	\$ 9,387.7	100.0%	\$ 9,115.0	100.0%	\$ 8,803.3	100.0%

The following table reflects changes in components of our revenue, as a percentage of total revenue, for the years ended December 31, 2016, 2015 and 2014:

	2016	2015	2014
Average yield	2.1%	2.3%	1.4%
Fuel recovery fees	(0.8)	(1.4)	0.1
Total price	1.3	0.9	1.5
Volume	1.0	1.1	2.0
Recycled commodities	0.5	(0.7)	0.1
Energy Services	(0.4)	—	—
Total internal growth	2.4	1.3	3.6
Acquisitions / divestitures, net	0.6	2.2	0.8
Total	3.0%	3.5%	4.4%
Core price	3.3%	3.6%	3.1%

Average yield is defined as revenue growth from the change in average price per unit of service, expressed as a percentage. Core price is defined as price increases to our customers and fees, excluding fuel recovery, net of price decreases to retain customers. We also measure changes in average yield and core price as a percentage of related-business revenue, defined as total revenue excluding recycled commodities and fuel recovery fees, to determine the effectiveness of our pricing strategies. Average yield as a percentage of related-business revenue was 2.3%, 2.6%, and 1.5% for 2016, 2015 and 2014, respectively. Core price as a percentage of related-business revenue was 3.7%, 4.0%, and 3.4% for 2016, 2015 and 2014, respectively.

Revenue – 2016 compared to 2015

During 2016, we experienced the following changes in our revenue as compared to 2015:

- Average yield increased revenue by 2.1% due to positive pricing in all lines of business.

- The fuel recovery fee program, which mitigates our exposure to increases in fuel prices, decreased revenue by 0.8%. These fees fluctuate with the price of fuel and, consequently, any decrease in fuel prices results in a decrease in our revenue. Lower fuel recovery fees for 2016 resulted primarily from the decrease in fuel prices.
- Volume increased revenue by 1.0% primarily due to volume growth in our large-container industrial collection, landfill and transfer station lines of business, which were partially offset by volume declines in our residential collection line of business. The volume increase in our landfill line of business is primarily attributable to increased municipal solid waste and construction and demolition volumes offset by declines in our special waste volume.
- Recycled commodities increased revenue by 0.5% primarily due to increased commodity prices and processing fees. The average price for old corrugated containers for 2016 was \$114 per ton compared to \$103 per ton for 2015. The average price of old newsprint for 2016 was \$99 per ton compared to \$80 per ton for 2015. Our processed recycled commodity volume was approximately 2.5 million tons sold for both 2016 and 2015.

Changing market demand for recycled commodities causes volatility in commodity prices. At current volumes and mix of materials, we believe a \$10 per ton change in the price of recycled commodities will change annual revenue and operating income by approximately \$27 million and \$18 million, respectively.

- Acquisitions increased revenue by 0.6% due to our continued acquisition growth strategy of acquiring privately held solid waste and recycling companies that complement our existing business platform.

Revenue – 2015 compared to 2014

During 2015, we experienced the following changes in our revenue as compared to 2014:

- Average yield increased revenue by 2.3% due to positive pricing in all lines of business.
- The fuel recovery fee program, which mitigates our exposure to increases in fuel prices, decreased revenue by 1.4%. These fees fluctuate with the price of fuel and, consequently, any decrease in fuel prices results in a decrease in our revenue. Lower fuel recovery fees for 2015 resulted primarily from the decrease in fuel prices.
- Volume increased revenue by 1.1% due to volume growth in all lines of business. The volume increase in our landfill line of business is primarily attributable to increased municipal solid waste and construction and demolition volumes, partially offset by a decline in energy services volumes.
- Recycled commodities decreased revenue by 0.7% primarily due to lower commodity prices, partially offset by an increase in production volumes. The average price for old corrugated containers for 2015 was \$103 per ton compared to \$116 per ton for 2014. The average price of old newsprint for 2015 was \$80 per ton compared to \$89 per ton for 2014. Our processed recycled commodity volume for 2015 of 2.5 million tons sold was approximately 11% higher than the volume in 2014, primarily due to acquisitions of recycling facilities.
- Acquisitions increased revenue by 2.2% primarily due to the acquisitions of Rainbow Disposal Co., Inc. in October 2014, Tervita, LLC (Tervita) in February 2015, and our waste management contract with the County of Sonoma, California that was executed in April 2015.

Cost of Operations

Cost of operations includes labor and related benefits, which consists of salaries and wages, health and welfare benefits, incentive compensation and payroll taxes. It also includes transfer and disposal costs representing tipping fees paid to third party disposal facilities and transfer stations; maintenance and repairs relating to our vehicles, equipment and containers, including related labor and benefit costs; transportation and subcontractor costs, which include costs for independent haulers that transport our waste to disposal facilities and costs for local operators who provide waste handling services associated with our National Accounts in markets outside our standard operating areas; fuel, which includes the direct cost of fuel used by our vehicles, net of fuel tax credits; disposal franchise fees and taxes, consisting of landfill taxes, municipal franchise fees, host community fees and royalties; landfill operating costs, which includes financial assurance, leachate disposal, remediation charges and other landfill maintenance costs; risk management costs, which includes casualty insurance premiums and claims; cost of goods sold, which includes material costs paid to suppliers associated with recycled commodities; and other, which includes expenses such as facility operating costs, equipment rent and gains or losses on sale of assets used in our operations.

The following table summarizes the major components of our cost of operations for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars and as a percentage of revenue):

	2016		2015		2014	
Labor and related benefits	\$ 1,919.4	20.4%	\$ 1,848.9	20.3%	\$ 1,724.1	19.6%
Transfer and disposal costs	759.7	8.1	724.4	7.9	685.3	7.8
Maintenance and repairs	894.9	9.5	853.3	9.3	786.7	8.9
Transportation and subcontract costs	537.1	5.7	510.7	5.6	500.0	5.7
Fuel	317.0	3.4	362.4	4.0	500.0	5.7
Franchise fees and taxes	451.0	4.8	443.6	4.9	427.7	4.9
Landfill operating costs	175.2	1.9	151.5	1.7	145.1	1.6
Risk management	184.7	2.0	167.7	1.8	179.4	2.0
Cost of goods sold	183.2	2.0	168.0	1.8	170.9	1.9
Other	341.8	3.6	338.1	3.7	306.8	3.5
Subtotal	5,764.0	61.4	5,568.6	61.0	5,426.0	61.6
Bridgeton (insurance recovery) / remediation charge	—	—	(50.0)	(0.5)	217.1	2.5
Total cost of operations	\$ 5,764.0	61.4%	\$ 5,518.6	60.5%	\$ 5,643.1	64.1%

These cost categories may change from time to time and may not be comparable to similarly titled categories used by other companies. As such, you should take care when comparing our cost of operations by cost component to that of other companies.

Cost of Operations - 2016 compared to 2015

Our cost of operations increased for 2016 compared to 2015, primarily as a result of the following:

- Labor and related benefits increased due to increased hourly and salaried wages as a result of merit increases, increased headcount, higher collection volumes and acquisitions. Additionally, there was an increase in health care costs.
- Transfer and disposal costs increased primarily due to higher collection volumes. During both 2016 and 2015, approximately 68% of the total waste volume we collected was disposed at landfill sites that we own or operate (internalization).
- Maintenance and repairs expense increased due to higher collection volumes, cost of parts, internal labor, third party truck repairs, vehicle complexity and costs associated with our fleet maintenance initiative.
- Transportation and subcontract costs increased primarily due to higher collection and transfer station volumes, partially offset by lower fuel surcharges due to the decline in diesel fuel.
- Our fuel costs decreased due to lower prices of diesel fuel and our continued conversion to lower cost compressed natural gas (CNG). The national average fuel cost per gallon for 2016 was \$2.30 compared to \$2.71 for 2015, a decrease of \$0.41 or approximately 15%.

At current consumption levels, we believe a twenty-cent per gallon change in the price of diesel fuel would change our fuel costs by approximately \$25 million per year. Offsetting these changes in fuel expense would be changes in our fuel recovery fee charged to our customers. At current participation rates, we believe a twenty-cent per gallon change in the price of diesel fuel changes our fuel recovery fee by approximately \$25 million per year.

- Franchise fees and taxes increased primarily due to volume increases in our landfill line of business.
- Landfill operating expenses increased due to volume increases in our landfill line of business and increased leachate transportation and disposal costs. Additionally, during 2015 we recorded favorable remediation adjustments that did not recur for the same period in 2016.
- Risk management expenses increased primarily due to favorable actuarial developments in our workers' compensation program recorded during 2015 that were less favorable for 2016, coupled with continued unfavorable actuarial development in our vehicle liability insurance program.

- During 2016, cost of goods sold increased primarily due to higher rebates paid for volumes delivered to our recycling facilities as a result of the increase in commodity prices.
- During 2015, we collected an insurance recovery of \$50.0 million related to our closed Bridgeton Landfill in Missouri. As such, we recorded a reduction of remediation expenses which did not recur in 2016.

Cost of Operations – 2015 compared to 2014

Excluding the effect of the Bridgeton insurance recovery, our cost of operations increased for 2015 compared to 2014, primarily as a result of the following:

- Labor and related benefits increased due to increased hourly and salaried wages as a result of merit increases, increased headcount, higher collection volumes and acquisitions. Additionally, there was an increase in health care costs.
- Transfer and disposal costs increased primarily due to higher collection volumes. During both 2015 and 2014, approximately 68% of the total waste volume we collected was disposed at landfill sites that we own or operate (internalization).
- Maintenance and repairs expense increased due to higher collection volume, cost of parts, internal labor, third party truck repairs, vehicle complexity and costs associated with our fleet maintenance initiative.
- Our fuel costs decreased due to lower prices of diesel fuel, our continued conversion to lower cost compressed natural gas (CNG), and higher alternative fuel tax credits recognized in 2015. The national average fuel cost per gallon for 2015 was \$2.71 compared to \$3.83 for 2014, a decrease of \$1.12 or approximately 29%.
- Franchise fees and taxes increased primarily due to changes in the relative mix of landfill volumes.
- Risk management expenses decreased primarily due to favorable actuarial developments in our workers' compensation program, partially offset by unfavorable developments in our vehicle liability insurance program.
- Other expenses increased primarily due to higher facility operating costs, including outside facility maintenance repairs, a lower net gain on sale of operating assets, and property taxes.
- During 2015, we collected an insurance recovery of \$50.0 million related to our closed Bridgeton Landfill in Missouri. As such, we recorded a reduction of remediation expenses. During 2014, we updated our cost and timeline estimates to build and operate a leachate management facility and related infrastructure, manage the remediation area and monitor our Bridgeton Landfill. Accordingly, we recorded environmental remediation charges of \$210.6 million. Additionally, we recorded certain remediation charges for the adjacent superfund site and ongoing litigation costs.

Depreciation, Amortization and Depletion of Property and Equipment

The following table summarizes depreciation, amortization and depletion of property and equipment for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars and as a percentage of revenue):

	2016		2015		2014	
Depreciation and amortization of property and equipment	\$ 629.6	6.7%	\$ 613.4	6.8%	\$ 575.5	6.5%
Landfill depletion and amortization	290.2	3.1	285.3	3.1	263.0	3.0
Depreciation, amortization and depletion expense	<u>\$ 919.8</u>	<u>9.8%</u>	<u>\$ 898.7</u>	<u>9.9%</u>	<u>\$ 838.5</u>	<u>9.5%</u>

Depreciation, Amortization and Depletion of Property and Equipment - 2016 compared to 2015

Depreciation and amortization of property and equipment increased primarily due to higher acquisition costs of replacement vehicles, increased trucks to support volume growth, additional assets acquired with our acquisitions, and an increased number of CNG vehicles in our fleet, which are more expensive to purchase than diesel vehicles.

Landfill depletion and amortization expense increased primarily due to increased landfill disposal volumes and an overall increase in our average depletion and amortization rate. The increase in expense was partially offset by favorable amortization adjustments recorded during 2016 of \$6.5 million relative to asset retirement obligations, compared to favorable amortization adjustments of \$0.7 million during 2015.

Depreciation, Amortization and Depletion of Property and Equipment - 2015 compared to 2014

Depreciation and amortization of property and equipment increased primarily due to higher acquisition costs of replacement vehicles, increased trucks to support volume growth, additional assets acquired with our acquisitions, and an increased number of CNG vehicles in our fleet, which are more expensive to purchase than diesel vehicles. In addition, we made increased investments in new and upgraded recycling infrastructure projects that became operational over the past several quarters.

Landfill depletion and amortization expense increased primarily due to increased landfill disposal volumes and an overall increase in our average depletion and amortization rate. Additionally, during 2015, we recorded favorable amortization adjustments of \$0.7 million relative to asset retirement obligations, compared to favorable amortization adjustments of \$13.3 million during 2014.

Amortization of Other Intangible Assets and Other Assets

Expenses for amortization of other intangible assets and other assets were \$71.3 million, \$71.9 million and \$68.4 million for the years ended December 31, 2016, 2015 and 2014, respectively, or 0.8% of revenue for each of 2016, 2015 and 2014. Our other intangible assets and other assets primarily relate to customer relationships, franchise agreements, other municipal agreements, and, to a lesser extent, non-compete agreements and trade names. The changes in amortization expense are the result of assets acquired in the acquisitions of various waste businesses throughout the year, offset by certain intangible assets now being fully amortized.

Accretion Expense

Accretion expense was \$79.1 million, \$79.4 million and \$78.0 million, or 0.8% of revenue, for the year ended December 31, 2016, and 0.9% of revenue for the years ended December 31, 2015 and 2014. Accretion expense has remained relatively unchanged as our asset retirement obligations remained relatively consistent period over period.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include salaries, health and welfare benefits, and incentive compensation for corporate and field general management, field support functions, sales force, accounting and finance, legal, management information systems, and clerical and administrative departments. Other expenses include rent and office costs, fees for professional services provided by third parties, legal settlements, marketing, investor and community relations services, directors' and officers' insurance, general employee relocation, travel, entertainment and bank charges. Restructuring charges are excluded from selling, general and administrative expenses and are discussed separately below.

The following table summarizes our selling, general and administrative expenses for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars and as a percentage of revenue):

	2016		2015		2014	
Salaries	\$ 646.3	6.9%	\$ 636.6	7.0%	\$ 579.8	6.6%
Provision for doubtful accounts	20.4	0.2	22.7	0.2	22.6	0.3
Other	303.1	3.2	323.8	3.6	316.5	3.5
Total selling, general and administrative expenses	<u>\$ 969.8</u>	<u>10.3%</u>	<u>\$ 983.1</u>	<u>10.8%</u>	<u>\$ 918.9</u>	<u>10.4%</u>

These cost categories may change from time to time and may not be comparable to similarly titled categories used by other companies. As such, you should take care when comparing our selling, general and administrative expenses by cost component to those of other companies.

Selling, General and Administrative Expenses – 2016 compared to 2015

Salaries increased primarily due to higher wages, benefits, and other payroll related items resulting from merit increases and increased headcount.

Other selling, general and administrative expenses decreased primarily due to a reduction in acquisition-related transaction and integration costs associated with our acquisition of Tervita in February 2015 that did not recur in 2016 and favorable legal settlement results.

Selling, General and Administrative Expenses – 2015 compared to 2014

Salaries increased primarily due to higher wages, benefits, and other payroll related items resulting from merit increases and increased headcount, as well as higher management incentive compensation.

Other selling, general and administrative expenses increased primarily due to costs associated with strategic growth initiatives, as well as acquisition-related transaction and integration costs primarily associated with our acquisition of Tervita in February 2015. This increase was partially offset by favorable litigation results during 2015.

Withdrawal Costs - Multiemployer Pension Funds

During 2016, we recorded charges to earnings of \$5.6 million for withdrawal events at the multiemployer pension plan to which we contribute related to our operations in Puerto Rico. As we obtain updated information regarding the multiemployer pension plan, the factors used in deriving our estimated withdrawal liability will be subject to change, which may adversely impact our reserves for withdrawal costs.

During 2015, we recorded charges to earnings of \$4.1 million for withdrawal events at the multiemployer pension plan to which we contribute related to our operations in Puerto Rico, as well as \$0.4 million of legal charges. During 2014, we recorded charges to earnings of \$1.5 million, primarily related to costs associated with our 2013 withdrawal from the Fund.

For additional discussion and detail regarding our settlement with the Fund, see our *Central States, Southeast and Southwest Areas Pension Fund* discussion in Note 11, *Employee Benefit Plans*, to our consolidated financial statements in Item 8 of this Form 10-K.

(Gain) Loss on Disposition of Assets and Impairments, Net

During 2016, we recorded a charge to earnings of \$4.6 million primarily related to environmental costs associated with one of our divested landfills. During 2016, we also recorded a net gain on a business divestiture of \$4.7 million. There were no charges to earnings related to disposition of assets and impairments in 2015. During 2014, we recorded a charge to earnings of \$20.0 million, primarily related to environmental costs associated with one of our divested landfills, of which \$14.1 million is related to closure and post-closure costs and \$5.9 million is related to remediation expenditures.

We strive to have a number one or number two market position in each of the markets we serve, or have a clear path on how we will achieve a leading market position over time. In situations where we cannot establish a leading market position, or where operations are not generating acceptable returns, we may decide to divest certain assets and reallocate resources to other markets. Asset or business divestitures could result in gains, losses or asset impairment charges that may be material to our results of operations in a given period.

Restructuring Charges

In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. These changes included reducing administrative staffing levels, relocating office space and closing certain office locations. Additionally, in the second quarter, we began the redesign of our back-office functions as well as the consolidation of over 100 customer service locations into three Customer Resource Centers. The savings realized from these restructuring efforts will be reinvested in our customer-focused programs and initiatives. We expect our consolidation efforts to continue through 2017.

During 2016, we incurred \$40.7 million of restructuring charges that consisted of severance and other employee termination benefits, relocation benefits, and the closure of offices with lease agreements with non-cancelable terms. We paid \$32.5 million related to these restructuring efforts. We expect to incur additional charges of approximately \$15 million over the next year related to our field realignment, the consolidation of our customer service locations, and the redesign of our back-office functions. Substantially all of these restructuring charges will be recorded in our corporate segment.

During 2014, we incurred costs of \$1.8 million due to a change in estimate of amounts recoverable from sublet income associated with abandoned office space with non-cancellable lease terms.

Interest Expense

The following table provides the components of interest expense, including accretion of debt discounts and accretion of discounts primarily associated with environmental and risk insurance liabilities assumed in acquisitions (in millions of dollars):

	2016	2015	2014
Interest expense on debt and capital lease obligations	\$ 324.1	\$ 324.6	\$ 310.3
Accretion of debt discounts	7.6	7.4	6.6
Accretion of remediation liabilities and other	45.8	39.7	38.2
Less: capitalized interest	(6.2)	(6.8)	(6.4)
Total interest expense	\$ 371.3	\$ 364.9	\$ 348.7

As a result of the debt that was extinguished in 2016, total interest expense for 2016 increased primarily due to \$7.2 million of unamortized cash flow hedges reclassified to earnings as non-cash interest expense. Total interest expense increased during 2015 due to the issuance of \$500.0 million of 3.20% notes in March 2015, as well as borrowings under our Credit Facilities.

During the second half of 2013, we entered into various interest rate swap agreements relative to our 4.750% fixed rate senior notes due in May 2023. These swap agreements, which were designated as fair value hedges, have a total notional value of \$300.0 million and resulted in a \$6.3 million reduction in interest expense during 2016, compared to a \$7.5 million reduction in interest expense during 2015 and a \$7.7 million reduction in interest expense during 2014. Additionally, during 2014, there were lower variable rates on our tax-exempt financings, which also contributed to the increase in 2015 interest expense.

During 2016, 2015 and 2014, cash paid for interest was \$330.2 million, \$327.6 million and \$320.2 million, respectively.

Loss on Extinguishment of Debt

During 2016, we incurred a loss on the early extinguishment of debt. We paid a cash premium of \$148.1 million, early tender consideration of \$28.7 million and \$1.6 million of associated legal and other fees. We also incurred a non-cash charge related to the proportional share of unamortized discounts and deferred issuance costs of \$17.8 million. The unamortized proportional share of certain cash flow hedges reclassified to earnings as non-cash interest expense was \$7.2 million.

The following table summarizes the loss on extinguishment of debt and other related costs incurred during the year ended December 31, 2016:

	Loss on Extinguishment of Debt				
	Principal Repaid	Cash Paid in Loss on Extinguishment of Debt	Non-cash Loss on Extinguishment of Debt	Total Loss on Extinguishment of Debt	Non-cash Interest Expense
\$275.7 million 6.09% senior notes due March 2035	\$ 93.8	\$ 26.1	\$ 8.0	\$ 34.1	\$ (1.1)
\$165.2 million 7.40% debentures due September 2035	17.2	7.3	4.1	11.4	—
\$650.0 million 6.20% senior notes due March 2040	250.1	85.3	2.6	87.9	1.0
\$600.0 million 5.70% senior notes due May 2041	214.3	59.7	3.1	62.8	7.3
Total		\$ 178.4	\$ 17.8	\$ 196.2	\$ 7.2

During 2014, we refinanced our credit facilities and certain of our tax-exempt financings, resulting in non-cash charges for deferred issuance costs of \$1.4 million.

Income Taxes

Our provision for income taxes was \$352.7 million, \$445.5 million and \$337.4 million for 2016, 2015 and 2014, respectively. Our effective income tax rate was 36.5%, 37.3% and 38.1% for 2016, 2015 and 2014, respectively. We made income tax payments (net of refunds received) of approximately \$265 million, \$321 million and \$382 million for 2016, 2015 and 2014, respectively.

Our 2016 tax provision was reduced by approximately \$13 million due to the resolution of various state and federal tax matters as well as the realization of tax credits and lower state rates due to changes in estimates.

In addition, during 2016 we acquired a noncontrolling interest in a limited liability company that qualifies for a federal investment tax credit under Section 48 of the Internal Revenue Code. Our 2016 tax provision was reduced by approximately \$10 million mostly due to a federal tax credit related to this investment, which was recognized currently and not deferred. We account for this investment using the equity method of accounting and recognize our share of income or loss and other reductions in the value of our investment in "*Loss from unconsolidated equity method investment*" within our Consolidated Statements of Income. During 2016, we reduced the carrying value of this investment by \$6.1 million as a result of the tax credits allocated to us, cash distributions, and our share of income and loss pursuant to the terms of the limited liability company agreement.

Our 2015 tax provision was reduced by approximately \$17 million due to the resolution of outstanding tax matters in various states and Puerto Rico. Our 2014 tax provision was reduced by approximately \$5 million due to the realization of tax credits and lower state rates due to changes in estimates.

Income taxes paid in 2016 and 2015 reflect the favorable tax depreciation provisions of the Protecting Americans from Tax Hikes Act signed into law in December 2015. This legislation extends bonus depreciation for property placed in service through 2019. Bonus depreciation deductions for assets placed in service in 2015 to 2017 is 50% of the capitalized value and decreases to 40% in 2018 and 30% in 2019.

Income taxes paid in 2014 reflect the favorable tax depreciation provisions of the Tax Increase Protection Act of 2014, signed into law in December 2014. This legislation extended 50% bonus depreciation for property placed in service during 2014.

For additional discussion and detail regarding our income taxes, see Note 10, *Income Taxes*, to our consolidated financial statements in Item 8 of this Form 10-K.

Reportable Segments

In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. Following our restructuring, our senior management now evaluates, oversees and manages the financial performance of our operations through two field groups, referred to as Group 1 and Group 2. Group 1 primarily consists of geographic areas located in the western and portions of the mid-western United States, and Group 2 primarily consists of geographic areas located in Texas, the southeastern and portions of the mid-western United States, and the eastern seaboard of the United States.

The two field groups, Group 1 and Group 2, are presented below as our reportable segments, which provide integrated waste management services consisting of non-hazardous solid waste collection, transfer, recycling, disposal and energy services.

Summarized financial information concerning our reportable segments for the years ended December 31, 2016, 2015 and 2014 is shown in the following table (in millions of dollars and as a percentage of revenue in the case of operating margin):

	Net Revenue	Depreciation, Amortization, Depletion and Accretion Before Adjustments for Asset Retirement Obligations	Adjustments to Amortization Expense for Asset Retirement Obligations	Depreciation, Amortization, Depletion and Accretion	(Loss) Gain on Disposition of Assets and Impairments, Net	Operating Income (Loss)	Operating Margin
2016:							
Group 1	\$ 4,185.3	\$ 416.7	\$ (2.3)	\$ 414.4	\$ —	\$ 895.5	21.4%
Group 2	5,013.5	542.6	(3.9)	538.7	—	1,026.9	20.5
Corporate entities	188.9	117.4	(0.3)	117.1	0.1	(384.9)	
Total	<u>\$ 9,387.7</u>	<u>\$ 1,076.7</u>	<u>\$ (6.5)</u>	<u>\$ 1,070.2</u>	<u>\$ 0.1</u>	<u>\$ 1,537.5</u>	16.4%
2015:							
Group 1	\$ 4,025.9	\$ 397.5	\$ 1.4	\$ 398.9	\$ —	\$ 857.2	21.3%
Group 2	4,924.5	544.2	(1.6)	542.6	—	953.5	19.4
Corporate entities	164.6	109.0	(0.5)	108.5	—	(251.9)	
Total	<u>\$ 9,115.0</u>	<u>\$ 1,050.7</u>	<u>\$ (0.7)</u>	<u>\$ 1,050.0</u>	<u>\$ —</u>	<u>\$ 1,558.8</u>	17.1%
2014:							
Group 1	\$ 3,835.9	\$ 375.1	\$ (6.2)	\$ 368.9	\$ —	\$ 826.0	21.5%
Group 2	4,789.2	516.1	(8.8)	507.3	—	938.6	19.6
Corporate entities	178.2	107.0	1.7	108.7	(20.0)	(531.5)	
Total	<u>\$ 8,803.3</u>	<u>\$ 998.2</u>	<u>\$ (13.3)</u>	<u>\$ 984.9</u>	<u>\$ (20.0)</u>	<u>\$ 1,233.1</u>	14.0%

Corporate entities include legal, tax, treasury, information technology, risk management, human resources, closed landfills and other administrative functions. National Accounts revenue included in corporate entities represents the portion of revenue generated from nationwide and regional contracts in markets outside our operating areas where the associated waste handling services are subcontracted to local operators. Consequently, substantially all of this revenue is offset with related subcontract costs, which are recorded in cost of operations.

Significant changes in the revenue and operating margins of our reportable segments for 2016 compared to 2015, and 2015 compared to 2014, are discussed below.

2016 compared to 2015

Group 1

Revenue for 2016 increased 4.0% from 2015 primarily due to increases in average yield in all lines of business, and volume increases in all lines of business. Additionally, we recognized increased recycled commodity revenue due to the increase in commodity prices.

Operating income for Group 1 increased from \$857.2 million for 2015, or a 21.3% operating margin, to \$895.5 million for 2016, or a 21.4% operating margin. The following cost categories impacted our operating income:

- Cost of operations favorably impacted operating income margin during 2016, primarily due to lower fuel costs resulting from lower prices of diesel fuel and lower risk management expenses. These favorable items were partially offset by higher cost of goods sold, landfill operating costs, labor and related benefits costs, and repair and maintenance costs.
- Landfill depletion and amortization unfavorably impacted operating income margin during 2016, primarily due to an overall increase in the average depletion and amortization rate and increased landfill disposal volumes. The increase was partially offset by favorable amortization adjustments during 2016 compared to unfavorable amortization adjustments in 2015.
- Selling, general and administrative expenses had a favorable impact on operating income margin during 2016 primarily due to net favorable litigation adjustments and reduced acquisition-related transaction costs.

Group 2

Revenue for 2016 increased 1.8% from 2015 primarily due to increases in average yield in all lines of business and volume increases in our large-container industrial collection and disposal lines of business. Volume increases in our landfill line of business were primarily attributable to increased construction and demolition and municipal solid waste volumes. These increases were partially offset by declines in our energy services business, as well as volume declines primarily in our residential collection and small-container commercial collection lines of business and special waste volume declines in our landfill line of business.

Operating income in Group 2 increased from \$953.5 million, or a 19.4% operating margin, to \$1,026.9 million, or a 20.5% operating margin. The following cost categories impacted our operating income:

- Cost of operations favorably impacted operating income margin during 2016, primarily due to lower fuel costs resulting from lower prices of diesel fuel and lower risk management expenses. These favorable items were partially offset by higher cost of goods sold, repair and maintenance costs, and transfer and disposal costs.
- Landfill depletion and amortization favorably impacted operating income margin during 2016, primarily due to a decrease in the average depletion and amortization rate. Landfill depletion and amortization also was impacted by favorable amortization adjustments during 2016 compared to unfavorable amortization adjustments in 2015.
- Selling, general and administrative costs had a favorable impact on operating income margin during 2016 primarily due to lower labor and related benefit costs.

Corporate Entities

Operating loss in our Corporate Entities increased from \$251.9 million for 2015 to \$384.9 million for 2016 primarily due to an insurance recovery of \$50.0 million related to our Bridgeton Landfill that was recorded during 2015, restructuring charges of \$40.7 million related to our 2016 restructuring and \$5.6 million for withdrawal events at our multiemployer pension plan in Puerto Rico. During 2016, we also recognized increased risk management expenses primarily due to favorable actuarial developments in our workers' compensation program recorded during 2015 that were less favorable for the same period in 2016 as well as unfavorable claims experience in our employee-related health care benefits programs in 2016 as compared to 2015. Partially offsetting these unfavorable items were reduced acquisition-related transaction costs for 2016 compared to the costs associated with our acquisition of Tervita in February 2015. Additionally, during 2016, we recognized net favorable legal settlements from matters occurring in the ordinary course of business that were more favorable compared to net legal settlements in 2015.

2015 compared to 2014

Group 1

Revenue for 2015 increased 5.0% from 2014 primarily due to acquisitions, including a waste management contract with the County of Sonoma, California that was executed in April 2015. Excluding the effect of acquisitions, revenue increased due to increases in average yield in all lines of business and volume increases in all collection lines of business. Additionally, revenue increased due to volume increases in our landfill municipal solid waste and construction and demolition lines of business. Partially offsetting these revenue increases was lower recycled commodity revenue due to the decline in commodity prices.

Operating income in Group 1 increased from \$826.0 million for 2014, or a 21.5% operating margin, to \$857.2 million for 2015, or a 21.3% operating margin. The following cost categories impacted our operating income:

- Cost of operations favorably impacted operating income margin primarily due to lower fuel costs resulting from lower prices of diesel fuel, partially offset by higher labor and related benefits, repair and maintenance costs, and transfer and disposal costs.
- Depreciation and amortization of property and equipment unfavorably impacted operating income margin primarily due to higher asset acquisition costs. Landfill depletion and amortization also was impacted by an unfavorable amortization adjustment of \$1.4 million in 2015, compared to a favorable amortization adjustment of \$6.2 million that occurred during 2014 primarily due to an increase in deemed airspace at one of our active landfills.
- For 2015, the selling, general and administrative expenses margin impact was flat for Group 1.

Group 2

Revenue for 2015 increased 2.8% from 2014 primarily due to acquisitions. Excluding the effect of acquisitions, revenue increased due to increases in average yield in all collection lines of business, and volume increases in our large-container industrial and residential collection and transfer station lines of business. These increases were partially offset by declines in volume in our landfill line of business resulting from lower base energy services waste volumes. Additionally, we recognized lower recycled commodity revenue due to the decline in commodity prices.

Operating income in Group 2 increased from \$938.6 million for 2014, or a 19.6% operating margin, to \$953.5 million for 2015, or a 19.4% operating margin. Overall, our operating margins were unfavorably impacted due to the effect of commodity prices on our recycling business and higher integration, transition and operating costs in our acquired energy services business.

The following cost categories impacted our operating income:

- Cost of operations favorably impacted operating income margin primarily due to lower fuel costs resulting from lower prices of diesel fuel. These favorable items were partially offset by higher labor and related benefits and repair and maintenance costs.
- Depreciation and amortization of property and equipment unfavorably impacted operating income margin due to higher acquisition costs of replacement vehicles. Landfill depletion and amortization also unfavorably impacted operating income margin due to higher favorable amortization adjustments in 2014. During 2015, we recognized favorable amortization adjustments of \$1.6 million, compared to favorable amortization adjustments of \$8.8 million during 2014.
- Selling, general and administrative expenses unfavorably impacted operating income margin primarily due to higher wages and payroll related items resulting from merit increases and increased headcount, as well as higher management incentive compensation. This unfavorable impact was partially offset by favorable legal settlement from matters occurring in the ordinary course of business, compared to unfavorable legal settlement charges during 2014.

Corporate Entities

Operating loss in our Corporate Entities decreased from \$531.5 million for 2014 to \$251.9 million for 2015 primarily due to an insurance recovery of \$50.0 million related to our closed Bridgeton Landfill during 2015, compared to unfavorable remediation and litigation adjustments in 2014 of \$227.1 million.

Landfill and Environmental Matters

Our landfill costs include daily operating expenses, costs of capital for cell development, costs for final capping, closure and post-closure, and the legal and administrative costs of ongoing environmental compliance. Daily operating expenses include leachate treatment and disposal, methane gas and groundwater monitoring and system maintenance, interim cap maintenance, and costs associated with applying daily cover materials. We expense all indirect landfill development costs as they are incurred. We use life cycle accounting and the units-of-consumption method to recognize certain direct landfill costs related to landfill development. In life cycle accounting, certain direct costs are capitalized and charged to depletion expense based on the consumption of cubic yards of available airspace. These costs include all costs to acquire and construct a site, including excavation, natural and synthetic liners, construction of leachate collection systems, installation of methane gas collection and monitoring systems, installation of groundwater monitoring wells, and other costs associated with acquiring and developing the site. Obligations associated with final capping, closure and post-closure are capitalized and amortized on a units-of-consumption basis as airspace is consumed.

Cost and airspace estimates are developed at least annually by engineers. Our operating and accounting personnel use these estimates to adjust the rates we use to expense capitalized costs. Changes in these estimates primarily relate to changes in costs, available airspace, inflation and applicable regulations. Changes in available airspace include changes in engineering estimates, changes in design and changes due to the addition of airspace lying in expansion areas that we believe have a probable likelihood of being permitted.

Available Airspace

	Balance as of December 31, 2015	New Expansions Undertaken	Landfills Acquired, Net of Divestitures	Permits Granted, Net of Closures	Airspace Consumed	Changes in Engineering Estimates	Balance as of December 31, 2016
Cubic yards (in millions):							
Permitted airspace	4,676.5	—	—	107.2	(78.9)	2.8	4,707.6
Probable expansion airspace	290.1	63.9	—	(63.3)	—	(3.9)	286.8
Total cubic yards (in millions)	4,966.6	63.9	—	43.9	(78.9)	(1.1)	4,994.4
Number of sites:							
Permitted airspace	193	—	—	(1)	—	—	192
Probable expansion airspace	12	4	—	(3)	—	—	13

	Balance as of December 31, 2014	New Expansions Undertaken	Landfills Acquired, Net of Divestitures	Permits Granted, Net of Closures	Airspace Consumed	Changes in Engineering Estimates	Balance as of December 31, 2015
Cubic yards (in millions):							
Permitted airspace	4,584.1	—	7.2	61.6	(77.0)	100.6	4,676.5
Probable expansion airspace	261.7	56.4	—	(23.7)	—	(4.3)	290.1
Total cubic yards (in millions)	4,845.8	56.4	7.2	37.9	(77.0)	96.3	4,966.6
Number of sites:							
Permitted airspace	189	—	4	—	—	—	193
Probable expansion airspace	10	4	—	(2)	—	—	12

	Balance as of December 31, 2013	New Expansions Undertaken	Landfills Acquired, Net of Divestitures	Permits Granted, Net of Closures	Airspace Consumed	Changes in Engineering Estimates	Balance as of December 31, 2014
Cubic yards (in millions):							
Permitted airspace	4,650.6	—	—	79.8	(74.6)	(71.7)	4,584.1
Probable expansion airspace	222.9	66.5	—	(59.4)	—	31.7	261.7
Total cubic yards (in millions)	4,873.5	66.5	—	20.4	(74.6)	(40.0)	4,845.8
Number of sites:							
Permitted airspace	190	—	—	(1)	—	—	189
Probable expansion airspace	9	4	—	(3)	—	—	10

Changes in engineering estimates typically include modifications to the available disposal capacity of a landfill based on a refinement of the capacity calculations resulting from updated information.

As of December 31, 2016, we owned or operated 192 active solid waste landfills with total available disposal capacity estimated to be 4,994.4 million in-place cubic yards. Total available disposal capacity represents the sum of estimated permitted airspace plus an estimate of probable expansion airspace. Engineers develop these estimates at least annually using information provided by annual aerial surveys. As of December 31, 2016, total available disposal capacity is estimated to be 4,707.6 million in-place cubic yards of permitted airspace plus 286.8 million in-place cubic yards of probable expansion airspace. Before airspace included in an expansion area is determined to be probable expansion airspace and, therefore, included in our calculation of total available disposal capacity, it must meet all of our expansion criteria. See Note 2, *Summary of Significant Accounting Policies*, and Note 8, *Landfill and Environmental Costs*, to our consolidated financial statements in Item 8 of this Form 10-K for further information. Also see our "Critical Accounting Judgments and Estimates" section of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

As of December 31, 2016, thirteen of our landfills met all of our criteria for including their probable expansion airspace in their total available disposal capacity. At projected annual volumes, these thirteen landfills have an estimated remaining average site life of 44 years, including probable expansion airspace. The average estimated remaining life of all of our landfills is 64 years. We have other expansion opportunities that are not included in our total available airspace because they do not meet all of our criteria for treatment as probable expansion airspace.

The following table reflects the estimated operating lives of our active landfill sites based on available and probable disposal capacity using current annual volumes as of December 31, 2016:

	Number of Sites without Probable Expansion Airspace	Number of Sites with Probable Expansion Airspace	Total Sites	Percent of Total
0 to 5 years	18	—	18	9.4%
6 to 10 years	13	—	13	6.8
11 to 20 years	31	2	33	17.2
21 to 40 years	45	4	49	25.5
41+ years	72	7	79	41.1
Total	179	13	192	100.0%

Final Capping, Closure and Post-Closure Costs

As of December 31, 2016, accrued final capping, closure and post-closure costs were \$1,224.6 million, of which \$64.8 million were current and \$1,159.8 million were long-term as reflected in our consolidated balance sheets in accrued landfill and environmental costs included in Item 8 of this Form 10-K.

Remediation and Other Charges for Landfill Matters

It is reasonably possible that we will need to adjust our liabilities to reflect the effects of new or additional information, to the extent that such information impacts the costs, timing or duration of the required actions. Future changes in our estimates of the costs, timing or duration of the required actions could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

The following is a discussion of certain of our significant remediation matters:

Bridgeton Landfill. During the year ended December 31, 2016, we paid \$23.0 million related to management and monitoring of the remediation area for our closed Bridgeton Landfill in Missouri. We continue to work with state and federal regulatory agencies on our remediation efforts. From time to time, this may require us to modify our future operating timeline and procedures, which could result in changes to our expected liability. As of December 31, 2016, the remediation liability recorded for this site is \$197.2 million, of which \$26.4 million is expected to be paid during 2017. We believe the remaining reasonably possible high end of our range would be approximately \$156 million higher than the amount recorded as of December 31, 2016.

During 2015, we collected an insurance recovery of \$50.0 million related to our Bridgeton Landfill. As such, we recorded a reduction of remediation expenses included in our cost of operations during the year ended December 31, 2015.

Investment in Landfills

The following tables reflect changes in our investment in landfills for the years ended December 31, 2016, 2015 and 2014 and the future expected investment as of December 31, 2016 (in millions):

	Balance as of December 31, 2015	Capital Additions	Retirements	Acquisitions Net of Divestitures	Non-cash Additions for Asset Retirement Obligations	Additions Charged to Expense	Impairments, Transfers and Other Adjustments	Adjustments for Asset Retirement Obligations	Balance as of December 31, 2016
Non-depletable landfill land	\$ 165.6	\$ 1.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 166.8
Landfill development costs	6,078.1	12.7	—	—	41.0	—	255.1	(0.2)	6,386.7
Construction-in- progress - landfill	191.6	291.0	—	—	—	—	(261.4)	—	221.2
Accumulated depletion and amortization	(2,723.0)	—	—	—	—	(296.7)	—	3.2	(3,016.5)
Net investment in landfill land and development costs	<u>\$ 3,712.3</u>	<u>\$ 304.9</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41.0</u>	<u>\$ (296.7)</u>	<u>\$ (6.3)</u>	<u>\$ 3.0</u>	<u>\$ 3,758.2</u>

	Balance as of December 31, 2014	Capital Additions	Retirements	Acquisitions Net of Divestitures	Non-cash Additions for Asset Retirement Obligations	Additions Charged to Expense	Impairments, Transfers and Other Adjustments	Adjustments for Asset Retirement Obligations	Balance as of December 31, 2015
Non-depletable landfill land	\$ 162.2	\$ 1.9	\$ —	\$ —	\$ —	\$ —	\$ 1.5	\$ —	\$ 165.6
Landfill development costs	5,645.3	4.6	—	173.1	39.4	—	235.4	(19.7)	6,078.1
Construction-in- progress - landfill	140.8	287.6	—	—	—	—	(236.8)	—	191.6
Accumulated depletion and amortization	(2,437.4)	—	—	—	—	(286.7)	0.5	0.6	(2,723.0)
Net investment in landfill land and development costs	<u>\$ 3,510.9</u>	<u>\$ 294.1</u>	<u>\$ —</u>	<u>\$ 173.1</u>	<u>\$ 39.4</u>	<u>\$ (286.7)</u>	<u>\$ 0.6</u>	<u>\$ (19.1)</u>	<u>\$ 3,712.3</u>

	Balance as of December 31, 2013	Capital Additions	Retirements	Acquisitions Net of Divestitures	Non-cash Additions for Asset Retirement Obligations	Additions Charged to Expense	Impairments, Transfers and Other Adjustments	Adjustments for Asset Retirement Obligations	Balance as of December 31, 2014
Non-depletable landfill land	\$ 164.2	\$ —	\$ (2.0)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 162.2
Landfill development costs	5,392.7	4.9	(0.3)	26.6	38.6	—	195.0	(12.2)	5,645.3
Construction-in- progress - landfill	72.5	261.5	—	—	—	—	(193.2)	—	140.8
Accumulated depletion and amortization	(2,160.2)	—	0.1	—	—	(276.5)	—	(0.8)	(2,437.4)
Net investment in landfill land and development costs	<u>\$ 3,469.2</u>	<u>\$ 266.4</u>	<u>\$ (2.2)</u>	<u>\$ 26.6</u>	<u>\$ 38.6</u>	<u>\$ (276.5)</u>	<u>\$ 1.8</u>	<u>\$ (13.0)</u>	<u>\$ 3,510.9</u>

	Balance as of December 31, 2016	Expected Future Investment	Total Expected Investment
Non-depletable landfill land	\$ 166.8	\$ —	\$ 166.8
Landfill development costs	6,386.7	8,593.5	14,980.2
Construction-in-progress - landfill	221.2	—	221.2
Accumulated depletion and amortization	(3,016.5)	—	(3,016.5)
Net investment in landfill land and development costs	<u>\$ 3,758.2</u>	<u>\$ 8,593.5</u>	<u>\$ 12,351.7</u>

The following table reflects our net investment in our landfills, excluding non-depletable land, and our depletion, amortization and accretion expense for the years ended December 31, 2016, 2015 and 2014:

	2016	2015	2014
Number of landfills owned or operated	192	193	189
Net investment, excluding non-depletable land (in millions)	\$ 3,591.4	\$ 3,546.7	\$ 3,348.7
Total estimated available disposal capacity (in millions of cubic yards)	4,994.4	4,966.6	4,845.8
Net investment per cubic yard	\$ 0.72	\$ 0.71	\$ 0.69
Landfill depletion and amortization expense (in millions)	\$ 290.2	\$ 285.3	\$ 263.0
Accretion expense (in millions)	79.1	79.4	78.0
	369.3	364.7	341.0
Airspace consumed (in millions of cubic yards)	78.9	77.0	74.6
Depletion, amortization and accretion expense per cubic yard of airspace consumed	<u>\$ 4.68</u>	<u>\$ 4.74</u>	<u>\$ 4.57</u>

During 2016 and 2015, our average compaction rate was approximately 2,000 pounds per cubic yard based on a three-year historical moving average.

As of December 31, 2016, we expect to spend an estimated additional \$8.6 billion on existing landfills, primarily related to cell construction and environmental structures, over their remaining lives. Our total expected investment, excluding non-depletable land, estimated to be \$12.2 billion, or \$2.44 per cubic yard, is used in determining our depletion and amortization expense based on airspace consumed using the units-of-consumption method.

Property and Equipment

The following tables reflect the activity in our property and equipment accounts for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars):

Gross Property and Equipment								
	Balance as of December 31, 2015	Capital Additions	Retirements	Acquisitions, Net of Divestitures	Non-Cash Additions for Asset Retirement Obligations	Adjustments for Asset Retirement Obligations	Impairments, Transfers and Other Adjustments	Balance as of December 31, 2016
Land	\$ 425.4	\$ 0.3	\$ (0.7)	\$ 1.0	\$ —	\$ —	\$ 4.2	\$ 430.2
Non-depletable landfill land	165.6	1.2	—	—	—	—	—	166.8
Landfill development costs	6,078.1	12.7	—	—	41.0	(0.2)	255.1	6,386.7
Vehicles and equipment	6,211.8	494.7	(204.2)	10.0	—	—	39.5	6,551.8
Buildings and improvements	1,098.6	12.4	(3.5)	5.7	—	—	46.9	1,160.1
Construction-in-progress - landfill	191.6	291.0	—	—	—	—	(261.4)	221.2
Construction-in-progress - other	25.5	105.2	—	(0.8)	—	—	(94.2)	35.7
Total	<u>\$ 14,196.6</u>	<u>\$ 917.5</u>	<u>\$ (208.4)</u>	<u>\$ 15.9</u>	<u>\$ 41.0</u>	<u>\$ (0.2)</u>	<u>\$ (9.9)</u>	<u>\$ 14,952.5</u>

Accumulated Depreciation, Amortization and Depletion

	Balance as of December 31, 2015	Additions Charged to Expense	Retirements	Acquisitions, Net of Divestitures	Adjustments for Asset Retirement Obligations	Impairments, Transfers and Other Adjustments	Balance as of December 31, 2016
Landfill development costs	\$ (2,723.0)	\$ (296.7)	\$ —	\$ —	\$ 3.2	\$ —	\$ (3,016.5)
Vehicles and equipment	(3,555.0)	(577.5)	200.3	0.9	—	(0.1)	(3,931.4)
Buildings and improvements	(365.8)	(53.8)	3.2	—	—	0.4	(416.0)
Total	\$ (6,643.8)	\$ (928.0)	\$ 203.5	\$ 0.9	\$ 3.2	\$ 0.3	\$ (7,363.9)

Gross Property and Equipment

	Balance as of December 31, 2014	Capital Additions	Retirements	Acquisitions, Net of Divestitures	Non-Cash Additions for Asset Retirement Obligations	Adjustments for Asset Retirement Obligations	Impairments, Transfers and Other Adjustments	Balance as of December 31, 2015
Land	\$ 401.3	\$ 0.3	\$ (0.6)	\$ 23.6	\$ —	\$ —	\$ 0.8	\$ 425.4
Non-depletable landfill land	162.2	1.9	—	—	—	—	1.5	165.6
Landfill development costs	5,645.3	4.6	—	173.1	39.4	(19.7)	235.4	6,078.1
Vehicles and equipment	5,834.1	547.4	(301.1)	78.5	—	—	52.9	6,211.8
Buildings and improvements	1,002.3	47.3	(3.9)	54.9	—	—	(2.0)	1,098.6
Construction-in-progress - landfill	140.8	287.6	—	—	—	—	(236.8)	191.6
Construction-in-progress - other	10.1	66.7	—	1.4	—	—	(52.7)	25.5
Total	\$ 13,196.1	\$ 955.8	\$ (305.6)	\$ 331.5	\$ 39.4	\$ (19.7)	\$ (0.9)	\$ 14,196.6

Accumulated Depreciation, Amortization and Depletion

	Balance as of December 31, 2014	Additions Charged to Expense	Retirements	Acquisitions, Net of Divestitures	Adjustments for Asset Retirement Obligations	Impairments, Transfers and Other Adjustments	Balance as of December 31, 2015
Landfill development costs	\$ (2,437.4)	\$ (286.7)	\$ —	\$ —	\$ 0.6	\$ 0.5	\$ (2,723.0)
Vehicles and equipment	(3,273.3)	(566.6)	284.5	—	—	0.4	(3,555.0)
Buildings and improvements	(320.1)	(48.8)	3.0	—	—	0.1	(365.8)
Total	\$ (6,030.8)	\$ (902.1)	\$ 287.5	\$ —	\$ 0.6	\$ 1.0	\$ (6,643.8)

Gross Property and Equipment

	Balance as of December 31, 2013	Capital Additions	Retirements	Acquisitions, Net of Divestitures	Non-Cash Additions for Asset Retirement Obligations	Adjustments for Asset Retirement Obligations	Impairments, Transfers and Other Adjustments	Balance as of December 31, 2014
Land	\$ 377.6	\$ 0.7	\$ (2.8)	\$ 25.7	\$ —	\$ —	\$ 0.1	\$ 401.3
Non-depletable landfill land	164.2	—	(2.0)	—	—	—	—	162.2
Landfill development costs	5,392.7	4.9	(0.3)	26.6	38.6	(12.2)	195.0	5,645.3
Vehicles and equipment	5,403.7	530.4	(155.3)	39.1	—	—	16.2	5,834.1
Buildings and improvements	935.6	28.9	(3.3)	11.3	—	—	29.8	1,002.3
Construction-in-progress - landfill	72.5	261.5	—	—	—	—	(193.2)	140.8
Construction-in-progress - other	13.3	48.7	—	—	—	—	(51.9)	10.1
Total	\$ 12,359.6	\$ 875.1	\$ (163.7)	\$ 102.7	\$ 38.6	\$ (12.2)	\$ (4.0)	\$ 13,196.1

Accumulated Depreciation, Amortization and Depletion

	Balance as of December 31, 2013	Additions Charged to Expense	Retirements	Acquisitions, Net of Divestitures	Adjustments for Asset Retirement Obligations	Impairments, Transfers and Other Adjustments	Balance as of December 31, 2014
Landfill development costs	\$ (2,160.2)	\$ (276.5)	\$ 0.1	\$ —	\$ (0.8)	\$ —	\$ (2,437.4)
Vehicles and equipment	(2,883.8)	(535.0)	145.4	—	—	0.1	(3,273.3)
Buildings and improvements	(278.8)	(42.6)	1.1	—	—	0.2	(320.1)
Total	<u>\$ (5,322.8)</u>	<u>\$ (854.1)</u>	<u>\$ 146.6</u>	<u>\$ —</u>	<u>\$ (0.8)</u>	<u>\$ 0.3</u>	<u>\$ (6,030.8)</u>

Liquidity and Capital Resources

The major components of changes in cash flows for 2016, 2015 and 2014 are discussed in the following paragraphs. The following table summarizes our cash flow from operating activities, investing activities and financing activities for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars):

	2016	2015	2014
Net cash provided by operating activities	\$ 1,847.8	\$ 1,679.7	\$ 1,529.8
Net cash used in investing activities	(961.2)	(1,482.8)	(959.8)
Net cash used in financing activities	(851.2)	(239.7)	(708.1)

Cash Flows Provided by Operating Activities

The most significant items affecting the comparison of our operating cash flows for 2016 and 2015 are summarized below:

Changes in assets and liabilities, net of effects from business acquisitions and divestitures, decreased our cash flow from operations by \$205.2 million in 2016, compared to a decrease of \$316.7 million in 2015, primarily as a result of the following:

- Our accounts receivable, exclusive of the change in allowance for doubtful accounts and customer credits, increased \$52.3 million during 2016 due to the timing of billings net of collections, compared to a \$15.7 million increase in 2015. As of December 31, 2016 and 2015, our days sales outstanding were 38.1 and 38.3 days, or 26.1 and 25.8 days net of deferred revenue, respectively.
- Our accounts payable decreased \$9.8 million during 2016 compared to an increase of \$35.6 million during 2015, due to the timing of payments.
- Cash paid for capping, closure and post-closure obligations was \$11.0 million lower during 2016 compared to 2015. The decrease in cash paid for capping, closure, and post-closure obligations is primarily due to payments in 2015 related to a required capping event at one of our closed landfills.
- Cash paid for remediation obligations was \$13.2 million lower during 2016 compared to 2015 primarily due to the timing of obligations.

In addition, cash paid for income taxes was approximately \$265 million and \$321 million for 2016 and 2015, respectively. Income taxes paid in 2016 and 2015 reflect the favorable tax depreciation provisions of the Protecting Americans from Tax Hikes Act signed into law in December 2015 as well as the realization of certain tax credits. Cash paid for interest was \$330.2 million and \$327.6 million for 2016 and 2015, respectively.

The most significant items affecting the comparison of our operating cash flows for 2015 and 2014 are summarized below:

Changes in assets and liabilities, net of effects of business acquisitions and divestitures, decreased our cash flow from operations by \$316.7 million in 2015, compared to a decrease of \$295.6 million in 2014, primarily as a result of the following:

- Our accounts receivable, exclusive of the change in allowance for doubtful accounts and customer credits, increased \$15.7 million during 2015 due to the timing of billings, net of collections, compared to a \$54.3 million increase in 2014. As of December 31, 2015 and 2014, our days sales outstanding were 38 days, or 26 and 25 days net of deferred revenue, respectively.
- Our accounts payable increased \$35.6 million and \$3.3 million during 2015 and 2014, respectively, due to the timing of payments as of December 31, 2015.
- Cash paid for capping, closure and post-closure obligations was \$33.8 million higher during 2015 compared to 2014 primarily due to a required capping event at one of our landfills that closed during 2015.

- Cash paid for remediation obligations was \$19.4 million lower during 2015 compared to 2014 primarily due to remediation activity at our closed Bridgeton Landfill.
- In December 2015 we settled outstanding liabilities with respect to the withdrawal events and paid \$153.5 million to the Fund.

In addition, cash paid for income taxes was approximately \$321 million and \$382 million for 2015 and 2014, respectively. Income taxes paid in 2015 reflect the favorable tax depreciation provisions of the Protecting Americans from Tax Hikes Act signed into law in December 2015. Cash paid for interest was \$327.6 million and \$320.2 million for 2015 and 2014, respectively.

We use cash flows from operations to fund capital expenditures, acquisitions, dividend payments, share repurchases and debt repayments.

Cash Flows Used in Investing Activities

The most significant items affecting the comparison of our cash flows used in investing activities for 2016, 2015 and 2014 are summarized below:

- Capital expenditures during 2016 were \$927.8 million, compared with \$945.6 million for 2015 and \$862.5 million for 2014. Property and equipment received during 2016, 2015 and 2014 was \$915.6 million, \$953.0 million and \$872.9 million, respectively.
- Proceeds from sales of property and equipment during 2016 were \$9.8 million, compared to \$21.2 million for 2015 and \$35.7 million for 2014.
- During 2016, 2015 and 2014, we paid \$62.4 million, \$572.7 million and \$195.7 million, respectively, for business acquisitions. During 2016, we received \$15.0 million related to business divestitures. There were no divestitures in 2015 or 2014.
- Our restricted cash and marketable securities balance decreased \$5.2 million, \$15.3 million and \$70.8 million for 2016, 2015 and 2014, respectively. The decrease of \$5.2 million during 2016 is due to a release of a holdback related to one of our acquisitions, whereas the decrease of \$15.3 million during 2015 was due to a release of funds restricted for certain construction related activities. The decrease of \$70.8 million during 2014 was due to a release of restricted investments related to a change in certain of our closure and post-closure collateral obligation requirements and a release of restricted investments in restricted cash related to our insurance programs. We received \$50.0 million in connection with issuances of tax-exempt bonds during 2014. Funds received from issuances of tax-exempt bonds are deposited directly into trust accounts by the bonding authority at the time of issuance. Reimbursements from the trust for qualifying expenditures or for repayments of the related tax-exempt bonds are presented as investing activities in our consolidated statements of cash flows. Such reimbursements amounted to \$2.1 million, \$18.7 million and \$51.1 million during 2016, 2015 and 2014, respectively.

We intend to finance capital expenditures and acquisitions through cash on hand, restricted cash held for capital expenditures, cash flows from operations, our revolving credit facilities, and tax-exempt bonds and other financings. We expect to primarily use cash for consideration paid for future business acquisitions.

Cash Flows Used in Financing Activities

The most significant items affecting the comparison of our cash flows used in financing activities for 2016, 2015 and 2014 are summarized below:

- During 2016, we issued \$500.0 million of notes for net cash proceeds of \$498.9 million. Net payments of notes payable and long-term debt were \$395.7 million during 2016, compared to net proceeds of \$2.7 million and net payments of \$15.1 million during 2015 and 2014, respectively. For a more detailed discussion, see the "Financial Condition" section of this Management's Discussion and Analysis of Financial Condition and Results of Operations.
- In October 2015, our board of directors added \$900.0 million to the existing share repurchase authorization. As of December 31, 2016, there were \$451.7 million remaining under our share repurchase authorization. During 2016, we repurchased 8.4 million shares of our stock for \$403.8 million. During 2015, we repurchased 9.8 million shares of our stock for \$404.7 million.
- In July 2016, our board of directors approved an increase in our quarterly dividend to \$0.32 per share. Dividends paid were \$418.9 million, \$399.3 million and \$378.6 million for 2016, 2015 and 2014, respectively.

Financial Condition

Cash and Cash Equivalents

As of December 31, 2016, we had \$67.8 million of cash and cash equivalents and \$90.5 million of restricted cash deposits and restricted marketable securities, including \$27.9 million of restricted cash and marketable securities pledged to regulatory agencies and governmental entities as financial guarantees of our performance related to our final capping, closure and post-closure obligations at our landfills, and \$62.6 million of restricted cash and marketable securities related to our insurance obligations.

We intend to use excess cash on hand and cash from operating activities to fund capital expenditures, acquisitions, dividend payments, share repurchases and debt repayments. Debt repayments may include purchases of our outstanding indebtedness in the secondary market or otherwise. We believe that our excess cash, cash from operating activities and our availability to draw from our credit facilities provide us with sufficient financial resources to meet our anticipated capital requirements and maturing obligations as they come due.

We may choose to voluntarily retire certain portions of our outstanding debt before their maturity dates using cash from operations or additional borrowings. We may also explore opportunities in the capital markets to fund redemptions should market conditions be favorable. Early extinguishment of debt will result in an impairment charge in the period in which the debt is repaid. The loss on early extinguishment of debt relates to premiums paid to effectuate the repurchase and the relative portion of unamortized note discounts and debt issue costs.

Credit Facilities

In May 2016, we entered into a \$1.0 billion unsecured revolving credit facility (the Replacement Credit Facility), which replaced our \$1.0 billion credit facility maturing in May 2017. The Replacement Credit Facility matures in May 2021 and includes a feature that allows us to increase availability, at our option, by an aggregate amount up to \$500.0 million through increased commitments from existing lenders or the addition of new lenders. At our option, borrowings under the Replacement Credit Facility bear interest at a Base Rate, or a Eurodollar Rate, plus an applicable margin based on our Debt Ratings (all as defined in the agreements).

Contemporaneous with the execution of the Replacement Credit Facility, we entered into Amendment No. 1 to our existing \$1.25 billion unsecured credit facility (the Existing Credit Facility and, together with the Replacement Credit Facility, the Credit Facilities), to conform certain terms of the Existing Credit Facility with those of the Replacement Credit Facility. Amendment No. 1 does not extend the maturity date of the Existing Credit Facility, which matures in June 2019. The Existing Credit Facility also maintains the feature that allows us to increase availability, at our option, by an aggregate amount of up to \$500.0 million through increased commitments from existing lenders or the addition of new lenders.

The credit agreements require us to comply with financial and other covenants. To the extent we are not in compliance with these covenants, we cannot pay dividends and repurchase common stock. Compliance with covenants also is a condition for any incremental borrowings under our Credit Facilities, and failure to meet these covenants would enable the lenders to require repayment of any outstanding loans (which would adversely affect our liquidity). As of December 31, 2016, our EBITDA to interest ratio was 7.05 compared to the 3.00 minimum required by the covenants, and our total debt to EBITDA ratio was 2.96 compared to the 3.50 maximum allowed by the covenants. As of December 31, 2016, we were in compliance with the covenants under our Credit Facilities, and we expect to be in compliance throughout 2017.

EBITDA, which is a non-U.S. GAAP measure, is calculated as defined in our Credit Facility agreements. In this context, EBITDA is used solely to provide information regarding the extent to which we are in compliance with debt covenants and is not comparable to EBITDA used by other companies or used by us for other purposes.

Failure to comply with the financial and other covenants under our Credit Facilities, as well as the occurrence of certain material adverse events, would constitute defaults and would allow the lenders under our Credit Facilities to accelerate the maturity of all indebtedness under the related agreements. This could also have an adverse effect on the availability of financial assurances. In addition, maturity acceleration on our Credit Facilities constitutes an event of default under our other debt instruments, including our senior notes, and, therefore, our senior notes would also be subject to acceleration of maturity. If such acceleration were to occur, we would not have sufficient liquidity available to repay the indebtedness. We would likely have to seek an amendment under our Credit Facilities for relief from the financial covenants or repay the debt with proceeds from the issuance of new debt or equity, or asset sales, if necessary. We may be unable to amend our Credit Facilities or raise sufficient capital to repay such obligations in the event the maturities are accelerated.

Availability under our Credit Facilities totaled \$1,543.1 million and \$1,727.7 million as of December 31, 2016 and 2015, respectively, and can be used for working capital, capital expenditures, acquisitions, letters of credit and other general corporate purposes. As of December 31, 2016 and 2015, we had \$210.0 million and no borrowings under our Credit Facilities,

respectively. We had \$478.4 million and \$503.3 million of letters of credit outstanding under our Credit Facilities as of December 31, 2016 and 2015, respectively.

During 2016, we amended our existing unsecured credit facility agreement (the Uncommitted Credit Facility), to increase the size to \$135.0 million with all other terms remaining unchanged. Our Uncommitted Credit Facility bears interest at LIBOR, plus an applicable margin and is subject to facility fees defined in the agreement, regardless of usage. We can use borrowings under the Uncommitted Credit Facility for working capital and other general corporate purposes. The agreements governing our Uncommitted Credit Facility require us to comply with covenants. The Uncommitted Credit Facility may be terminated by either party at any time. As of December 31, 2016, we had no borrowings and as of December 31, 2015, we had \$19.0 million of borrowings under our Uncommitted Credit Facility.

Senior Notes and Debentures

During 2016, we priced cash tender offers to purchase up to \$575.4 million combined aggregate principal amount of the 6.20% Notes due March 2040, 5.70% Notes due May 2041, 7.40% Debentures due September 2035 and 6.09% Notes due March 2035 (collectively the Existing Notes), subject to priority levels and the other terms and conditions set forth in the Offer to Purchase. During 2016, we priced an offering of \$500.0 million of 2.90% senior notes due 2026 (the 2.90% Notes). The sale of the 2.90% Notes and the tender offers closed on July 5, 2016. We used the net proceeds of the offering, together with borrowing under our credit facilities, to purchase \$575.4 million of the combined aggregate principal amount of the Existing Notes tendered as well as premium due of \$148.1 million and early tender consideration of \$28.7 million.

During 2015, we issued \$500.0 million of 3.20% notes due 2025 (the 3.20% Notes). We used the net proceeds from the 3.20% Notes to refinance debt incurred in connection with our acquisition of all of the equity interests of Tervita during 2015.

As of December 31, 2016 and 2015, we had \$6,267.7 million and \$6,330.3 million, respectively, of unsecured senior notes and debentures outstanding with maturities ranging from 2018 to 2041. Our senior notes are general senior unsecured obligations.

Interest Rate Swap and Lock Agreements

During the second half of 2013, we entered into various interest rate swap agreements relative to our 4.750% fixed rate senior notes due in May 2023. The goal was to reduce overall borrowing costs and rebalance our debt portfolio's ratio of fixed to floating interest rates. As of December 31, 2016, these swap agreements have a total notional value of \$300.0 million and require us to pay interest at floating rates based on changes in LIBOR, and receive interest at a fixed rate of 4.750%. For 2016, 2015 and 2014, we recognized \$6.3 million, \$7.5 million and \$7.7 million, respectively, as offsetting benefits to our interest expense from these swap agreements, which mature in May 2023.

During 2016, we entered into a number of interest rate lock agreements having an aggregate notional amount of \$525.0 million with fixed interest rates ranging from 1.900% to 2.280% to manage exposure to fluctuations in interest rates in anticipation of a planned future issuance of senior notes. Upon the expected issuance of senior notes, we will terminate the interest rate locks and settle with our counterparties. The aggregate fair value of the outstanding interest rate locks as of December 31, 2016 was \$20.2 million and was recorded in other long-term assets in our consolidated balance sheet. As of December 31, 2016, the effective portion of the interest rate locks recorded as a component of accumulated other comprehensive income (loss), net of tax, was \$12.2 million.

During 2015, we entered into a number of interest rate lock agreements having an aggregate notional amount of \$200.0 million with fixed interest rates ranging from 2.155% to 2.270% to manage exposure to fluctuations in interest rates in anticipation of the planned issuance of the 3.20% Notes. Upon issuance of the 3.20% Notes, we terminated the interest rate locks and received \$1.2 million from the counterparties.

Tax-Exempt Financings

As of December 31, 2016 and 2015, we had \$1,072.7 million and \$1,072.1 million, respectively, of fixed and variable rate tax-exempt financings outstanding with maturities ranging from 2019 to 2044. Approximately 90% of our tax-exempt financings are remarketed quarterly by remarketing agents to effectively maintain a variable yield. The holders of the bonds can put them back to the remarketing agents at the end of each interest period. To date, the remarketing agents have been able to remarket our variable rate unsecured tax-exempt bonds. These bonds have been classified as long-term because of our ability and intent to refinance them using availability under our Credit Facilities, if necessary.

Intended Uses of Cash

We intend to use excess cash on hand and cash from operating activities to fund capital expenditures, acquisitions, dividend payments, share repurchases and debt repayments. Debt repayments may include purchases of our outstanding indebtedness in the secondary market or otherwise. We believe our excess cash, cash from operating activities and our availability to draw from

our Credit Facilities provide us with sufficient financial resources to meet our anticipated capital requirements and maturing obligations as they come due.

We may choose to voluntarily retire certain portions of our outstanding debt before their maturity dates using cash from operations or additional borrowings. We also may explore opportunities in capital markets to fund redemptions should market conditions be favorable. Early extinguishment of debt will result in an impairment charge in the period in which the debt is repaid.

Fuel Hedges

We use derivative instruments designated as cash flow hedges to manage our exposure to changes in diesel fuel prices. We have entered into multiple agreements related to forecasted diesel fuel purchases. The agreements qualified for, and were designated as, effective hedges of changes in the prices of forecasted diesel fuel purchases (fuel hedges). For a summary of our outstanding fuel hedges as of December 31, 2016, see Note 16, *Financial Instruments*, to our consolidated financial statements in Item 8 of this Form 10-K.

The aggregate fair values of our outstanding fuel hedges as of December 31, 2016 and 2015 were current liabilities of \$2.7 million and \$37.8 million, respectively, and have been recorded in other accrued liabilities in our consolidated balance sheets.

The effective portions of the changes in fair values as of December 31, 2016 and 2015, net of tax, of \$1.6 million and \$22.3 million, respectively, have been recorded in stockholders' equity as components of accumulated other comprehensive loss.

During 2016 and 2015, approximately 20% of our fuel volume purchases were hedged with swap agreements.

Recycling Commodity Hedges

Revenue from the sale of recycled commodities is primarily from sales of old corrugated containers and old newsprint. From time to time we use derivative instruments such as swaps and costless collars designated as cash flow hedges to manage our exposure to changes in prices of these commodities. During 2016, we entered into multiple agreements related to the forecasted OCC sales. The agreements qualified for, and were designated as, effective hedges of changes in the prices of certain forecasted recycling commodity sales (commodity hedges). For further discussion, see Note 16, *Financial Instruments*, to our consolidated financial statements in Item 8 of this Form 10-K.

The aggregate fair value of our outstanding recycling commodity hedges as of December 31, 2016 was a current liability of \$0.8 million, and has been recorded in other accrued liabilities in our consolidated balance sheets.

The effective portion of the changes in fair value as of December 31, 2016, net of tax, of \$(0.5) million, has been recorded in stockholders' equity as components of accumulated other comprehensive loss.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2016 (in millions):

Year Ending December 31,	Operating Leases	Maturities of Notes Payable, Capital Leases and Other Long- Term Debt	Scheduled Interest Payment Obligations	Final Capping, Closure and Post-Closure	Remediation	Unconditional Purchase Commitments	Total
2017	\$ 34.7	\$ 5.1	\$ 315.3	\$ 64.8	\$ 77.9	\$ 224.0	\$ 721.8
2018	32.2	705.7	301.6	95.0	74.9	73.1	1,282.5
2019	29.6	829.9	286.5	89.8	65.9	57.1	1,358.8
2020	27.3	926.3	227.3	78.1	63.7	35.3	1,358.0
2021	25.1	837.5	202.9	75.0	46.3	24.3	1,211.1
Thereafter	85.5	4,444.0	1,661.1	5,833.1	493.0	348.2	12,864.9
Total	<u>\$ 234.4</u>	<u>\$ 7,748.5</u>	<u>\$ 2,994.7</u>	<u>\$ 6,235.8</u>	<u>\$ 821.7</u>	<u>\$ 762.0</u>	<u>\$ 18,797.1</u>

Scheduled interest payment obligations in the above table were calculated using stated coupon rates for fixed rate debt and interest rates applicable as of December 31, 2016 for variable rate debt. The effect of our outstanding interest rate swaps on the interest payments of our 4.750% fixed rate senior notes is also included based on the floating rates in effect as of December 31, 2016.

The present value of capital lease obligations is included in our consolidated balance sheets.

The estimated remaining final capping, closure and post-closure and remediation expenditures presented above are not inflated or discounted and reflect the estimated future payments for liabilities incurred and recorded as of December 31, 2016 and for liabilities yet to be incurred over the remaining life of our landfills.

Unconditional purchase commitments consist primarily of (1) disposal related agreements that include fixed or minimum royalty payments, host agreements and take-or-pay and put-or-pay agreements and (2) other obligations including committed capital expenditures and consulting service agreements.

Financial Assurance

We must provide financial assurance to governmental agencies and a variety of other entities under applicable environmental regulations relating to our landfill operations for capping, closure and post-closure costs, and related to our performance under certain collection, landfill and transfer station contracts. We satisfy these financial assurance requirements by providing surety bonds, letters of credit, or insurance policies (Financial Assurance Instruments), or trust deposits, which are included in restricted cash and marketable securities and other assets in our consolidated balance sheets. The amount of the financial assurance requirements for capping, closure and post-closure costs is determined by applicable state environmental regulations. The financial assurance requirements for capping, closure and post-closure costs may be associated with a portion of the landfill or the entire landfill. Generally, states require a third-party engineering specialist to determine the estimated capping, closure and post-closure costs that are used to determine the required amount of financial assurance for a landfill. The amount of financial assurance required can, and generally will, differ from the obligation determined and recorded under U.S. GAAP. The amount of the financial assurance requirements related to contract performance varies by contract. Additionally, we must provide financial assurance for our insurance program and collateral for certain performance obligations. We do not expect a material increase in financial assurance requirements during 2017, although the mix of Financial Assurance Instruments may change.

These Financial Assurance Instruments are issued in the normal course of business and are not considered indebtedness. Because we currently have no liability for the Financial Assurance Instruments, they are not reflected in our consolidated balance sheets; however, we record capping, closure and post-closure liabilities and insurance liabilities as they are incurred.

Off-Balance Sheet Arrangements

We have no off-balance sheet debt or similar obligations, other than operating leases and financial assurances, which are not classified as debt. We have no transactions or obligations with related parties that are not disclosed, consolidated into or reflected in our reported financial position or results of operations. We have not guaranteed any third-party debt.

Free Cash Flow

We define free cash flow, which is not a measure determined in accordance with U.S. GAAP, as cash provided by operating activities less purchases of property and equipment, plus proceeds from sales of property and equipment, as presented in our consolidated statements of cash flows.

The following table calculates our free cash flow for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars):

	2016	2015	2014
Cash provided by operating activities	\$ 1,847.8	\$ 1,679.7	\$ 1,529.8
Purchases of property and equipment	(927.8)	(945.6)	(862.5)
Proceeds from sales of property and equipment	9.8	21.2	35.7
Free cash flow	<u>\$ 929.8</u>	<u>\$ 755.3</u>	<u>\$ 703.0</u>

For a discussion of the changes in the components of free cash flow, see our discussion regarding *Cash Flows Provided By Operating Activities and Cash Flows Used In Investing Activities* contained elsewhere in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Purchases of property and equipment as reflected in our consolidated statements of cash flows and as presented in the free cash flow table above represent amounts paid during the period for such expenditures. The following table reconciles property and equipment reflected in the consolidated statements of cash flows to property and equipment received for the years ended December 31, 2016, 2015 and 2014 (in millions of dollars):

	2016	2015	2014
Purchases of property and equipment per the consolidated statements of cash flows	\$ 927.8	\$ 945.6	\$ 862.5
Adjustments for property and equipment received during the prior period but paid for in the following period, net	(12.2)	7.4	10.4
Property and equipment received during the period	<u>\$ 915.6</u>	<u>\$ 953.0</u>	<u>\$ 872.9</u>

The adjustments noted above do not affect our net change in cash and cash equivalents as reflected in our consolidated statements of cash flows.

We believe that presenting free cash flow provides useful information regarding our recurring cash provided by operating activities after expenditures for property and equipment received, plus proceeds from sales of property and equipment. It also demonstrates our ability to execute our financial strategy, which includes reinvesting in existing capital assets to ensure a high level of customer service, investing in capital assets to facilitate growth in our customer base and services provided, maintaining our investment grade credit ratings and minimizing debt, paying cash dividends and repurchasing common stock, and maintaining and improving our market position through business optimization. In addition, free cash flow is a key metric used to determine executive compensation. The presentation of free cash flow has material limitations. Free cash flow does not represent our cash flow available for discretionary expenditures because it excludes certain expenditures that are required or that we have committed to such as debt service requirements and dividend payments. Our definition of free cash flow may not be comparable to similarly titled measures presented by other companies.

Contingencies

For a description of our commitments and contingencies, see Note 8, *Landfill and Environmental Costs*, Note 10, *Income Taxes*, and Note 17, *Commitments and Contingencies*, to our consolidated financial statements in Item 8 of this Form 10-K.

Critical Accounting Judgments and Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP and necessarily include certain estimates and judgments made by management. The following is a list of accounting policies that we believe are the most critical in understanding our consolidated financial position, results of operations and cash flows and that may require management to make subjective or complex judgments about matters that are inherently uncertain. Such critical accounting policies, estimates and judgments are applicable to all of our operating segments.

We have noted examples of the residual accounting and business risks inherent in the accounting for these areas. Residual accounting and business risks are defined as the inherent risks that we face after the application of our policies and processes that are generally outside of our control or ability to forecast.

Landfill Accounting

Landfill operating costs are treated as period expenses and are not discussed further in this section.

Our landfill assets and liabilities fall into the following two categories, each of which requires accounting judgments and estimates:

- Landfill development costs that are capitalized as an asset.
- Landfill retirement obligations relating to our capping, closure and post-closure liabilities that result in a corresponding landfill retirement asset.

Landfill Development Costs

We use life-cycle accounting and the units-of-consumption method to recognize landfill development costs over the life of the site. In life-cycle accounting, all current and future capitalized costs to acquire and construct a site are calculated, and charged to expense based on the consumption of cubic yards of available airspace. Obligations associated with final capping, closure and post-closure are also capitalized, and amortized on a units-of-consumption basis as airspace is consumed. Cost and airspace estimates are developed at least annually by engineers.

Site permits. To develop, construct and operate a landfill, we must obtain permits from various regulatory agencies at the local, state and federal levels. The permitting process requires an initial site study to determine whether the location is feasible for landfill operations. The initial studies are reviewed by our environmental management group and then submitted to the regulatory agencies for approval. During the development stage we capitalize certain costs that we incur after site selection but before the receipt of all required permits if we believe that it is probable that the site will be permitted.

Residual risks:

- Changes in legislative or regulatory requirements may cause changes to the landfill site permitting process. These changes could make it more difficult and costly to obtain and maintain a landfill permit.
- Studies performed could be inaccurate, which could result in the denial or revocation of a permit and changes to accounting assumptions. Conditions could exist that were not identified in the study, which may make the location not feasible for a landfill and could result in the denial of a permit. Denial or revocation of a permit could impair the recorded value of the landfill asset.
- Actions by neighboring parties, private citizen groups or others to oppose our efforts to obtain, maintain or expand permits could result in denial, revocation or suspension of a permit, which could adversely impact the economic viability of the landfill and could impair the recorded value of the landfill. As a result of opposition to our obtaining a permit, improved technical information as a project progresses, or changes in the anticipated economics associated with a project, we may decide to reduce the scope of, or abandon a project, which could result in an asset impairment.

Technical landfill design. Upon receipt of initial regulatory approval, technical landfill designs are prepared. The technical designs, which include the detailed specifications to develop and construct all components of the landfill including the types and quantities of materials that will be required, are reviewed by our environmental management group. The technical designs are submitted to the regulatory agencies for approval. Upon approval of the technical designs, the regulatory agencies issue permits to develop and operate the landfill.

Residual risks:

- Changes in legislative or regulatory requirements may require changes in the landfill technical designs. These changes could make it more difficult and costly to meet new design standards.
- Technical design requirements, as approved, may need modifications at some future point in time.
- Technical designs could be inaccurate and could result in increased construction costs, difficulty in obtaining a permit or the use of rates to recognize the amortization of landfill development costs and asset retirement obligations that are not appropriate.

Permitted and probable landfill disposal capacity. Included in the technical designs are factors that determine the ultimate disposal capacity of the landfill. These factors include the area over which the landfill will be developed, such as the depth of excavation, the height of the landfill elevation and the angle of the side-slope construction. The disposal capacity of the landfill is calculated in cubic yards. This measurement of volume is then converted to a disposal capacity expressed in tons based on a site-specific expected density to be achieved over the remaining operating life of the landfill.

Residual risks:

- Estimates of future disposal capacity may change as a result of changes in legislative or regulatory design requirements.
- The density of waste may vary due to variations in operating conditions, including waste compaction practices, site design, climate and the nature of the waste.
- Capacity is defined in cubic yards but waste received is measured in tons. The number of tons per cubic yard varies by type of waste and our rate of compaction.

Development costs. The types of costs that are detailed in the technical design specifications generally include excavation, natural and synthetic liners, construction of leachate collection systems, installation of methane gas collection systems and monitoring probes, installation of groundwater monitoring wells, construction of leachate management facilities and other costs associated with the development of the site. We review the adequacy of our cost estimates on an annual basis by comparing estimated costs with third-party bids or contractual arrangements, reviewing the changes in year over year cost estimates for reasonableness, and comparing our resulting development cost per acre with prior period costs. These development costs, together with any costs incurred to acquire, design and permit the landfill, including capitalized interest, are recorded to the landfill asset on the balance sheet as incurred.

Residual risk:

- Actual future costs of construction materials and third-party labor could differ from the costs we have estimated because of the level of demand and the availability of the required materials and labor. Technical designs could be altered due to unexpected operating conditions, regulatory changes or legislative changes.

Landfill development asset amortization. To match the expense related to the landfill asset with the revenue generated by the landfill operations, we amortize the landfill development asset over its operating life on a per-ton basis as waste is accepted at the landfill. The landfill asset is fully amortized at the end of a landfill's operating life. The per-ton rate is calculated by dividing the sum of the landfill development asset net book value plus estimated future development costs (as described above) for the landfill, by the landfill's estimated remaining disposal capacity. The expected future development costs are not inflated or discounted, but rather expressed in nominal dollars. This rate is applied to each ton accepted at the landfill to arrive at amortization expense for the period.

Amortization rates are influenced by the original cost basis of the landfill, including acquisition costs, which in turn is determined by geographic location and market values. We secure significant landfill assets through business acquisitions and value them at the time of acquisition based on fair value. Amortization rates are also influenced by site-specific engineering and cost factors.

Residual risk:

- Changes in our future development cost estimates or our disposal capacity will normally result in a change in our amortization rates and will impact amortization expense prospectively. An unexpected significant increase in estimated costs or reduction in disposal capacity could affect the ongoing economic viability of the landfill and result in asset impairment.

On at least an annual basis, we update the estimates of future development costs and remaining disposal capacity for each landfill. These costs and disposal capacity estimates are reviewed and approved by senior operations management annually. Changes in cost estimates and disposal capacity are reflected prospectively in the landfill amortization rates that are updated annually.

Landfill Asset Retirement Obligations

We have two types of retirement obligations related to landfills: (1) capping and (2) closure and post-closure.

Obligations associated with final capping activities that occur during the operating life of the landfill are recognized on a units-of-consumption basis as airspace is consumed within each discrete capping event. Obligations related to closure and post-closure activities that occur after the landfill has ceased operations are recognized on a units-of-consumption basis as airspace is consumed throughout the entire life of the landfill. Landfill retirement obligations are capitalized as the related liabilities are recognized and amortized using the units-of-consumption method over the airspace consumed within the capping event or the airspace consumed within the entire landfill, depending on the nature of the obligation. All obligations are initially measured at estimated fair value. Fair value is calculated on a present value basis using an inflation rate and our credit-adjusted, risk-free rate in effect at the time the liabilities were incurred. Future costs for final capping, closure and post-closure are developed at least annually by engineers, and are inflated to future value using estimated future payment dates and inflation rate projections.

Landfill capping. As individual areas within each landfill reach capacity, we must cap and close the areas in accordance with the landfill site permit. These requirements are detailed in the technical design of the landfill site process previously described.

Closure and post-closure. Closure costs are costs incurred after a landfill stops receiving waste, but prior to being certified as closed. After the entire landfill has reached capacity and is certified closed, we must continue to maintain and monitor the site for a post-closure period, which generally extends for 30 years. Costs associated with closure and post-closure requirements generally include maintenance of the site, the monitoring of methane gas collection systems and groundwater systems, and other activities that occur after the site has ceased accepting waste. Costs associated with post-closure monitoring generally include groundwater sampling, analysis and statistical reports, third-party labor associated with gas system operations and maintenance, transportation and disposal of leachate, and erosion control costs related to the final cap.

Landfill retirement obligation liabilities and assets. Estimates of the total future costs required to cap, close and monitor each landfill as specified by the landfill permit are updated annually. The estimates include inflation, the specific timing of future cash outflows, and the anticipated waste flow into the capping events. Our cost estimates are inflated to the period of performance using an estimate of inflation, which is updated annually and is based upon the ten year average consumer price index (1.8% in 2016, 2.0% in 2015, and 2.3% in 2014).

The present value of the remaining capping costs for specific capping events and the remaining closure and post-closure costs for each landfill are recorded as incurred on a per-ton basis. These liabilities are incurred as disposal capacity is consumed at the landfill.

Capping, closure and post-closure liabilities are recorded in layers and discounted using our credit-adjusted risk-free rate in effect at the time the obligation is incurred (3.75% in 2016, 4.75% in 2015, and 4.5% in 2014).

Retirement obligations are increased each year to reflect the passage of time by accreting the balance at the weighted average credit-adjusted risk-free rate that was used to calculate each layer of the recorded liabilities. This accretion is charged to operating expenses. Actual cash expenditures reduce the asset retirement obligation liabilities as they are made.

Corresponding retirement obligation assets are recorded for the same value as the additions to the capping, closure and post-closure liabilities. The retirement obligation assets are amortized to expense on a per-ton basis as disposal capacity is consumed. The per-ton rate is calculated by dividing the sum of each of the recorded retirement obligation asset's net book value and expected future additions to the retirement obligation asset by the remaining disposal capacity. A per-ton rate is determined for each separate capping event based on the disposal capacity relating to that event. Closure and post-closure per-ton rates are based on the total disposal capacity of the landfill.

Residual risks:

- Changes in legislative or regulatory requirements, including changes in capping, closure activities or post-closure monitoring activities, types and quantities of materials used, or term of post-closure care, could cause changes in our cost estimates.
- Changes in the landfill retirement obligation due to changes in the anticipated waste flow, changes in airspace compaction estimates or changes in the timing of expenditures for closed landfills and fully incurred but unpaid capping events are recorded in results of operations prospectively. This could result in unanticipated increases or decreases in expense.
- Actual timing of disposal capacity utilization could differ from projected timing, causing differences in timing of when amortization and accretion expense is recognized for capping, closure and post-closure liabilities.
- Changes in inflation rates could impact our actual future costs and our total liabilities.
- Changes in our capital structure or market conditions could result in changes to the credit-adjusted risk-free rate used to discount the liabilities, which could cause changes in future recorded liabilities, assets and expense.
- Amortization rates could change in the future based on the evaluation of new facts and circumstances relating to landfill capping design, post-closure monitoring requirements, or the inflation or discount rate.

On an annual basis, we update our estimates of future capping, closure and post-closure costs and of future disposal capacity for each landfill. Revisions in estimates of our costs or timing of expenditures are recognized immediately as increases or decreases to the capping, closure and post-closure liabilities and the corresponding retirement obligation assets. Changes in the assets result in changes to the amortization rates which are applied prospectively, except for fully incurred capping events and closed landfills, where the changes are recorded immediately in results of operations since the associated disposal capacity has already been consumed.

Permitted and probable disposal capacity. Disposal capacity is determined by the specifications detailed in the landfill permit. We classify this disposal capacity as permitted. We also include probable expansion disposal capacity in our remaining disposal capacity estimates, thus including additional disposal capacity being sought through means of a permit expansion. Probable expansion disposal capacity has not yet received final approval from the applicable regulatory agencies, but we have determined that certain critical criteria have been met and that the successful completion of the expansion is probable. We have developed six criteria that must be met before an expansion area is designated as probable expansion airspace. We believe that satisfying all of these criteria demonstrates a high likelihood that expansion airspace that is incorporated in our landfill costing will be permitted. However, because some of these criteria are judgmental, they may exclude expansion airspace that will eventually be permitted or include expansion airspace that will not be permitted. In either of these scenarios, our amortization, depletion and accretion expense could change significantly. Our internal criteria to classify disposal capacity as probable expansion airspace are as follows:

- We own the land associated with the expansion airspace or control it pursuant to an option agreement;
- We are committed to supporting the expansion project financially and with appropriate resources;
- There are no identified fatal flaws or impediments associated with the project, including political impediments;
- Progress is being made on the project;
- The expansion is attainable within a reasonable time frame; and
- We believe it is likely we will receive the expansion permit.

After successfully meeting these criteria, the disposal capacity that will result from the planned expansion is included in our remaining disposal capacity estimates. Additionally, for purposes of calculating landfill amortization and capping, closure and post-closure rates, we include the incremental costs to develop, construct, close and monitor the related probable expansion disposal capacity.

Residual risk:

- We may be unsuccessful in obtaining permits for probable expansion disposal capacity because of the failure to obtain the final local, state or federal permits or due to other unknown reasons. If we are unsuccessful in obtaining permits for probable expansion disposal capacity, or the disposal capacity for which we obtain approvals is less than what was estimated, both our estimated total costs and disposal capacity will be reduced, which generally increases the rates we charge for landfill amortization and capping, closure and post-closure accruals. An unexpected decrease in disposal capacity could also cause an asset impairment.

Environmental Liabilities

We are subject to an array of laws and regulations relating to the protection of the environment, and we remediate sites in the ordinary course of our business. Under current laws and regulations, we may be responsible for environmental remediation at sites that we either own or operate, including sites that we have acquired, or sites where we have (or a company that we have acquired has) delivered waste. Our environmental remediation liabilities primarily include costs associated with remediating groundwater, surface water and soil contamination, as well as controlling and containing methane gas migration and the related legal costs. To estimate our ultimate liability at these sites, we evaluate several factors, including the nature and extent of contamination at each identified site, the required remediation methods, timing of expenditures, the apportionment of responsibility among the potentially responsible parties and the financial viability of those parties. We accrue for costs associated with environmental remediation obligations when such costs are probable and reasonably estimable in accordance with accounting for loss contingencies. We periodically review the status of all environmental matters and update our estimates of the likelihood of and future expenditures for remediation as necessary. Changes in the liabilities resulting from these reviews are recognized currently in earnings in the period in which the adjustment is known. Adjustments to estimates are reasonably possible in the near term and may result in changes to recorded amounts. With the exception of those obligations assumed in the acquisition of Allied, environmental obligations are recorded on an undiscounted basis. Environmental obligations assumed in the acquisition of Allied, which were initially estimated on a discounted basis, are accreted to full value over time through charges to interest expense. Adjustments arising from changes in amounts and timing of estimated costs and settlements may result in increases or decreases in these obligations and are calculated on a discounted basis as they were initially estimated on a discounted basis. These adjustments are charged to operating income when they are known. We perform a comprehensive review of our environmental obligations annually and also review changes in facts and circumstances associated with these obligations at least quarterly. We have not reduced the liabilities we have recorded for recoveries from other potentially responsible parties or insurance companies.

Residual risks:

- We cannot determine with precision the ultimate amounts of our environmental remediation liabilities. Our estimates of these liabilities require assumptions about uncertain future events. Thus, our estimates could change substantially as additional information becomes available regarding the nature or extent of contamination, the required remediation methods, timing of expenditures, the final apportionment of responsibility among the potentially responsible parties identified, the financial viability of those parties, and the actions of governmental agencies or private parties with interests in the matter. The actual environmental costs may exceed our current and future accruals for these costs, and any adjustments could be material.
- Actual amounts could differ from the estimated liabilities as a result of changes in estimated future litigation costs to pursue the matter to ultimate resolution.
- An unanticipated environmental liability that arises could result in a material charge to our consolidated statement of income.

Insurance Reserves and Related Costs

Our insurance policies for workers' compensation, commercial general liability, commercial auto liability and environmental liability are high deductible, or retention programs. The deductibles, or retentions, range from \$3 million to \$7.5 million. The employee-related health benefits are also subject to a high deductible insurance policy. Accruals for deductibles or retentions are based on claims filed and actuarial estimates of claims development and claims incurred but not reported.

Residual risks:

- Incident rates, including frequency and severity, and other actuarial assumptions could change causing our current and future actuarially determined obligations to change, which would be reflected in our consolidated statement of income in the period in which such adjustment is known.
- Recorded reserves may not be adequate to cover the future payment of claims. Adjustments, if any, to estimates recorded resulting from ultimate claim payments would be reflected in the consolidated statements of income in the periods in which such adjustments are known.
- The settlement costs to discharge our obligations, including legal and health care costs, could increase or decrease causing current estimates of our insurance reserves to change.

Loss Contingencies

We are subject to various legal proceedings, claims and regulatory matters, the outcomes of which are subject to significant uncertainty. We determine whether to disclose material loss contingencies or accrue for loss contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable, and whether it can be reasonably estimated. We analyze our litigation and regulatory matters based on available information to assess the potential liabilities. Management develops its assessment based on an analysis of possible outcomes under various strategies. We record and disclose loss contingencies pursuant to the applicable accounting guidance for such matter.

We record losses related to contingencies in cost of operations or selling, general and administrative expenses, depending on the nature of the underlying transaction leading to the loss contingency.

Residual risks:

- Actual costs may vary from our estimates for a variety of reasons, including differing interpretations of laws, opinions on culpability and assessments of the amount of damages.
- Loss contingency assumptions involve judgments that are inherently subjective and generally involve matters that are by their nature complex and unpredictable. If a loss contingency results in an adverse judgment or is settled for a significant amount, it could have a material adverse effect on our consolidated financial position, results of operations and cash flows in the period in which such judgment or settlement occurs.
- New claims may be asserted that are not included in our loss contingencies.

Asset Impairment

Valuation methodology. We evaluate our long-lived assets (other than goodwill) for impairment whenever events or changes in circumstances indicate the carrying amount of the asset or asset group may not be recoverable based on projected cash flows anticipated to be generated from the ongoing operation of those assets or we intend to sell or otherwise dispose of the assets.

Residual risk:

- If events or changes in circumstances occur, including reductions in anticipated cash flows generated by our operations or determinations to divest assets, certain assets could be impaired, which would result in a non-cash charge to earnings.

Evaluation criteria. We test long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Examples of such events could include a significant adverse change in the extent or manner in which we use a long-lived asset, a change in its physical condition, or new circumstances that could cause an expectation that it is more likely than not that we would sell or otherwise dispose of a long-lived asset significantly before the end of its previously estimated useful life.

Residual risk:

- Our most significant asset impairment exposure, other than goodwill (which is discussed below), relates to our landfills. A significant reduction in our estimated disposal capacity as a result of unanticipated events such as regulatory developments, revocation of an existing permit or denial of an expansion permit, or changes in our assumptions used to calculate disposal capacity, could trigger an impairment charge.

Recognition criteria. If such circumstances arise, we recognize impairment for the difference between the carrying amount and fair value of the asset if the net book value of the asset exceeds the sum of the estimated undiscounted cash flows expected to result from its use and eventual disposition. We generally use the present value of the expected cash flows from that asset to determine fair value.

Goodwill Recoverability

We have historically evaluated goodwill for impairment annually, or when an indicator of impairment exists. During 2015 we changed the date of our annual goodwill impairment assessment for our reporting units to October 1st. This voluntary change in the annual goodwill testing date is a change in accounting principle, which we believe is preferable as it better aligns the timing of the assessment with our planning and forecasting process and also provides additional time to complete our annual assessment in advance of our year-end reporting. This change in assessment date was applied prospectively and did not delay, accelerate or avoid a potential impairment charge.

We test goodwill for impairment using a two-step process. The first step is a screen for potential impairment, while the second step measures the amount of the impairment, if any. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill.

During 2016, we managed and evaluated our operations through two field groups: Group 1 and Group 2. In determining fair value, we primarily use discounted future cash flows and operating results based on a comparative multiple of earnings or revenues.

Significant estimates used in our fair value calculation using discounted future cash flows include: (1) estimates of future revenue and expense growth by reporting unit, which we estimate to range from 3% to 5%; (2) future estimated effective tax rates, which we estimate to be 40%; (3) future estimated capital expenditures as well as future required investments in working capital; (4) estimated discount rates, which we estimate to range between 7% and 8%; and (5) the future terminal value of the reporting unit, which is based on its ability to exist into perpetuity. Significant estimates used in the fair value calculation using market value multiples include: (a) estimated future growth potential of the reporting unit; (b) estimated multiples of revenue or earnings a willing buyer is likely to pay; and (c) the estimated control premium a willing buyer is likely to pay.

In addition, we evaluate a reporting unit for impairment if events or circumstances change between annual tests, indicating a possible impairment. Examples of such events or circumstances include: (1) a significant adverse change in legal factors or in the business climate; (2) an adverse action or assessment by a regulator; (3) a more likely than not expectation that a reporting unit or a significant portion thereof will be sold; (4) continued or sustained losses at a reporting unit; (5) a significant decline in our market capitalization as compared to our book value; or (6) the testing for recoverability of a significant asset group within the reporting unit.

We assign assets and liabilities from our corporate operating segment to our three reporting units to the extent that such assets or liabilities relate to the cash flows of the reporting unit and would be included in determining the reporting unit's fair value.

In preparing our annual test for impairment as of October 1, 2016, we determined that our indicated fair value of total invested capital exceeded our total market capitalization. We believe one of the primary reconciling differences between the indicated fair value of total invested capital and our total market capitalization is due to a control premium. We believe the control premium represents the value a market participant could extract as savings and/or synergies by obtaining control.

As of October 1, 2016, we determined that the indicated fair value of our reporting units exceeded their carrying value by approximately 80% on average and, therefore, we noted no indicators of impairment at our reporting units.

Our operating segments, which also represent our reporting units, are comprised of several vertically integrated businesses. When an individual business within an integrated operating segment is divested, goodwill is allocated to that business based on its fair value relative to the fair value of its operating segment.

Residual risks:

- Future events could cause us to conclude that impairment indicators exist and that goodwill associated with acquired businesses is impaired.
- The valuation of identifiable goodwill requires significant estimates and judgment about future performance, cash flows and fair value. Our future results could be affected if these current estimates of future performance and fair value change. For example, a reduction in long-term growth assumptions could reduce the estimated fair value of the operating segments to below their carrying values, which could trigger an impairment charge. Similarly, an increase in our discount rate could trigger an impairment charge. Any resulting impairment charge could have a material adverse effect on our financial condition and results of operations.

Income Taxes

Our income tax expense, deferred taxes and liabilities for unrecognized tax benefits reflect management's best assessment of estimated future taxes to be paid. We are subject to U.S. federal income taxes and to the income taxes of numerous states and Puerto Rico. Significant judgments and estimates are required in determining the combined income tax expense.

Deferred income taxes arise from temporary differences between the financial reporting and income tax bases of assets (other than non-deductible goodwill) and liabilities, which will result in taxable or deductible amounts in the future. Deferred tax

assets and liabilities are measured using the income tax rate in effect during the year in which the differences are expected to reverse.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making this determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. The assumptions about future taxable income require the use of significant judgment and are consistent with the plans and estimates we are using to manage the underlying businesses. In the event we determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount, we will make an adjustment to the valuation allowance which would reduce our provision for income taxes.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions. Regarding the accounting for uncertainty in income taxes recognized in the financial statements, we record unrecognized tax benefits as liabilities in accordance with ASC 740 when it is not more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. We recognize interest and penalties related to uncertain tax positions within the provision for income taxes in our consolidated statements of income. Accrued interest and penalties are included within other accrued liabilities, deferred income taxes and other long-term tax liabilities in our consolidated balance sheets. We adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available.

We consider the earnings from our Puerto Rican subsidiaries to be indefinitely invested outside the United States on the basis that the earnings from our Puerto Rican subsidiaries are reinvested in operating our Puerto Rican subsidiaries. We have not recorded a deferred tax liability related to the U.S. federal and state income taxes and Puerto Rican withholding taxes on approximately \$48 million of undistributed earnings from our Puerto Rican subsidiaries indefinitely invested outside the United States. If we decide to repatriate the Puerto Rican earnings, we would need to adjust our income tax provision in the period we determined that the earnings will no longer be indefinitely invested outside the United States.

Residual risks:

- Income tax assets and liabilities established in purchase accounting for acquisitions are based on assumptions that could differ from the ultimate outcome of the tax matters. Such adjustments would be charged or credited to earnings, unless they meet certain remeasurement criteria and are allowed to be adjusted to goodwill.
- Changes in the estimated realizability of deferred tax assets could result in adjustments to our provision for income taxes.
- Valuation allowances for deferred tax assets and the realizability of net operating loss carryforwards for tax purposes are based on our judgment. If our judgments and estimates concerning valuation allowances and the realizability of net operating loss carryforwards are incorrect, our provision for income taxes would change.
- We are regularly under examination or administrative review by various taxing authorities. The Internal Revenue Code, state tax laws and income tax regulations are a complex set of rules that we must interpret and apply. Positions taken in tax years under examination or subsequent years are subject to challenge. Accordingly, we may have exposure for additional tax liabilities arising from these audits if any positions taken by us or by companies we have acquired are disallowed by the taxing authorities.
- We adjust our liabilities for uncertain tax positions when our judgment changes as a result of the evaluation of new information not previously available. Due to the complexity of some of these uncertainties, their ultimate resolution may result in payments that are materially different from our current estimates of the tax liabilities. These differences will be reflected as increases or decreases to our provision for income taxes in the period in which they are determined.

Defined Benefit Pension Plans

We currently have one qualified defined benefit pension plan, the BFI Retirement Plan (the Plan). The Plan covers certain employees in the United States, including some employees subject to collective bargaining agreements. The benefits of all current plan participants are frozen.

Our pension contributions are made in accordance with funding standards established by the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code, as amended by the Pension Protection Act of 2006.

The Plan's assets are invested as determined by our Employee Benefits Committee. As of December 31, 2016, the plan assets were invested in fixed income funds, equity funds and cash. The Employee Benefits Committee annually reviews and adjusts the plan's asset allocation as deemed necessary. As of December 31, 2016 and 2015, the Plan was overfunded by \$6.2 million and underfunded by \$5.4 million, respectively.

Residual risk:

- Changes in the plan's investment mix and performance of the equity and bond markets and fund managers could impact the amount of pension income or expense recorded, the funded status of the plan and the need for future cash contributions.

Assumptions. The benefit obligation and associated income or expense related to the Plan are determined based on assumptions concerning items such as discount rates, mortality rates, expected rates of return and average rates of compensation increases. Our assumptions are reviewed annually and adjusted as deemed necessary.

We determine the discount rate based on a model that matches the timing and amount of expected benefit payments to maturities of high quality bonds priced as of the Plan measurement date. Where that timing does not correspond to a published high-quality bond rate, our model uses an expected yield curve to determine an appropriate current discount rate. The yield on the bonds is used to derive a discount rate for the liability. If the discount rate were to increase by 1%, our benefit obligation would decrease by approximately \$21 million. If the discount rate were to decrease by 1%, our benefit obligation would increase by approximately \$25 million.

In developing our expected rate of return assumption, we evaluate long-term expected and historical returns on the Plan assets, giving consideration to our asset mix and the anticipated duration of the Plan obligations. The average rate of compensation increase reflects our expectations of average pay increases over the periods benefits are earned. There are no participants in the Plan that continue to earn service benefits.

Residual risks:

- Our assumed discount rate is sensitive to changes in market-based interest rates. A decrease in the discount rate will increase our related benefit plan obligation.
- Our annual pension expense would be impacted if the actual return on plan assets were to vary from the expected return.

New Accounting Standards

For a description of new accounting standards that may affect us, see Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements in Item 8 of this Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our major market risk exposure of our financial instruments is changing interest rates in the United States and fluctuations in LIBOR. We intend to manage interest rate risk through the use of a combination of fixed and floating rate debt. The carrying value of our variable rate debt approximates fair value because interest rates are variable and, accordingly, approximates current market rates for instruments with similar risk and maturities. The fair value of our debt is determined as of the balance sheet date and is subject to change. The table below provides information about certain of our market-sensitive financial instruments and constitutes a "forward-looking statement."

	Expected Maturity Date							Fair Value as of December 31, 2016
	2017	2018	2019	2020	2021	Thereafter	Total	
Fixed rate debt:								
Amount outstanding (in millions)	\$ 5.1	\$ 705.7	\$ 654.9	\$ 855.1	\$ 640.5	\$ 3,709.9	\$ 6,571.2	\$ 7,206.4
Average interest rates	7.2%	3.8%	5.5%	5.0%	5.5%	4.5%	4.7%	
Variable rate debt:								
Amount outstanding (in millions)	\$ —	\$ —	\$ 175.0	\$ 71.2	\$ 197.0	\$ 734.1	\$ 1,177.3	\$ 1,177.3
Average interest rates	—%	—%	0.2%	1.0%	0.6%	0.9%	0.8%	

The fixed and variable rate debt amounts above exclude the remaining non-cash discounts, premiums and adjustments to fair value totaling \$89.6 million. Additionally, during the second half of 2013, we entered into various interest rate swap agreements relative to our 4.750% fixed rate senior notes due in May 2023. The goal was to reduce overall borrowing costs and rebalance our debt portfolio's ratio of fixed to floating interest rates. These swap agreements, which were designated as fair value hedges, have a total notional value of \$300.0 million as of December 31, 2016. Our interest rate swap contracts have been authorized pursuant to our policies and procedures. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives.

During 2016, we also entered into a number of interest rate lock agreements having an aggregate notional amount of \$525.0 million with fixed interest rates ranging from 1.900% to 2.280% to manage exposure to fluctuations in interest rates in anticipation of a planned future issuance of senior notes. Upon the expected issuance of senior notes, we will terminate the interest rate locks and settle with our counterparties.

As of December 31, 2016, we had \$1,177.3 million of floating rate debt and \$300.0 million of floating interest rate swap contracts. If interest rates increased or decreased by 100 basis points on our variable rate debt, annualized interest expense and net cash payments for interest would increase or decrease by approximately \$15 million. This analysis does not reflect the effect that interest rates would have on other items, such as new borrowings and the impact on the economy. See Note 9, *Debt*, of the notes to our consolidated financial statements in Item 8 of this Form 10-K for further information regarding how we manage interest rate risk.

Fuel Price Risk

Fuel costs represent a significant operating expense. When economically practical, we may enter into new fuel hedges, renew contracts, or engage in other strategies to mitigate market risk. Where appropriate, we have implemented a fuel recovery fee that is designed to recover our fuel costs. While we charge fuel recovery fees to a majority of our customers, we are unable to charge such fees to all customers.

At current consumption levels, we believe a twenty-cent per gallon change in the price of diesel fuel changes our fuel costs by approximately \$25 million per year. Offsetting these changes in fuel expense would be changes in our fuel recovery fee charged to our customers. At current participation rates, we believe a twenty-cent per gallon change in the price of diesel fuel changes our fuel recovery fee by approximately \$25 million per year.

Our operations also require the use of certain petrochemical-based products (such as liners at our landfills) whose costs may vary with the price of petrochemicals. An increase in the price of petrochemicals could increase the cost of those products, which would increase our operating and capital costs. We also are susceptible to increases in indirect fuel recovery fees from our vendors.

Our fuel costs were \$317.0 million in 2016, or 3.4% of revenue, compared to \$362.4 million in 2015, or 4.0% of revenue, and \$500.0 million in 2014, or 5.7% of revenue.

For additional discussion and detail of our fuel hedges, see Note 16, *Financial Instruments*, to our consolidated financial statements in Item 8 of this Form 10-K.

Commodities Prices

We market recycled products such as old corrugated containers and old newsprint from our recycling centers. Market demand for recycled commodities causes volatility in commodity prices. At current volumes and mix of materials, we believe a \$10 per

ton change in the price of recycled commodities will change annual revenue and operating income by approximately \$27 million and \$18 million, respectively.

Revenue from sales of these products in 2016, 2015 and 2014 was \$420.4 million, \$372.0 million and \$405.8 million, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Republic Services, Inc.:

We have audited the accompanying consolidated balance sheets of Republic Services, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of Republic Services, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Republic Services, Inc. at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Republic Services, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 16, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Phoenix, Arizona
February 16, 2017

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Board of Directors and Stockholders of Republic Services, Inc.:

We have audited Republic Services, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Republic Services, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Republic Services, Inc.'s Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Republic Services, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Republic Services, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016 of Republic Services, Inc. and our report dated February 16, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Phoenix, Arizona
February 16, 2017

REPUBLIC SERVICES, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 67.8	\$ 32.4
Accounts receivable, less allowance for doubtful accounts and other of \$44.0 and \$46.7, respectively	994.8	962.9
Prepaid expenses and other current assets	221.9	235.0
Total current assets	1,284.5	1,230.3
Restricted cash and marketable securities	90.5	100.3
Property and equipment, net	7,588.6	7,552.8
Goodwill	11,163.2	11,145.5
Other intangible assets, net	182.3	246.4
Other assets	320.5	260.6
Total assets	\$ 20,629.6	\$ 20,535.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 553.8	\$ 577.4
Notes payable and current maturities of long-term debt	5.8	5.5
Deferred revenue	312.9	313.9
Accrued landfill and environmental costs, current portion	142.7	149.8
Accrued interest	71.8	71.6
Other accrued liabilities	725.0	716.6
Total current liabilities	1,812.0	1,834.8
Long-term debt, net of current maturities	7,653.1	7,527.4
Accrued landfill and environmental costs, net of current portion	1,684.8	1,677.9
Deferred income taxes and other long-term tax liabilities, net	1,210.2	1,131.8
Insurance reserves, net of current portion	274.6	278.1
Other long-term liabilities	301.2	309.3
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 50 shares authorized; none issued	—	—
Common stock, par value \$0.01 per share; 750 shares authorized; 348.2 and 346.0 issued including shares held in treasury, respectively	3.5	3.5
Additional paid-in capital	4,764.5	4,677.7
Retained earnings	3,324.0	3,138.3
Treasury stock, at cost (8.8 and 0.4 shares, respectively)	(414.9)	(14.9)
Accumulated other comprehensive income (loss), net of tax	14.2	(30.5)
Total Republic Services, Inc. stockholders' equity	7,691.3	7,774.1
Noncontrolling interests in consolidated subsidiary	2.4	2.5
Total stockholders' equity	7,693.7	7,776.6
Total liabilities and stockholders' equity	\$ 20,629.6	\$ 20,535.9

The accompanying notes are an integral part of these financial statements.

REPUBLIC SERVICES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

	Years Ended December 31,		
	2016	2015	2014
Revenue	\$ 9,387.7	\$ 9,115.0	\$ 8,803.3
Expenses:			
Cost of operations	5,764.0	5,518.6	5,643.1
Depreciation, amortization and depletion	991.1	970.6	906.9
Accretion	79.1	79.4	78.0
Selling, general and administrative	969.8	983.1	918.9
Withdrawal costs - multiemployer pension funds	5.6	4.5	1.5
(Gain) loss on disposition of assets and impairments, net	(0.1)	—	20.0
Restructuring charges	40.7	—	1.8
Operating income	1,537.5	1,558.8	1,233.1
Interest expense	(371.3)	(364.9)	(348.7)
Loss on extinguishment of debt	(196.2)	—	(1.4)
Interest income	0.9	0.8	0.6
Loss from unconsolidated equity method investment	(6.1)	—	—
Other income, net	1.1	1.2	1.7
Income before income taxes	965.9	1,195.9	885.3
Provision for income taxes	352.7	445.5	337.4
Net income	613.2	750.4	547.9
Net income attributable to noncontrolling interests in consolidated subsidiary	(0.6)	(0.5)	(0.3)
Net income attributable to Republic Services, Inc.	\$ 612.6	\$ 749.9	\$ 547.6
Basic earnings per share attributable to Republic Services, Inc. stockholders:			
Basic earnings per share	\$ 1.79	\$ 2.14	\$ 1.54
Weighted average common shares outstanding	343.0	350.0	356.7
Diluted earnings per share attributable to Republic Services, Inc. stockholders:			
Diluted earnings per share	\$ 1.78	\$ 2.13	\$ 1.53
Weighted average common and common equivalent shares outstanding	344.4	351.4	358.1
Cash dividends per common share	\$ 1.24	\$ 1.16	\$ 1.08

The accompanying notes are an integral part of these financial statements.

REPUBLIC SERVICES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Years Ended December 31,		
	2016	2015	2014
Net income	\$ 613.2	\$ 750.4	\$ 547.9
Other comprehensive income (loss), net of tax			
Hedging activity:			
Settlements	(20.6)	(16.4)	0.3
Realized loss reclassified into earnings	26.5	18.7	1.2
Unrealized gain (loss)	32.4	(2.0)	(24.1)
Pension activity:			
Change in funded status of pension plan obligations	6.4	(1.9)	(9.3)
Other comprehensive income (loss), net of tax	44.7	(1.6)	(31.9)
Comprehensive income	657.9	748.8	516.0
Comprehensive income attributable to noncontrolling interests in consolidated subsidiary	(0.6)	(0.5)	(0.3)
Comprehensive income attributable to Republic Services, Inc.	\$ 657.3	\$ 748.3	\$ 515.7

The accompanying notes are an integral part of these financial statements.

REPUBLIC SERVICES, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in millions)

Republic Services, Inc. Stockholders' Equity									
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive (Loss) Income, Net of Tax	Noncontrolling Interests In Consolidated Subsidiary	Total
	Shares	Amount			Shares	Amount			
Balance as of December 31, 2013	411.0	\$ 4.1	\$ 6,764.9	\$ 2,632.7	(50.6)	\$(1,501.2)	\$ 3.0	\$ 2.6	\$ 7,906.1
Net income	—	—	—	547.6	—	—	—	0.3	547.9
Change in the value of derivative instruments, net of tax of \$15.1	—	—	—	—	—	—	(22.6)	—	(22.6)
Employee benefit plan liability adjustments, net of tax of \$6.3	—	—	—	—	—	—	(9.3)	—	(9.3)
Cash dividends declared	—	—	—	(383.6)	—	—	—	—	(383.6)
Issuances of common stock	3.4	—	92.9	—	—	—	—	—	92.9
Stock-based compensation	—	—	19.1	(1.7)	—	—	—	—	17.4
Purchase of common stock for treasury	—	—	—	—	(11.1)	(400.6)	—	—	(400.6)
Distributions paid	—	—	—	—	—	—	—	(0.4)	(0.4)
Balance as of December 31, 2014	414.4	4.1	6,876.9	2,795.0	(61.7)	(1,901.8)	(28.9)	2.5	7,747.8
Net income	—	—	—	749.9	—	—	—	0.5	750.4
Change in the value of derivative instruments, net of tax of \$0.6	—	—	—	—	—	—	0.3	—	0.3
Employee benefit plan liability adjustments, net of tax of \$1.2	—	—	—	—	—	—	(1.9)	—	(1.9)
Cash dividends declared	—	—	—	(404.3)	—	—	—	—	(404.3)
Issuances of common stock	2.8	—	74.3	—	—	—	—	—	74.3
Stock-based compensation	—	—	21.2	(2.3)	—	—	—	—	18.9
Purchase of common stock for treasury	—	—	—	—	(9.9)	(408.4)	—	—	(408.4)
Shares returned to unissued status	(71.2)	(0.6)	(2,294.7)	—	71.2	2,295.3	—	—	—
Distributions paid	—	—	—	—	—	—	—	(0.5)	(0.5)
Balance as of December 31, 2015	346.0	3.5	4,677.7	3,138.3	(0.4)	(14.9)	(30.5)	2.5	7,776.6
Net income	—	—	—	612.6	—	—	—	0.6	613.2
Change in the value of derivative instruments, net of tax of \$22.4	—	—	—	—	—	—	38.3	—	38.3
Employee benefit plan liability adjustments, net of tax of \$4.1	—	—	—	—	—	—	6.4	—	6.4
Cash dividends declared	—	—	—	(423.8)	—	—	—	—	(423.8)
Issuances of common stock	2.2	—	60.5	—	—	—	—	—	60.5
Stock-based compensation	—	—	26.3	(3.1)	—	—	—	—	23.2
Purchase of common stock for treasury	—	—	—	—	(8.4)	(400.0)	—	—	(400.0)
Shares returned to unissued status	—	—	—	—	—	—	—	—	—
Distributions paid	—	—	—	—	—	—	—	(0.7)	(0.7)
Balance as of December 31, 2016	348.2	\$ 3.5	\$ 4,764.5	\$ 3,324.0	(8.8)	\$(414.9)	\$ 14.2	\$ 2.4	\$ 7,693.7

The accompanying notes are an integral part of these financial statements.

REPUBLIC SERVICES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,		
	2016	2015	2014
Cash provided by operating activities:			
Net income	\$ 613.2	\$ 750.4	\$ 547.9
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation, amortization, depletion and accretion	1,070.2	1,050.0	984.9
Non-cash interest expense	53.4	47.1	44.8
Restructuring related charges	40.7	—	1.8
Stock-based compensation	23.2	18.9	17.4
Deferred tax provision (benefit)	47.2	116.7	(9.0)
Provision for doubtful accounts, net of adjustments	20.4	22.7	22.6
Loss on extinguishment of debt	196.2	—	1.4
Gain on disposition of assets, net and asset impairments	(4.6)	(1.6)	(14.7)
Withdrawal liability - multiemployer pension funds	5.6	4.5	—
Environmental adjustments	2.0	(1.6)	233.2
Loss from unconsolidated equity method investment	6.1	—	—
Excess income tax benefit from stock-based compensation activity and other non-cash items	(20.6)	(10.7)	(4.9)
Change in assets and liabilities, net of effects from business acquisitions and divestitures:			
Accounts receivable	(52.3)	(15.7)	(54.3)
Prepaid expenses and other assets	(1.1)	(8.7)	(41.3)
Accounts payable	(9.8)	35.6	3.3
Restructuring expenditures	(32.5)	—	(1.3)
Capping, closure and post-closure expenditures	(77.4)	(88.4)	(54.6)
Remediation expenditures	(66.8)	(80.0)	(99.4)
Withdrawal expenditures - multiemployer pension funds	—	(153.5)	(15.9)
Other liabilities	34.7	(6.0)	(32.1)
Cash provided by operating activities	1,847.8	1,679.7	1,529.8
Cash used in investing activities:			
Purchases of property and equipment	(927.8)	(945.6)	(862.5)
Proceeds from sales of property and equipment	9.8	21.2	35.7
Cash used in business acquisitions and investments, net of cash acquired	(62.4)	(572.7)	(195.7)
Cash proceeds from business divestitures, net of cash divested	15.0	—	—
Change in restricted cash and marketable securities	5.2	15.3	70.8
Other	(1.0)	(1.0)	(8.1)
Cash used in investing activities	(961.2)	(1,482.8)	(959.8)
Cash used in financing activities:			
Proceeds from notes payable and long-term debt	3,911.4	918.4	1,383.3
Proceeds from issuance of senior notes, net of discount	498.9	497.9	—
Payments of notes payable and long-term debt	(4,307.1)	(915.7)	(1,398.4)
Premiums paid on extinguishment of debt	(176.9)	—	—
Fees paid to retire and issue senior notes and retire certain hedging relationships	(9.5)	(3.2)	(4.0)
Issuances of common stock	49.7	65.9	88.6
Excess income tax benefit from stock-based compensation activity	10.8	8.5	4.3
Purchases of common stock for treasury	(403.8)	(404.7)	(400.6)
Cash dividends paid	(418.9)	(399.3)	(378.6)
Distributions paid to noncontrolling interests in consolidated subsidiary	(0.7)	(0.5)	(0.4)
Other	(5.1)	(7.0)	(2.3)
Cash used in financing activities	(851.2)	(239.7)	(708.1)
Increase (decrease) in cash and cash equivalents	35.4	(42.8)	(138.1)
Cash and cash equivalents at beginning of year	32.4	75.2	213.3
Cash and cash equivalents at end of year	\$ 67.8	\$ 32.4	\$ 75.2

The accompanying notes are an integral part of these financial statements.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Republic Services, Inc., a Delaware corporation, and its consolidated subsidiaries (also referred to collectively as Republic, the Company, we, us, or our), is the second largest provider of non-hazardous solid waste collection, transfer, recycling, disposal and energy services in the United States, as measured by revenue. During 2016, we managed and evaluated our operations through two field groups, Group 1 and Group 2, that we have identified as our reportable segments.

The consolidated financial statements include the accounts of Republic and its wholly owned and majority owned subsidiaries in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). We account for investments in entities in which we do not have a controlling financial interest under either the equity method or cost method of accounting, as appropriate. All material intercompany accounts and transactions have been eliminated in consolidation.

For comparative purposes, certain prior year amounts have been reclassified to conform to the current year presentation. All dollar amounts in tabular presentations are in millions, except per share amounts and unless otherwise noted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management's Estimates and Assumptions

In preparing our financial statements, we make numerous estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. We must make these estimates and assumptions because certain information we use is dependent on future events, cannot be calculated with a high degree of precision from data available or simply cannot be readily calculated based on generally accepted methodologies. In preparing our financial statements, the more critical and subjective areas that deal with the greatest amount of uncertainty relate to our accounting for our long-lived assets, including recoverability, landfill development costs, and final capping, closure and post-closure costs; our valuation allowances for accounts receivable and deferred tax assets; our liabilities for potential litigation, claims and assessments; our liabilities for environmental remediation, multiemployer pension plans, employee benefit plans, deferred taxes, uncertain tax positions, and insurance reserves; and our estimates of the fair values of assets acquired and liabilities assumed in any acquisition. Each of these items is discussed in more detail elsewhere in these Notes to Consolidated Financial Statements. Our actual results may differ significantly from our estimates.

Cash and Cash Equivalents

We consider liquid investments with a maturity at the date of acquisition of three months or less to be cash equivalents.

We may have net book credit balances in our primary disbursement accounts at the end of a reporting period. We classify such credit balances as accounts payable in our consolidated balance sheets as checks presented for payment to these accounts are not payable by our banks under overdraft arrangements, and, therefore, do not represent short-term borrowings. As of December 31, 2016 and 2015, there were net book credit balances of \$67.9 million and \$84.4 million, respectively, in our primary disbursement accounts that were classified as accounts payable on our consolidated balance sheets.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents, trade accounts receivable and derivative instruments. We place our cash and cash equivalents with high quality financial institutions. Such balances may be in excess of FDIC insured limits. To manage the related credit exposure, we continually monitor the credit worthiness of the financial institutions where we have deposits. Concentrations of credit risk with respect to trade accounts receivable are limited due to the wide variety of customers and markets in which we provide services, as well as the dispersion of our operations across many geographic areas. We provide services to small-container commercial, large-container industrial, municipal and residential customers in the United States and Puerto Rico. We perform ongoing credit evaluations of our customers, but generally do not require collateral to support customer receivables. We establish an allowance for doubtful accounts based on various factors including the credit risk of specific customers, age of receivables outstanding, historical trends, economic conditions and other information.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Accounts Receivable, Net

Accounts receivable represent receivables from customers for collection, transfer, recycling, disposal, energy services and other services. Our receivables are recorded when billed or when the related revenue is earned, if earlier, and represent claims against third parties that will be settled in cash. The carrying value of our receivables, net of the allowance for doubtful accounts and customer credits, represents their estimated net realizable value. Provisions for doubtful accounts are evaluated on a monthly basis and are recorded based on our historical collection experience, the age of the receivables, specific customer information and economic conditions. We also review outstanding balances on an account-specific basis. In general, reserves are provided for accounts receivable in excess of 90 days outstanding. Past due receivable balances are written-off when our collection efforts have been unsuccessful in collecting amounts due.

The following table reflects the activity in our allowance for doubtful accounts for the years ended December 31:

	2016	2015	2014
Balance at beginning of year	\$ 46.7	\$ 38.9	\$ 38.3
Additions charged to expense	20.4	22.7	22.6
Accounts written-off	(23.1)	(14.9)	(22.0)
Balance at end of year	<u>\$ 44.0</u>	<u>\$ 46.7</u>	<u>\$ 38.9</u>

Restricted Cash and Marketable Securities

As of December 31, 2016, we had \$90.5 million of restricted cash and marketable securities of which \$62.6 million supports our insurance programs for workers' compensation, commercial general liability, and commercial auto liability. Additionally, we obtain funds through the issuance of tax-exempt bonds for the purpose of financing qualifying expenditures at our landfills, transfer stations, collection and recycling centers. The funds are deposited directly into trust accounts by the bonding authorities at the time of issuance. As the use of these funds is contractually restricted, and we do not have the ability to use these funds for general operating purposes, they are classified as restricted cash and marketable securities in our consolidated balance sheets.

In the normal course of business, we may be required to provide financial assurance to governmental agencies and a variety of other entities in connection with municipal residential collection contracts, closure or post-closure of landfills, environmental remediation, environmental permits, and business licenses and permits as a financial guarantee of our performance. At several of our landfills, we satisfy financial assurance requirements by depositing cash into restricted trust funds or escrow accounts.

Property and Equipment

We record property and equipment at cost. Expenditures for major additions and improvements to facilities are capitalized, while maintenance and repairs are charged to expense as incurred. When property is retired or otherwise disposed, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of income.

We revise the estimated useful lives of property and equipment acquired through business acquisitions to conform with our policies. We depreciate assets over their estimated useful lives using the straight-line method. We assume no salvage value for our depreciable property and equipment. The estimated useful lives of our property and equipment are as follows:

Buildings and improvements	7 - 40 years
Vehicles	5 - 12 years
Landfill equipment	5 - 7 years
Other equipment	3 - 20 years
Furniture and fixtures	10 years

Landfill development costs also are included in property and equipment. Landfill development costs include direct costs incurred to obtain landfill permits and direct costs incurred to acquire, construct and develop sites, as well as final capping, closure and post-closure assets. These costs are amortized or depleted based on consumed airspace. All indirect landfill development costs are expensed as incurred. For additional information, see Note 8, *Landfill and Environmental Costs*.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Capitalized Interest

We capitalize interest on landfill cell construction and other construction or development projects if they meet the following criteria:

- Total construction costs are \$50,000 or greater;
- The construction phase is one month or longer; and
- The assets have a useful life of one year or longer.

Interest is capitalized on qualified assets while they undergo activities to ready them for their intended use. Capitalization of interest ceases once an asset is placed into service or if construction activity is suspended for more than a brief period of time. Our interest capitalization rate is based on our weighted average cost of indebtedness. Interest capitalized was \$6.2 million, \$6.8 million and \$6.4 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Fair Value of Financial Instruments

Our financial instruments include cash and cash equivalents, restricted cash and marketable securities, fuel, commodity and interest rate hedges, long-term debt, and assets in our defined benefit pension plan. Accounting standards include disclosure requirements around fair values used for certain financial instruments and establish a fair value hierarchy. The hierarchy prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

See Note 11, *Employee Benefit Plans*, and Note 16, *Financial Instruments*, for fair value disclosures related to our defined benefit pension plan investments and financial instruments, respectively.

Investments Other Than Derivatives

Investments other than derivatives primarily include money market funds, common stock, mutual funds, real estate investment trusts, U.S. government and agency securities, municipal and corporate bonds, and foreign government bonds. In general, and where applicable, we use quoted prices in active markets for identical assets or liabilities to determine fair value. This pricing methodology applies to our Level 1 investments, such as money market funds, common stock and certain mutual funds. If quoted prices in active markets for identical assets or liabilities are not available to determine fair value, then we use quoted prices for similar assets and liabilities or inputs other than the quoted prices that are observable either directly or indirectly. These investments are included in Level 2 and consist primarily of corporate bonds, foreign government bonds, real estate investment trusts and certain agency securities.

Derivative Financial Instruments

We use derivative financial instruments to manage our risk associated with changing interest rates and changing prices for commodities we frequently purchase or sell by creating offsetting market exposures. We use interest rate swap agreements to manage risk associated with fluctuations in interest rates. We have entered into multiple agreements designated as cash flow hedges to mitigate some of our exposure to changes in diesel fuel prices and prices of certain recycling commodities.

All derivatives are measured at fair value and recognized in the balance sheet as assets or liabilities, as appropriate. For derivatives designated as cash flow hedges, changes in fair value of the effective portions of derivative instruments are reported in stockholders' equity as components of other comprehensive income until the forecasted transaction occurs or is not probable of occurring. When the forecasted transaction occurs or is not probable of occurring, the realized net gain or loss is then recognized in the consolidated statements of income. Changes in fair value of the ineffective portions of derivative instruments are recognized currently in earnings.

The fair values of our diesel fuel and recycling commodity hedges are determined using standard valuation models with assumptions about prices and other relevant information based on those observed in the underlying markets (Level 2 in the fair

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

value hierarchy). The estimated fair values of derivatives used to hedge risks fluctuate over time and should be viewed in relation to the underlying hedged transactions.

Landfill and Environmental Costs***Life Cycle Accounting***

We use life-cycle accounting and the units-of-consumption method to recognize certain landfill costs over the life of the site. In life cycle accounting, all current and future capitalized costs to acquire and construct a site are calculated, and charged to expense based on the consumption of cubic yards of available airspace.

Costs and airspace estimates are developed at least annually by engineers. We use these estimates to adjust the rates we use to deplete capitalized costs. Changes in these estimates primarily relate to changes in available airspace, inflation and applicable regulations. Changes in available airspace include, but are not limited to, changes due to the addition of airspace lying in probable expansion areas, airspace consumed and changes in engineering estimates.

Probable Expansion Airspace

We classify landfill disposal capacity as either permitted (having received the final permit from the applicable regulatory agency) or as probable expansion airspace. Before airspace included in an expansion area is determined to be probable expansion airspace and, therefore, is included in our calculation of total available disposal capacity, all of the following criteria must be met:

- We own the land associated with the expansion airspace or control it pursuant to an option agreement;
- We are committed to supporting the expansion project financially and with appropriate resources;
- There are no identified fatal flaws or impediments associated with the project, including political impediments;
- Progress is being made on the project;
- The expansion is attainable within a reasonable time frame; and
- We believe it is likely the expansion permit will be received.

Upon meeting our expansion criteria, the rates used at each applicable landfill to expense costs to acquire, construct, cap, close and maintain a site during the post-closure period are adjusted to include both the probable expansion airspace and the additional costs to be capitalized or accrued associated with that expansion airspace.

We have identified three steps that landfills generally follow to obtain expansion permits. These steps are as follows:

- Obtaining approval from local authorities;
- Submitting a permit application to state authorities; and
- Obtaining permit approval from state authorities.

We continually monitor our progress toward obtaining permits for each of our sites with probable airspace. If we determine that a landfill expansion area no longer meets our criteria, the probable expansion airspace is removed from the landfill's total available capacity and the rates used at the landfill to deplete costs to acquire, construct, cap, close and maintain a site during the post-closure period are adjusted accordingly. In addition, any amounts capitalized for the probable expansion airspace are charged to expense in the period in which it is determined that the criteria are no longer met.

Capitalized Landfill Costs

Capitalized landfill costs include expenditures for land, permitting, cell construction and environmental structures. Capitalized permitting and cell construction costs are limited to direct costs relating to these activities, including legal, engineering and construction costs associated with excavation, natural and synthetic liners, construction of leachate collection systems, installation of methane gas collection and monitoring systems, installation of groundwater monitoring wells and other costs associated with the development of the site. Interest is capitalized on landfill construction projects while the assets are undergoing activities to ready them for their intended use. Capitalized landfill costs also include final capping, closure and post-closure assets and are depleted as airspace is consumed using the units-of-consumption method.

Costs related to acquiring land, excluding the estimated residual value of unpermitted, non-buffer land, and costs related to permitting and cell construction are depleted as airspace is consumed using the units-of-consumption method.

Capitalized landfill costs also may include an allocation of purchase price paid for landfills. For landfills purchased as part of a group of assets, the purchase price assigned to the landfill is determined based on the estimated fair value of the landfill. If the landfill meets our expansion criteria, the purchase price is further allocated between permitted airspace and expansion airspace

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

based on the respective ratios to total available airspace. Landfill purchase price is amortized using the units-of-consumption method over the total available airspace, including probable expansion airspace, where appropriate.

Final Capping, Closure and Post-Closure Costs***Final capping***

We have future obligations for final capping, closure and post-closure costs with respect to the landfills we own or operate as set forth in applicable landfill permits. The permit requirements are based on the Subtitle C and Subtitle D regulations of the Resource Conservation and Recovery Act, as implemented and applied on a state-by-state basis. We define final capping as activities required to permanently cover a portion of a landfill that has been completely filled with waste. Final capping typically includes installing flexible membrane and geosynthetic clay liners, drainage and compact soil layers, and topsoil, and is constructed over an area of the landfill where total airspace capacity has been consumed and waste disposal operations have ceased. These final capping activities occur in phases as needed throughout the operating life of a landfill as specific areas are filled to capacity and the final elevation for that specific area is reached in accordance with the provisions of the operating permit. We consider final capping events to be discrete activities that are recognized as asset retirement obligations separately from other closure and post-closure obligations. As a result, we use a separate rate per ton for recognizing the principal amount of the liability and related asset associated with each capping event. We amortize the asset recorded pursuant to this approach as waste volume related to the capacity covered by the capping event is placed into the landfill based on the consumption of cubic yards of available airspace.

Closure and post-closure

Closure and post-closure activities occur after the entire landfill ceases to accept waste and closes. These activities involve methane gas control, leachate management and groundwater monitoring, surface water monitoring and control, and other operational and maintenance activities that occur after the site ceases to accept waste. Obligations associated with monitoring and controlling methane gas migration and emissions are set forth in applicable landfill permits and these requirements are based on the provisions of the Clean Air Act. The post-closure period generally runs for 30 years after final site closure for municipal solid waste landfills and a shorter period for construction and demolition landfills and inert landfills. We recognize asset retirement obligations and the related amortization expense for closure and post-closure (excluding obligations for final capping) using the units-of-consumption method over the total remaining capacity of the landfill, including probable expansion airspace.

Estimated future expenditures

Estimates of future expenditures for final capping, closure and post-closure are developed at least annually by engineers. Management reviews these estimates and our operating and accounting personnel use them to adjust the rates used to capitalize and amortize these costs. These estimates involve projections of costs that will be incurred during the remaining life of the landfill for final capping activities, after the landfill ceases operations and during the legally required post-closure monitoring period. As of December 31, 2016, we had post-closure responsibility for 124 closed landfills.

Fair value measurements

In general, we engage third parties to perform most of our final capping, closure and post-closure activities. Accordingly, the fair value of these activities is based on quoted and actual prices paid for similar work. We also perform some of our final capping, closure and post-closure activities using internal resources. Where we expect internal resources to be used to fulfill an asset retirement obligation, we add a profit margin to the estimated cost of such services to better reflect their fair value. If we perform these services internally, the added profit margin is recognized as a component of operating income in the period the obligation is settled.

Our estimates of costs to discharge asset retirement obligations for landfills are developed in today's dollars. These costs are inflated each year to reflect a normal escalation of prices up to the year they are expected to be paid. We use a 1.8% inflation rate, which is based on the ten-year historical moving average increase of the U.S. Consumer Price Index, and is the rate used by most waste industry participants.

These estimated costs are then discounted to their present values using a credit-adjusted, risk-free interest rate. The credit-adjusted, risk-free interest rate we used for liability recognition was 3.75% and 4.75% for the years ended December 31, 2016 and 2015, respectively, which was based on the estimated all-in yield we would have needed to offer to sell thirty-year debt in the public market. However, as part of the initial application of purchase accounting, our capping, closure and post-closure obligations acquired from Allied Waste Industries, Inc. (Allied) were recorded at their fair values as of the acquisition date, and were discounted using a rate of 9.75% due to market conditions at the time of the acquisition.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Changes in assets retirement obligations

A liability for an asset retirement obligation is recognized in the period in which it is incurred and is initially measured at fair value. The offset to the liability is capitalized as part of the carrying amount of the related long-lived asset. Changes in the liabilities due to revisions to estimated future cash flows are recognized by increasing or decreasing the liabilities with the offsets adjusting the carrying amounts of the related long-lived assets, and may also require immediate adjustments to amortization expense in the consolidated statement of income. Upward revisions in the amount of undiscounted estimated cash flows used to record a liability are discounted using the credit-adjusted, risk-free interest rate in effect at the time of the change. Downward revisions in the amount of undiscounted estimated cash flows used to record a liability are discounted using the credit-adjusted, risk-free rate that existed when the original liability was recognized.

Changes in asset retirement obligations due to the passage of time are measured by recognizing accretion expense in a manner that results in a constant effective interest rate being applied to the average carrying amount of the liability. The effective interest rate used to calculate accretion expense is our credit-adjusted, risk-free interest rate in effect at the time the liabilities were recorded.

We review our calculations with respect to landfill asset retirement obligations at least annually. If there is a significant change in the facts and circumstances related to a landfill during the year, we will review our calculations for the landfill as soon as practical after the change has occurred.

Landfill operating expenses

Costs associated with daily maintenance activities and environmental compliance during the operating life of the landfill are expensed as incurred. These costs include, among other things, leachate treatment and disposal, methane gas and groundwater monitoring and systems maintenance, interim cap maintenance, costs associated with the application of daily cover materials, and the legal and administrative costs of ongoing environmental compliance.

Environmental Liabilities

We are subject to an array of laws and regulations relating to the protection of the environment, and we remediate sites in the ordinary course of our business. Under current laws and regulations, we may be responsible for environmental remediation at sites that we either own or operate, including sites that we have acquired, or sites where we have (or a company that we have acquired has) delivered waste. Our environmental remediation liabilities primarily include costs associated with remediating groundwater, surface water and soil contamination, as well as controlling and containing methane gas migration and the related legal costs. To estimate our ultimate liability at these sites, we evaluate several factors, including the nature and extent of contamination at each identified site, the required remediation methods, timing of expenditures, the apportionment of responsibility among the potentially responsible parties and the financial viability of those parties. We accrue for costs associated with environmental remediation obligations when such costs are probable and reasonably estimable in accordance with accounting for loss contingencies. We periodically review the status of all environmental matters and update our estimates of the likelihood of and future expenditures for remediation as necessary. Changes in the liabilities resulting from these reviews are recognized currently in earnings in the period in which the adjustment is known. Adjustments to estimates are reasonably possible in the near term and may result in changes to recorded amounts. With the exception of those obligations assumed in the acquisition of Allied, environmental obligations are recorded on an undiscounted basis. Environmental obligations assumed in the acquisition of Allied, which were initially estimated on a discounted basis, are accreted to full value over time through charges to interest expense. Adjustments arising from changes in amounts and timing of estimated costs and settlements may result in increases or decreases in these obligations and are calculated on a discounted basis as they were initially estimated on a discounted basis. These adjustments are charged to operating income when they are known. We perform a comprehensive review of our environmental obligations annually and also review changes in facts and circumstances associated with these obligations at least quarterly. We have not reduced the liabilities we have recorded for recoveries from other potentially responsible parties or insurance companies.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Business Combinations

We acquire businesses in the waste industry, including non-hazardous waste collection, transfer, recycling, disposal and energy services operations, as part of our growth strategy. Businesses are included in the consolidated financial statements from the date of acquisition.

We recognize, separately from goodwill, the identifiable assets acquired and liabilities assumed at their estimated acquisition-date fair values. We measure and recognize goodwill as of the acquisition date as the excess of: (1) the aggregate of the fair value of consideration transferred, the fair value of any noncontrolling interest in the acquiree (if any) and the acquisition date fair value of our previously held equity interest in the acquiree (if any), over (2) the fair value of assets acquired and liabilities assumed. If information about facts and circumstances existing as of the acquisition date is incomplete by the end of the reporting period in which a business combination occurs, we report provisional amounts for the items for which the accounting is incomplete. The measurement or allocation period ends once we receive the information we are seeking; however, this period will generally not exceed one year from the acquisition date. Any material adjustments recognized during the measurement period will be reflected retrospectively in the consolidated financial statements of the subsequent period. We recognize third-party transaction related costs as expense currently in the period in which they are incurred.

Goodwill and Other Intangible Assets

We have historically evaluated goodwill for impairment annually as of December 31, or when an indicator of impairment exists. During 2015 we changed the date of our annual goodwill impairment assessment for our reporting units to October 1st. This voluntary change in the annual goodwill testing date is a change in accounting principle, which we believe is preferable as it better aligns the timing of the assessment with our planning and forecasting process and also provides additional time to complete our annual assessment in advance of our year-end reporting. This change in assessment date was applied prospectively and did not delay, accelerate or avoid a potential impairment charge.

In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. Following our restructuring, our senior management now evaluates, oversees and manages the financial performance of our operations through two field groups, referred to as Group 1 and Group 2. We determined that our 2016 reportable segments are Group 1 and Group 2 and that our 2016 reporting units are our reportable segments. We allocated goodwill to the new reporting units and considered the implications of our restructuring on our reporting units used to measure for goodwill impairment, and we noted no indicators of goodwill impairment.

We test goodwill for impairment using a two-step process. The first step is a screen for potential impairment, while the second step measures the amount of the impairment, if any. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill.

During 2016, we managed and evaluated our operations through the two noted field groups: Group 1 and Group 2. In determining fair value, we primarily use discounted future cash flows and operating results based on a comparative multiple of earnings or revenues.

Significant estimates used in our fair value calculation using discounted future cash flows include: (1) estimates of future revenue and expense growth by reporting unit, which we estimate to range from 3% to 5% annually; (2) future estimated effective tax rates, which we estimate to be 40%; (3) future estimated capital expenditures and future required investments in working capital; (4) estimated discount rates, which we estimate to range between 7% and 8%; and (5) the future terminal value of the reporting unit, which is based on its ability to exist into perpetuity. Significant estimates used in the fair value calculation utilizing market value multiples include: (a) estimated future growth potential of the reporting unit; (b) estimated multiples of revenue or earnings a willing buyer is likely to pay; and (c) the estimated control premium a willing buyer is likely to pay.

In addition, we evaluate a reporting unit for impairment if events or circumstances change between annual tests, indicating a possible impairment. Examples of such events or circumstances include: (1) a significant adverse change in legal factors or in the business climate; (2) an adverse action or assessment by a regulator; (3) a more likely than not expectation that a reporting unit or a significant portion thereof will be sold; (4) continued or sustained losses at a reporting unit; (5) a significant decline in our market capitalization as compared to our book value; or (6) the testing for recoverability of a significant asset group within the reporting unit.

We assign assets and liabilities from our corporate operating segment to our two reporting units to the extent that such assets or liabilities relate to the cash flows of the reporting unit and would be included in determining the reporting unit's fair value.

In preparing our annual test for impairment as of October 1, 2016, we determined that our indicated fair value of total invested capital exceeded our total market capitalization. We believe one of the primary reconciling differences between the indicated

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

fair value of total invested capital and our total market capitalization is due to a control premium. We believe the control premium represents the value a market participant could extract as savings or synergies by obtaining control.

As of October 1, 2016, we determined that the indicated fair value of our reporting units exceeded their carrying value by approximately 80% on average and, therefore, we noted no indicators of impairment at our reporting units.

Our operating segments, which also represent our reporting units, are comprised of several vertically integrated businesses. When an individual business within an integrated operating segment is divested, goodwill is allocated to that business based on its fair value relative to the fair value of its operating segment.

Other intangible assets include values assigned to customer relationships, franchise agreements, other municipal agreements, non-compete agreements and trade names and are amortized generally on a straight-line basis over periods ranging from 1 to 20 years.

Asset Impairments

We continually consider whether events or changes in circumstances have occurred that may warrant revision of the estimated useful lives of our long-lived assets (other than goodwill) or whether the remaining balances of those assets should be evaluated for possible impairment. Long-lived assets include, for example, capitalized landfill costs, other property and equipment, and identifiable intangible assets. Events or changes in circumstances that may indicate that an asset may be impaired include the following:

- A significant decrease in the market price of an asset or asset group;
- A significant adverse change in the extent or manner in which an asset or asset group is being used or in its physical condition;
- A significant adverse change in legal factors or in the business climate that could affect the value of an asset or asset group, including an adverse action or assessment by a regulator;
- An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset;
- A current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group;
- A current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life; or
- An impairment of goodwill at a reporting unit.

There are certain indicators listed above that require significant judgment and understanding of the waste industry when applied to landfill development or expansion. For example, a regulator may initially deny a landfill expansion permit application though the expansion permit is ultimately granted. In addition, management may periodically divert waste from one landfill to another to conserve remaining permitted landfill airspace. Therefore, certain events could occur in the ordinary course of business and not necessarily be considered indicators of impairment due to the unique nature of the waste industry.

If indicators of impairment exist, the asset or asset group is reviewed to determine whether its recoverability is impaired. We assess the recoverability of the asset or asset group by comparing its carrying value to an estimate (or estimates) of its undiscounted future cash flows over its remaining life. If the estimated undiscounted cash flows are not sufficient to recover the carrying value of the asset or asset group, we measure an impairment loss as the amount by which the carrying amount of the asset exceeds its fair value. The loss is recorded in the consolidated statement of income in the period in which such impairment is identified. Estimating future cash flows requires significant judgment, and our projections of future cash flows and remaining useful lives may vary materially from actual results.

Insurance Reserves

Our insurance programs for workers' compensation, commercial general and auto liability, environmental and remediation liability, and employee-related health care benefits are subject to high deductible insurance policies. Accruals for insurance reserves are based on claims filed and estimates of claims incurred but not reported. We consider our past claims experience, including both frequency and settlement amount of claims, in determining these estimates. It is possible that recorded reserves may not be adequate to cover the future payment of claims. Adjustments, if any, to estimates recorded resulting from ultimate claim payments will be reflected in the consolidated statements of income in the periods in which such adjustments are known. In general, our insurance reserves are recorded on an undiscounted basis; however, the insurance liabilities we acquired in the

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Allied acquisition have been recorded at estimated fair value, and therefore have been discounted to present value based on our estimate of the timing of the related cash flows.

Costs Associated with Exit Activities

We record costs associated with exit activities such as employee termination benefits that represent a one-time benefit when management approves and commits to a plan of termination, and communicates the termination arrangement to the employees, or over the future service period, if any. Other costs associated with exit activities may include contract termination costs, including costs related to leased facilities to be abandoned or subleased, and facility and employee relocation costs.

Contingent Liabilities

We are subject to various legal proceedings, claims and regulatory matters, the outcomes of which are subject to significant uncertainty. In general, we determine whether to disclose or accrue for loss contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable, and whether it can be reasonably estimated. We assess our potential liability relating to litigation and regulatory matters based on information available to us. Management develops its assessment based on an analysis of possible outcomes under various strategies. We accrue for loss contingencies when such amounts are probable and reasonably estimable. If a contingent liability is only reasonably possible, we disclose the potential range of the loss, if estimable. Contingent liabilities recorded in purchase accounting are recorded at their fair values. These fair values may be different from the values we would have otherwise recorded, had the contingent liability not been assumed as part of an acquisition of a business.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income is a component of stockholders' equity and includes the effective portion of the net changes in fair value of our cash flow hedges that consist of prices for diesel fuel and recycled commodities, net of tax, settlement and amortization of our interest rate locks and certain adjustments to liabilities associated with our employee defined benefit pension plan liabilities, net of tax.

Revenue Recognition

We generally provide services under contracts with municipalities or individual customers. Municipal and small-container commercial contracts are generally long-term and often have renewal options. Advance billings are recorded as deferred revenue, and revenue is recognized over the period services are provided.

We recognize revenue when all four of the following criteria are met:

- Persuasive evidence of an arrangement exists such as a service agreement with a municipality, a hauling customer or a disposal customer;
- Services have been performed such as the collection and hauling of waste or the disposal of waste at a disposal facility we own or operate;
- The price of the services provided to the customer is fixed or determinable; and
- Collectibility is reasonably assured.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we record deferred income taxes to reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases using enacted tax rates that we expect to be in effect when the taxes are actually paid or recovered. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making these determinations, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, tax planning strategies, projected future taxable income and recent financial operating results. The weight given to the positive and negative evidence is commensurate with the extent such evidence can be objectively verified. If we determine that we would be able to realize a deferred income tax asset in the future in excess of its net recorded amount, we would make an adjustment to the valuation allowance, which would reduce the provision for income taxes.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

We record uncertain tax positions in accordance with ASC 740. A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized.

We recognize interest and penalties related to uncertain tax positions in the provision for income taxes in the accompanying consolidated statements of income. Accrued interest and penalties are included in other accrued liabilities, deferred income taxes and other long-term tax liabilities in the consolidated balance sheets.

We use the flow-through method to account for investment tax credits earned on eligible development expenditures. Under this method, the investment tax credits are recognized as a reduction to income tax expense in the year they are earned.

Defined Benefit Pension Plan

We currently have one qualified defined benefit pension plan, the BFI Retirement Plan (the Plan). The Plan covers certain current and former employees of Allied in the United States, including some employees subject to collective bargaining agreements. The Plan's benefit formula is based on a percentage of compensation as defined in the Plan document. However, the benefits of all current plan participants are frozen.

Our pension contributions are made in accordance with funding standards established by the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code, as amended by the Pension Protection Act of 2006. The Plan's assets have been invested as determined by our Employee Benefits Committee. The Employee Benefits Committee reviews and adjusts the Plan's asset allocation as deemed necessary.

The benefit obligation and associated income or expense related to the Plan are determined using annually established assumptions for discount rates, expected rates of return, mortality rates and average rates for compensation increases. We determine the discount rate based on a model that matches the timing and amount of expected benefit payments to maturities of high quality bonds priced as of the pension plan measurement date. When that timing does not correspond to a published high-quality bond rate, our model uses an expected yield curve to determine an appropriate current discount rate. The yields on the bonds are used to derive a discount rate for the liability. In developing our expected rate of return assumption, we evaluate long-term expected and historical actual returns on the Plan assets, giving consideration to the asset mix and the anticipated duration of our Plan obligations. The average rate of compensation increase reflects our expectations of average pay increases over the period benefits are earned. Our assumptions are reviewed annually and adjusted as deemed necessary.

Equity-Based Compensation Plans

We recognize equity-based compensation expense on the estimated grant-date fair value of stock options and restricted stock units issued as compensation to employees over the requisite service periods for each separately vesting portion of the award, or to the employee's retirement-eligible date, if earlier.

The fair value of each option on the date of grant is estimated using a lattice binomial option-pricing model based on certain valuation assumptions. Expected volatility is based on the weighted average of the most recent one year volatility and a historical rolling average volatility of our stock over the expected life of the option. The risk-free interest rates are based on the published U.S. Treasury yield curve in effect at the time of the grant for instruments with a similar life. The dividend yield reflects our dividend yield at the date of grant. The expected life represents the period that the stock options are expected to be outstanding, taking into consideration the contractual terms of the options and our employees' historical exercise and post-vesting employment termination behavior, weighted to reflect the job level demographic profile of the employees receiving the option grants. The estimated forfeiture rate used to record compensation expense is based on historical forfeitures and is adjusted periodically based on actual results.

Compensation expense associated with our performance shares that vest based on future performance targets is measured using the fair value of our common stock at the grant date for the stock-settled, equity classified awards, and the fair value of our common stock at the end of each reporting period for the cash-settled, liability classified awards. Compensation expense is recognized ratably over the performance period based on our estimated achievement of the established performance criteria. Compensation expense is only recognized for those awards that we expect to vest, which we estimate based on an assessment of the probability that the performance criteria will be achieved.

Cash flows resulting from tax benefits related to tax deductions in excess of those recorded for compensation expense, resulting from the exercise of stock options and the vesting of restricted stock units, are classified as cash flows from financing activities. All other tax benefits related to stock options have been presented as a component of cash flows from operating activities.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Stock Repurchases

Share repurchases under our share repurchase authorization may be made through open market purchases or privately negotiated transactions at the current market prices. From time-to-time, we return treasury shares acquired through share repurchases to the status of authorized but unissued. Our accounting policy is to deduct the par value from common stock and to reflect any excess of cost over par value as a deduction from additional paid-in capital.

Leases

We lease property and equipment in the ordinary course of our business. Our most significant lease obligations are for property and equipment specific to our industry, including real property operated as a landfill or transfer station and operating equipment. Our leases have varying terms. Some may include renewal or purchase options, escalation clauses, restrictions, penalties or other obligations that we consider in determining minimum lease payments. Leases are classified as either operating leases or capital leases, as appropriate.

Operating Leases

Many of our leases are operating leases. This classification generally can be attributed to either (1) relatively low fixed minimum lease payments (including, for example, real property lease payments that are not fixed and vary based on the volume of waste we receive or process), or (2) minimum lease terms that are much shorter than the assets' economic useful lives. We expect that, in the normal course of business, our operating leases will be renewed, replaced by other leases, or replaced with fixed asset expenditures. We record rental expense over the lease term as it becomes payable.

Capital Leases

We capitalize assets acquired under capital leases at the inception of each lease and amortize them to depreciation expense over the lesser of the useful life of the asset or the lease term on either a straight-line or a units-of-consumption basis, depending on the asset leased. We record the present value of the related lease payments as a debt obligation. Our capital lease liability relates primarily to certain long-term landfill operating agreements that require minimum lease payments with offsetting capital lease assets recorded as part of the landfill development costs.

Related Party Transactions

It is our policy that transactions with related parties must be on terms that, on the whole, are no less favorable than those that would be available from unaffiliated parties.

New Accounting Pronouncements***Revenue Recognition***

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, which created Topic 606, Revenue from Contracts with Customers, and Subtopic 340-40, Other Assets and Deferred Costs - Contracts with Customers. The new standard requires the use of a five step methodology to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard also requires enhanced disclosures regarding revenue recognition. Due to the complexity of the new standard, the FASB subsequently issued several amendments intended to clarify ASU 2014-09. In July 2015, the FASB voted to amend the guidance by approving a one-year deferral of the effective date. As such, Republic will adopt the standard beginning January 1, 2018. As we progress to adopt the standard we continually monitor clarifying interpretations.

The new standard must be adopted using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. We currently plan to adopt the standard using the modified retrospective approach and recognize a cumulative effect adjustment to Retained Earnings as of the date of adoption. Under ASU 2014-09, we will record revenue when control is transferred to the customer, generally at the time we provide waste collection services. We have begun to assess our 2016 operating results under ASU 2014-09 for our residential, small-container commercial, and large-container industrial collection businesses, and we do not anticipate a significant change to the pattern or timing of revenue recognition as a result of adopting the new standard. We are currently evaluating the effect of adopting this guidance on our transfer, landfill, recycling and energy services lines of business, and we expect our 2016 operating results to remain significantly unchanged. In addition, we are assessing the effect this guidance may have on the recognition of costs we incur to obtain and fulfill our contracts, certain of which we currently expense as incurred.

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Other Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This guidance requires lessees to recognize lease assets and liabilities for most leases classified as operating leases under previous U.S. GAAP. The standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted for financial statements that have not been previously issued. We are currently assessing the potential effect this guidance may have on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. This guidance requires that excess tax benefits and tax deficiencies be recognized as income tax benefit or expense in the consolidated statement of earnings. Previously, these amounts were recognized directly to shareholders' equity to the extent of previous excess tax benefits or windfalls. In the consolidated statement of cash flows, the excess tax benefit from equity-based compensation, previously classified as a financing activity, is now classified as an operating activity. The standard is effective for fiscal years beginning after December 15, 2016 and interim periods within those annual periods. Early adoption is permitted for financial statements that have not been previously issued, however, Republic will adopt the standard beginning January 1, 2017.

Had we adopted ASU 2016-09 as of January 1, 2016, our tax provision would have decreased by approximately \$10.8 million for the year ended December 31, 2016. As this section of the ASU permits only prospective adoption, there would have been no effect on our 2015 or 2014 Consolidated Financial Statements. The sections of the ASU that relate to the Consolidated Statement of Cash Flows will also be adopted prospectively. Had we adopted as of January 1, 2016 our cash provided by operating activities in our Consolidated Statement of Cash Flows would have increased by \$10.8 million for the year ended December 31, 2016 with a corresponding decrease in cash provided by financing activities for the same period. The other aspects of the ASU will not have a material effect on our results of operations, financial condition or cash flows.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments. This ASU provides guidance on debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and separately identifiable cash flows and application of the predominance principle. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The ASU will be applied using a retrospective transition method to each period presented. We are currently assessing the potential effect this guidance may have on our consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230) - Restricted Cash. This guidance clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. The guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The guidance is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those years. The ASU will be applied using a retrospective transition method to each period presented. We are currently assessing the potential effect this guidance may have on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, Business Combinations (Topic 805) - Clarifying the Definition of Business. This guidance assists entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The new guidance provides a screen that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. If the screen is not met, the entity then evaluates whether the set meets the requirement that a business include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The guidance is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those years. The ASU will be applied prospectively to any transactions occurring within the period of adoption. Early adoption is permitted, including for interim or annual periods in which the financial statements have not been issued or made available for issuance. We are currently assessing the potential effect this guidance may have on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment. Under this guidance, entities should perform their annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. Entities should recognize an impairment charge for the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, entities should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The guidance is effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those years. The ASU will be applied prospectively. Early adoption is permitted for interim and annual goodwill impairment tests performed on testing dates after January 1, 2017. We are currently assessing the potential effect this guidance may have on our consolidated financial statements.

3. BUSINESS ACQUISITIONS, INVESTMENTS AND RESTRUCTURING CHARGES

We acquired various waste businesses during the years ended December 31, 2016 and 2015. The purchase price paid for these acquisitions and the allocations of the purchase price follow:

	2016	2015
Purchase price:		
Cash used in acquisitions, net of cash acquired	\$ 41.6	\$ 572.7
Contingent consideration	—	70.6
Holdbacks	3.7	5.1
Fair value, future minimum lease payments	2.0	1.5
Total	\$ 47.3	\$ 649.9
Allocated as follows:		
Accounts receivable	0.9	39.2
Landfill airspace	—	173.1
Property and equipment	18.1	158.4
Other assets	0.1	1.8
Accounts payable	—	(7.1)
Environmental remediation liabilities	(0.1)	(5.3)
Closure and post-closure liabilities	(0.2)	(27.0)
Other liabilities	(1.1)	(10.3)
Fair value of tangible assets acquired and liabilities assumed	17.7	322.8
Excess purchase price to be allocated	\$ 29.6	\$ 327.1
Excess purchase price to be allocated as follows:		
Other intangible assets	\$ 6.9	\$ 14.8
Goodwill	22.7	312.3
Total allocated	\$ 29.6	\$ 327.1

The purchase price allocations are preliminary and are based on information existing at the acquisition dates. Accordingly, the purchase price allocations are subject to change. Substantially all of the goodwill and intangible assets recorded for these acquisitions are deductible for tax purposes. These acquisitions are not material to the Company's results of operations, individually or in the aggregate. As a result, no pro forma financial information is provided.

In April 2015, we entered into a waste management contract with the County of Sonoma, California (Sonoma). Under the agreement, Sonoma grants us the exclusive right to use and operate the county's waste management facilities. We will operate and manage the Sonoma County Landfill for the remaining life of the site, which we estimate to be approximately 27 years. We also have assumed all closure and post-closure obligations for the site. In addition to the landfill, we will operate five transfer stations and a gas-to-energy plant. By entering this agreement, we have effectively obtained control of the business through contract. In exchange, we have agreed to pay a contingent concession fee per ton of waste disposed at the landfill. The potential undiscounted amount of all future contingent payments that we could be required to make under the agreement is estimated to be between approximately \$88 million and \$177 million. For the fair value of the contingent consideration, see Note 16, *Financial Instruments*, to our consolidated financial statements.

In February 2015, we acquired all of the equity interests of Tervita, LLC (Tervita) in exchange for a cash payment of \$476.6 million. Tervita provides waste services to a diverse customer base serving oil and natural gas producers and operates three types of waste management and disposal facilities: treatment, recovery and disposal facilities, engineered landfills and salt water disposal injection wells. We allocated \$109.3 million of the purchase price to property and equipment, \$85.5 million to

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

landfill airspace, and \$7.2 million to intangible assets, and \$21.0 million to net working capital. We also assumed \$6.9 million of closure and post-closure obligations and \$7.6 million of environmental remediation and other liabilities. Approximately \$268 million of the remaining purchase price was allocated to goodwill.

Investments

In December 2016, we acquired a noncontrolling equity interest in a limited liability company that qualifies for a federal investment tax credit under Section 48 of the Internal Revenue Code. In exchange for our noncontrolling interest, we made a one-time capital contribution of \$20.8 million, which was recorded to other long-term assets in our consolidated balance sheet. During 2016, we reduced the carrying value of this investment by \$6.1 million as a result of tax credits allocated to us, cash distributions, and our share of income and loss pursuant to the terms of the limited liability company agreement. For further discussion of the income tax benefits, see Note 10, *Income Taxes*.

Restructuring Charges

In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. These changes included reducing administrative staffing levels, relocating office space and closing certain office locations. Additionally, in the second quarter, we began the redesign of our back-office functions as well as the consolidation of over 100 customer service locations into three Customer Resource Centers. The savings realized from these restructuring efforts will be reinvested in our customer-focused programs and initiatives. We expect our consolidation efforts to continue through 2017.

During 2016, we incurred \$40.7 million of restructuring charges that consisted of severance and other employee termination benefits, employee relocation benefits, and the closure of offices with lease agreements with non-cancelable terms. We paid \$32.5 million related to these restructuring efforts. We expect to incur additional charges of approximately \$15 million over the next year related to our field realignment, the consolidation of our customer service locations, and the redesign of our back-office functions. Substantially all of these restructuring charges will be recorded in our corporate segment.

4. PROPERTY AND EQUIPMENT, NET

A summary of property and equipment, net as of December 31 follows:

	2016	2015
Land	\$ 430.2	\$ 425.4
Non-depletable landfill land	166.8	165.6
Landfill development costs	6,386.7	6,078.1
Vehicles and equipment	6,551.8	6,211.8
Buildings and improvements	1,160.1	1,098.6
Construction-in-progress - landfill	221.2	191.6
Construction-in-progress - other	35.7	25.5
	<u>\$ 14,952.5</u>	<u>\$ 14,196.6</u>
Less: accumulated depreciation, depletion and amortization		
Landfill development costs	\$ (3,016.5)	\$ (2,723.0)
Vehicles and equipment	(3,931.4)	(3,555.0)
Buildings and improvements	(416.0)	(365.8)
	<u>(7,363.9)</u>	<u>(6,643.8)</u>
Property and equipment, net	<u>\$ 7,588.6</u>	<u>\$ 7,552.8</u>

Depreciation, amortization and depletion of property and equipment was \$919.8 million, \$898.7 million and \$838.5 million for the years ended December 31, 2016, 2015 and 2014, respectively.

5. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. Following our restructuring, our senior management now evaluates, oversees and manages the financial performance of our operations through two field groups, referred to as Group 1 and Group 2.

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Goodwill

A summary of the activity and balances in goodwill accounts by reporting segment follows:

	Balance as of December 31, 2015	Acquisitions	Divestitures	Adjustments to Acquisitions	Balance as of December 31, 2016
Group 1	\$ 5,248.1	\$ 10.2	\$ —	\$ (0.1)	\$ 5,258.2
Group 2	5,897.4	12.5	(5.8)	0.9	5,905.0
Total	<u>\$ 11,145.5</u>	<u>\$ 22.7</u>	<u>\$ (5.8)</u>	<u>\$ 0.8</u>	<u>\$ 11,163.2</u>

	Balance as of December 31, 2014	Acquisitions	Divestitures	Adjustments to Acquisitions	Balance as of December 31, 2015
Group 1	\$ 5,235.4	\$ 9.7	\$ —	\$ 3.0	\$ 5,248.1
Group 2	5,595.5	302.6	—	(0.7)	5,897.4
Total	<u>\$ 10,830.9</u>	<u>\$ 312.3</u>	<u>\$ —</u>	<u>\$ 2.3</u>	<u>\$ 11,145.5</u>

Adjustments to acquisitions during the years ended December 31, 2016 and 2015 primarily related to working capital and deferred taxes, which were recorded to goodwill in purchase accounting.

Other intangible assets, net, include values assigned to customer relationships, franchise agreements, other municipal agreements, non-compete agreements and trade names, and are amortized over periods ranging from 1 to 20 years. A summary of the activity and balances by intangible asset type follows:

	Gross Intangible Assets			Balance as of December 31, 2016	Accumulated Amortization			Balance as of December 31, 2016	Other Intangible Assets, Net as of December 31, 2016
	Balance as of December 31, 2015	Acquisitions	Divestitures		Balance as of December 31, 2015	Additions Charged to Expense	Divestitures		
Customer relationships, franchise and other municipal agreements	\$ 651.6	\$ 4.2	\$ (5.0)	\$ 650.8	\$ (431.0)	\$ (62.4)	\$ 0.9	\$ (492.5)	\$ 158.3
Non-compete agreements	30.8	1.3	—	32.1	(22.1)	(3.2)	—	(25.3)	6.8
Other intangible assets	65.6	1.4	—	67.0	(48.5)	(1.3)	—	(49.8)	17.2
Total	<u>\$ 748.0</u>	<u>\$ 6.9</u>	<u>\$ (5.0)</u>	<u>\$ 749.9</u>	<u>\$ (501.6)</u>	<u>\$ (66.9)</u>	<u>\$ 0.9</u>	<u>\$ (567.6)</u>	<u>\$ 182.3</u>

	Gross Intangible Assets			Balance as of December 31, 2015	Accumulated Amortization			Balance as of December 31, 2015	Other Intangible Assets, Net as of December 31, 2015
	Balance as of December 31, 2014	Acquisitions	Divestitures		Balance as of December 31, 2014	Additions Charged to Expense	Divestitures		
Customer relationships, franchise and other municipal agreements	\$ 641.2	\$ 10.4	\$ —	\$ 651.6	\$ (369.1)	\$ (61.9)	—	\$ (431.0)	\$ 220.6
Non-compete agreements	26.8	4.0	—	30.8	(18.2)	(3.9)	—	(22.1)	8.7
Other intangible assets	65.2	0.4	—	65.6	(47.0)	(1.5)	—	(48.5)	17.1
Total	<u>\$ 733.2</u>	<u>\$ 14.8</u>	<u>\$ —</u>	<u>\$ 748.0</u>	<u>\$ (434.3)</u>	<u>\$ (67.3)</u>	<u>\$ —</u>	<u>\$ (501.6)</u>	<u>\$ 246.4</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Based on the amortizable intangible assets recorded in the consolidated balance sheet as of December 31, 2016, amortization expense for each of the next five years is estimated as follows:

2017	\$	65.0
2018		52.5
2019		9.8
2020		7.5
2021		6.4

6. OTHER ASSETS

Prepaid Expenses and Other Current Assets

A summary of prepaid expenses and other current assets as of December 31 follows:

	2016	2015
Inventories	\$ 44.0	\$ 38.8
Prepaid expenses	74.5	66.1
Other non-trade receivables	31.4	34.6
Reinsurance receivable	15.0	12.5
Income tax receivable	51.5	78.5
Other current assets	5.5	4.5
Total	<u>\$ 221.9</u>	<u>\$ 235.0</u>

Other Assets

A summary of other assets as of December 31 follows:

	2016	2015
Deferred compensation plan	87.9	90.5
Amounts recoverable for capping, closure and post-closure obligations	27.7	25.9
Reinsurance receivable	69.7	44.0
Interest rate swaps and locks	32.4	16.5
Investments	24.8	10.1
Other	78.0	73.6
Total	<u>\$ 320.5</u>	<u>\$ 260.6</u>

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

7. OTHER LIABILITIES

Other Accrued Liabilities

A summary of other accrued liabilities as of December 31 follows:

	2016	2015
Accrued payroll and benefits	\$ 195.4	\$ 187.8
Accrued fees and taxes	131.2	126.5
Insurance reserves, current portion	143.9	127.7
Ceded insurance reserves, current portion	15.0	12.5
Accrued dividends	108.6	103.7
Current tax liabilities	1.4	0.5
Commodity and fuel hedge liabilities	5.9	41.0
Accrued professional fees and legal settlement reserves	49.2	44.2
Other	74.4	72.7
Total	<u>\$ 725.0</u>	<u>\$ 716.6</u>

Other Long-Term Liabilities

A summary of other long-term liabilities as of December 31 follows:

	2016	2015
Deferred compensation plan	\$ 88.3	\$ 83.3
Pension and other post-retirement liabilities	6.7	12.1
Legal settlement reserves	1.7	24.7
Ceded insurance reserves	69.7	44.0
Withdrawal liability - multiemployer pension funds	11.7	6.1
Contingent consideration and acquisition holdbacks	66.0	78.0
Other	57.1	61.1
Total	<u>\$ 301.2</u>	<u>\$ 309.3</u>

Insurance Reserves

Our liabilities for unpaid and incurred but not reported claims as of December 31, 2016 and 2015 (which include claims for workers' compensation, commercial general and auto liability, and employee-related health care benefits) were \$418.5 million and \$405.8 million, respectively, under our risk management program and are included in other accrued liabilities and insurance reserves, net of current portion, in our consolidated balance sheets. While the ultimate amount of claims incurred depends on future developments, we believe the recorded reserves are adequate to cover the future payment of claims; however, it is possible that these recorded reserves may not be adequate to cover the future payment of claims. Adjustments, if any, to estimates recorded resulting from ultimate claim payments will be reflected in our consolidated statements of income in the periods in which such adjustments are known.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes the activity in our insurance reserves for the years ended December 31:

	2016	2015	2014
Balance at beginning of year	\$ 405.8	\$ 416.6	\$ 431.5
Additions charged to expense	410.3	360.4	354.8
Payments	(400.5)	(373.1)	(372.2)
Accretion expense	1.5	1.9	2.5
Premium written for third party risk assumed	23.4	—	—
Reclassified to ceded insurance reserves	(22.0)	—	—
Balance at end of year	418.5	405.8	416.6
Less: current portion	(143.9)	(127.7)	(118.6)
Long-term portion	\$ 274.6	\$ 278.1	\$ 298.0

8. LANDFILL AND ENVIRONMENTAL COSTS

As of December 31, 2016, we owned or operated 192 active landfills with total available disposal capacity of approximately 5.0 billion in-place cubic yards. Additionally, we had post-closure responsibility for 124 closed landfills.

A summary of our accrued landfill and environmental liabilities as of December 31 follows:

	2016	2015
Landfill final capping, closure and post-closure liabilities	\$ 1,224.6	\$ 1,181.6
Environmental remediation	602.9	646.1
Total accrued landfill and environmental costs	1,827.5	1,827.7
Less: current portion	(142.7)	(149.8)
Long-term portion	\$ 1,684.8	\$ 1,677.9

Final Capping, Closure and Post-Closure Costs

The following table summarizes the activity in our asset retirement obligation liabilities, which includes liabilities for final capping, closure and post-closure, for the years ended December 31:

	2016	2015	2014
Asset retirement obligation liabilities, beginning of year	\$ 1,181.6	\$ 1,144.3	\$ 1,091.3
Non-cash additions	41.0	39.4	38.6
Acquisitions and other adjustments	0.8	27.1	3.8
Asset retirement obligation adjustments	(0.5)	(20.2)	(12.8)
Payments	(77.4)	(88.4)	(54.6)
Accretion expense	79.1	79.4	78.0
Asset retirement obligation liabilities, end of year	1,224.6	1,181.6	1,144.3
Less: current portion	(64.8)	(87.4)	(87.9)
Long-term portion	\$ 1,159.8	\$ 1,094.2	\$ 1,056.4

We review our landfill asset retirement obligations at least annually. As a result, we recorded a net decrease in amortization expense of \$6.5 million, \$0.7 million and \$13.3 million for 2016, 2015 and 2014, respectively, primarily related to changes in estimates and assumptions concerning the anticipated waste flow, cost and timing of future final capping, closure and post-closure activities.

The fair value of assets that are legally restricted for purposes of settling final capping, closure and post-closure obligations was approximately \$27.9 million as of December 31, 2016 and is included in restricted cash and marketable securities in our consolidated balance sheet.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The expected future payments for final capping, closure and post-closure as of December 31, 2016 follows:

2017	\$ 64.8
2018	95.0
2019	89.8
2020	78.1
2021	75.0
Thereafter	5,833.1
	<u>\$ 6,235.8</u>

The estimated remaining final capping, closure and post-closure expenditures presented above are not inflated and not discounted and reflect the total estimated future payments for liabilities which include those incurred and recorded as of December 31, 2016 as well as liabilities yet to be incurred over the remaining life of our landfills.

Environmental Remediation Liabilities

We accrue for remediation costs when they become probable and can be reasonably estimated. There can sometimes be a range of reasonable estimates of the costs associated with remediation of a site. In these cases, we use the amount within the range that constitutes our best estimate. If no amount within the range appears to be a better estimate than any other, we use the amount that is at the low end of such range. It is reasonably possible that we will need to adjust the liabilities recorded for remediation to reflect the effects of new or additional information, to the extent such information impacts the costs, timing or duration of the required actions. If we used the reasonably possible high ends of our ranges, our aggregate potential remediation liability as of December 31, 2016 would be approximately \$377 million higher than the amounts recorded. Future changes in our estimates of the cost, timing or duration of the required actions could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

The following table summarizes the activity in our environmental remediation liabilities for the years ended December 31:

	2016	2015	2014
Environmental remediation liabilities, beginning of year	\$ 646.1	\$ 697.5	\$ 551.7
Net additions charged to expense	(1.6)	(1.6)	219.1
Payments	(66.8)	(80.0)	(99.4)
Accretion expense (non-cash interest expense)	23.4	24.9	25.3
Acquisitions and other	1.8	5.3	0.8
Environmental remediation liabilities, end of year	602.9	646.1	697.5
Less: current portion	(77.9)	(62.4)	(76.4)
Long-term portion	<u>\$ 525.0</u>	<u>\$ 583.7</u>	<u>\$ 621.1</u>

The expected undiscounted future payments for remediation costs as of December 31, 2016 follows:

2017	\$ 77.9
2018	74.9
2019	65.9
2020	63.7
2021	46.3
Thereafter	493.0
	<u>\$ 821.7</u>

It is reasonably possible that we will need to adjust our liabilities to reflect the effects of new or additional information, to the extent that such information impacts the costs, timing or duration of the required actions. Future changes in our estimates of the costs, timing or duration of the required actions could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following is a discussion of certain of our significant remediation matters:

Bridgeton Landfill. During the year ended December 31, 2016, we paid \$23.0 million related to management and monitoring of the remediation area for our closed Bridgeton Landfill in Missouri. We continue to work with state and federal regulatory agencies on our remediation efforts. From time to time, this may require us to modify our future operating timeline and procedures, which could result in changes to our expected liability. As of December 31, 2016, the remediation liability recorded for this site is \$197.2 million, of which \$26.4 million is expected to be paid during 2017. We believe the remaining reasonably possible high end of our range would be approximately \$156 million higher than the amount recorded as of December 31, 2016.

During 2015, we collected an insurance recovery of \$50.0 million related to our Bridgeton Landfill. As such, we recorded a reduction of remediation expenses included in our cost of operations during the year ended December 31, 2015.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

9. DEBT

The carrying value of our notes payable, capital leases and long-term debt as of December 31, 2016 and 2015 is listed in the following table, and is adjusted for the fair value of interest rate swaps, unamortized discounts, deferred issuance costs and the unamortized portion of adjustments to fair value recorded in purchase accounting. Original issue discounts and adjustments to fair value recorded in purchase accounting are amortized to interest expense over the term of the applicable instrument using the effective interest method.

Maturity	Interest Rate	2016			2015		
		Principal	Adjustments	Carrying Value	Principal	Adjustments	Carrying Value
Credit facilities:							
Uncommitted Credit Facility	Variable	\$ —	\$ —	\$ —	\$ 19.0	\$ —	\$ 19.0
Puerto Rico Uncommitted Facility	Variable	—	—	—	—	—	—
June 2019	Variable	140.0	—	140.0	—	—	—
May 2021	Variable	70.0	—	70.0	—	—	—
Senior notes:							
May 2018	3.800	700.0	(1.2)	698.8	700.0	(2.0)	698.0
September 2019	5.500	650.0	(3.3)	646.7	650.0	(4.4)	645.6
March 2020	5.000	850.0	(2.6)	847.4	850.0	(3.4)	846.6
November 2021	5.250	600.0	(1.9)	598.1	600.0	(2.3)	597.7
June 2022	3.550	850.0	(5.6)	844.4	850.0	(6.5)	843.5
May 2023	4.750	550.0	3.5	553.5	550.0	9.4	559.4
March 2025	3.200	500.0	(5.4)	494.6	500.0	(6.0)	494.0
June 2026	2.900	500.0	(5.5)	494.5	—	—	—
March 2035	6.086	181.9	(15.4)	166.5	275.7	(23.9)	251.8
March 2040	6.200	399.9	(3.9)	396.0	650.0	(6.6)	643.4
May 2041	5.700	385.7	(5.6)	380.1	600.0	(8.9)	591.1
Debentures:							
May 2021	9.250	35.3	(1.1)	34.2	35.3	(1.4)	33.9
September 2035	7.400	148.1	(35.2)	112.9	165.2	(39.9)	125.3
Tax-exempt:							
2019 - 2044	0.750 - 5.625	1,079.1	(6.4)	1,072.7	1,079.1	(7.0)	1,072.1
Capital leases:							
2017 - 2046	3.980 - 12.203	108.5	—	108.5	111.5	—	111.5
Total Debt		<u>\$ 7,748.5</u>	<u>\$ (89.6)</u>	7,658.9	<u>\$ 7,635.8</u>	<u>\$ (102.9)</u>	7,532.9
Less: current portion				(5.8)			(5.5)
Long-term portion				<u>\$ 7,653.1</u>			<u>\$ 7,527.4</u>

Loss on Extinguishment of Debt and Other Related Costs

During 2016, we incurred a loss on the early extinguishment of debt and other related costs. We paid a cash premium of \$148.1 million, early tender consideration of \$28.7 million and \$1.6 million of legal and other fees. We also incurred a non-cash charge related to the proportional share of unamortized discounts and deferred issuance costs of \$17.8 million. The unamortized proportional share of certain cash flow hedges reclassified to earnings as non-cash interest expense was \$7.2 million.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes the charges incurred during the year ended December 31, 2016:

	Loss on Extinguishment of Debt				
	Principal Repaid	Cash Paid in Loss on Extinguishment of Debt	Non-cash Loss on Extinguishment of Debt	Total Loss on Extinguishment of Debt	Non-cash Interest Expense
\$275.7 million 6.09% senior notes due March 2035	\$ 93.8	\$ 26.1	\$ 8.0	\$ 34.1	\$ (1.1)
\$165.2 million 7.40% debentures due September 2035	17.2	7.3	4.1	11.4	—
\$650.0 million 6.20% senior notes due March 2040	250.1	85.3	2.6	87.9	1.0
\$600.0 million 5.70% senior notes due May 2041	214.3	59.7	3.1	62.8	7.3
Total		\$ 178.4	\$ 17.8	\$ 196.2	\$ 7.2

Credit Facilities

In May 2016, we entered into a \$1.0 billion unsecured revolving credit facility (the Replacement Credit Facility), which replaced our \$1.0 billion credit facility maturing in May 2017. The Replacement Credit Facility matures in May 2021 and includes a feature that allows us to increase availability, at our option, by an aggregate amount up to \$500.0 million through increased commitments from existing lenders or the addition of new lenders. At our option, borrowings under the Replacement Credit Facility bear interest at a Base Rate, or a Eurodollar Rate, plus an applicable margin based on our Debt Ratings (all as defined in the agreements).

Contemporaneous with the execution of the Replacement Credit Facility, we entered into Amendment No. 1 to our existing \$1.25 billion unsecured credit facility (the Existing Credit Facility and, together with the Replacement Credit Facility, the Credit Facilities), to conform certain terms of the Existing Credit Facility with those of the Replacement Credit Facility. Amendment No. 1 does not extend the maturity date of the Existing Credit Facility, which matures in June 2019. The Existing Credit Facility also maintains the feature that allows us to increase availability, at our option, by an aggregate amount of up to \$500.0 million through increased commitments from existing lenders or the addition of new lenders.

Our Credit Facilities are subject to facility fees based on applicable rates defined in the credit facility agreements and the aggregate commitments, regardless of usage. Availability under our Credit Facilities totaled \$1,543.1 million and \$1,727.7 million as of December 31, 2016 and 2015, respectively, and can be used for working capital, capital expenditures, acquisitions, letters of credit and other general corporate purposes. The credit agreements require us to comply with financial and other covenants. We may pay dividends and repurchase common stock if we are in compliance with these covenants. As of December 31, 2016, we had \$210.0 million of borrowings under our Credit Facilities and no borrowings as of December 31, 2015. We had \$478.4 million and \$503.3 million of letters of credit outstanding under our Credit Facilities, as of December 31, 2016 and 2015, respectively.

During 2016, we amended our existing unsecured credit facility agreement (the Uncommitted Credit Facility), to increase the size to \$135.0 million, with all other terms remaining unchanged. Our Uncommitted Credit Facility bears interest at LIBOR, plus an applicable margin and is subject to facility fees defined in the agreement, regardless of usage. We can use borrowings under the Uncommitted Credit Facility for working capital and other general corporate purposes. The agreement governing our Uncommitted Credit Facility requires us to comply with covenants. The Uncommitted Credit Facility may be terminated by either party at any time. As of December 31, 2016, we had no borrowings and as of December 31, 2015, we had \$19.0 million of borrowings under our Uncommitted Credit Facility.

In January 2015, we entered into a \$20.0 million uncommitted credit facility agreement (the Puerto Rico Uncommitted Facility) that matured in January 2016.

Senior Notes and Debentures

During 2016, we priced cash tender offers to purchase up to \$575.4 million combined aggregate principal amount of the 6.20% Notes due March 2040, 5.70% Notes due May 2041, 7.40% Debentures due September 2035 and 6.09% Notes due March 2035 (collectively "Existing Notes"), subject to priority levels and the other terms and conditions set forth in the Offer to Purchase. During 2016, we priced an offering of \$500.0 million of 2.90% senior notes due 2026 (the 2.90% Notes). The sale of the

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

2.90% Notes closed on July 5, 2016. We used the net proceeds of the offering, together with borrowing under our credit facilities, to purchase \$575.4 million of the combined aggregate principal amount of the Existing Notes tendered as well as premium due of \$148.1 million and early tender consideration of \$28.7 million.

During 2015, we issued \$500.0 million of 3.20% notes due 2025 (the 3.20% Notes). We used the net proceeds from the 3.20% Notes to refinance debt incurred in connection with our acquisition of all of the equity interests of Tervita during 2015.

Our senior notes are general senior unsecured obligations. Interest is payable semi-annually. These senior notes have a make-whole provision that is exercisable at any time prior to the respective maturity dates per the debt table above at a stated redemption price.

Tax-Exempt Financings

As of December 31, 2016 and 2015, we had \$1,072.7 million and \$1,072.1 million, respectively, of fixed and variable rate tax-exempt financings outstanding with maturities ranging from 2019 to 2044. Approximately 90% of our tax-exempt financings are remarketed quarterly by remarketing agents to effectively maintain a variable yield. The holders of the bonds can put them back to the remarketing agents at the end of each interest period. To date, the remarketing agents have been able to remarket our variable rate unsecured tax-exempt bonds. These bonds have been classified as long-term because of our ability and intent to refinance them using availability under our Credit Facilities, if necessary.

Capital Leases

We had capital lease liabilities of \$108.5 million and \$111.5 million as of December 31, 2016 and 2015, respectively, with maturities ranging from 2017 to 2046.

Future Maturities of Debt

Aggregate principal maturities of notes payable, capital leases and other long-term debt as of December 31, 2016 follow:

2017	\$ 5.1
2018	705.7
2019	829.9
2020	926.3
2021	837.5
Thereafter	4,444.0
	<u>\$ 7,748.5</u>

Interest Expense and Interest Paid

Interest paid was \$330.2 million, \$327.6 million and \$320.2 million for the years ended December 31, 2016, 2015 and 2014, respectively. The components of interest expense follow:

	2016	2015	2014
Interest expense on debt and capital lease obligations	\$ 324.1	\$ 324.6	\$ 310.3
Accretion of debt discounts	7.6	7.4	6.6
Accretion of remediation liabilities and other	45.8	39.7	38.2
Less: capitalized interest	(6.2)	(6.8)	(6.4)
Total interest expense	<u>\$ 371.3</u>	<u>\$ 364.9</u>	<u>\$ 348.7</u>

Interest Rate Swap and Lock Agreements

Our ability to obtain financing through the capital markets is a key component of our financial strategy. Historically, we have managed risk associated with executing this strategy, particularly as it relates to fluctuations in interest rates, by using a combination of fixed and floating rate debt. From time to time, we also have entered into interest rate swap and lock agreements to manage risks associated with interest rates, either to effectively convert specific fixed rate debt to a floating rate (fair value hedges), or to lock interest rates in anticipation of future debt issuances (cash flow hedges).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Fair Value Hedges

During the second half of 2013, we entered into various interest rate swap agreements relative to our 4.750% fixed rate senior notes due in May 2023. The goal was to reduce overall borrowing costs and rebalance our debt portfolio's ratio of fixed to floating interest rates. As of December 31, 2016, these swap agreements have a total notional value of \$300.0 million and mature in May 2023, which is identical to the maturity of the hedged senior notes. We pay interest at floating rates based on changes in LIBOR and receive interest at a fixed rate of 4.750%. These transactions were designated as fair value hedges because the swaps hedge against the changes in fair value of the fixed rate senior notes resulting from changes in interest rates.

As of December 31, 2016 and 2015, the interest rate swap agreements are reflected at their fair value of \$12.1 million and \$16.5 million, respectively, and are included in other assets in our consolidated balance sheets. To the extent they are effective, these interest rate swap agreements are included as an adjustment to long-term debt in our consolidated balance sheets. We recognized net interest income of \$6.3 million, \$7.5 million and \$7.7 million, respectively, during 2016, 2015 and 2014 related to net swap settlements for these interest rate swap agreements, which is included as an offset to interest expense in our consolidated statements of income.

For the years ended December 31, 2016, 2015 and 2014, we recognized a (gain) loss of \$(6.3) million, \$0.8 million and \$12.6 million, respectively, on the change in fair value of the hedged senior notes attributable to changes in the benchmark interest rate, with an offsetting loss (gain) of \$4.4 million, \$(2.3) million and \$(14.1) million, respectively, on the related interest rate swaps. The difference of these fair value changes represents hedge ineffectiveness, which is recorded directly in earnings as other income, net.

Cash Flow Hedges

During 2016, we entered into a number of interest rate lock agreements having an aggregate notional amount of \$525.0 million with fixed interest rates ranging from 1.900% to 2.280% to manage exposure to fluctuations in interest rates in anticipation of a planned future issuance of senior notes. Upon the expected issuance of the senior notes, we will terminate the interest rate locks and settle with our counterparties. These transactions were accounted for as cash flow hedges. The fair value of our interest rate locks as of December 31, 2016 was determined using standard valuation models with assumptions about interest rates being based on those observed in underlying markets (Level 2 in the fair value hierarchy). The aggregate fair value of the outstanding interest rate locks as of December 31, 2016 was \$20.2 million and was recorded in other long-term assets in our consolidated balance sheet. As of December 31, 2016, the effective portion of the interest rate locks recorded as a component of accumulated other comprehensive income (loss), net of tax, was \$12.2 million.

During 2015, we entered into a number of interest rate lock agreements having an aggregate notional amount of \$200.0 million with fixed interest rates ranging from 2.155% to 2.270% to manage exposure to fluctuations in interest rates in anticipation of the planned issuance of the 3.20% Notes. Upon issuance of the 3.20% Notes, we terminated the interest rate locks and received \$1.2 million from the counterparties. This transaction was accounted for as a cash flow hedge.

As of December 31, 2016 and 2015, the effective portion of our previously terminated interest rate locks, recorded as a component of accumulated other comprehensive loss, net of tax, was \$13.4 million and \$19.4 million as of December 31, 2016 and 2015, respectively. The effective portion of the interest rate locks is amortized as an adjustment to interest expense over the life of the issued debt using the effective interest method. We expect to amortize \$1.6 million of net interest expense over the next twelve months as a yield adjustment of our senior notes.

The effective portion of the interest rate locks amortized as a net increase to interest expense during the years ended December 31, 2016, 2015 and 2014 was \$9.8 million, \$2.5 million and \$2.7 million, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

10. INCOME TAXES

The components of the provision for income taxes for the years ended December 31 follow:

	2016	2015	2014
Current:			
Federal	\$ 299.5	\$ 337.6	\$ 328.1
State	34.6	38.4	39.7
Deferred:			
Federal	44.9	91.5	(13.3)
State	2.3	25.2	7.5
State deferred benefit - change in valuation allowance	(1.4)	(10.5)	(3.2)
Uncertain tax positions and interest, and other	(27.2)	(36.7)	(21.4)
Provision for income taxes	\$ 352.7	\$ 445.5	\$ 337.4

The reconciliations of the statutory federal income tax rate to our effective tax rate for the years ended December 31 follow:

	2016	2015	2014
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	3.1	4.3	3.0
Change in valuation allowance	(0.1)	(0.9)	(0.4)
Non-deductible expenses	0.9	0.6	0.9
Uncertain tax position taxes and interest	(0.1)	(1.5)	(0.4)
Investment tax credits	(1.1)	—	—
Other, net	(1.2)	(0.2)	—
Effective income tax rate	36.5%	37.3%	38.1%

Our 2016 tax provision was reduced by approximately \$13 million due to the resolution of various state and federal tax matters as well as the realization of tax credits and lower state rates due to changes in estimates.

In addition, during 2016 we acquired a noncontrolling interest in a limited liability company that qualifies for a federal investment tax credit under Section 48 of the Internal Revenue Code. Our 2016 tax provision was reduced by approximately \$10 million mostly due to a federal tax credit related to this investment, which was recognized currently and not deferred. We account for this investment using the equity method of accounting and recognize our share of income or loss and other reductions in the value of our investment in "Loss from unconsolidated equity method investment" within our Consolidated Statements of Income.

Our 2015 tax provision was reduced by approximately \$17 million due to the resolution of outstanding tax matters in various states and Puerto Rico. Our 2014 tax provision was reduced by approximately \$5 million due to the realization of tax credits and lower state rates due to changes in estimates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The components of the net deferred income tax asset and liability as of December 31 follow:

	2016	2015
Deferred tax liabilities relating to:		
Differences between book and tax basis of property and equipment	\$ (1,058.7)	\$ (1,050.9)
Difference between book and tax basis of intangible assets	(711.6)	(713.4)
Basis difference due to redemption of partnership interests	(130.1)	(128.9)
Total liabilities	\$ (1,900.4)	\$ (1,893.2)
Deferred tax assets relating to:		
Environmental reserves	\$ 449.2	\$ 461.7
Accruals not currently deductible	177.8	210.8
Net operating loss carryforwards	103.3	103.5
Difference between book and tax basis of other assets	44.5	71.3
Other	17.4	14.8
Total assets	792.2	862.1
Valuation allowance	(62.3)	(63.7)
Net deferred tax asset	729.9	798.4
Net deferred tax liabilities	\$ (1,170.5)	\$ (1,094.8)

Changes in the deferred tax valuation allowance for the years ended December 31 follow:

	2016	2015	2014
Valuation allowance, beginning of year	\$ 63.7	\$ 73.9	\$ 76.9
Additions charged to provision for income taxes	0.3	0.3	0.2
Deferred tax assets realized or written-off	(1.4)	(10.5)	(3.2)
Other, net	(0.3)	—	—
Valuation allowance, end of year	\$ 62.3	\$ 63.7	\$ 73.9

We have deferred tax assets related to state net operating loss carryforwards. We provide a partial valuation allowance due to uncertainty surrounding the future utilization of these carryforwards in the taxing jurisdictions where the loss carryforwards exist. When determining the need for a valuation allowance, we consider all positive and negative evidence, including recent financial results, scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategies. The weight given to the positive and negative evidence is commensurate with the extent such evidence can be objectively verified. We adjust the valuation allowance in the period management determines it is more likely than not that deferred tax assets will or will not be realized.

During 2015, we completed a tax restructuring between two of our subsidiaries that possess the majority of our state loss carryforwards. This resulted in a reduction to the valuation allowance of \$10.2 million. This reduction was offset by a corresponding decrease to our deferred tax asset related to those same state loss carryforwards.

Substantially all of our valuation allowance is associated with state loss carryforwards. The realization of our deferred tax asset for state loss carryforwards ultimately depends upon the existence of sufficient taxable income in the appropriate state taxing jurisdictions in future periods. We continue to regularly monitor both positive and negative evidence in determining the ongoing need for a valuation allowance.

We have deferred tax assets related to state net operating loss carryforwards with an estimated tax effect of \$100.5 million available as of December 31, 2016. These state net operating loss carryforwards expire at various times between 2017 and 2036. We believe that it is more likely than not that the benefit from some of our state net operating loss carryforwards will not be realized due to limitations on these loss carryforwards in certain states. In recognition of this risk, as of December 31, 2016, we have provided a valuation allowance of \$59.8 million. Also as of December 31, 2016, we have provided a valuation allowance of \$2.5 million for certain other deferred tax assets.

Deferred income taxes have not been provided on the undistributed earnings of our Puerto Rican subsidiaries of approximately \$48 million as of December 31, 2016 as such earnings are considered to be permanently reinvested. This amount would

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

become taxable upon a repatriation of assets or a sale or liquidation of the subsidiaries. If such an event were to occur, we would incur approximately \$17 million of federal income taxes.

We made income tax payments (net of refunds received) of approximately \$265 million, \$321 million and \$382 million for 2016, 2015 and 2014, respectively.

Income taxes paid in 2016 and 2015 reflect the favorable tax depreciation provisions of the Protecting Americans from Tax Hikes Act signed into law in December 2015. This legislation extends bonus depreciation for property placed in service through 2019. Bonus depreciation deductions for assets placed in service in 2015 to 2017 is 50% of the capitalized value and later decreases to 40% in 2018 and 30% in 2019.

Income taxes paid in 2014 reflect the favorable tax depreciation provisions of the Tax Increase Protection Act of 2014, signed into law in December 2014. This legislation extended 50% bonus depreciation for property placed in service during 2014.

We are subject to income tax in the United States and Puerto Rico, as well as income tax in multiple state jurisdictions. Our compliance with income tax rules and regulations is periodically audited by tax authorities. These authorities may challenge the positions taken in our tax filings. Thus, to provide for certain potential tax exposures, we maintain liabilities for uncertain tax positions for our estimate of the final outcome of the examinations. Our federal statute of limitations is closed for all years prior to 2013. We are currently under state examination or administrative review in various jurisdictions for tax years 2003 to 2015.

The following table summarizes the activity in our gross unrecognized tax benefits for the years ended December 31:

	2016	2015	2014
Balance at beginning of year	\$ 47.0	\$ 70.1	\$ 72.0
Additions based on tax positions related to current year	—	0.2	0.8
Additions for tax positions of prior years	0.1	1.4	5.0
Reductions for tax positions of prior years	(0.7)	(10.2)	(6.0)
Reductions for tax positions resulting from lapse of statute of limitations	(0.3)	(0.6)	(0.2)
Settlements	—	(13.9)	(1.5)
Balance at end of year	\$ 46.1	\$ 47.0	\$ 70.1

During 2016, we resolved tax matters in various states which reduced our gross unrecognized tax benefits by \$1.0 million.

During 2015, we settled tax matters in various states and Puerto Rico which reduced our gross unrecognized tax benefits by \$13.9 million.

During 2014, we settled tax matters in various jurisdictions and reduced our gross unrecognized tax benefits by \$1.5 million.

Included in our gross unrecognized tax benefits as of December 31, 2016 and 2015 are \$30.0 million and \$30.5 million, respectively, of unrecognized tax benefits (net of the federal benefit on state matters) that, if recognized, would affect our effective income tax rate in future periods.

We recognize interest and penalties as incurred within the provision for income taxes in our consolidated statements of income. Related to the unrecognized tax benefits previously noted, we recorded interest expense of approximately \$1.0 million during 2016 and, in total as of December 31, 2016, have recognized a liability for penalties of \$0.5 million and interest of \$11.6 million.

During 2015, we recorded interest expense of approximately \$1.2 million and, in total as of December 31, 2015, had recognized a liability for penalties of \$0.5 million and interest of \$10.3 million. During 2014, we accrued interest of approximately \$1.5 million and, in total as of December 31, 2014, had recognized a liability for penalties of \$0.5 million and interest of \$18.7 million.

Gross unrecognized benefits that we expect to settle in the following twelve months are in the range of \$0 to \$10 million; however, it is reasonably possible that the amount of unrecognized tax benefits may either increase or decrease in the next twelve months.

We are currently under examination or administrative review by state and local taxing authorities for various tax years. These state audits are ongoing.

We believe the recorded liabilities for uncertain tax positions are adequate. However, a significant assessment against us in excess of the liabilities recorded could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

11. EMPLOYEE BENEFIT PLANS

Stock-Based Compensation

In February 2007, our board of directors approved the 2007 Stock Incentive Plan (the 2007 Plan), and in May 2007 our shareholders ratified the 2007 Plan. In March 2011, our board of directors approved the Amended and Restated 2007 Stock Incentive Plan (the Amended and Restated 2007 SIP), and in May 2011 our shareholders ratified the Amended and Restated 2007 SIP. In March 2013, our board of directors approved the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan (the Republic Amended and Restated 2007 SIP), and in May 2013 our shareholders ratified the Republic Amended and Restated 2007 SIP (the 2007 Plan, the Amended and Restated 2007 SIP, and the Republic Amended and Restated 2007 SIP are collectively referred to in this Form 10-K as the Amended and Restated 2007 Stock Incentive Plan). We currently have approximately 14.9 million shares of common stock reserved for future grants under the Amended and Restated 2007 Stock Incentive Plan.

Options granted under the Amended and Restated 2007 Stock Incentive Plan are non-qualified and are granted at a price equal to the fair market value of our common stock at the date of grant. Generally, options granted have a term of seven to ten years from the date of grant, and vest in increments of 25% per year over a period of four years beginning on the first anniversary date of the grant. Options granted to non-employee directors have a term of ten years and are fully vested at the grant date.

In December 2008, the board of directors amended and restated the Republic Services, Inc. 2006 Incentive Stock Plan (formerly known as the Allied Waste Industries, Inc. 2006 Incentive Stock Plan) (the 2006 Plan). Allied's shareholders approved the 2006 Plan in May 2006. The 2006 Plan was amended and restated in December 2008 to reflect Republic as the new sponsor of the 2006 Plan, to reflect that any references to shares of common stock are to shares of common stock of Republic, and to adjust outstanding awards and the number of shares available under the 2006 Plan to reflect the Allied acquisition. The 2006 Plan, as amended and restated, provided for the grant of non-qualified stock options, incentive stock options, shares of restricted stock, shares of phantom stock, stock bonuses, restricted stock units, stock appreciation rights, performance awards, dividend equivalents, cash awards, or other stock-based awards. Awards granted under the 2006 Plan prior to December 5, 2008 became fully vested and nonforfeitable upon the closing of the Allied acquisition. No further awards will be made under the 2006 Plan.

Stock Options

We use a lattice binomial option-pricing model to value our stock option grants. We recognize compensation expense on a straight-line basis over the requisite service period for each separately vesting portion of the award, or to the employee's retirement eligible date, if earlier. Expected volatility is based on the weighted average of the most recent one year volatility and a historical rolling average volatility of our stock over the expected life of the option. The risk-free interest rate is based on Federal Reserve rates in effect for bonds with maturity dates equal to the expected term of the option. We use historical data to estimate future option exercises, forfeitures (at 3.0%) and expected life of the options. When appropriate, separate groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. We did not grant stock options during the years ended December 31, 2016 and 2015. The weighted-average estimated fair value of stock options granted during the year ended December 31, 2014 was \$5.74 per option, which was calculated using the following weighted-average assumptions:

	2014
Expected volatility	27.5%
Risk-free interest rate	1.4%
Dividend yield	3.2%
Expected life (in years)	4.6
Contractual life (in years)	7.0

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes stock option activity for the years ended December 31, 2016, 2015 and 2014:

	Number of Shares (in millions)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2013	10.5	\$ 28.91		
Granted	0.5	33.76		
Exercised	(3.0)	27.98		\$ 24.5
Forfeited or expired	(0.4)	31.02		
Outstanding as of December 31, 2014	7.6	29.49		
Granted	—	—		
Exercised	(2.4)	28.14		\$ 31.2
Forfeited or expired	(0.2)	30.39		
Outstanding as of December 31, 2015	5.0	30.08		
Granted	—	—		
Exercised	(1.7)	29.45		\$ 33.0
Forfeited or expired	(0.1)	31.46		
Outstanding as of December 31, 2016	3.2	\$ 30.35	2.4	\$ 85.2
Exercisable as of December 31, 2016	2.5	\$ 29.97	2.2	\$ 69.0

Compensation Expense

During the years ended December 31, 2016, 2015 and 2014, compensation expense for stock options was \$0.6 million, \$2.5 million and \$6.3 million, respectively.

As of December 31, 2016, total unrecognized compensation expense related to outstanding stock options was \$0.1 million, which will be recognized over a weighted average period of 0.5 years. The total fair value of stock options that vested in 2016, 2015 and 2014 was \$5.7 million, \$9.0 million and \$12.5 million, respectively.

We classified excess tax benefits of \$10.8 million, \$8.5 million and \$4.3 million as cash flows from financing activities for 2016, 2015 and 2014, respectively. All other tax benefits related to stock options have been presented as a component of cash flows from operating activities.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Restricted Stock Units

The following table summarizes restricted stock unit (RSU) activity for the years ended December 31, 2016, 2015 and 2014:

	Number of RSUs (in thousands)	Weighted- Average Grant Date Fair Value per Share	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Unissued as of December 31, 2013	997.0	\$ 28.48		
Granted	784.9	33.38		
Vested and issued	(258.4)	28.07		
Forfeited	(67.3)	33.14		
Unissued as of December 31, 2014	1,456.2	24.07		
Granted	722.5	39.12		
Vested and issued	(405.1)	30.56		
Forfeited	(46.3)	36.44		
Unissued as of December 31, 2015	1,727.3	34.15		
Granted	640.4	45.01		
Vested and issued	(370.6)	30.03		
Forfeited	(173.3)	38.77		
Unissued as of December 31, 2016	1,823.8	\$ 37.49	0.9	\$ 104.0
Vested and unissued as of December 31, 2016	628.2	\$ 31.25		

During 2016, we awarded our non-employee directors 49,823 RSUs, which vested immediately. During 2016, we awarded 543,664 RSUs to executives and employees that vest in four equal annual installments beginning on the anniversary date of the original grant or cliff vest after four years. In addition, 46,881 RSUs were earned as dividend equivalents. The RSUs do not carry any voting or dividend rights, except the right to receive additional RSUs in lieu of dividends.

During 2015, we awarded our non-employee directors 75,000 RSUs, which vested immediately. During 2015, we awarded 599,356 RSUs to executives and employees that vest in four equal annual installments beginning on the anniversary date of the original grant or cliff vest after four years. In addition, 48,163 RSUs were earned as dividend equivalents.

During 2014, we awarded our non-employee directors 86,425 RSUs, which vested immediately. During 2014, we awarded 657,476 RSUs to executives that vest in four equal annual installments beginning on the anniversary date of the original grant. In addition, 41,032 RSUs were earned as dividend equivalents.

Compensation Expense

The fair value of RSUs is based on the closing market price on the date of the grant. The compensation expense related to RSUs is amortized ratably over the vesting period, or to the employee's retirement eligible date, if earlier.

During 2016, 2015 and 2014, compensation expense related to RSUs totaled \$17.4 million, \$15.6 million and \$11.1 million, respectively. As of December 31, 2016, total unrecognized compensation expense related to outstanding RSUs was \$32.2 million, which will be recognized over a weighted average period of 2.6 years.

Performance Shares

During the years ended December 31, 2016 and 2015, we awarded 168,786 and 140,443 performance shares (PSUs) to our named executive officers, respectively. These awards are performance-based as the number of shares ultimately earned depends on performance against pre-determined targets for return on invested capital (ROIC), cash flow value creation (CFVC), and total shareholder return relative to the S&P 500 index (RTSR). The PSUs are payable 50% in shares of common stock and 50% in cash after the end of a three-year performance period, when our financial performance for the entire performance period is reported, typically in February of the succeeding year. At the end of the performance period, the number of PSUs awarded can range from 0% to 150% of the targeted amount, depending on the performance against the pre-determined targets.

During the year ended December 31, 2016, we awarded 221,958 PSUs to our employees other than our named executive officers. The PSUs are payable 100% in shares of common stock after the end of a three-year performance period, when our

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

financial performance for the entire performance period is reported, typically in February of the succeeding year. At the end of the performance period, the number of PSUs awarded can range from 0% to 150% of the targeted amount, depending on the performance against the pre-determined targets.

The following table summarizes PSU activity for the year ended December 31, 2016:

	Number of PSUs (in thousands)	Weighted Average Grant Date Fair Value per Share
Outstanding as of December 31, 2014	—	\$ —
Granted	143.4	38.69
Vested and issued	—	—
Forfeited	—	—
Outstanding as of December 31, 2015	143.4	\$ 38.69
Granted	401.2	46.27
Vested and issued	—	—
Forfeited	(39.8)	43.60
Outstanding as of December 31, 2016	504.8	\$ 44.40

During 2016, 10,454 PSUs accumulated as dividend equivalents and are included in the table above as granted. The PSUs do not carry any voting or dividend rights, except the right to accumulate additional PSUs in lieu of dividends.

Compensation Expense

For the stock-settled portion of the award that vests based on future ROIC and CFVC performance, compensation expense is measured using the fair value of our common stock at the grant date. For the cash-settled portion of the award that vests based on future ROIC and CFVC performance, compensation expense is recorded based on the fair value of our common stock at the end of each reporting period. Compensation expense is recognized ratably over the performance period based on our estimated achievement of the established performance criteria. Compensation expense is only recognized for the portion of the award that we expect to vest, which we estimate based on an assessment of the probability that the performance criteria will be achieved.

For the stock-settled portion of the award that vests based on RTSR, the grant date fair value is based on a Monte Carlo valuation and compensation expense is recognized on a straight-line basis over the vesting period. For the cash-settled portion of the award that vests based on RTSR, compensation expense also incorporates the fair value of our PSUs at the end of each reporting period. Compensation expense is recognized for the RTSR portion of the award whether or not the market conditions are achieved.

During 2016 and 2015, compensation expense related to PSUs totaled \$8.6 million and \$1.8 million, respectively. As of December 31, 2016, total unrecognized compensation expense related to outstanding PSUs was \$14.3 million, which will be recognized over a weighted average period of 1.7 years.

Defined Benefit Pension Plan

We currently have one qualified defined benefit pension plan, the BFI Retirement Plan (the Plan). The Plan covers certain employees in the United States, including some employees subject to collective bargaining agreements.

The Plan benefits are frozen. Interest credits continue to be earned by participants in the Plan, and participants whose collective bargaining agreements provide for additional benefit accruals under the Plan continue to receive those credits in accordance with the terms of their bargaining agreements. The Plan was converted from a traditional defined benefit plan to a cash balance plan in 1993.

Prior to the conversion to the cash balance design, benefits payable as a single life annuity under the Plan were based on the participant's highest five years of earnings out of the last ten years of service. Upon conversion to the cash balance plan, the existing accrued benefits were converted to a lump-sum value using the actuarial assumptions in effect at the time. Participants' cash balance accounts are increased until retirement by certain benefit and interest credits under the terms of their bargaining agreements. Participants may elect early retirement with the attainment of age 55 and completion of ten years of credited service at reduced benefits. Participants with 35 years of service may retire at age 62 without any reduction in benefits.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Our pension contributions are made in accordance with funding standards established by the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code, as amended by the Pension Protection Act enacted in 2006 (the PPA). No contributions were made in 2016 or 2015.

We must separately recognize the overfunded or underfunded status of the Plan as an asset or liability. The funded status represents the difference between the projected benefit obligation (PBO) and the fair value of the Plan assets. The PBO is the present value of benefits earned to date by Plan participants, including the effect of assumed future salary increases, if any. The PBO is equal to the accumulated benefit obligation (ABO) as the plan is frozen, and the present value of liabilities are not affected by future salary increases. We use a measurement date that coincides with our year end of December 31.

The following table presents the ABO and reconciliations of the changes in the PBO, the Plan assets and the accounting funded status of our defined benefit pension plan for the years ended December 31:

	Defined Benefit Pension Plan	
	2016	2015
Accumulated benefit obligation	\$ 239.1	\$ 251.6
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 251.6	\$ 276.8
Interest cost	10.1	9.9
Actuarial (gain) loss	(4.9)	(17.1)
Benefits paid	(17.7)	(18.0)
Projected benefit obligation at end of year	\$ 239.1	\$ 251.6
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 246.2	\$ 272.6
Actual return on plan assets	18.3	(5.5)
Estimated expenses	(1.5)	(2.9)
Benefits paid	(17.7)	(18.0)
Fair value of plan assets at end of year	\$ 245.3	\$ 246.2
Over (under) funded status	\$ 6.2	\$ (5.4)
Amounts recognized in the statement of financial position consist of:		
Noncurrent assets (liabilities)	\$ 6.2	\$ (5.4)
Net amount recognized	\$ 6.2	\$ (5.4)
Weighted average assumptions used to determine benefit obligations:		
Discount rate	4.07%	4.19%
Rate of compensation increase	N/A	N/A

The amounts included in accumulated other comprehensive loss on the consolidated balance sheets that have not yet been recognized as components of net periodic benefit cost as of December 31, 2016 and 2015 were \$27.3 million and \$16.9 million, respectively.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The components of the net periodic benefit cost for the years ended December 31 are summarized below:

	2016	2015	2014
Components of net periodic benefit cost:			
Service cost	\$ 1.5	\$ 2.9	\$ 2.8
Interest cost	10.1	9.9	11.3
Expected return on plan assets	(13.0)	(14.7)	(16.4)
Recognized net actuarial gain	—	—	(1.0)
Amortization of prior service cost	0.1	0.1	0.1
Settlement income	—	—	—
Net periodic benefit cost	\$ (1.3)	\$ (1.8)	\$ (3.2)
Weighted average assumptions used to determine net periodic benefit cost:			
Discount rate	4.19%	3.70%	4.50%
Expected return on plan assets	5.56%	5.64%	6.35%
Rate of compensation increase	N/A	N/A	N/A

We determine the discount rate used in the measurement of our obligations based on a model that matches the timing and amount of expected benefit payments to maturities of high quality bonds priced as of the Plan measurement date. When that timing does not correspond to a published high-quality bond rate, our model uses an expected yield curve to determine an appropriate current discount rate. The yields on the bonds are used to derive a discount rate for the liability. The term of our obligation, based on the expected retirement dates of our workforce, is approximately eight years.

In developing our expected rate of return assumption, we have evaluated the actual historical performance and long-term return projections of the Plan assets, which give consideration to the asset mix and the anticipated timing of the Plan outflows. We employ a total return investment approach whereby a mix of equity and fixed income investments are used to maximize the long-term return of Plan assets for what we consider a prudent level of risk. The intent of this strategy is to minimize Plan expenses by outperforming Plan liabilities over the long run. Risk tolerance is established through careful consideration of Plan liabilities, Plan funded status and our financial condition. The investment portfolio contains a diversified blend of equity and fixed income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks as well as growth, value, and small and large capitalizations. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset and liability studies, and quarterly investment portfolio reviews.

The following table summarizes our target asset allocation for 2016 and actual asset allocation as of December 31, 2016 and 2015 for our Plan:

	Target Asset Allocation	2016 Actual Asset Allocation	2015 Actual Asset Allocation
Debt securities	72%	72%	72%
Equity securities	28	28	28
Total	100%	100%	100%

For 2017, the investment strategy for pension plan assets is to maintain a broadly diversified portfolio designed to achieve our target of an average long-term rate of return of 5.56%. While we believe we can achieve a long-term average return of 5.56%, we cannot be certain that the portfolio will perform to our expectations. Assets are strategically allocated among debt and equity portfolios to achieve a diversification level that reduces fluctuations in investment returns. Asset allocation target ranges and strategies are reviewed periodically with the assistance of an independent external consulting firm.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The pension assets are measured at fair value. The following table summarizes, by level, within the fair value hierarchy, the investments of the Plan at fair value as of December 31, 2016 and 2015:

	Total as of December 31, 2016	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 5.0	\$ 5.0	\$ —	\$ —
Mutual funds	240.3	—	240.3	—
Total assets	\$ 245.3	\$ 5.0	\$ 240.3	\$ —

	Total as of December 31, 2015	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 2.9	\$ 2.9	\$ —	\$ —
Mutual funds	242.7	—	242.7	—
Limited partnerships	0.6	—	—	0.6
Total assets	\$ 246.2	\$ 2.9	\$ 242.7	\$ 0.6

Estimated future benefit payments for the next ten years under the Plan follow:

2017	\$ 19.3
2018	18.6
2019	18.1
2020	17.4
2021	17.7
2022 through 2026	80.8

Collective Bargaining Agreements

As of December 31, 2016, approximately 27% of our workforce was represented by various labor unions, and approximately 8% of our workforce was covered by collective bargaining agreements (CBAs) that are set to expire during 2017.

Multiemployer Pension Plans

We contribute to 26 multiemployer pension plans under CBAs covering union-represented employees. As of December 31, 2016, approximately 20% of our total current employees were participants in such multiemployer plans. These plans generally provide retirement benefits to participants based on their service to contributing employers. We do not administer these plans. In general, these plans are managed by a board of trustees with the unions appointing certain trustees and other contributing employers of the plan appointing certain members. We generally are not represented on the board of trustees.

Based on the information available to us, we believe that some of the multiemployer plans to which we contribute are either “critical” or “endangered” as those terms are defined in the Pension Protection Act (PPA). The PPA requires underfunded pension plans to improve their funding ratios within prescribed intervals based on the level of their underfunding. Until the plan trustees develop the funding improvement plans or rehabilitation plans as required by the PPA, we cannot determine the amount of assessments we may be subject to, if any. Accordingly, we cannot presently determine the effect that the PPA may have on our consolidated financial position, results of operations or cash flows.

Furthermore, under current law regarding multiemployer benefit plans, a plan’s termination, our voluntary withdrawal (which we consider from time to time), or the mass withdrawal of all contributing employers from any under-funded multiemployer pension plan would require us to make payments to the plan for our proportionate share of the multiemployer plan’s unfunded vested liabilities. It is possible that there may be a mass withdrawal of employers contributing to these plans or plans may

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

terminate in the near future. We could have adjustments to our estimates for these matters in the near term that could have a material effect on our consolidated financial position, results of operations and cash flows.

Republic's participation in individually significant multiemployer pension plans for the year ended December 31, 2016 is outlined in the table below. Only with respect to multiemployer pension plans, we considered contributions in excess of \$2.0 million in any period disclosed to be individually significant. The most recent PPA zone status available in 2016 and 2015 is for the plans' year ended September 30 or December 31, 2015 and 2014, respectively. The status is based on information that Republic received from the plans and is certified by the plans' actuary. Among other factors, plans in the "critical" red zone are generally less than 65% funded, plans in the "endangered" yellow zone are less than 80% funded, and plans in the "safe" green zone are at least 80% funded. The last column lists the expiration dates of the CBAs to which the plans are subject. There have been no significant changes that affect the comparability of the 2016, 2015 and 2014 contributions.

Legal Plan Name	EIN	Pension Protection Act Zone Status		Funding Improvement or Rehabilitation Plan Status Pending / Implemented	Republic Contributions to Plan			Surcharge Imposed	Expiration Dates of CBAs
		2015	2014		2016	2015	2014		
Local 731 Private Scavengers and Garage Attendants Pension Trust Fund	36-6513567	Safe	Safe	Implemented	9.3	10.2	9.2	No	Various dates through 1/31/19
Western Conference of Teamsters Pension Plan	91-6145047	Safe	Safe	No	36.3	33.4	30.8	No	Various dates through 9/30/21
New England Teamsters & Trucking Industry Pension	04-6372430	Critical	Critical	Implemented	2.8	2.4	1.8	No	6/30/2020
Midwest Operating Engineers Pension Fund	36-6140097	Endangered	Endangered	Implemented	2.0	2.0	1.9	No	Various dates through 11/30/17
Individually significant plans					50.4	48.0	43.7		
All other plans	N/A	N/A	N/A	N/A	9.3	8.9	8.1	N/A	
Total					<u>\$ 59.7</u>	<u>\$ 56.9</u>	<u>\$ 51.8</u>		

We are listed in the Form 5500 for Local 731 Private Scavengers and Garage Attendants Pension Trust Fund as providing more than 5% of the total contributions. At the date these financial statements were issued, Forms 5500 were not available for the plan years ended in 2016.

Central States, Southeast and Southwest Areas Pension Fund

Before September 30, 2013, we had CBAs with local bargaining units of the Teamsters under which we contributed to the Central States, Southeast and Southwest Areas Pension Fund (the Fund). These CBAs were under negotiation during 2012 and 2013. As part of our CBA negotiations, we partially withdrew from participation in the Fund in 2012 and completely withdrew from the Fund in 2013. Accordingly, we were required to make payments to the Fund for our allocated share of its unfunded vested liabilities.

In December 2015 we settled outstanding liabilities with respect to the withdrawal events and paid \$139.0 million to the Fund. The settlement of the withdrawal liability was based on negotiations and discussions between Republic and the Fund. As of December 31, 2016, the settlement has been paid and we have no remaining liability for our withdrawal from the Fund.

Defined Contribution Plan

We maintain the Republic Services 401(k) Plan (401(k) Plan), which is a defined contribution plan covering all eligible employees. Under the 401(k) Plan, participants may direct us to defer a portion of their compensation to the 401(k) Plan, subject to Internal Revenue Code limitations. We provide for an employer matching contribution equal to 100% of the first 3% of eligible compensation and 50% of the next 2% of eligible compensation contributed by each employee, which is funded in cash. All contributions vest immediately.

Total expense recorded for matching 401(k) contributions in 2016, 2015 and 2014 was \$40.9 million, \$37.3 million and \$32.1 million, respectively.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Deferred Compensation Plan

We provide eligible Republic employees, officers and directors with the opportunity to voluntarily defer base salary, bonus payments, long-term incentive awards and other compensation, as applicable, on a pre-tax basis through the Republic Services, Inc. Deferred Compensation Plan (the DCP). The DCP is a nonqualified deferred compensation plan that conforms to Section 409A of the Internal Revenue Code. Eligible participants can defer up to 80% of base salary and up to 100% of bonus, long-term compensation and directors' fees. Under the DCP, some participants also are eligible for matching contributions. The matching contribution under the DCP is equal to the lesser of 2% of the participant's compensation over established 401(k) limits or 50% of the amount the participant has deferred. The DCP participants have no ownership or security interest in any of the amounts deferred or the measurement funds under the DCP. The right of each participant in the DCP is solely that of a general, unsecured creditor of Republic with respect to his or her own interest under the DCP. Deferred amounts may be subject to forfeiture and are deemed invested among investment funds offered under the DCP, as directed by each participant. Payments of deferred amounts are payable following separation from service or at a date or dates elected by the participant when the deferral is elected. Payments of deferred amounts are made in either a lump sum or in annual installments over a period not exceeding 15 years.

Republic invested in corporate-owned life insurance policies to satisfy future obligations under the DCP. These corporate-owned life insurance policies are held in a Rabbi Trust and are recorded at the amount that can be realized under insurance contracts at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement. The aggregate cash surrender value of these life insurance policies was \$87.9 million and \$90.5 million as of December 31, 2016 and 2015, respectively, and is classified in other assets in our consolidated balance sheets. The DCP liability was \$88.3 million and \$83.3 million as of December 31, 2016 and 2015, respectively, and is classified in other long-term liabilities in our consolidated balance sheets.

Employee Stock Purchase Plan

Republic employees are eligible to participate in an employee stock purchase plan. The plan allows participants to purchase our common stock for 95% of its quoted market price on the last day of each calendar quarter. For the years ended December 31, 2016, 2015 and 2014, issuances under this plan totaled 130,085 shares, 141,055 shares and 139,941 shares, respectively. As of December 31, 2016, shares reserved for issuance to employees under this plan totaled 0.5 million and Republic held employee contributions of approximately \$1.5 million for the purchase of common stock.

12. STOCK REPURCHASES AND DIVIDENDS**Stock Repurchases**

Stock repurchase activity during the years ended December 31, 2016 and 2015 follows (in millions except per share amounts):

	2016	2015
Number of shares repurchased	8.4	9.8
Amount paid	\$ 403.8	\$ 404.7
Weighted average cost per share	\$ 48.56	\$ 41.39

As of December 31, 2016, there were no repurchased shares pending settlement.

In October 2015, our board of directors added \$900.0 million to the existing share repurchase authorization, which now extends through December 31, 2017. Share repurchases under the program may be made through open market purchases or privately negotiated transactions in accordance with applicable federal securities laws. While the board of directors has approved the program, the timing of any purchases, the prices and the number of shares of common stock to be purchased will be determined by our management, at its discretion, and will depend upon market conditions and other factors. The share repurchase program may be extended, suspended or discontinued at any time. As of December 31, 2016, the October 2015 repurchase program had remaining authorized purchase capacity of \$451.7 million.

In December 2015, our board of directors changed the status of 71,272,964 treasury shares to authorized and unissued. In doing so, the number of our issued shares was reduced by the stated amount. Our accounting policy is to deduct the par value from common stock and to reflect the excess of cost over par value as a deduction from additional paid-in capital. The change in unissued shares resulted in a reduction of \$2,295.3 million in treasury stock, \$0.6 million in common stock, and \$2,294.7 million in additional paid-in capital. There was no effect on our total stockholders' equity position as a result of the change.

Dividends

In October 2016, our board of directors approved a quarterly dividend of \$0.32 per share. Cash dividends declared were \$423.8 million, \$404.3 million and \$383.6 million for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, we recorded a quarterly dividend payable of \$108.6 million to shareholders of record at the close of business on January 3, 2017.

13. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income attributable to Republic Services, Inc. by the weighted average number of common shares (including vested but unissued RSUs) outstanding during the period. Diluted earnings per share is based on the combined weighted average number of common shares and common share equivalents outstanding, which include, where appropriate, the assumed exercise of employee stock options, unvested RSUs and unvested PSUs at the expected attainment levels. We use the treasury stock method in computing diluted earnings per share.

Earnings per share for the years ended December 31, 2016, 2015, and 2014 are calculated as follows (in thousands, except per share amounts):

	2016	2015	2014
Basic earnings per share:			
Net income attributable to Republic Services, Inc.	\$ 612,588	\$ 749,906	\$ 547,600
Weighted average common shares outstanding	343,024	349,984	356,673
Basic earnings per share	\$ 1.79	\$ 2.14	\$ 1.54
Diluted earnings per share:			
Net income attributable to Republic Services, Inc.	\$ 612,588	\$ 749,906	\$ 547,600
Weighted average common shares outstanding	343,024	349,984	356,673
Effect of dilutive securities:			
Options to purchase common stock	1,076	1,255	1,350
Unvested RSU awards	190	137	84
Unvested PSU awards	100	12	—
Weighted average common and common equivalent shares outstanding	344,390	351,388	358,107
Diluted earnings per share	\$ 1.78	\$ 2.13	\$ 1.53
Antidilutive securities not included in the diluted earnings per share calculations:			
Options to purchase common stock	—	9	274

14. SEGMENT REPORTING

In January 2016, we realigned our field support functions by combining our three regions into two field groups, consolidating our areas and streamlining select operational support roles at our Phoenix headquarters. Following our restructuring, our senior management now evaluates, oversees and manages the financial performance of our operations through two field groups, referred to as Group 1 and Group 2. Group 1 primarily consists of geographic areas located in the western and portions of the mid-western United States, and Group 2 primarily consists of geographic areas located in Texas, the southeastern and portions of the mid-western United States, and the eastern seaboard of the United States.

We manage and evaluate our operations through the two field groups, Group 1 and Group 2. These two groups are presented below as our reportable segments, which provide integrated waste management services consisting of non-hazardous solid waste collection, transfer, recycling, disposal and energy services.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Summarized financial information concerning our reportable segments for the years ended December 31, 2016, 2015 and 2014 follows:

	Gross Revenue	Intercompany Revenue	Net Revenue	Depreciation, Amortization, Depletion and Accretion	Operating Income (Loss)	Capital Expenditures	Total Assets
2016:							
Group 1	\$ 5,222.9	\$ (1,037.6)	\$ 4,185.3	\$ 414.4	\$ 895.5	\$ 446.0	\$ 9,163.3
Group 2	5,930.0	(916.5)	5,013.5	538.7	1,026.9	346.4	9,901.3
Corporate entities	202.5	(13.6)	188.9	117.1	(384.9)	135.4	1,565.0
Total	<u>\$11,355.4</u>	<u>\$ (1,967.7)</u>	<u>\$ 9,387.7</u>	<u>\$ 1,070.2</u>	<u>\$ 1,537.5</u>	<u>\$ 927.8</u>	<u>\$ 20,629.6</u>
2015:							
Group 1	\$ 5,032.3	\$ (1,006.4)	\$ 4,025.9	\$ 398.9	\$ 857.2	\$ 430.7	\$ 9,183.7
Group 2	5,803.4	(878.9)	4,924.5	542.6	953.5	352.2	9,909.0
Corporate entities	177.8	(13.2)	164.6	108.5	(251.9)	162.7	1,443.2
Total	<u>\$11,013.5</u>	<u>\$ (1,898.5)</u>	<u>\$ 9,115.0</u>	<u>\$ 1,050.0</u>	<u>\$ 1,558.8</u>	<u>\$ 945.6</u>	<u>\$ 20,535.9</u>
2014:							
Group 1	\$ 4,795.0	\$ (959.1)	\$ 3,835.9	\$ 368.9	\$ 826.0	\$ 475.2	\$ 9,237.8
Group 2	5,638.5	(849.3)	4,789.2	507.3	938.6	329.7	9,504.2
Corporate entities	192.8	(14.6)	178.2	108.7	(531.5)	57.6	1,310.4
Total	<u>\$10,626.3</u>	<u>\$ (1,823.0)</u>	<u>\$ 8,803.3</u>	<u>\$ 984.9</u>	<u>\$ 1,233.1</u>	<u>\$ 862.5</u>	<u>\$ 20,052.4</u>

Intercompany revenue reflects transactions within and between segments that generally are made on a basis intended to reflect the market value of such services. Capital expenditures for corporate entities primarily include vehicle inventory acquired but not yet assigned to operating locations and facilities. Corporate functions include legal, tax, treasury, information technology, risk management, human resources, closed landfills and other administrative functions. During 2016 and 2014, we completed various refinancing transactions that resulted in cash paid for premiums and professional fees to repurchase outstanding debt, as well as non-cash charges for unamortized debt discounts and deferred issuance costs. See Note 9, *Debt*. During the years ended December 31, 2015 and 2014, environmental remediation charges and recoveries were incurred at our closed Bridgeton Landfill in Missouri. During 2014, we recorded charges related to our withdrawal from the Central States, Southeast and Southwest Areas Pension Fund and reached a settlement during 2015.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table reflects our revenue by service line for the years ended December 31 (in millions of dollars and as a percentage of revenue):

	2016		2015		2014	
Collection:						
Residential	\$ 2,239.7	23.9%	\$ 2,242.3	24.6%	\$ 2,193.6	24.9%
Small-container commercial	2,877.5	30.7	2,799.9	30.7	2,723.3	30.9
Large-container industrial	1,975.8	21.0	1,890.2	20.7	1,784.0	20.3
Other	38.2	0.4	39.8	0.4	37.2	0.4
Total collection	7,131.2	76.0	6,972.2	76.4	6,738.1	76.5
Transfer	1,157.6		1,112.7		1,062.6	
Less: intercompany	(694.1)		(682.3)		(654.4)	
Transfer, net	463.5	4.9	430.4	4.7	408.2	4.6
Landfill	2,083.6		2,036.4		1,975.8	
Less: intercompany	(962.4)		(951.9)		(928.1)	
Landfill, net	1,121.2	11.9	1,084.5	11.9	1,047.7	11.9
Energy services	76.4	0.8	95.8	1.1	38.7	0.5
Other:						
Sale of recycled commodities	420.4	4.5	372.0	4.1	405.8	4.6
Other non-core	175.0	1.9	160.1	1.8	164.8	1.9
Total other	595.4	6.4	532.1	5.9	570.6	6.5
Total revenue	\$ 9,387.7	100.0%	\$ 9,115.0	100.0%	\$ 8,803.3	100.0%

Other non-core revenue consists primarily of revenue from National Accounts, which represents the portion of revenue generated from nationwide contracts in markets outside our operating areas where the associated waste handling services are subcontracted to local operators. Consequently, substantially all of this revenue is offset with related subcontract costs, which are recorded in cost of operations.

15. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

A summary of changes in accumulated other comprehensive loss (income), net of tax, by component, for the years ended December 31, 2016, 2015 and 2014 follows:

	Cash Flow Hedges	Defined Benefit Pension Plan	Total
Balance as of December 31, 2013	\$ 19.3	\$ (22.3)	\$ (3.0)
Other comprehensive loss before reclassifications	23.8	9.3	33.1
Amounts reclassified from accumulated other comprehensive income	(1.2)	—	(1.2)
Net current-period other comprehensive loss	22.6	9.3	31.9
Balance as of December 31, 2014	41.9	(13.0)	28.9
Other comprehensive loss before reclassifications	18.4	1.9	20.3
Amounts reclassified from accumulated other comprehensive loss	(18.7)	—	(18.7)
Net current-period other comprehensive loss (income)	(0.3)	1.9	1.6
Balance as of December 31, 2015	41.6	(11.1)	30.5
Other comprehensive income before reclassifications	(11.8)	(6.4)	(18.2)
Amounts reclassified from accumulated other comprehensive income	(26.5)	—	(26.5)
Net current-period other comprehensive income	(38.3)	(6.4)	(44.7)
Balance as of December 31, 2016	\$ 3.3	\$ (17.5)	\$ (14.2)

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

A summary of reclassifications out of accumulated other comprehensive loss (income) for the years ended December 31, 2016, 2015 and 2014 follows:

Details about Accumulated Other Comprehensive Loss (Income) Components	2016	2015	2014	Affected Line Item in the Statement Where Net Income is Presented
	Amount Reclassified from Accumulated Other Comprehensive Loss (Income)			
Gain (loss) on cash flow hedges:				
Fuel hedges	\$ (34.1)	\$ (28.5)	\$ 0.7	Cost of operations
Interest rate contracts	(9.8)	(2.5)	(2.7)	Interest expense
	(43.9)	(31.0)	(2.0)	Total before tax
	17.4	12.3	0.8	Tax benefit (expense)
	(26.5)	(18.7)	(1.2)	Net of tax
Total loss reclassified into earnings	\$ (26.5)	\$ (18.7)	\$ (1.2)	

16. FINANCIAL INSTRUMENTS

Fuel Hedges

We have entered into multiple swap agreements designated as cash flow hedges to mitigate some of our exposure related to changes in diesel fuel prices. These swaps qualified for, and were designated as, effective hedges of changes in the prices of forecasted diesel fuel purchases (fuel hedges).

The following table summarizes our outstanding fuel hedges as of December 31, 2016:

Year	Gallons Hedged	Weighted Average Contract Price per Gallon
2017	12,000,000	\$2.92
2018	3,000,000	2.61

If the national U.S. on-highway average price for a gallon of diesel fuel as published by the Department of Energy exceeds the contract price per gallon, we receive the difference between the average price and the contract price (multiplied by the notional gallons) from the counterparty. If the average price is less than the contract price per gallon, we pay the difference to the counterparty.

The fair values of our fuel hedges are determined using standard option valuation models with assumptions about commodity prices based on those observed in underlying markets (Level 2 in the fair value hierarchy). The aggregate fair values of our outstanding fuel hedges as of December 31, 2016 and 2015 were current liabilities of \$2.7 million and \$37.8 million, respectively, and have been recorded in other accrued liabilities in our consolidated balance sheets. The ineffective portions of the changes in fair values resulted in a gain of \$0.8 million for the year ended December 31, 2016, and a loss of \$0.4 million and \$0.5 million for the years ended December 31, 2015 and 2014, respectively, and have been recorded in other income, net in our consolidated statements of income.

Total gain (loss) recognized in other comprehensive income (loss) for fuel hedges (the effective portion) was \$20.7 million, \$(2.0) million and \$(24.2) million, for the years ended December 31, 2016, 2015 and 2014, respectively. We classify cash inflows and outflows from our fuel hedges within operating activities in the unaudited consolidated statements of cash flows.

Recycling Commodity Hedges

Revenue from the sale of recycled commodities is primarily from sales of old corrugated containers and old newsprint. From time to time we use derivative instruments such as swaps and costless collars designated as cash flow hedges to manage our exposure to changes in prices of these commodities. During 2016, we entered into multiple agreements related to the forecasted OCC sales. The agreements qualified for, and were designated as, effective hedges of changes in the prices of certain forecasted recycling commodity sales (commodity hedges).

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

We entered into costless collar agreements on forecasted sales of OCC. The agreements involve combining a purchased put option giving us the right to sell OCC at an established floor strike price with a written call option obligating us to deliver OCC at an established cap strike price. The puts and calls have the same settlement dates, are net settled in cash on such dates and have the same terms to expiration. The contemporaneous combination of options resulted in no net premium for us and represents costless collars. Under these agreements, we will make or receive no payments as long as the settlement price is between the floor price and cap price; however, if the settlement price is above the cap, we will pay the counterparty an amount equal to the excess of the settlement price over the cap times the monthly volumes hedged. If the settlement price is below the floor, the counterparty will pay us the deficit of the settlement price below the floor times the monthly volumes hedged. The objective of these agreements is to reduce variability of cash flows for forecasted sales of OCC between two designated strike prices.

The following table summarizes our outstanding costless collar hedges for OCC as of December 31, 2016:

Year	Tons Hedged	Weighted Average Floor Strike Price per Ton	Weighted Average Cap Strike Price per Ton
2017	120,000	\$81.50	\$120.00
2018	120,000	81.50	120.00

Costless collar hedges are recorded in our consolidated balance sheets at fair value. Fair values of costless collars are determined using standard option valuation models with assumptions about commodity prices based upon forward commodity price curves in underlying markets (Level 2 in the fair value hierarchy). We had no outstanding recycling commodity hedges as of December 31, 2015.

The aggregated fair values of the outstanding recycling commodity hedges as of December 31, 2016 were current liabilities of \$0.8 million, and have been recorded in other accrued liabilities in our consolidated balance sheets. No amounts were recognized in other income, net in our consolidated statements of income for the ineffective portion of the changes in fair values during the years ended December 31, 2016, 2015 and 2014.

Total loss recognized in other comprehensive income for recycling commodity hedges (the effective portion) was \$(0.5) million for the year ended December 31, 2016. No amount was recognized in other comprehensive income for 2015. Total gain recognized in other comprehensive income for recycling commodity hedges (the effective portion) was \$0.1 million for the year ended December 31, 2014.

Fair Value Measurements

In measuring fair values of assets and liabilities, we use valuation techniques that maximize the use of observable inputs (Level 1) and minimize the use of unobservable inputs (Level 3). We also use market data or assumptions that we believe market participants would use in pricing an asset or liability, including assumptions about risk when appropriate.

The carrying value for certain of our financial instruments, including cash, accounts receivable, accounts payable and certain other accrued liabilities, approximates fair value because of their short-term nature.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of December 31, 2016 and 2015, our assets and liabilities that are measured at fair value on a recurring basis include the following:

	December 31, 2016				
	Carrying Amount	Total	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Money market mutual funds	\$ 23.8	\$ 23.8	\$ 23.8	\$ —	\$ —
Bonds - restricted cash and marketable securities and other assets	57.6	57.6	—	57.6	—
Interest rate swaps - other assets	12.1	12.1	—	12.1	—
Total assets	<u>\$ 93.5</u>	<u>\$ 93.5</u>	<u>\$ 23.8</u>	<u>\$ 69.7</u>	<u>\$ —</u>
Liabilities:					
Fuel hedges - other accrued liabilities	\$ 2.7	\$ 2.7	\$ —	\$ 2.7	\$ —
Commodity hedges - other accrued liabilities	0.8	0.8	—	0.8	—
Contingent consideration - other long-term liabilities	68.9	68.9	—	—	68.9
Total liabilities	<u>\$ 72.4</u>	<u>\$ 72.4</u>	<u>\$ —</u>	<u>\$ 3.5</u>	<u>\$ 68.9</u>

	December 31, 2015				
	Carrying Amount	Total	Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Money market mutual funds	\$ 43.0	\$ 43.0	\$ 43.0	\$ —	\$ —
Bonds - restricted cash and marketable securities and other assets	56.3	56.3	—	56.3	—
Interest rate swaps - other assets	16.5	16.5	—	16.5	—
Total assets	<u>\$ 115.8</u>	<u>\$ 115.8</u>	<u>\$ 43.0</u>	<u>\$ 72.8</u>	<u>\$ —</u>
Liabilities:					
Fuel hedges - other accrued liabilities	\$ 37.8	\$ 37.8	\$ —	\$ 37.8	\$ —
Contingent consideration - other long-term liabilities	69.6	69.6	—	—	69.6
Total liabilities	<u>\$ 107.4</u>	<u>\$ 107.4</u>	<u>\$ —</u>	<u>\$ 37.8</u>	<u>\$ 69.6</u>

Total Debt

As of December 31, 2016, the carrying value of our total debt was \$7.7 billion and the fair value of our total debt was \$8.3 billion. As of December 31, 2015, the carrying value of our total debt was \$7.5 billion and the fair value of our total debt was \$8.2 billion. The estimated fair value of our fixed rate senior notes and debentures is based on quoted market prices. The fair value of our remaining notes payable, tax-exempt financings and borrowings under our credit facilities approximates the carrying value because the interest rates are variable. The fair value estimates are based on Level 2 inputs of the fair value hierarchy as of December 31, 2016 and 2015. See Note 9, *Debt*, for further information related to our debt.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Contingent Consideration

In April 2015, we entered into a waste management contract with the County of Sonoma, California to operate the county's waste management facilities. See Note 3, *Business Acquisitions*, for further information related to our acquisition. As of December 31, 2016, the Sonoma contingent consideration represents the fair value of \$68.9 million payable to the County of Sonoma based on the achievement of future annual tonnage targets through the expected remaining capacity of the landfill, which we estimate to be approximately 27 years. The potential undiscounted amount of all future contingent payments that we could be required to make under the waste management contract is estimated to be between approximately \$88 million and \$177 million. During 2016, the activity in the contingent consideration liability included accretion, which was offset by concession payments made in the ordinary course of business. There were no changes to the estimate of fair value.

The fair value of the contingent consideration was determined using probability assessments of the expected future consideration payments over the remaining useful life of the landfill, and applying a discount rate of 4.0%. The future consideration payments are based on significant inputs that are not observable in the market. Key assumptions include volume of annual tons disposed at the landfill, price paid per annual ton, and the discount rate that represent the best estimates of management, which are subject to remeasurement at each reporting date. The contingent consideration liability is classified within Level 3 of the fair value hierarchy.

17. COMMITMENTS AND CONTINGENCIES**Legal Proceedings**

We are subject to extensive and evolving laws and regulations and have implemented safeguards to respond to regulatory requirements. In the normal course of our business, we become involved in legal proceedings. Some may result in fines, penalties or judgments against us, which may impact earnings and cash flows for a particular period. Although we cannot predict the ultimate outcome of any legal matter with certainty, we do not believe the outcome of any of our pending legal proceedings will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

As used herein, the term *legal proceedings* refers to litigation and similar claims against us and our subsidiaries, excluding: (1) ordinary course accidents, general commercial liability and workers' compensation claims, which are covered by insurance programs, subject to customary deductibles, and which, together with insured employee health care costs, are discussed in Note 7, *Other Liabilities*; and (2) environmental remediation liabilities, which are discussed in Note 8, *Landfill and Environmental Costs*.

We accrue for legal proceedings when losses become probable and reasonably estimable. We have recorded an aggregate accrual of approximately \$48 million relating to our outstanding legal proceedings as of December 31, 2016. As of the end of each applicable reporting period, we review each of our legal proceedings and, where it is probable that a liability has been incurred, we accrue for all probable and reasonably estimable losses. Where we can reasonably estimate a range of losses we may incur regarding such a matter, we record an accrual for the amount within the range that constitutes our best estimate. If we can reasonably estimate a range but no amount within the range appears to be a better estimate than any other, we use the amount that is the low end of such range. If we had used the high ends of such ranges, our aggregate potential liability would be approximately \$45 million higher than the amount recorded as of December 31, 2016.

Lease Commitments

We and our subsidiaries lease real property, equipment and software under various operating leases with remaining terms from one month to 30 years. Rent expense during the years ended December 31, 2016, 2015 and 2014 was \$56.8 million, \$53.6 million and \$49.1 million, respectively.

Future minimum lease obligations under non-cancelable operating leases with initial terms in excess of one year as of December 31, 2016 are as follows:

2017	\$	34.7
2018		32.2
2019		29.6
2020		27.3
2021		25.1
Thereafter		85.5
	\$	234.4

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Unconditional Purchase Commitments

Royalties

We have entered into agreements to pay royalties to prior landowners, lessors or host communities, based on, among other things, revenue received and waste tonnage disposed at specified landfills. These royalties are generally payable quarterly and amounts incurred, but not paid, are accrued in our consolidated balance sheets. Royalties are accrued as revenue is received or tonnage is disposed of, as applicable, in the landfills.

Disposal Agreements

We have several agreements that require us to dispose of a minimum number of tons at third-party disposal facilities. Under these put-or-pay agreements, we must pay for agreed-upon minimum volumes regardless of the actual number of tons placed at the facilities.

Our unconditional purchase commitments have varying expiration dates, with some extending through the remaining life of the respective landfill. Future minimum payments under unconditional purchase commitments, consisting primarily of (1) disposal related agreements, which include fixed or minimum royalty payments, host agreements, and take-or-pay and put-or-pay agreements, and (2) other obligations including committed capital expenditures and consulting service agreements as of December 31, 2016 are as follows:

2017	\$ 224.0
2018	73.1
2019	57.1
2020	35.3
2021	24.3
Thereafter	348.2
	<u>\$ 762.0</u>

Restricted Cash and Other Financial Guarantees

We must provide financial assurance to governmental agencies and a variety of other entities under applicable environmental regulations relating to our landfill operations for capping, closure and post-closure costs, and our performance under certain collection, landfill and transfer station contracts. We satisfy our financial assurance requirements by providing surety bonds, letters of credit, insurance policies or trust deposits. The amount of the financial assurance requirements for capping, closure and post-closure costs is determined by applicable state environmental regulations, which vary by state. The financial assurance requirements for capping, closure and post-closure costs can either be for costs associated with a portion of the landfill or the entire landfill. Generally, states will require a third-party engineering specialist to determine the estimated capping, closure and post-closure costs that are used to determine the required amount of financial assurance for a landfill. The amount of financial assurance required can, and generally will, differ from the obligation determined and recorded under U.S. GAAP. The amount of the financial assurance requirements related to contract performance varies by contract. Additionally, we are required to provide financial assurance for our insurance program and collateral for certain performance obligations.

We had the following financial instruments and collateral in place to secure our financial assurances as of December 31:

	2016	2015
Letters of credit	\$ 503.4	\$ 548.1
Surety bonds	3,109.3	3,055.8

The outstanding letters of credit used \$478.4 million and \$503.3 million as of December 31, 2016 and 2015, respectively, of availability under our Credit Facilities. Surety bonds subject to expiration will expire on various dates through 2024.

These financial instruments are issued in the normal course of business and are not debt. Because we currently have no liability for this financial assurance, it is not reflected in our consolidated balance sheets. However, we have recorded capping, closure and post-closure obligations and insurance reserves as they are incurred.

Our restricted cash and marketable securities include, among other things, restricted cash and marketable securities held for capital expenditures under certain debt facilities, restricted cash pursuant to a holdback arrangement, restricted cash and marketable securities pledged to regulatory agencies and governmental entities as financial guarantees of our performance

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

related to our final capping, closure and post-closure obligations at our landfills, and restricted cash and marketable securities related to our insurance obligations.

The following table summarizes our restricted cash and marketable securities as of December 31:

	2016	2015
Financing proceeds	\$ —	\$ 2.1
Holdback escrow	—	16.8
Capping, closure and post-closure obligations	27.9	27.3
Insurance	62.6	54.1
Total restricted cash and marketable securities	\$ 90.5	\$ 100.3

We own a 19.9% interest in a company that, among other activities, issues financial surety bonds to secure capping, closure and post-closure obligations for companies operating in the solid waste industry. We account for this investment under the cost method of accounting. There have been no identified events or changes in circumstances that may have a significant adverse effect on the recoverability of this investment. This investee company and the parent company of the investee had written surety bonds for us relating primarily to our landfill operations for capping, closure and post-closure, of which \$1,225.5 million were outstanding as of December 31, 2016. Our reimbursement obligations under these bonds are secured by an indemnity agreement with the investee and letters of credit. There were no letters of credit outstanding as of December 31, 2016 and 2015 associated with these reimbursement obligations.

Off-Balance Sheet Arrangements

We have no off-balance sheet debt or similar obligations, other than operating leases and the financial assurances discussed above, which are not classified as debt. We have no transactions or obligations with related parties that are not disclosed, consolidated into or reflected in our reported financial position or results of operations. We have not guaranteed any third-party debt.

Guarantees

We enter into contracts in the normal course of business that include indemnification clauses. Indemnifications relating to known liabilities are recorded in the consolidated financial statements based on our best estimate of required future payments. Certain of these indemnifications relate to contingent events or occurrences, such as the imposition of additional taxes due to a change in the tax law or adverse interpretation of the tax law, and indemnifications made in divestiture agreements where we indemnify the buyer for liabilities that relate to our activities prior to the divestiture and that may become known in the future. We do not believe that these contingent obligations will have a material effect on our consolidated financial position, results of operations or cash flows.

We have entered into agreements with property owners to guarantee the value of property that is adjacent to certain of our landfills. These agreements have varying terms. We do not believe that these contingent obligations will have a material effect on our consolidated financial position, results of operations or cash flows.

Other Matters

Our business activities are conducted in the context of a developing and changing statutory and regulatory framework. Governmental regulation of the waste management industry requires us to obtain and retain numerous governmental permits to conduct various aspects of our operations. These permits are subject to revocation, modification or denial. The costs and other capital expenditures that may be required to obtain or retain the applicable permits or comply with applicable regulations could be significant. Any revocation, modification or denial of permits could have a material adverse effect on us.

REPUBLIC SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

18. SELECTED QUARTERLY FINANCIAL DATA (unaudited)

The following table summarizes our unaudited consolidated quarterly results of operations as reported for 2016 and 2015:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2016:				
Revenue	\$ 2,248.6	\$ 2,350.7	\$ 2,409.3	\$ 2,379.1
Operating income	345.5	382.1	417.9	392.0
Net income	156.9	181.0	85.7	189.6
Net income attributable to Republic Services, Inc.	156.7	180.8	85.6	189.5
Diluted earnings per common share ⁽¹⁾	0.45	0.52	0.25	0.55
2015:				
Revenue	\$ 2,169.4	\$ 2,311.4	\$ 2,344.0	\$ 2,290.2
Operating income	372.8	389.2	442.9	353.9
Net income	172.5	190.3	215.2	172.4
Net income attributable to Republic Services, Inc. ⁽¹⁾	172.4	190.3	215.0	172.3
Diluted earnings per common share	0.49	0.54	0.61	0.49

(1) Line items in these rows do not total to amounts reported in the consolidated statements of income due to rounding.

During the third quarter of 2016, we incurred a loss on the early extinguishment of debt and other related costs of \$203.4 million. See Note 9, *Debt*, for a summary of these charges. During the first quarter of 2016, we recorded charges of \$5.6 million for withdrawal events at the multiemployer pension plan to which we contribute related to our operations in Puerto Rico.

During the fourth quarter of 2015, we recorded charges of \$4.1 million for withdrawal events at the multiemployer pension plan to which we contribute related to our operations in Puerto Rico, as well as \$0.4 million of related legal charges. During the third quarter of 2015, we recorded a reduction to remediation expenses of \$50.0 million related to an insurance recovery at our closed Bridgeton Landfill.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

REPORT OF MANAGEMENT ON REPUBLIC SERVICES, INC.'S INTERNAL CONTROL OVER FINANCIAL REPORTING

We, as members of management of Republic Services, Inc., are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, our internal control systems and procedures may not prevent or detect misstatements. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

We, under the supervision of and with the participation of our management, including the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2016, based on criteria for effective internal control over financial reporting described in "Internal Control — Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we concluded that we maintained effective internal control over financial reporting as of December 31, 2016, based on the specified criteria.

Our internal control over financial reporting has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report which is included herein.

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e), and 15d-15(e)) as of the end of the period covered by this Annual Report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Annual Report.

Changes in Internal Control Over Financial Reporting

Based on an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, there has been no change in our internal control over financial reporting during the period covered by this Form 10-K identified in connection with that evaluation, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item is incorporated by reference to the material appearing under the headings “Proposal 1 - Election of Directors,” “Biographical Information Regarding Directors/Nominees and Executive Officers,” “Board of Directors and Corporate Governance Matters,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Executive Officers” in the Proxy Statement for the 2017 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated by reference to the material appearing under the headings “Executive Compensation” and “Director Compensation” in the Proxy Statement for the 2017 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item is incorporated by reference to the material appearing under the headings “Security Ownership of Five Percent Shareholders” and “Security Ownership of the Board of Directors and Management” in the Proxy Statement for the 2017 Annual Meeting of Shareholders.

The following table sets forth certain information regarding equity compensation plans as of December 31, 2016 (number of securities in millions):

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights (b)	Weighted Average Exercise Price of Outstanding Options and Rights (c)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column) (d)
Equity compensation plans approved by security holders (a)	5.5	\$ 30.56	30.9
Equity compensation plans not approved by security holders	—	—	—
Total	5.5	\$ 30.56	30.9

- (a) Includes our 2006 Plan, Amended and Restated 2007 Stock Incentive Plan and our 2009 Employee Stock Purchase Plan (ESPP).
- (b) Includes 3.2 million stock options, 1.8 million shares underlying restricted stock units, 0.5 million shares underlying performance shares, and less than 0.1 million shares underlying purchase rights that accrue under the ESPP.
- (c) Excludes restricted stock units and performance shares as these awards do not have exercise prices.
- (d) The shares remaining available for future issuances include 14.9 million shares under our Amended and Restated 2007 Stock Incentive Plan and 0.5 million shares under our ESPP.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is incorporated by reference to the material appearing under the heading “Board of Directors and Corporate Governance Matters” in the Proxy Statement for the 2017 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this item is incorporated by reference to the material appearing under the heading “Audit and Related Fees” in the Proxy Statement for the 2017 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

1. Financial Statements

Our consolidated financial statements are set forth under Item 8 of this Form 10-K.

2. Financial Statement Schedules

All schedules are omitted as the required information is not applicable or the information is presented in the consolidated financial statements and notes thereto in Item 8 of this Form 10-K.

3. Exhibits

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed with the Commission, as indicated in the description of each, File No. 1-14267 in the case of Republic and File No. 1-14705 and No. 0-19285 in the case of Allied.

<u>Exhibit Number</u>	<u>Description</u>
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1998).
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Republic Services, Inc. (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-8, Registration No. 333-81801, filed with the Commission on June 29, 1999).
3.3	Amended and Restated Bylaws of Republic Services, Inc. (incorporated by reference to Exhibit 3.3 of the Company's Current Report on Form 8-K dated May 6, 2016).
4.1	Republic Services, Inc. Common Stock Certificate (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-8, Registration No. 333-81801, filed with the Commission on June 29, 1999).
4.2	Second Supplemental Indenture, dated as of March 21, 2005, to the Indenture dated as of August 15, 2001, by and between Republic Services, Inc. and The Bank of New York, as trustee, including the form of 6.086% Note due March 15, 2035 (incorporated by reference to Exhibit 4.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005).
4.3	Indenture, dated as of September 8, 2009, by and between Republic Services, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated September 9, 2009).
4.4	First Supplemental Indenture, dated as of September 8, 2009, to the Indenture dated as of September 8, 2009, by and among Republic Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, including the form of 5.500% Notes due 2019 (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K dated September 9, 2009).
4.5	Second Supplemental Indenture, dated as of May 9, 2011, to the Indenture dated as of September 8, 2009, by and among Republic Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, including the form of 3.800% Notes due 2018 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated May 9, 2011).
4.6	Third Supplemental Indenture, dated as of May 9, 2011, to the Indenture dated as of September 8, 2009, by and among Republic Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, including the form of 4.750% Notes due 2023 (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K dated May 9, 2011).
4.7	Fourth Supplemental Indenture, dated as of May 9, 2011, to the Indenture dated as of September 8, 2009, by and among Republic Services, Inc., the guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as trustee, including the form of 5.700% Notes due 2041 (incorporated by reference to Exhibit 4.3 of the Company's Current Report on Form 8-K dated May 9, 2011).
4.8	Indenture, dated as of November 25, 2009, by and between Republic Services, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated November 25, 2009).

<u>Exhibit Number</u>	<u>Description</u>
4.9	First Supplemental Indenture, dated as of November 25, 2009, to the Indenture dated as of November 25, 2009, by and among Republic Services, Inc., the guarantors named therein and U.S. Bank National Association, as trustee, including the form of 5.25% Notes due 2021 (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K dated November 25, 2009).
4.10	Second Supplemental Indenture, dated as of March 4, 2010, to the Indenture dated as of November 25, 2009, by and among Republic Services, Inc., the guarantors named therein and U.S. Bank National Association, as trustee, including the form of 5.00% Notes due 2020 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated March 4, 2010).
4.11	Third Supplemental Indenture, dated as of March 4, 2010, to the Indenture dated as of November 25, 2009, by and among Republic Services, Inc., the guarantors named therein and U.S. Bank National Association, as trustee, including the form of 6.20% Notes due 2040 (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K dated March 4, 2010).
4.12	Indenture, dated as of May 21, 2012, by and between Republic Services, Inc. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated May 21, 2012).
4.13	First Supplemental Indenture, dated as of May 21, 2012, to the Indenture dated as of May 21, 2012, by and between Republic Services, Inc. and Wells Fargo Bank, National Association, including the form of 3.55% Notes due 2022 (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K dated May 21, 2012).
4.14	Restated Indenture, dated as of September 1, 1991, by and between Browning-Ferris Industries, Inc. and First City, Texas-Houston, National Association, as trustee (incorporated by reference to Exhibit 4.22 of Allied's Registration Statement on Form S-4/A (No. 333-61744)).
4.15	First Supplemental Indenture, dated as of July 30, 1999, to the Restated Indenture dated as of September 1, 1991, by and among Allied Waste Industries, Inc., Allied Waste North America, Inc., Browning-Ferris Industries, Inc. and Chase Bank of Texas, National Association, as trustee (incorporated by reference to Exhibit 4.23 of Allied's Registration Statement on Form S-4/A (No. 333-61744)).
4.16	First [sic] Supplemental Indenture, dated as of December 31, 2004, to the Restated Indenture dated as of September 1, 1991, by and among Browning-Ferris Industries, Inc., BBCO, Inc. and JP Morgan Chase Bank, National Association as trustee (incorporated by reference to Exhibit 4.33 of Allied's Annual Report on Form 10-K for the year ended December 31, 2004).
4.17	Third Supplemental Indenture, dated as of December 5, 2008, to the Restated Indenture dated as of September 1, 1991, by and among Allied Waste Industries, Inc., Allied Waste North America, Inc., Browning-Ferris Industries, LLC (successor to Browning-Ferris Industries, Inc.), BBCO, Inc., Republic Services, Inc., the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated December 10, 2008).
4.18	Credit Agreement, dated as of June 30, 2014, by and among Republic Services, Inc., as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and the other lenders party thereto (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated July 2, 2014).
4.19	The Company is a party to other agreements for unregistered long-term debt securities, which do not exceed 10% of the Company's total assets. The Company agrees to furnish a copy of such agreements to the Commission upon request.
4.20	Fourth Supplemental Indenture, dated as of March 11, 2015, to the Indenture, dated as of November 25, 2009, between Republic Services, Inc. and U.S. Bank National Association, as trustee, including the form of 3.20% Notes due 2025 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated March 11, 2015).
4.21	Fifth Supplemental Indenture, dated as of July 5, 2016, to the Indenture, dated as of November 25, 2009, between Republic Services, Inc. and U.S. Bank National Association, as trustee, including the form of 2.900% Notes due 2026 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated July 5, 2016).
4.22	Second Amended and Restated Credit Agreement, dated as of May 2, 2016, by and among Republic Services, Inc., as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, and the other lenders party thereto (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K dated May 3, 2016).
4.23	Amendment No. 1 to Credit Agreement, dated as of May 2, 2016, by and among Republic Services, Inc., as Borrower, Bank of America, N.A., as Administrative Agent, and each of the lenders party thereto (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K dated May 3, 2016).

<u>Exhibit Number</u>	<u>Description</u>
4.24	Form of Browning-Ferris Industries, Inc. 7.4% Debentures due 2035 (incorporated by reference to Exhibit 4 of Browning-Ferris Industries, Inc.'s Current Report on Form 8-K dated September 15, 1995).
10.1+	Republic Services, Inc. 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2007).
10.2+	Amendment to the Republic Services, Inc. 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
10.3+	Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan effective May 12, 2011 (incorporated by reference to Appendix A of the Company's Proxy Statement on Schedule 14A filed on April 1, 2011).
10.4+	Form of Stock Option Agreement under the Republic Services, Inc. 2007 Stock Incentive Plan (for awards prior to October 28, 2011) (incorporated by reference to Exhibit 10.9 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
10.5+	Form of Non-NEO Stock Option Agreement under the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan (for awards on or after October 28, 2011) (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).
10.6+	Form of NEO Stock Option Agreement under the Republic Services, Inc. 2007 Amended and Restated Stock Incentive Plan (for awards on or after October 28, 2011) (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).
10.7+	Form of Non-NEO Restricted Stock Agreement under the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan (for awards on or after October 28, 2011) (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).
10.8+	Form of NEO Restricted Stock Agreement under the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan (for awards on or after October 28, 2011) (incorporated by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).
10.9+	Form of Employee Restricted Stock Unit Agreement under the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan (for awards on or after December 27, 2011) (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated December 27, 2011).
10.10+	Form of Non-Employee Director Restricted Stock Unit Agreement (annual vesting) under the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan (for awards on or after December 27, 2011) (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated December 27, 2011).
10.11+	Form of Non-Employee Director Restricted Stock Unit Agreement (3 year vesting) under the Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan (for awards on or after December 27, 2011) (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K dated December 27, 2011).
10.12+	Republic Services, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2010 (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-8, Registration No. 333-170174, filed with the Commission on October 27, 2010).
10.13+	Amendment No. 1 to Republic Services, Inc. Deferred Compensation Plan, effective January 6, 2011 (incorporated by reference to Exhibit 10.17 of the Company's Annual Report on Form 10-K for the year ended December 31, 2010).
10.14+	Republic Services, Inc. Amended and Restated Executive Incentive Plan, effective February 4, 2014 (incorporated by reference to Appendix A of the Company's Proxy Statement on Schedule 14A filed on March 26, 2014).
10.15+	Employment Agreement, effective as of October 29, 2013, by and between Republic Services, Inc. and Donald W. Slager (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013).
10.16+	Amended and Restated Employment Agreement, effective December 8, 2008, by and between Jeffrey A. Hughes and Republic Services, Inc. (incorporated by reference to Exhibit 10.61 of the Company's Annual Report on Form 10-K for the year ended December 31, 2012).
10.17+	Allied Waste Industries, Inc. 2006 Incentive Stock Plan (incorporated by reference to Exhibit 10.2 of Allied's Quarterly Report on Form 10-Q for the period ended June 30, 2006).
10.18+	First Amendment to the Allied Waste Industries, Inc. 2006 Incentive Stock Plan, dated as of July 27, 2006 (incorporated by reference to Exhibit 10.1 of Allied's Quarterly Report on Form 10-Q for the period ended September 30, 2006).

<u>Exhibit Number</u>	<u>Description</u>
10.19+	Amended and Restated Allied Waste Industries, Inc. 2006 Incentive Stock Plan, dated as of July 27, 2006 (incorporated by reference to Exhibit 10.2 of Allied's Quarterly Report on Form 10-Q for the period ended September 30, 2006).
10.20+	First Amendment, dated as of December 5, 2006, to the Amended and Restated Allied Waste Industries, Inc. 2006 Incentive Stock Plan, dated as of July 27, 2006 (incorporated by reference to Exhibit 10.47 of Allied's Annual Report on Form 10-K for the year ended December 31, 2006).
10.21+	Amended and Restated Allied Waste Industries, Inc. 2006 Incentive Stock Plan, effective October 24, 2007 (incorporated by reference to Exhibit 10.122 of Allied's Annual Report on Form 10-K for the year ended December 31, 2007).
10.22+	Republic Services, Inc. 2006 Incentive Stock Plan (f/k/a Amended and Restated Allied Waste Industries, Inc. 2006 Incentive Stock Plan), as amended and restated effective December 5, 2008 (incorporated by reference to Exhibit 10.51 of the Company's Annual Report on Form 10-K for the year ended December 31, 2008).
10.23+	Form of Nonqualified Stock Option Agreement under the Allied Waste Industries, Inc. 2006 Incentive Stock Plan (incorporated by reference to Exhibit 10.3 of Allied's Quarterly Report on Form 10-Q for the period ended September 30, 2006).
10.24+	Form of Indemnity Agreement between Allied Waste Industries, Inc. and legacy Allied directors (incorporated by reference to Exhibit 10.19 of Allied's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
10.25+	Republic Services, Inc. Executive Separation Policy, as amended as of March 29, 2012 (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012).
10.26+	Amendment No. 2 to Republic Services, Inc. Deferred Compensation Plan, effective February 7, 2012 (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012).
10.27+	Republic Services, Inc. Amended and Restated 2007 Stock Incentive Plan effective May 9, 2013 (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).
10.28+	Amendment No. 3 to Republic Services, Inc. Deferred Compensation Plan, effective October 29, 2013 (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013).
10.29+	Offer Letter, dated August 22, 2014, by and between Charles F. Serianni and Republic Services, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated August 25, 2014).
10.30+	Clawback Policy, dated October 29, 2014 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated October 30, 2014).
10.31+	First Amendment to the Employment Agreement, dated December 23, 2014, by and between Donald W. Slager and Republic Services, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated December 24, 2014).
10.32+	Form of Performance Share Agreement, adopted January 7, 2015 (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated January 9, 2015).
10.33+	Form of Employee Restricted Stock Unit Agreement - Senior Executive, adopted January 7, 2015 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated January 9, 2015).
10.34+	Amendment No. 4 to Republic Services, Inc. Deferred Compensation Plan, effective January 1, 2015 (incorporated by reference to Exhibit 10.53 of the Company's Annual Report on Form 10-K for the year ended December 31, 2014).
10.35+	Agreement, entered into July 11, 2016, by and between Michael P. Rissman and Republic Services, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated July 12, 2016).
10.36+	Separation agreement, entered into June 23, 2016, by and between Robert A. Maruster and Republic Services, Inc. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated June 24, 2016).
10.37+*	Offer Letter, dated July 25, 2016, by and between Catharine D. Ellingsen and Republic Services, Inc.
10.38+*	Non-Competition, Non-Solicitation, Confidentiality and Arbitration Agreement, effective June 13, 2016, by and between Catharine D. Ellingsen and Republic Services, Inc.

<u>Exhibit Number</u>	<u>Description</u>
21.1*	Subsidiaries of the Company.
23.1*	Consent of Ernst & Young LLP.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32.1**	Section 1350 Certification of Chief Executive Officer.
32.2**	Section 1350 Certification of Chief Financial Officer.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith

** This exhibit is being furnished rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

+ Indicates a management or compensatory plan or arrangement.

Signatures

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 16, 2017

REPUBLIC SERVICES, INC.

By: /s/ DONALD W. SLAGER

Donald W. Slager
President and
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ DONALD W. SLAGER</u> Donald W. Slager	President, Chief Executive Officer and Director (Principal Executive Officer)	February 16, 2017
<u>/s/ CHARLES F. SERIANNI</u> Charles F. Serianni	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 16, 2017
<u>/s/ BRIAN A. GOEBEL</u> Brian A. Goebel	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 16, 2017
<u>/s/ RAMON A. RODRIGUEZ</u> Ramon A. Rodriguez	Chairman of the Board of Directors	February 16, 2017
<u>/s/ TOMAGO COLLINS</u> Tomago Collins	Director	February 16, 2017
<u>/s/ JAMES W. CROWNOVER</u> James W. Crownover	Director	February 16, 2017
<u>/s/ ANN E. DUNWOODY</u> Ann E. Dunwoody	Director	February 16, 2017
<u>/s/ WILLIAM J. FLYNN</u> William J. Flynn	Director	February 16, 2017
<u>/s/ THOMAS W. HANDLEY</u> Thomas W. Handley	Director	February 16, 2017

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<u>/s/ MANUEL KADRE</u> Manuel Kadre	Director	February 16, 2017
<u>/s/ JENNIFER M. KIRK</u> Jennifer M. Kirk	Director	February 16, 2017
<u>/s/ MICHAEL LARSON</u> Michael Larson	Director	February 16, 2017
<u>/s/ W. LEE NUTTER</u> W. Lee Nutter	Director	February 16, 2017
<u>/s/ JOHN M. TRANI</u> John M. Trani	Director	February 16, 2017
<u>/s/ SANDRA M. VOLPE</u> Sandra M. Volpe	Director	February 16, 2017



City of Galveston REQUEST FOR PROPOSAL

Proposal Reference Number: 17-23

Project Title: Transfer Station and Recycling Center Operations

Proposal Closing Date: 2:00 P.M.(CST), Wednesday, October 18, 2017

Original and three (3) copies and one media source required.
No Proposals submitted after the above deadline will be accepted.

Contact: City of Galveston Purchasing Department at
purchasing@galvestontx.gov or 409-797-3579.

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Request for Proposal

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Appendix A – Proposal

(-) Label Format for Submittal Packet's Sealed Envelope	Page 9
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I. Required Proposal Information:

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Galveston, Texas

Request for Proposal

1. Introduction

- A. Project Overview: The City of Galveston is requesting proposals with the intent of awarding a contract for the purchase of goods and services contained in Appendix I – Scope of Services.
- B. Questions: Following are contacts for questions as identified.
- i. RFP Clarifications: All questions related to requirements or processes of this RFP should be submitted in writing to the Purchasing Department. Contact information provided in section 2 below.
 - ii. Scope of Service Questions: All questions related to the scope of services should be submitted in writing to the contact person(s) noted in Appendix I – Scope of Services.
 - iii. Replies: Responses to inquiries which directly affect an interpretation or effect a change to this RFP will be issued in writing by addendum and posted to City website. All such addenda issued by City prior to the submittal deadline shall be considered part of the RFP. The City shall not be bound by any reply to an inquiry unless such reply is made by such formal written addendum.
 - iv. Acknowledgement of Addenda: The Proposer must acknowledge all addenda by signing and returning such document(s) or by initialing appropriate area of the proposal document or the submittal will marked Non-Responsive.
- C. Notification of Errors or Omissions: Proposers shall promptly notify the City of any omissions, ambiguity, inconsistency or error that they may discover upon examination of this RFP. The City shall not be responsible or liable for any errors and/or misrepresentation that result from the solicitations which are inadvertently incomplete, ambiguous, inconsistent or obviously erroneous.
- D. Conflict of Interest Questionnaire (Form CIQ): A person or business, and their agents, who seek to contract or enter into an agreement with the City, are required by Texas Local Government Code, Chapter 176, to file a conflict of interest questionnaire (FORM CIQ) which is found in Appendix C. The form must be filed with the City Secretary no later than seven (7) days after the date the person or business begins contract discussions or negotiations with the City, or submits an application, response to a request for proposals or proposals, correspondence, or other writing related to any potential agreement with the City. If no conflict exists the offeror must mark the form Not Applicable or NA and return with the proposal packet.
- E. Disclosure of Interested Parties Form 1295: A person or business, who enters into a contract with the City, meeting the conditions according to Texas Local Government Code Sec. 2252.908, is required to file Form 1295 with Texas Ethics Commission. **This form is not required unless there is a contract between the vendor and the City of Galveston. Do not submit this form unless you receive an award letter from the City.**

2. Contact Information

Mailing Address: City of Galveston, Purchasing Department, Room 306, PO Box 779, Galveston, Texas 77553

Physical Address: City of Galveston, Purchasing Department, 823 Rosenberg Street, Room 306, Galveston, Texas 77550

Email Address: purchasing@galvestontx.gov

3. General Information

- A. **Tax Exempt Status:** City purchases are exempt from State Sales Tax and Federal Excise Tax. Do not include tax in the proposal. City will furnish Excise Tax Exemption Certificate upon request.
- B. **Public Inspection of Proposals:** The City strictly adheres to the Texas Public Information Act (Texas Government Code Chapter 552.001, et seq.) and all other governing statutes, regulations, and laws regarding the disclosure of RFP information. Proposal Documents are not available for public inspection until after the contract award. If the Proposer has notified the City, in writing, that the Proposal Document contains trade secrets or confidential information, the City will generally take reasonable steps to prevent disclosure of such information, in accordance with the Public Information Act. This is a statement of general policy only, and in no event shall the City be liable for disclosure of such information by the City in response to a request, regardless of the City's failure to take any such reasonable steps, even if the City is negligent in failing to do so.
- C. All Proposers are hereby put on notice that if the Proposer is awarded a contract for procurement of goods or services, the City of Galveston is entering into that contract in its governmental capacity, and not a proprietary capacity.

4. RFP Withdrawals and/or Amendments

- A. **RFP Withdrawal:** The City reserves the right to withdraw this RFP for any reason.
- B. **RFP Amendments:** The City reserves the right to amend any aspect of this RFP by formal written Addendum prior to the Proposal submittal deadline and will endeavor to notify all potential Proposers that have notified the Purchasing Department of their intent to Proposal, but failure to notify shall impose no obligation or liability on the City.

5. Estimated Quantities

The City does not guarantee to purchase any minimum or maximum quantity but does contemplate purchasing exclusively during the term of the contract from the successful vendor(s).

6. Proposal Submittal Requirements

- A. **Submittal Packet – How to submit:** All Proposals must be submitted in person or by mail at the addresses in Section 2, above. No Proposals will be accepted electronically, either by fax or email. Proposals submitted electronically will be marked non-responsive. Proposals shall be sealed and marked clearly with the Proposal number, Proposal name, closing date and time, on the outside of the package or envelope. Unidentifiable Proposals will be unopened and marked as non-responsive.

- B. Submittal Packet – Required Contents: All items in this Proposal are considered part of the Proposal package. Submittals must include the package in its entirety; signed in the appropriate places by an authorized representative of the company with an original signature. Proposals not including all of the above will be considered non-responsive. A Proposal requires an Original signed document, copies, and a media source. Please mark the Proposals "Original" and "Copy" and label the media source (preferred media is a jump/thumb drive). Please submit the original and correct number of copies indicated on the title page, or Proposal will be marked "Non-responsive". Offerors must submit their Proposals on the forms provided herein, otherwise, it will be marked non-responsive.
- C. Submittal Deadline: The deadline for submittal of Proposals shall be as identified on the title of the Proposal and on page 9 (nine) of Appendix A-Proposal. It is the Offeror's responsibility to have the Proposal Documents, including Addenda, correctly submitted by the submittal deadline. No extensions will be granted and no late Proposals will be accepted.
- D. Proposals Received Late: Proposers are encouraged to submit their Proposals as soon as possible. The time and date of receipt as recorded in the Purchasing Office shall be the official time of receipt. The City is not responsible for late submission regardless of the reason. Late Proposals will not be considered under any circumstances.
- E. Alterations or Withdrawals of Proposal Document: Any submitted Proposal may be withdrawn or a revised Proposal substituted prior to the submittal deadline. Proposal Documents cannot be altered, amended or withdrawn by the Proposer after the submittal deadline.
- F. Proposal Document Format: All proposal Documents must be prepared in single-space type, on standard 8-1/2" x 11" vertically oriented pages, numbered at the bottom, with the exception of plans or drawings, those may be submitted landscape on 8-1/2" x 11" pages. ***The package must be in the order required in the Scope of Work.*** The submittal must be written in pen or typed, signatures must be signed in pen, and anything written in pencil will not be accepted. Mistakes can be crossed out and corrections inserted and initialed in ink by the individual signing the proposal. The City only accepts proposals that are hand delivered or by mail, to the addresses in Section 2 of the proposal documents. No fax or email copies will be considered and will be marked "Non-responsive".
- G. Questions and Responses: Questions regarding proposals must be addressed to the Purchasing Department purchasing@galvestontx.gov. The subject line must read **"Proposal 17-23 Transfer Station"**. The question deadline will be addressed in Appendix I-Scope of Work. Responses will be answered after the question deadline in the form of an Addendum. No responses will be given to questions submitted after the deadline. Questions submitted outside of the Purchasing Department will not be answered and any communication with a User Department prior to award by City Council will disqualify a vendor from being considered for award.
- H. Pre-Proposal Conferences: The date and time of a pre-proposal conference, if necessary, will be found in Appendix I-Scope of Work.
- I. Validity Period: Once the submittal deadline has passed, any proposal Document shall constitute an irrevocable proposal to provide the commodities and/or services set forth in the Scope of Services at the price(s) shown in the Proposal Document. Such proposal shall

be irrevocable until the earlier of the expiration of ninety (90) days from the submittal deadline, or until a contract has been awarded by the City.

7. Proposal Evaluation and Contract Award

- A. Proposal Evaluation and Contract Award Process: An award of a contract to provide the goods or services specified herein will be made using competitive sealed proposals, in accordance with Chapter 252 of the Texas Local Government Code and with the City's purchasing policy. The City will evaluate all proposals to determine which offerors are reasonably qualified for the award of the contract, applying the anticipated evaluation factors and emphasis to be placed on each factor as identified in the Scope of Services. A variety of factors may be used in the evaluation of the submitted proposals for this project. The City may, at its option, conduct discussions with or accept proposal revisions from any reasonably qualified proposer. Discussions may not be initiated by offerors. **These discussions will be limited to issues and topics brought forth by the City. Any attempt by proposer or vendor at deviating from the issues and topics to discuss other issues and topics concerning the Proposal brought forth by the City of Galveston shall be grounds for disqualification.** Vendors shall not contact any City of Galveston personnel during the proposal process without the express permission from the City's Purchasing Supervisor.
- B. All correspondence relating to this proposal, from advertisement to award, shall be sent to the City of Galveston's Purchasing Department. All presentations and/or meetings between the City of Galveston and the vendor relating to this proposal shall be coordinated by the City of Galveston Purchasing Department. The City reserves the right to determine which proposal provides the City with the best value and which will be in the City's best interest.
- C. Completeness: If the Proposal Document is incomplete or otherwise fails to conform to the requirements of the RFP, the City alone will determine whether the variance is so significant as to render the Proposal non-responsive.
- D. Ambiguity: Any ambiguity in the Proposal Document as a result of omission, error, lack of clarity or non-compliance by the Proposer with specifications, instructions and all conditions shall be construed in the favor of the City. In the event of a conflict between these standard RFP requirements and details provided in Appendix I – Scope of Services or Appendix A – Proposal, the Appendices shall prevail.
- E. Unit Prices and Extensions: If unit prices and their extensions do not coincide, the City may accept the price most beneficial to the City, and the Proposer will be bound thereby.
- F. Additional Information: City may request any other information necessary to determine Proposer's ability to meet the minimum standards required by this RFP.
- G. Partial Contract Award: City reserves the right to award one contract for some or all the requirements proposed or award multiple contracts for various portions of the requirements to different Proposers based on the unit prices proposed in response to this request, or to reject any and all Proposals and re-solicit for Proposals, as deemed to be in the best interest of City.
- H. No Commitment: The Request for Proposal does not commit the City of Galveston to award any costs or pay any costs, or to award any contract, or to pay any costs associated with or incurred in the preparation of a (Proposal/proposal) to this request, or to procure or contract for services or supplies.

- I. Protest Procedures: Any actual or prospective proposer who is allegedly involved with the solicitation or award of a proposal may submit a protest to the decision. The protest must be submitted in writing to the City of Galveston's Purchasing Supervisor within three working days after such aggrieved person knows of, or should have known of the facts giving rise thereto. If the protest is not resolved by mutual agreement, the Purchasing Supervisor will promptly issue a decision in writing to the protesting party.
- i. All protest lodged by potential or actual contractors or proposers must be made in writing and contain the following information.
 - a. Name, address and telephone number of the protestor.
 - b. Identification of the solicitation or contract number and time.
 - c. A detailed statement of the protest's legal and factual grounds, including copies of relevant documents.
 - d. Identification of the issue (s) to be resolved and statement of what relief is requested.
 - e. Arguments and authorities in support of the protest.
 - f. A statement that copies of the protest have been mailed or delivered to all interested parties in the request for proposals process. In the case of request for proposals, the City of Galveston Purchasing Supervisor shall ask the protester to mail or deliver the protest to relevant parties.
 - ii. The City of Galveston's City Manager has the authority to render the final determination regarding the protest. Any determination rendered by the City of Galveston's City Manager will be final.
- J. Single Proposal Response: If only one bid or proposal is received in response to the Request for Proposal/Bid, a detailed cost proposal may be requested of the single contractor. A cost/price analysis and evaluation and/or audit may be performed of the cost proposal in order to determine if the price is fair and reasonable.
- K. Re-Appropriation of Budget Items: The City may reduce the funds allocated and the services required under this Agreement at its discretion. The City shall notify Contractor in writing of this reduction. Contractor shall not perform any services subtracted from this Agreement. The de-obligation of funds does not require any formal amendment of this Agreement but shall be evidenced by a revised budget approved by City Council.
- L. Appropriation of Funds: The City of Galveston has established an appropriation (allocation) of funds for this project, if in the event that appropriated (allocated) funds are exhausted, the contractor's only remedy shall be suspension or termination of its performance under this contract and shall have no other remedy in law or in equity against the City and no right to damages of any kind.
- M. Terminate for Cause: The occurrence of any one or more of the following events will justify termination of the contract by the City of Galveston for cause:
- i) The successful Proposer fails to perform in accordance with the provisions of these specifications; or
 - ii) The successful Proposer violates any of the provisions of these specifications; or
 - iii) The successful Proposer disregards laws or regulations of any public body having jurisdiction; or

- iv) The successful Proposer transfers, assigns, or conveys any or all of its obligations or duties under the contract to another without written consent of the City.
 - v) If one or more of the events identified in Subparagraphs G i) through iv) occurs, the City of Galveston may, terminate the contract by giving the successful Proposer seven (7) days written notice of such termination. In such case, the successful Proposer shall only be entitled to receive payment for goods and services provided before the effective date of termination. The successful Proposer shall not receive any payment on account of loss of anticipated profits or revenue or other economic loss resulting from such termination.
 - vi) When the contract has been so terminated by the City of Galveston, such termination shall not affect any rights or remedies of the City then existing or which may thereafter accrue.
- J. Terminate for Convenience: This contract may be cancelled or terminated at any time by giving vendor thirty (30) days written notice. Vendor may be entitled to payment for services actually performed prior to termination; to the extent said services are satisfactory.

8. Pursuant to Sec. 2-341 of the City Code – Declaration of Policy

- A. It is the policy of the City of Galveston to stimulate growth of local minority and women-owned business enterprise (M/WBE) by encouraging their participation in all phases of its contract and procurement activity and by affording them the opportunity to compete for all City of Galveston contracts. The purpose and objectives of this article are to:
 - i. Increase the capacity of local M/WBE's to provide products and services.
 - ii. Increase the opportunities for local M/WBE's to expand their business with the city and other public and private sector business entities.
- B. Provided, however, nothing herein shall require the city to award contracts for services or procurements to a M/WBE which is not also the lowest responsive and responsible Proposer and otherwise qualified unless the city may otherwise lawfully award the contract to someone other than the lowest responsive, responsible Proposer.
- C. Additionally The City of Galveston has a Disadvantaged Business Enterprise, (DBE) program mandated by the US Department of Transportation, which is part of its M/WBE program.

Appendix A – Proposal Document

Submittal Checklist: (To determine validity of Proposal)

Appendix A (pages 9 through 18) must be included in the Proposal submittal.

Appendix B – F (pages 20 through 24) all forms must be complete and included in the submittal.

Appendix I (pages 28 through 47) must be included in the Proposal submittal.

All Proposals submitted to the City of Galveston shall include this page with the submitted Proposal.

RFP Number: 17-23

Project Title: Transfer Station and Recycling Center Operations

Submittal Deadline: October 18, 2017 @ 2:00 p.m. CST

Submit in person: City of Galveston Purchasing Dept., 823 Rosenberg St., Room 306, Galveston, Texas 77550
or by mail: City of Galveston Purchasing Dept., PO Box 799, Galveston, Texas 77553

Proposer Information:

Proposer's Legal Name:

BFI Waste Services of Texas, LP, dba Republic Services of Houston

Address:

5301 Brookglen Drive,

City, State & Zip

Houston, TX 77017

Federal Employers Identification Number #

86-1024527

Phone Number:

832-386-2369 - office
225-810-2434 - cell

Fax Number:

832-386-2356

E-Mail Address:

CRay@republicservices.com

Proposer Authorization

I, the undersigned, have the authority to execute this Proposal in its entirety as submitted and enter into a contract on behalf of the Proposer.

Printed Name and Position of Authorized Representative: Calvin A Ray, III - Division General Manager

Signature of Authorized Representative: _____

Signed this 18th (day) of October (month), 2017 (year)

I learned of this Request for Proposal by the following means:

☐ Newspaper Advertisement

☒ City E-mail Notification

☐ Galveston Website

☐ Cold Call to City

☐ Mailed Me a Copy

☐ Other

Appendix A – Proposal Document (continued)

I. ***REQUIRED PROPOSAL INFORMATION. IN ORDER FOR A PROPOSAL TO BE CONSIDERED COMPLETE, AND TO BE EVALUATED FOR A CONTRACT AWARD BY THE CITY, PROPOSER MUST SUBMIT ALL OF THE FOLLOWING INFORMATION***

1. **Proposed Products and/or Services**

- A. Product or Service Description: Proposers should utilize this section to describe the technical aspects, capabilities, features and options of the service or product and/or service proposed in accordance with the required Scope of Services as identified in Appendix I. Promotional literature, brochures, or other technical information may be used.
- B. Additional Hardware Descriptions: Proposers should also include in this section a detailed description of what additional hardware and/or software, if any, would be required by the City in order to fully utilize the goods and/or services proposed.
- C. Guarantees and Warranties: Each Proposer shall submit a complete copy of any warranties or guarantees provided by the manufacturer or Proposer with the Proposal submitted.
- D. Project Schedule/Delivery Date: Proposer must provide a project schedule noting all projected completion dates for segments of the Project, from start-up to completion, and all delivery dates for goods covered by the RFP. The Proposal Document must show the number of days required to deliver and install the product or equipment after the receipt of the City's Purchase Order.

2. **Cost of Proposed Products and/or Services**

- A. Pricing: Pricing shall reflect the full Scope of Work defined herein, inclusive of all associated cost for delivery, labor, insurance, taxes, overhead, and profit.
- B. Schedule of Pricing: Proposer shall quote unit pricing in accordance with the itemized listing of products or contract segments stated in the Scope of Services and using the following format: (this format should only be used if pricing sheets are not provided in the Scope of Services section.)

Item #	Quantity	Description of Products/Services	Unit Cost	Extended Price
			\$	\$
			\$	\$
			\$	\$
		TOTAL ALL LINE ITEMS	\$	\$

3. **Term of Contract and Option to Extend:**

Any contract resulting from this RFP shall be effective for thirty-six (36) months upon a date set forth by the City of Galveston. The City anticipates that contract shall be renewed pursuant to the availability of funds and at the discretion of the City. The following clauses shall be included in the contract:

- A. Option Clause: It is agreed that City will have the option to extend the contract for up to two (2) additional years, in one-year intervals. To exercise this option, the City shall serve notice 30 days prior to contract termination or to the end of any one-year extension. The

Option to Extend will not be considered if funding is unavailable or if the contractor's past performance is not within the industry standard.

- B. Escalation Clause: Should market conditions prevail which dictate an increase, the successful contractor may submit documentation requesting permission to increase pricing no later than 30 days after receiving notice from the City of its intent to extend the agreement. Escalation may only occur at the time of renewal and only upon securing the approval of the City in writing. Requests for price adjustments must be solely for the purpose of accommodating an increase in the contractor's cost, not profits.

Vendors shall show in this quote their anticipated percent of escalation if/when the option to extend is exercised. The percent quoted will be a maximum. In addition, the percentage proposed will be a factor in determining the best value to the City. It is the average price over the period of the contract that will be the price factor considered in the evaluation of this quote. Quotes in which negative or no escalation is shown will be considered as 0% escalation.

- C. Price Increases Upon Extension: If approved by the City, the Contractor shall modify the rates charged by the Contractor to reflect any changes shown in the comparative statement delivered to the City. The maximum increase allowed under this provision shall be four percent (4%) per year. The City shall have authority, in its reasonable discretion, to determine the validity of any change in Contractor's rates. City cannot exercise the Option to Extend with any price increases unless the Vendor completes the section of the Quote requesting anticipated percentage of annual escalation. The escalation time frame will be determined by the City's Fiscal Year which begins in October and ends the following September. (example: FY 2017 October 1, 2016 – September 30, 2017)

FIRST ADDITIONAL YEAR (FY 2018) ESCALATION 4 %

SECOND ADDITIONAL YEAR (FY 2019) ESCALATION..... 4 %

THIRD ADDITIONAL YEAR (FY 2020) ESCALATION 4 %

FOURTH ADDITIONAL YEAR (FY 2021) ESCALATION 4 %

4. **Proposer's Experience / Staff**

- A. Project Team: Identify all members of the Proposer's team (including both team members and management) who will be providing any services proposed and include information which details their experience.
- B. Removal or Replacement of Staff: If an assigned staff person must be removed or replaced for any reason, the replacement person must be approved by City prior to joining the project.
- C. Business Establishment: State the number of years the Proposer's business has been established and operating. If Proposer's business has changed names or if the principals operating the business operate any similar businesses under different names, or have operated any other businesses or changed the legal status or form of the business within the last five (5) years, all names, of predecessor business names, affiliated entities, and previous business entities operated by the principals, if different than present, must be provided;

State the number of years' experience the business has: 20+; and the number of employees: 32,000.

- D. **Project Related Experience:** All Bids must include detailed information that details the Proposer's experience and expertise in providing the requested services that demonstrates the Proposer's ability to logically plan and complete the requested project.

5. References

Proposer shall provide four (4) references where Proposer has performed similar to or the same types of services as described herein. (this section only to be used if not requested in the Scope of Services section)

Reference #1:

Client / Company Name: City of League City, Texas	
Contact Name: John Baumgartner	Contact Title: City Manager
Phone: (281) 554-1414	Email: john.baumgartner@leaguecitytx.gov
Date and Scope of Work Provided: February 2013 - Current 2x rear-load curbside residential trash collection services to 32,000 homes. 1x rear-load curbside residential recycling service to 32,000 homes. Commercial front-load service to approximately 1,300 locations	

Reference #2:

Client / Company Name: City of Sugarland, Texas	
Contact Name: Dawn Steph	Contact Title: Environmental Manager
Phone: (281) 330-3548	Email: dsteph@sugarlandtx.gov
Date and Scope of Work Provided: 2011 - Current 2x automated curbside residential trash collection services to 25,000 residences. 1x automated curbside residential recycling services to 25,000 residences. Commercial front-load services to approximately 1,200 locations.	

Reference #3:

Client / Company Name: City of Texas City, Texas	
Contact Name: Mike Stump	Contact Title: Solid Waste Manager
Phone: (409) 229-1634	Email: mstump@texas-city-tx.org
Date and Scope of Work Provided: Feb 2014 - Current 2x rear-load curbside residential trash collection services to 13,000 residences. Commercial front-load service to approximately 600 locations.	

Reference #4:

Client / Company Name: City of Webster, Texas	
Contact Name: Derhyl Hebert	Contact Title: Director of Community Development
Phone: (281) 316-4129	Email: dhebert@cityofwebster.com
Date and Scope of Work Provided: November 2002 - Current 2x cart curbside residential trash collection services to 700 residences. 1x bin curbside residential recycling services to 700 residences. Commercial front-load services to approximately 700 locations.	

6. Trade Secrets and/or Confidential Information

Trade Secrets and/or Confidential Information: This proposal X (does) (does not) contain trade secrets and/or confidential information. If applicable, describe such trade secrets and confidential information, and the basis for your assertion that such material qualifies for legal protection from disclosure.

7. Federal, State and/or Local Identification Information

- A. Centralized Master Bidders List registration number: _____.
- B. Prime contractor HUB / MWBE registration number: _____.
- C. An individual Proposer acting as a sole proprietor must also enter the Proposer's Social Security Number: # _____ - _____ - _____.

8. Emergency Business Services Contact Notice

During a natural disaster, or homeland security event, there may be a need for the City of Galveston to access your business for products or services after normal business hours and/or holidays. The City may request City employee pick up or vendor delivery of product or services.

For this purpose, a primary and secondary emergency contact name and phone number are required. It is critical the vendor's emergency contact information remains current. City shall be contacted by E-mail with any change to a contact name or phone number of these emergency contacts. Updates may be emailed to **purchasing@galvestontx.gov**.

All products or services requested during an emergency event are to be supplied as per the established contract prices, terms and conditions. The vendor shall provide the fee (pricing) for an after-hours emergency opening of the business, if any. In general, orders will be placed using a City of Galveston procurement card (Master Card) or City issued Purchase Order. The billing is to include the emergency opening fee, if applicable.

The contractor shall provide the names, phone numbers and fee (pricing), if any, for an after-hours emergency opening of the business listed below.

Business Name: Republic Services of Houston

Contract #: 17-23

Description: Transfer Station and Recycling Center Operations

Primary Contact (Name): Brandon Rogers - Post Collection Operations / Calvin Ray - Collection Operations

Primary Contact Phone Numbers: Home: _____ Cell: B Rogers 832-917-4640
C Ray 225-810-2434

Secondary Contact (Name): Charles Walker - Post Collection Operations / Chris Wallace - Collection Operations

Secondary Contact Phone Numbers: Home: _____ Cell: C Walker 832-309-8414
C Wallace 443-536-6711

After Hours emergency opening fee, if applicable: \$ _____

9. Cooperative Governmental Purchasing Notice

Other governmental entities maintaining interlocal agreements with the City, may desire, but are not obligated, to purchase goods and services defined in this RFP from the successful Proposer. All purchases by governmental entities, other than the City, will be billed directly to and paid by that governmental entity. The City will not be responsible for another governmental entity's debts. Each governmental entity will place their own orders with the successful Proposer and be responsible for ensuring full compliance with the RFP specifications. Prior to other governmental entities placing orders, the City will notify the successful Proposer of their intent.

Please indicate below if you will permit other governmental entities to purchase from your agreement with the City.

☐ **Yes, Others can purchase purchase.**

☐ **No, Only the City can**

II. CONTRACT TERMS AND CONDITIONS. EXCEPT WHERE PROPOSER MAKES SPECIFIC EXCEPTION IN THE SUBMITTED PROPOSAL, ANY CONTRACT RESULTING FROM THIS RFP WILL CONTAIN THE FOLLOWING TERMS AND CONDITIONS, WHICH PROPOSER HEREBY ACKNOWLEDGES, AND TO WHICH PROPOSER AGREES BY SUBMITTING A PROPOSAL:

1. Delivery of Products and/or Services

- A. Payment Terms: Unless otherwise specified in the Scope of Services or otherwise agreed to in writing by the City, payment terms for the City are Net 30 days upon receipt of invoice. Refer to Texas Local Government Code 2251, Payment for Goods and Services. Otherwise known as the Prompt Payment Act. Send all invoices to City of Galveston Attention: Accounts Payable, PO Box 779, Galveston, Texas 77553 or email: accountspayable@galvestontx.gov. See Appendix H for ACH Payment Information, if you elect to receive your payments according to Appendix H, fill out the form and return with your documents.
- B. Warranty of Products and Services: All products furnished under this contract shall be warranted to be merchantable and good quality and fit for the purposes intended as described in this Proposal, to the satisfaction of City and in accordance with the specifications, terms, and conditions of the Scope of Services, and all services performed shall be warranted to be of a good and workmanlike quality, in addition to, and not in lieu of, any other express written warranties provided.
- C. Late Delivery or Performance: If Proposer fails to deliver acceptable goods or services within the timeframes established in the Project Schedule, the City shall be authorized to purchase the goods or services from another source and assess any increase in costs to the defaulting Proposer, who agrees to pay such costs within ten days of invoice.
- D. FOB (delivery charges): All products offered shall be FOB final destination, with all delivery charges to be prepaid by the Proposer. The City does not accept C.O.D. or collect shipments. The contract price shall include all charges, including delivery, installation and set-up fees. All packing, crating, or other debris resulting from the delivery or set-up of the commodity purchased shall be removed and properly disposed by the successful Proposer at no additional cost to the City.
- E. Title to Goods and Risk of Loss: For goods to be provided by Proposers hereunder, if any, the title and risk of loss of the goods shall not pass to City until City actually receives, takes

possession, and accepts the goods and the installation of such goods, has tested the system, and determined that it is in good and acceptable working order.

- F. Force Majeure: If by reason of Force Majeure either party shall be rendered unable, wholly or in part, to carry out its responsibilities under this contract by any occurrence by reason of Force Majeure, then the party unable to carry out its responsibility shall give the other party notice and full particulars of such Force Majeure in writing within a reasonable time after the occurrence of the event, and such notice shall suspend the party's responsibility for the continuance of the Forced Majeure claimed, but for no longer period. Force Majeure means acts of God, floods, hurricanes, tropical storms, tornadoes, earthquakes, or other natural disasters, acts of public enemy, acts of terrorism, sovereign conduct, riots, civil commotion, strikes or lockouts, and other causes that are not occasioned by either Party's conduct which by the exercise of due diligence the party is unable to overcome and which substantially interferes with operations.
- G. Liquidated Damages: The parties agree that, if the Project is not completed within the time specified plus any extensions of time allowed pursuant thereto, the actual damages sustained by the Owner because of any such delay will be uncertain and difficult of ascertainment, and that the reasonable foreseeable value of the use of said project by the Owner would be the sum of \$250.00 per calendar day. The Contractor therefore agrees to pay, and the Owner agrees to accept, as liquidated damages and not as a penalty, the sum of \$250.00 per calendar pay for each day's delay in fully completing said project beyond the time specified in the Contract and any extensions of such time allowed there under.
- H. Change Orders: per Texas Local Government Code Sec. 252.048. CHANGE ORDERS. (a) If changes in plans or specifications are necessary after the performance of the contract is begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the governing body of the municipality may approve change orders making the changes.
- (b) The total contract price may not be increased because of the changes unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants.
- (c) If a change order involves a decrease or an increase of \$50,000 or less, the governing body may grant general authority to an administrative official of the municipality to approve the change orders.
- (c-1) If a change order for a public works contract in a municipality with a population of 300,000 or more involves a decrease or an increase of \$100,000 or less, or a lesser amount as provided by ordinance, the governing body of the municipality may grant general authority to an administrative official of the municipality to approve the change order.
- (d) The original contract price may not be increased under this section by more than 25 percent. The original contract price may not be decreased under this section by more than 25 percent without the consent of the contractor.

2. Miscellaneous

- A. Independent Contractor: Proposer agrees that Proposer and Proposer's employees and agents have no employer-employee relationship with City. Proposer agrees that if Proposer is selected and awarded a contract, City shall not be responsible for the Federal Insurance Contribution Act (FICA) payments, Federal or State unemployment taxes, income tax withholding, Workers Compensation Insurance payments, or any other insurance payments, nor will City furnish any medical or retirement benefits or any paid vacation or sick leave.
- B. Assignments: The rights and duties awarded the successful Proposer shall not be assigned to another without the written consent of the Purchasing Supervisor. Such consent shall not relieve the assigner of liability in the event of default by the assignee.
- C. Liens: Proposer shall indemnify and save harmless the City against any and all liens and encumbrances for all labor, goods, and services which may be provided to the City by Proposer or Proposer's vendor(s), and if the City requests, a proper release of all liens or satisfactory evidence of freedom from liens shall be delivered to the City.
- D. Gratuities / Bribes: Proposer certifies that no bribes in the form of entertainment, gifts, or otherwise, were offered or given by the successful Proposer, or its agent or representative, to any City officer, employee or elected representative, with respect to this RFP or any contract with the City, and that if any such bribe is found to have been made this shall be grounds for voiding of the contract
- E. Financial Participation: Proposer certifies that it has not received compensation from the City to participate in preparing the specifications or RFP on which the Proposal is based and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.
- F. Required Licenses: Proposer certifies that he holds all licenses required by the State of Texas for a provider of the goods and/or services described by the Scope of Services herein.
- G. Authority to Submit Proposal and Enter Contract: The person signing on behalf of Proposer certifies that the signer has authority to submit the Proposal on behalf of the Proposer and to bind the Proposer to any resulting contract.
- H. Authority to Enter Contract – City: The City Manager is the only person authorized to execute contracts on behalf of the City. All signature pages must include "approved as to form" and be signed by the City Attorney before the City Manager will execute the contract. Neither department heads nor elected officials are authorized to sign any binding contracts or agreements prior to being properly placed on the City Councils agenda and approved in an open meeting. Department heads and other elected officials are not authorized to enter into any type of agreement or contract on behalf of the City of Galveston. Only the City Manager may enter into a contract on behalf of the City of Galveston as authorized by City Council and the City Charter. Additionally, department heads and other elected officials are not authorized to agree to any type of supplemental agreements or contracts for goods or services. Supplemental agreements are subject to review by the City's Legal Department prior to being signed by the City Manager, (City's authorized representative).
- I. Compliance with Applicable Law: Proposer agrees that the contract will be subject to, and Proposer will strictly comply with, all applicable federal, state, and local laws, ordinances, rules, and regulations.
- J. Non-Discrimination: During the performance of this contract, the contractor agrees as follows: (1) The contractor will not discriminate against any employee or applicant for employment because of race, age, disability, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants and employees are not discriminated against on the basis of race, age, disability, color, religion, sex or national origin. In the event the contractor violates this non-discrimination clause, such action shall

include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, age, disability, color, religion, sex or national origin.

3. Financial Responsibility Provisions

A. **Insurance:** The Proposer, consistent with its status as an independent contractor, shall carry, and shall require any of its subcontractors to carry, at least the following insurance in such form, with such companies, and in such amounts (unless otherwise specified in the Scope of Work, Appendix I) as City may require, naming the City of Galveston as the additional insured:

- i. Worker's Compensation and Employer's Liability insurance, including All States Endorsement, to the extent required by federal law and complying with the laws of the State of Texas;
- ii. Commercial General Liability insurance for at least One Million Dollars (\$1,000,000) on a per occurrence basis, with a Two Million (\$2,000,000) aggregate. Blanket Contractual Liability, Broad Form Property Damage, Personal Injury, Completed Operations/Products Liability, Premises Liability, Medical Payments, and Broad Form General Liability Endorsements;
- iii. Comprehensive Automobile Liability insurance covering all owned, non-owned or hired automobiles to be used by the Contractor, with coverage at the minimum State of Texas requirements;
- iv. Professional Liability, Errors and Omissions in an amount to be determined in the Scope of Work.

Insurance coverage shall be on an "occurrence basis"

B. **Indemnification:** In Accordance with State Law, the contractor agrees to indemnify, save, and hold harmless the City of Galveston, Texas, its employees, officials, and agents from any and all claims, actions, damages, lawsuits, proceedings, judgements, or liabilities, for personal injury, death, or property damage resulting from the acts or omissions of anyone under the contractor's supervision or control.

In the event of any cause of action or claim asserted by a party to this agreement or any third party, the City will provide the contractor with timely notice of such claim, dispute or notice. Thereafter, the contractor shall at its own expense, faithfully and completely defend and protect the City against any and all liabilities arising from this claim, cause of action, or notice.

- i. **Indemnity for Intellectual Property:** Proposer hereby warrants that the use or sale of the products, materials and services delivered hereunder will not infringe on the rights of any trade secrets, patent, copyright, registered trademark, or other intellectual property by right covering such materials and the successful

Proposer agrees to indemnify and hold harmless the City for any and all costs, expenses, judgments, and damages which the City may have to pay or incur.

- C. **Bond Requirements:** Prior to the commencement of work on this Project, Proposer shall deliver to the City the following bonds issued by a good and sufficient surety licensed by the State of Texas and satisfactory to the City:
- i. Proposal bonds are required for Proposals over \$25,000.00 in the amount of 5% of the total Proposal amount.
 - ii. A payment bond in the amount of 100% of the total contract amount insuring the full and prompt payment of all persons performing labor and/or furnishing materials in connection with this Project;
 - iii. A performance bond in the amount of 100% of the total contract amount insuring full, faithful, and prompt performance of the responsibilities contained in this contract within the time parameters provided herein; and
 - iv. A maintenance bond insuring full and prompt maintenance, repair and/or replacement of the goods to be provided by Proposer for a period of two years from date of acceptance by the City.

Appendix B – Form CIQ

INFORMATION REGARDING VENDOR CONFLICT OF INTEREST QUESTIONNAIRE

WHO: The following persons must file a Conflict of Interest Questionnaire with the City if the person has an employment or business relationship with an officer of the City that results in taxable income exceeding \$2,500 during the preceding twelve – month period, or an officer or a member of the officer's family has accepted gifts with an aggregate value of more than \$250 during the previous twelve – month period and the person engages in any of the following actions:

1. contracts or seeks to contract for the sale or purchase of property, goods or services with the City, including any of the following:
 - a. written and implied contracts, utility purchases, purchase orders, credit card purchases and any purchase of goods and services by the City;
 - b. contracts for the purchase or sale of real property, personal property including an auction of property;
 - c. tax abatement and economic development agreements;
2. submits a Proposal to sell goods or services, or responds to a request for proposal for services;
3. enters into negotiations with the City for a contract; or
4. applies for a tax abatement and/or economic development incentive that will result in a contract with the City

THE FOLLOWING ARE CONSIDERED OFFICERS OF THE CITY:

1. Mayor and City Council Members;
2. City Manager;
3. Board and Commission members and appointed members by the Mayor and City Council;
4. Directors of 4A and 4B development corporations;
5. The executive directors or managers of 4A and 4B development corporations; and
6. Directors of the City of Galveston who have authority to sign contracts on behalf of the City.

EXCLUSIONS: A questionnaire statement need not be filed if the money paid to a local government official was a political contribution, a gift to a member of the officer's family from a family member; a contract or purchase of less than \$2,500 or a transaction at a price and subject to terms available to the public; a payment for food, lodging, transportation or entertainment; or a transaction subject to rate or fee regulation by a governmental entity or agency.

WHAT: A person or business that contracts with the City or who seeks to contract with the City must file a "Conflict of Interest Questionnaire" (FORM CIQ) which is available online at www.ethics.state.tx.us and a copy of which is attached to this guideline. The form contains mandatory disclosures regarding "employment or business relationships" with a municipal officer. Officials may be asked to clarify or interpret various portions of the questionnaire.

WHEN: The person or business must file:

1. the questionnaire – no later than seven days after the date the person or business begins contract discussions or negotiations with the municipality, or submits an application, responds to a request for proposals or Proposals, correspondence, or other writing related to a potential contract or agreement with the City; and
2. an updated questionnaire – within seven days after the date of an event that would make a filed questionnaire incomplete or inaccurate.

It does not matter if the submittal of a Proposal or proposal results in a contract. The statute requires a vendor to file a FORM CIQ at the time a proposal is submitted or negotiations commence.

WHERE: The vendor or potential vendor must mail or deliver a completed questionnaire to the Finance Department. ***The Finance Department is required by law to post the statements on the City's website.***

ENFORCEMENT: Failure to file a questionnaire is a Class C misdemeanor punishable by a fine not to exceed \$500. It is an exception to prosecution that the person files a FORM CIQ not later than seven business days after the person received notice of a violation.

NOTE: The City does not have a duty to ensure that a person files a Conflict of Interest Questionnaire.

CONFLICT OF INTEREST QUESTIONNAIRE**FORM CIQ****For vendor or other person doing business with local governmental entity**

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

**OFFICE
USE
ONLY**Date
Received**1. Name of person who has a business relationship with local governmental entity.**

None Known

2. ☐ Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3. Name of local government officer with whom filer has employment or business relationship.

None Known

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

- A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?
☐ Yes ☐ No
- B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?
☐ Yes ☐ No
- C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?
☐ Yes ☐ No
- D. Describe each employment or business relationship with the local government officer named in this section.

4.

Signature of person doing business with the governmental entity_____
Date

Adopted 06-29-2007

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF
THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.**

Appendix C – Property Tax Statement

**FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR
DEEMING YOUR BID OR PROPOSAL
"NON-RESPONSIVE."**

The City of Galveston, Texas has adopted the following policy:

The City of Galveston will not do business with any person or business that owes delinquent property taxes to the City.

Please indicate whether you or your company, owe delinquent property taxes to the City whether an assumed name, partnership, corporation, or any other legal form.

☒ I do not owe the City property taxes that are delinquent.

☐ I owe City property taxes that are delinquent on property located at

Calvin A Ray III

Proposer's Printed or Typed Name

Proposer's Signature

October 18, 2017

Date

**THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A
PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.**

Appendix D – Nepotism Statement

**FAILURE TO COMPLETE THIS ATTACHMENT SHALL RESULT IN THE PURCHASING SUPERVISOR
DEEMING YOUR BID OR PROPOSAL
"NON-RESPONSIVE."**

The Bidder or Proposer or any officer, if the Bidder or Proposer is other than an individual, shall state whether Bidder or Proposer has a relationship, either by blood or marriage, with any official or employee of the City of Galveston by completing the following:

If the Proposer or Bidder is an individual:

_____ I am not related by blood or marriage to any official or employee of the
City of Galveston

_____ I am related by blood or marriage to the following official(s) or employee(s)
of the City of Galveston

Name and title of City Official

Or employee: _____

Relationship: _____

If the Bidder or Proposer is **NOT** an individual:

☒ The officers of the company submitting this bid or proposal are not related by
blood or marriage to any official or employee of the City of Galveston.

_____ The officers of the company submitting this Proposal are related by blood or marriage to the
following official(s) or employee(s) of the City of Galveston.

Name and title of officer: _____

Employee and title of City Official or Employee: _____

Relationship: _____

**THIS DOCUMENT MUST BE COMPLETED AND SUBMITTED AS IT IS A PART OF
THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.**

Appendix E – Non-Collusion Statement

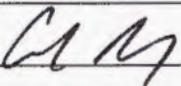
THE UNDERSIGNED AFFIRM THAT THEY ARE DULY AUTHORIZED TO EXECUTE THIS CONTRACT, THAT THIS COMPANY, FIRM, PARTNERSHIP OR INDIVIDUAL HAS NOT PREPARED THIS PROPOSAL IN COLLUSION WITH ANY OTHER PROPOSER, AND THAT THE CONTENTS OF THIS PROPOSAL AS TO PRICES, TERMS OR CONDITIONS OF SAID PROPOSAL HAVE NOT BEEN COMMUNICATED BY THE UNDERSIGNED NOR BY ANY EMPLOYEE OR AGENT TO ANY OTHER PERSON ENGAGED IN THIS TYPE OF BUSINESS PRIOR TO THE OFFICIAL OPENING OF THIS PROPOSAL.

VENDOR BFI Waste Services of Texas, LP dba Republic Service of Houston

ADDRESS 5301 Brookglen Drive, Houston TX 77017

PHONE 832-386-2369

FAX 832-386-2356

PROPOSER (SIGNATURE) 

PROPOSER (PRINTED NAME) Calvin A Ray, III

POSITION WITH COMPANY Division General Manager

**SIGNATURE OF COMPANY OFFICIAL
AUTHORIZING THIS PROPOSAL**



**COMPANY OFFICIAL
(PRINTED NAME)** Calvin A Ray, III

OFFICIAL POSITION Division General Manager

**THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A
PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.**

Appendix F – Document 00435

THE CITY OF GALVESTON, TEXAS

DOCUMENT 00435, REQUIRED BY ALL PROPOSERS WHO WILL RECEIVE FEDERAL FUNDS IN PAYMENT OF PROCUREMENT.

PROPOSER'S CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION (49 CFR PART 29)

The undersigned certifies, by submission of this proposal or acceptance of this contract, that neither Contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Proposer agrees that by submitting this proposal that Proposer will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the Proposer or any lower tier participant is unable to certify to this statement, that participant shall attach an explanation to this document.

Certification-the above information is true and complete to the best of my knowledge and belief.

Calvin A Ray, III

(Printed or typed Name of Signatory)

(Signature)

October 18, 2017

(Date)

NOTE: The penalty for making false statements in offers is prescribed in **18 U.S.C. 1001**

END OF DOCUMENT 00435-FAA

THIS DOCUMENT MUST BE COMPLETED, SIGNED, AND SUBMITTED AS IT IS A PART OF THE BID PACKAGE AS MENTIONED IN SECTION 6B OF THE ITB.

Appendix G – No Intent to Submit Form

If your firm has chosen not to submit a Proposal for this procurement, please complete this form and submit to:

City of Galveston
Purchasing Division
PO Box 779
Galveston, Texas 77553

City of Galveston
Purchasing Division
823 Rosenberg St. Room 306
Galveston, Texas 77550

Please check all items that apply:

- | | |
|---|---|
| ☐ Do not sell the item(s) required | ☐ Cannot provide Insurance required |
| ☐ Cannot be competitive | ☐ Cannot provide Bonding required |
| ☐ Cannot meet specifications highlighted in the attached request | ☐ Cannot comply with Indemnification requirement |
| ☐ Job too large | ☐ Job too small |
| ☐ Do not wish to do business with the City of Galveston | ☐ Other: _____ |
| ☐ Cannot submit electronically | |

COMPANY NAME (Please print): _____

Authorized Officer Name (Please print): _____

Telephone: (____) _____

Fax: (____) _____

You may also email this form to: purchasing@galvestontx.gov.

Appendix H – ACH Form



The City of Galveston would like to thank you for the services you and your company have provided for us in the past, present, and in the future. For those services provided you have more than likely received payments via a paper check in the mail. As we all know, that process is slow, inefficient, and costly for us and for you as the recipient.

Mail can be delayed, lost, or even stolen causing payments to be late and we may then face penalties and late fees. The City of Galveston would like to streamline our payment process with electronic payments. These payments will be transferred electronically from our financial institute to your financial institute. The process will get your payments to you in a quicker, more reliable, and more efficient manner.

If you would like to sign up to start receiving all of your payments via ACH / Wire Transfers, please fill out the authorization forms and return to the City of Galveston Finance Department.

Please email to:

accountspayable@galvestontx.gov

Or mail to:

City of Galveston
Finance Department
P.O. Box 779
Galveston, TX 77553

If you have any questions or concerns, please do not hesitate to call Accounts Payable at 409.797.3569. Please put the Purchase Order Number on your invoices to ensure prompt payment. Again, we appreciate you and the services your business provide for the City of Galveston.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Loftin".

Michael W. Loftin
Assistant City Manager – Finance

Appendix H – ACH Form continued



City of Galveston

ACH Payment Agreement Form

Authorization Agreement

I hereby authorize City of Galveston to initiate ACH deposits to my account at the financial institution named below.

Further, I agree not to hold City of Galveston responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account.

This agreement will remain in effect until City of Galveston receives a written notice of cancellation from me or my financial institution, or until I submit a new ACH Payment form to the City of Galveston Finance Department. You may keep this form to submit with your first invoice.

Account Information

Name of Financial Institution: _____
Financial Institute Address: _____
Routing Number: _____
Account Number: _____
SWIFT Code: (if applicable) _____

Signature

Company Name: _____
Authorized Signature: _____ Date: _____

THIS FORM IS OPTIONAL; IT CAN BE RETURNED WITH INVOICE IF AWARDED THE CONTRACT.

Appendix I – Scope of Work

1. Project Title: RFP 17-23 Transfer Station and Recycling Center Operations

2. Scope of Work Contact

Questions about the technical nature of the Scope of Services will be directed to the **Purchasing Department**, Phone. 409.797.3579, e-mail: purchasing@galvestontx.gov.

3. Special Conditions

A proposal surety in the amount of \$25,000 is required for this solicitation. See Section V of Scope of Services.

4. Proposal Evaluation Factors

Emphasis	Factor
Pass/Fail	Responsiveness to RFP
Pass/Fail	Financial Stability
40	Proposer Qualifications – including references, staff experience
25	Technical Approach to Services
20	Service Reliability/Sustainability
15	Ability to Enforce Franchise Terms
50	Cost and Rate Proposal

5. Brand Manufacture Reference

The City has determined that any manufacturer's brand defined in the Scope of Work meets the City's product and support need. The manufacturer's reference is not intended to be restrictive, and is only descriptive of the type and quality the City desires to purchase. Quotes for similar manufactured products of like quality will be considered if the Proposal is fully noted with the manufacturer's brand name and model. The City reserves the right to determine products and support of equal value, and whether other brands or models meet the City's product and support needs.

6. Key Events Schedule

Proposal Release Date	July 11, 2017
Pre-Proposal Conference Date	August 2, 2017 @ 10:00 a.m. CST
Deadline for Submittal of Written Questions	September 27, 2017 @ 2:00 p.m. CST
Sealed Proposals Due to and Opened by City	October 18, 2017 @ 2:00 p.m. CST
Anticipated Committee Evaluation Review Date	November 1, 2017
Anticipated Award Date	December 14, 2017

7. Scope of Services

SCOPE OF WORK TABLE OF CONTENTS:

SECTION I – INTRODUCTION
SECTION II – SPECIFICATIONS
SECTION III – FACILITY OPERATION DETAILS
SECTION IV – EVALUATION CRITERIA
SECTION V – PROCESS AND REQUIREMENTS FOR SUBMITTALS

SECTION I - INTRODUCTION

Overview of the Request for Proposals

The City of Galveston ("City") is seeking proposals for the operations of the City Transfer Station, the City Recycling Center and/or Commercial Solid Waste Collections within city limits. The City of Galveston owns the Transfer Station, located at 5515 Harborside Drive, and is interested in contracting with a Provider to operate the facility. The transfer station is the solid waste disposal site for all residential and commercial accounts, local contractors, and franchisees. The City will award a contract to only one company for the operation of the Transfer Station.

The City of Galveston currently owns and operates the Recycling Center, located at 702 61st Street, which provides recycling services for all residential accounts and some commercial accounts within the city limits. The City may award to only one company for the operation of the Recycling Center and will entertain proposals for curbside recycling pick up for all residential sanitation customers (approximately 21,500).

The City of Galveston currently provides solid waste collection services to all residential accounts and some commercial accounts within city limits. The City is considering granting a franchise agreement for the commercial collection operations; therefore, it is soliciting proposals from qualified companies interested in providing solid waste and all other non-hazardous materials collection services to commercial businesses within city limits. The City shall continue to provide solid waste collection services to residential premises and some commercial businesses that receive solid waste cart collection services. The City may award to multiple proposers or one proposer for commercial solid waste collections.

This RFP covers the requirements of the operations of the Transfer Station, operations of the Recycling Center, collection of recyclable materials and the Collection of Solid Waste for commercial premises. The term of the Agreement(s) will begin upon execution by the City of Galveston for thirty-six (36) months, with two (2) optional twelve (12) month renewals.

Goals and Objectives

The City of Galveston is interested in receiving proposals from companies that place a high priority on customer service. The City seeks to contract with a vendor that has demonstrated experience in each of the areas below, both singularly, or collectively.

The City's goals for future operations service is as follows

- Maintain compliance with the Texas Commission of Environmental Quality;
- Maximize the quality of services provided to customers in a cost efficient manner;
- Sustain the City's community vision of maintaining a quality environment that optimizes environmental resources;
- Minimizing the amount of time collectable materials sit on public right of way;
- Minimize street impact to city streets vehicles;
- Collections of fees in accordance with contract and with City code; and
- Clear and precise monthly reporting.

Rights Reserved by the City

The City reserves the right, in its sole discretion, to pursue any or all of the following actions concerning this RFP:

- Permit the timely correction of errors and waive any informality or minor irregularity from the RFP;
- Issue addenda to the RFP;
- Request additional information and/or clarification from the proposers;
- Extend the deadline for submitting proposals;
- Withdraw this RFP;
- Reject any or all proposals;
- Reject proposals that do not fully comply with the requirements detailed in this RFP, its attachments, addenda, or clarifications;
- Reject incomplete proposals; proposals containing errors, inconsistencies, false, inaccurate or misleading information; proposals not submitted with the proper quantity of copies; proposals not submitted with proper deposit; proposals submitted after the deadline; or proposals with other process or content errors or deficiencies;
- Select the proposal(s) that might not offer the lowest cost, but in the judgment of the City, are nevertheless deemed to offer the best value for the public and City;
- Solicit subsequent requests for best and final offers;
- Negotiate for modification of any proposal, with mutual consent of proposer;
- Award the Agreement to one or more proposers;
- Award the Agreement to a proposer(s) without further discussion or negotiation;
- Re-advertise for proposals or issue subsequent requests for proposals for the same, similar, or related services;
- Amend the Galveston Municipal Code; or
- Take any other action it deems in the best interest of the City, its residents, and businesses.

SECTION II – SPECIFICATIONS

The City is requesting proposals to operate the Transfer Station (Type V), operate the Recycling Center, and collection of commercial solid waste, and the possible collection of curbside recycling for the City's residential sanitation customers. The scope of services is summarized in this section.

Scope of Service

The City is to own the Transfer Station permit from the Texas Commission on Environmental Quality (TCEQ). The Contractor shall be responsible for daily operations of the Transfer Station and the Recycling Center and reporting to the City. Further detail of scope of services is reflected in Section III – Facility Operations Information.

The franchised collection contractor(s) shall have the exclusive right to collect solid waste from commercial premises in the City-defined service area. The franchised collection contractor shall dispose of all solid waste at the City of Galveston's Transfer Station at 5501 Harborside Drive, UNLESS diverted to a different defined disposal site by the City.

The franchised recycling collector shall have the exclusive right to collect recyclable materials from defined area within the City, which may include all residential sanitation consumers' premises.

City Fees

In consideration of the rights provided to contractor(s), contractor(s) shall pay franchise fees to the City each month equal to the amount 8 percent of actual service revenues (sales tax and franchise fees excepted) remitted by commercial customers for collection services provided in the City. This is the current amount that is provided for in the City Code. This amount may be adjusted up or down depending on other services are provided on behalf of the City, the terms of the contract, state law and City Council approval.

Subcontractors

Contractor may enter into agreements with subcontractors to provide services requested in the RFP subject to the prior written consent of the City. Agreements with the subcontractor must meet the requirements of the level and type of insurance as contractor. (See Section II.3. Contract Terms and Conditions, Financial Responsibility Provisions.)

Municipal Code Revisions

Any changes to existing City operations or agreements may require the revision of the City's Municipal Code, which can only be amended by majority vote of the City Council.

SECTION III – OPERATIONS and COLLECTIONS INFORMATION

Transfer Station General Information:

Quantities: The following are the tons of waste accepted at the City's Transfer for the past five (5) fiscal years:

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
80,632.28	79,205.01	80,773.76	92,589.71	96,814.88

Basic operating standards and responsibilities are summarized in this section. The City, through the negotiating process, may enact additional operating conditions or restrictions.

1. GENERAL OPERATIONS

A. Days and Hours of Operations:

Operations of the Transfer Station are Monday through Friday, 7:30 a.m. to 5:00 p.m., Saturday, 7:30 a.m. until 12:00 noon (minimum hours of operation). The Transfer Station is closed for the following holidays only: Thanksgiving Day, Christmas Day, and New Year's Day.

B. Transfer Station Personnel:

The proposal should identify the positions that will operate the facility. Please include the number of personnel and a brief description of job duties for each position.

C. Permits and Regulations:

The awarded vendor will obtain and comply with all applicable local, state and federal permits and regulations. These include all local ordinances concerning noise, traffic, business licenses, litter, etc.

D. Additional Hours:

The City occasionally has special events that require extending Transfer Station hours on Saturday and Sunday.

2. VEHICLE LOGISTICS

Turn-Around Time:

The awarded vendor will operate the facility so that the City, residents, contractors, and franchised hauler's vehicles can enter, unload, and depart within a specified time and accommodate other vehicles in the facility, accordingly.

3. EQUIPMENT AND TRANSFER STATION MAINTENANCE

A. Equipment:

Awarded vendor is required to provide all necessary equipment to receive, process, load, and transfer municipal solid waste. Include, in the proposal, a complete and detailed list of the types of equipment that will be used for daily operations of the Transfer Station.

B. Facility Maintenance:

The awarded vendor will be required to perform routine cleaning and maintenance of all equipment, buildings, landscaped areas, parking lots, and access roads with ¼ mile of the Transfer Station including daily litter pickup.

4. The City prefers to limit its liability by restricting its disposal of wastes to the Galveston County Landfill MSW #1149A. The Proposer must note at which landfill it proposes to dispose of the wastes. If the preferred landfill is not proposed, the proposal must indicate how it proposes to limit the City's liability.

Transfer Station General Operating Procedures

The Proposer will prepare an Operation and Maintenance Plan for the Transfer Station outlining how it will operate and be maintained. Additional items to be included in the plan are:

- Emergency response to hazardous waste.
- Hurricane preparedness.
- Unacceptable waste handling.
- Materials recovery plan (10% or more by weight or weight equivalent)
- Reporting procedures.
- Shutdowns of facility procedures.
- Contingency plans in case additional equipment needs occur in the daily operation of the Transfer Station (i.e. equipment breakdown).
- And any other item recommended by Proposer.

Capital Improvements

The Proposer may and is encouraged to submit any capital improvements for the City's Transfer Station. Improvements may include changes on how the Transfer Station is operated. The cost for the improvements are to be calculated on a per ton basis and added to the tipping fee.

Pricing/Fees

The awarded vendor will perform all work and services required by the Contract, including the operation of the Transfer Station, processing of incoming municipal solid waste, the transportation of municipal solid waste for disposal, in the manner and at the times required, for the compensation specified in the Contract, and a tipping fee on municipal solid waste of:

Disposal:

Thirty nine Dollars and ninety/100's cents per Ton: \$ 39.90 per Ton *

Transportation:

N/A Dollars and N/A cents per Ton: \$ N/A per Ton **

Capital Improvements \$ 2.29 per Ton

Recycling/Diversion Plan \$ N/A per Ton **

Total Cost \$ 42.19 per Ton *

Additional cost information, exceptions, escalations, CPI adjustments, etc. * **

Final Operation Requirements and Cost to be negotiated between the City and Proposer.

* Quoted Disposal Rate of \$39.90 per Ton is inclusive of current Host Fee of \$6.50 per Ton. Should Host Fee not be applicable in proposed Agreement, that amount (\$6.50 per Ton) may be deducted from Quoted Disposal Rate per Ton (\$39.90 per Ton), making the Revised Disposal Fee \$33.40 per Ton and the Revised Total Cost \$35.69 per Ton.

** Transportation and Recycling / Diversion Plan Fees are included in Quoted Disposal Fees.

Recycling Center General Information

Address

The City of Galveston's Recycling Center is located at 702 61st Street, Galveston, Texas.

Hours of Operation

The facility is open twenty-four (24) hours per day, seven (7) days per week. Attendants are available from 8:00 a.m. to 5:00 p.m. Monday through Sunday (excluding holidays).

Center Type

The facility is a self-service facility.

Special Services

Curbside pickup is provided, once per month, for residents who are elderly or handicapped. There are approximately one-hundred thirty (150) customers on the curbside pickup list. However, the City is interested in potentially expanding this service to all of its residential sanitation customers, approximately 21,500 accounts.

- Free mulch for residents.
- Participates in the semi-annual City Wide Cleanup

Number of Employees

There are currently ten (10) employees that are employed full time at the facility.

Commodities Accepted

- Antifreeze
- Batteries (automotive and rechargeable)
- Cardboard
- E-waste (computers, cell phones and all electronics)
- Florescent bulbs up to 48" in length (standard and compact)
- Gas (old)
- Glass (all colors)
- Green waste – brush & tree trimmings
- Ink jet cartridges
- Metals - scrap (all irons, metals & aluminum)
- Oil (used)
- Paper (all types)
- Plastics (#1 - #9)
- Refrigerators and air conditioners (compressors must be removed)
- Styrofoam
- 5 Tires per week
- U-Shaped bulbs
- White goods and other appliances

Vehicles Serviced

The number of residential vehicles serviced for the last three (3) fiscal years (both day and night time) is as follows:

2016:	124,299	Average:	10,358.25 per month
2015:	94,462	Average:	7,871.83 per month
2014:	94,751	Average:	7,895.16 per month
Current year:	67,031	Average:	13,406.20 per month
(October 2016 through February 2017)			

Commodity tonnages and other weights for the last three (3) years is as follows:

	2013- 2014	2014- 2015	2015- 2016
<u>Materials</u>			
Paper	393.34	369.93	456.73
Cardboard	318.81	358.76	371.26
Glass	250.03	271.45	288.83
Aluminum	6.15	6.68	8.86
Scrap Metal	67.10	112.39	190.15
Plastic	101.39	112.52	163.32
Brush	1,764.25	1,284.55	734.35
E waste	73.63	95.29	99.33
<u>Total for Year</u>	2,974.70	2,611.57	2,312.83
Styrofoam	3.65	4.90	6.89
Tires	884.27	1,913.00	1,766.00
Batteries	34.80	106.00	202.00
Used Oil	4,022.00	2,960.00	2,657.00
Anti-Freeze	0.00	0.00	400.00
Oily Water	0.00	0.00	1650.00
<u>Totals for Year</u>	4,944.72	4,983.90	6,681.89

In addition, the Recycling Center acts a vehicle station for City vehicles in the event of a tropical storm, or hurricane.

Basic operating standards and responsibilities are summarized in this section. The City, through the negotiating process, may enact additional operating conditions or restrictions.

1. GENERAL OPERATIONS:

A. Days and Hours of Operations:

The Recycling Center's hours of operation are as follows:

Monday through Sunday – Twenty-four (24) hours, excluding holidays

Attendant available Monday through Sunday – 8:00 a.m. until 5:00 p.m., excluding holidays

Holidays – Thanksgiving Day, Christmas Day, New Year's Day

These are minimum requirements. If all customers receive curbside recycling; hours may be adjusted.

B. Recycling Center Personnel:

The proposal should identify the positions that will operate the facility. Please include the number of personnel and a brief description of job duties for each position.

C. Permits and Regulations:

Awarded vendor will obtain and comply with all applicable local, state and federal permits and regulations. These include all local ordinances concerning noise, traffic, business licenses, litter, etc.

2. VEHICLE LOGISTICS:

Turn-Around Time:

The awarded vendor will operate the Center so that the customers can enter, unload, and depart in a safe and timely manner.

3. EQUIPMENT AND RECYCLING CENTER MAINTENANCE

A. Equipment:

Awarded vendor is required to provide all necessary equipment to receive, process, and transfer recyclables. Include, in the proposal, a complete and detailed list of the types of equipment that will be used for daily operations of the Transfer Station.

B. Facility Maintenance:

The awarded vendor will be required to perform routine cleaning and maintenance of all equipment, buildings, landscaped areas, and parking lot.

STANDARD OPERATING PROCEDURES

The Proposer will prepare an Operation and Maintenance Plan for the Recycling Center outlining how it will operate and be maintained. Additional items to be included in the plan are:

- Emergency response to hazardous waste.
- Hurricane preparedness.

- Unacceptable waste handling.
- Reporting procedures.
- Shutdowns of Center procedures.
- Contingency plans in case additional equipment needs occur in the daily operation of the Recycling Center (i.e. equipment breakdown).
- And any other item recommended by Proposer.

CAPITAL IMPROVEMENTS

The Proposer may and is encouraged to submit any capital improvements for the City's Recycling Center. Improvements may include changes on how the Recycling Center is operated. The cost for the improvements are to be included in the proposal.

The contractor will perform all work and services required by the Contract, including the operation of the Recycling Center, processing of incoming recyclables, the transportation of recyclables, in the manner required for the compensation specified in the Contract.

Commercial Solid Waste Collections General Information:

Number of dumpster permits issued by the City: 924

The proposer must be able to provide both dumpsters and 96-gallon carts. There are approximately 100 commercial accounts that use the 96-gallon carts.

Contractor is to comply with all City codes and ordinances. This includes, but is not limited to:

- Not servicing any container that is not permitted
- Placing the container back into the enclosure fully after servicing
- Providing a pickup in the downtown business area the business day before and after Lone Star Bike Rally, Dickens on the Strand, and Mardi Gras.

PROPOSED RATES FOR CONTAINERS

Container Size	Pickup Frequency per Week	Unit Price per Container
2 Cubic Yard	1	\$ 59.06
	2	\$109.46
	3	\$156.40
	4	\$198.14
	5	\$234.68
	6	\$266.03
	Extra P/U	\$100.00
4 Cubic Yard	1	\$ 83.48
	2	\$149.64
	3	\$208.87
	4	\$257.71
	5	\$296.16
	6	\$324.22
	Extra P/U	\$100.00
6 Cubic Yard	1	\$112.23
	2	\$198.48
	3	\$274.34
	4	\$334.61
	5	\$379.29
	6	\$408.38
	Extra P/U	\$100.00
8 Cubic Yard	1	\$132.32
	2	\$230.00
	3	\$313.82
	4	\$376.86
	5	\$419.12
	6	\$440.59
	Extra P/U	\$100.00

PROPOSED RATES FOR ROLL OFF SERVICE

Container Size	Haul Rate	Rental Rate
20 Yard	\$293.00 *	\$120.00/month
30 Yard	\$293.00 *	\$120.00/month
40 Yard	\$293.00 *	\$120.00/month
Compactor	\$293.00 *	Negotiable **
Recycle	\$293.00 ***	Negotiable **

* Haul Rate is not inclusive of applicable disposal rate of \$46.50 per ton.

** Compactor rental rates are negotiable between Republic and its' customer dependent upon the type, size, configuration, and accessories of a particular unit.

*** Recycle compactor rates are predicated upon hauling to the City-owned recycling facility. Utilization of other facilities will require negotiated haul rates between Republic and its' customer.

PROPOSED RATE FOR 96 GALLON CART SERVICE *

Pickup Frequency Per Week	Rental Rate (if any)	Fee
1	\$	\$ N/A
2	\$	\$ N/A
3	\$	\$ N/A
4	\$	\$ N/A
5	\$	\$ N/A
6	\$	\$ N/A
7	\$	\$ N/A

* Republic Services of Houston currently operates no residential type collection vehicles in the City of Galveston. We would propose to convert the commercial cart collection customers to commercial front load service where possible. Cart customers who cannot be converted would be collected on existing residential collection routes by City vehicles.

ADDITIONAL SERVICES

Portable Toilets and Vehicles *

Describe your company's ability to provide portable toilets to the City, when requested, and the cost associated with providing them. The City occasionally needs between 50 and 100 portable toilets for special events. (This element is not required for a proposal to be considered responsive.)

Describe your company's ability to provide water trucks, street sweepers, vacuum trucks, dump trucks, and other public works type vehicles for periodic use by the City when requested and the cost associated with providing them. (This element is not required for a proposal to be considered responsive.)

Describe your company's ability to provide automated garbage trucks and rear loader garbage trucks for periodic use by the City when requested and the cost associated with providing them. (This element is not required for a proposal to be considered responsive.)

Describe your company's ability to provide weekly/monthly curb-side recycling to all residents of the City and the cost to provide this service. Please also provide the reduced cost to provide this service from realized economics of scale from being awarded one or more of the other contracts described in this RFP. There are approximately 21,500 residential customers.

* As described in information presented in Tab 2 "Corporate Overview and Capabilities" of this document, Republic Services has full service capabilities in all of the above referenced areas.

Through our Energy Services Group, Republic has the capacity to provide a full line of portable toilet services for commercial, and industrial facilities and special events. We have partnered with the City and event producers in the past to provide event services for high profile events on Galveston Island including Mardi Gras, Dickens on the Strand and other events. In addition, Republic is able to provide portable toilet and holding tank services on a large scale in the event of emergencies. In addition, our Energy Services Group has the capability to provide water trucks and vacuum trucks and other public service type vehicles upon request. Rates for these services are negotiable between Republic and the City. As a national company, Republic also has capacity to provide automated and rear-load collection vehicles for periodic utilization by the City. Rates for these services are negotiable between Republic and the City.

Finally, Republic would propose to provide single stream curbside residential recycling services to the approximately 21,500 residences of the City of Galveston on a weekly service schedule. In order to make the service user friendly and convenient, Republic would propose to provide a 96 gallon wheeled polycart to each resident for temporary storage of recyclable materials. Carts are equipped with handles for ease of transport and attached lids. All carts will be appropriately marked "Recyclable Material Only" and have a Republic Services logo and contact information clearly visible. As documented in the above referenced "Corporate Overview and Capabilities" document, Republic Services will work with the City and its residents to design and implement a program which will insure the success and durability of a residential recycling program in the City of Galveston.

Republic proposes to furnish curbside residential recycling services as described above on a one time per week (1x) basis at a rate of ten dollars and no/100's cents (\$10.00) per month per residence. This proposed rate is predicated upon:

1. Utilization of the City owned recycling facility, and
2. The City of Galveston being responsible as a single payer for residential recycling services provided to residents of the City. Republic will invoice the City for these services on a monthly basis and the City will be responsible for payment.

SECTION III – PROPOSAL EVALUATION CRITERIA

The City will evaluate all responsive proposals. Proposals missing required documents may be considered non-responsive. To receive proper consideration, the proposal must meet the requirements of this RFP. The evaluation process will provide credit only for those capabilities and advantages that are clearly stated in the written proposal(s). In other words, advantages that are not stated will not be considered in the evaluation process.

Proposers whose proposals include a significant failure to comply with the RFP may be dropped from the evaluation process.

The City of Galveston intends to evaluate responsive proposals objectively. The assignment of a score to a particular criteria is subjective and may result in a range of scores from different evaluators. The following criteria will be used for evaluating proposals:

EVALUATION CRITERIA	MAXIMUM WEIGHT
Responsiveness to RFP	Pass/Fail
Financial Stability	Pass/Fail
Proposer Qualifications-including references, staff experience	40
Technical Approach to Services	25
Service Reliability/Sustainability	20
Ability to Enforce Franchise Terms	15
Cost and Rate Proposal	50

Note that when the City evaluates the rate and cost proposals, the City will examine the reasonableness of the rates and costs. In addition, the City may estimate the gross rate revenues (as a net present value amount) that may be generated over the term of the Agreement making reasonable assumptions regarding changes in employment cost index, producer price index, consumer price index, disposal fees, and processing fees and use the estimated net present value gross rate revenues to compare proposals.

Any award shall be based on the proposals judged as providing the best value in meeting the interest of the City and the objectives of the project.

The City reserves the right to make the selection of proposer(s) based on any or all factors of value, whether quantitatively identifiable or not, including, but not limited to, the anticipated initiative and ability of the proposer to perform the services set forth herein.

SECTION IV – PROPOSAL FORMAT AND REQUIREMENTS

This section includes an outline for the proposal as well as a description of the specific information to be included in each section of the proposal. At a minimum, the proposer is to provide all information required in this section as part of its proposal. Proposals should focus on demonstrating the proposer's ability to fulfill the obligations of the Agreement.

Proposal Outline

The following outline shall be used by proposers when completing their proposals:

- Title Page
- Cover Letter including company name, address, contact name, phone number, fax number, and e-mail address, signature of the designated representative authorized to bind the proposing company
- Table of Contents
- Company Description
- Business Structure
- Description of Proposer's Experience
- Description of Proposer's Service Implementation Experience
- Information Regarding Litigation, Regulatory Actions, and Payment of Liquidated Damages
- Financial Information
- Key Personnel
- Billing
- Proposal(s)
- Transfer Station Operations
- Recycling Center Operations
- Commercial Solid Waste Collections
- Optional Services Provided
- Required Forms – Appendices A through F
- Addenda

COMPANY DESCRIPTION

Business Structure

State if proposer is authorized to do business in Texas.

Identify the legal entity(ies) that would execute the agreement. Is each entity a sole proprietorship, partnership, corporation, or joint venture? Describe in detail the relationship of the proposer to the entity that will execute the agreement. If the proposer is a joint venture, describe the details of previous collaborations.

State the number of years the entity(ies) have been organized and doing business under this legal structure. Proposal should include all the names of proposer's (and executing entities' if different than proposer's) owners/stockholders with greater than a 10% holding and creditors owed a debt greater than 10% of the company's total assets.

Identify other entities with common ownership and/or management.

DESCRIPTION OF PROPOSER'S EXPERIENCE

Describe the proposer's experience in each area, providing similar services to three to five jurisdictions in Texas. The jurisdictions described should be of similar size and demographics to the service area of the City of Galveston. Proposers without transfer station operational experience will not be disqualified solely on that basis, however that lack of experience will be considered in the evaluation of proposer qualifications. The services provided to reference jurisdictions should be similar to those being procured through this RFP. The description shall include:

The service performed (i.e., transfer station operations, commercial refuse collection services, recycling center operations, and recyclable curbside collections);

The jurisdiction where the activities were performed and commencement date of the agreement;
The name, address, and telephone number of each jurisdiction representative responsible for administering the agreement;

The number of customers served, tons collected, miles covered, and type and number of vehicles owned and/or dispatched per day. These should be broken into the different categories of the operations, e.g. transfer station vs recycling center vs hauler services.

DESCRIPTION OF PROPOSER'S SERVICE IMPLEMENTATION EXPERIENCE

Describe how the proposer has previously handled the specific requirements for the procurement of vehicles and personnel, training of personnel, transition of billing and fee collection services, determination of routes and operating procedures, public education, and the preparation of procedures to ensure a smooth transition from one company to another and one type of service to another.

Descriptions of solutions to common problems that occur during implementation should be included in this section, (e.g., lack of coordination, billing and collections). Include explanations of any other problems and solutions from previous initiations of contracts.

Include a minimum of three references for jurisdictions for which the proposer has operated or currently operates, a transfer station, recycling center, and/or hauler services. List the problems that occurred during the implementation of the new contract and solutions implemented to solve the problems.

INFORMATION REGARDING LITIGATION, REGULATORY ACTIONS, AND PAYMENT OF LIQUIDATED DAMAGES

Describe all past and pending civil, legal, regulatory, and criminal actions now pending or which have occurred in the past 10 years against key personnel (as identified by the proposer in the section entitled "Business Structure" above), proposing entity, and all subsidiaries owned by proposing entity. List the amount of liquidated damages the proposing entity has paid, the name of the jurisdiction to which damages were paid, and the event(s) which triggered the damages.

Proposer shall also describe all extraordinary events including: criminal wrong-doing; forfeitures; payment of fines, liquidated damages, or assessments greater than \$1 Million; or, any indictment or conviction involving (directly or indirectly) a public agency or official.

FINANCIAL INFORMATION

Please provide a statement of the financial capability of the proposer. This shall include:

- The latest certified financial statement of the proposer.

- An itemized list of the proposer's equipment available for use on the contract.
- Evidence that the proposer is in good standing under the Laws of the State of Texas, and in the case of corporations, organized under the laws of any other state, evidence that the proposer is licensed to do business and is in good standing under the laws of the State of Texas.
- Such additional information as will satisfy the City of Galveston that the proposer is adequately prepared to fulfill the contract.
- Include a bank reference with the following information:
 - Company Name
 - Address
 - Contact Name & Phone Number
 - Contact e-mail address

KEY PERSONNEL

Include a listing of key personnel in your organization which will include:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer

If there are none of the above, please submit a listing of principal owners, general partners or shareholders.

Describe the credentials, qualifications and background of key personal staff members who will be involved in the operations and management of this contract.

BILLING

Billing shall be inclusive unless indicated otherwise on a separate billing sheet. The proposal shall itemize all services for each category, including hourly rates for all professional, technical and support personnel, and all other charges related to completion of the work shall be itemized. Rates should include fuel fees, environmental fees and any other fees that are related to each area.

SECTION V – PROPOSAL SUBMITTAL PROCESS

Companies submitting proposals to the City shall follow the procedures described in this section and the procedures included in subsequent clarifications or addendums to this RFP, which are issued by the City of Galveston.

Each proposer shall carefully examine each term of this RFP and Agreement; and each proposer shall judge all the circumstances and conditions affecting his/her proposal. Failure on the part of any proposer to make such examination and to investigate thoroughly shall not be grounds for any declaration that the proposer did not understand the conditions of this RFP or claim excuse from performance.

The proposer shall comply with all federal, state, or local laws, now in effect or hereafter promulgated, which apply to the services and products herein specified.

Please note that at no time shall proposers or their agents, have contact with City of Galveston staff or elected officials, other than the Purchasing Division this procurement process. Any attempt to contact City staff or an elected official of the City of Galveston without the written permission of the Purchasing Division will automatically void the respondent's proposal and it shall be immediately withdrawn from consideration.

Pre-Proposal Meeting and Subsequent Questions

A pre-proposal meeting will be held at City Hall, Room 204 on August 2, 2017 at 10:00 a.m. Attendance of the pre-proposal meeting is not required to submit a proposal. However, the City encourages proposers to attend.

Questions asked at the pre-proposal meeting shall be followed with questions to the Purchasing Division at purchasing@galvestontx.gov. An addendum will be issued after the question deadline in Appendix I, Section 6, Key Events Schedule. The City makes every effort to email attendees of the pre-proposal meeting any addenda, however, it does not guarantee that an email will be sent to vendors.

Proposers may sign up on the City of Galveston's website, www.galvestontx.gov/bids.aspx, to be notified of released addenda or changes to the proposal.

Proposal Submittal

Proposers shall submit one original and 3 double-sided copies and one unbound double-sided production-ready copy of the complete proposal, comb or spiral bound. In addition, electronic media (i.e. flash drive, etc.) containing an electronic of the completed proposal shall be submitted in a sealed package. Proposals must be printed on 100% post-consumer recycled-content paper and copies must be double-sided. All pages shall be numbered.

The package shall be sealed and clearly labeled:

RFP 17-23 PROPOSAL FOR OPERATIONS OF THE TRANSFER STATION, CITY RECYCLING CENTER, AND/OR COMMERCIAL SOLID WASTE COLLECTIONS.

FROM:

Name of Proposer:

Address:

Contact Person:

Telephone Number:

Email Address:

The proposal may be mailed or hand delivered to:

**City of Galveston
Purchasing Division
823 25th Street Room 306
Galveston, TX 77550**

All proposals must be received on, or before, 2:00 p.m. CST on August 16, 2017. The time clock in the City's Purchasing Division will be the official clock for documenting the time of proposal submittal. Postmarks will not be accepted as proof of receipt. No late proposals will be accepted by the City of Galveston.

Proposals must be accompanied by a \$25,000 proposal surety in the form of a cashier's or certified check or bidder's bond, payable and acceptable to the City of Galveston. The proposal surety shall be submitted with the proposal(s) in a separate, clearly labeled envelope. The purpose of the proposal surety is to guarantee that the successful proposer will execute an agreement with the City. If the selected proposer does not execute an agreement within 30 calendar days after receiving notice of the award of agreement, the City shall keep the proposal surety to offset the potential cost associated with identification of an alternate service provider and schedule delays. Proposal sureties will be returned to all proposers no later than 15 days after the execution of an agreement with the successful proposer, or after rejection of all proposals.

Proposals received by the City shall become the property of the City and are subject to public disclosure. Note that all rate and cost proposal information shall become property of the City and subject to public disclosure as this information is necessary for the City Council to evaluate the value of proposals.

Clarification of Proposal Information

Proposers may be asked to clarify information through writing, interviews, or site visits with City staff or a consultant. Proposers shall cooperate with the City's request for such clarification.

Proposers who do not cooperate with or who provide incomplete or ambiguous responses to requests for clarification may be deemed non-responsive.

Proposal Evaluation

The City will review all proposals that are deemed to have met the minimum qualifications of this process and are responsive to the requirements of this RFP. This evaluation will be based on the criteria described in Section IV of this RFP.

City Council Selection of Award

The City Council will consider the recommendation of City of Galveston staff. Based on those recommendations and the City Council's determination of the best value to the City, the City Council will direct staff to either execute an agreement with a specific proposer. The City Council may also determine that there is not sufficient value provided to the City, and in such a case, may reject all proposals.



CITY OF GALVESTON – RFP# 17-23
ADDENDUM 1
TRANSFER STATION AND RECYCLING CENTER OPERATIONS

Date: 8/24/2017
To: Prospective Bidders
Subject: Addendum No. 1 – Transfer Station and Recycling Center
Operations
Clarifications

This addendum forms part of the bidding and contract documents and modifies the original bidding documents dated 7/12/2017. Acknowledge receipt of this addendum in the space provided below. FAILURE TO DO SO WILL SUBJECT BIDDER TO DISQUALIFICATION.

Correction to Section V – Proposal Submittal Process, page 47, the proposals are due, Wednesday, October 18, 2017, at 2:00 p.m. CST.

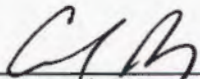
A list is attached with more detailed information of containers.

The recycling center is not required to hold a TCEQ (Texas Commission on Environmental Quality) permit.

Capital Improvement Projects possible for next fiscal year: glass crusher, styrofoam machine, and a metal building that would house equipment, two offices, and a breakroom for employees.

Employees can be moved to other divisions or can be hired by the contractor depending on the needs of the parties and negotiations of the contract.

I hereby certify receipt of this addendum and have incorporated its information or changes in preparation of my submittal.



Authorized Signature

October 18, 2017

Date

Calvin A. Ray III

Printed Name

Republic Services of Houston

Company Name

A COPY OF THE ADDENDUM MUST BE SIGNED AND RETURNED WITH YOUR BID



CITY OF GALVESTON – RFP# 17-23
ADDENDUM 2
TRANSFER STATION AND RECYCLING CENTER OPERATIONS

Date: 8/4/2017
To: Prospective Bidders
Subject: Addendum No. 2 – Transfer Station and Recycling Center Operations – Questions and Answers

This addendum forms part of the bidding and contract documents and modifies the original bidding documents dated 7/12/2017. Acknowledge receipt of this addendum in the space provided below. FAILURE TO DO SO WILL SUBJECT BIDDER TO DISQUALIFICATION.

Questions and Answers:

Does the City have a preference as to which storage method service provider's purpose for residential recycling collection? Specifically are wheeled polycarts required or will bins and/or bags be considered? **The City prefers carts to keep recycling clearly separated from normal trash.**

Bonding Requirements

Proposal Bond - On Page 18, Section C (i) of the RFP, the Proposal Bond requirement is "5% of the total Proposal amount"; however Item 3 of Appendix I on Page 28 reflects a "proposal surety in the amount of \$25,000.00". Which is applicable for the RFP? **A proposal surety in the amount of \$25,000.00 is required for this solicitation.**

Payment Bond - On Page 18, Section C (i) of the RFP, a Payment Bond in the amount of "100% of the total contract amount" is required. Will this Bond be applicable for this RFP?

Performance Bond - On Page 18, Section C (i) of the RFP, a Performance Bond in the amount of "100% of the total contract amount" is required. Can the amount of this Bond be annualized or will the required amount need to reflect the entire 3 year term? **Payment and Performance bonds are required for the entire 3 year term.**

Maintenance Bond - On Page 18, Section C (i) of the RFP, a Maintenance Bond is required. Will this Bond be applicable for this RFP, and, if so in what amount? **There is no maintenance bond required for this solicitation.**

Termination

Section 7 (m) - Would the City consider to a mutual termination for default? **No**

Section 7 (j) - Would the City consider removing the termination for convenience clause? **No**

Insurance

Will the City accept any changes to the stated insurance requirements? **The City will accept changes to the state insurance requirements on a case by case basis.**

The City will accept a State of Texas approved Worker's Compensation program and does not require to be named as the additional insured on a Worker's Compensation policy.



CITY OF GALVESTON – RFP# 17-23
ADDENDUM 2
TRANSFER STATION AND RECYCLING CENTER OPERATIONS

Date: 8/4/2017
To: Prospective Bidders
Subject: Addendum No. 2 – Transfer Station and Recycling Center Operations – Questions and Answers

This addendum forms part of the bidding and contract documents and modifies the original bidding documents dated 7/12/2017. Acknowledge receipt of this addendum in the space provided below. FAILURE TO DO SO WILL SUBJECT BIDDER TO DISQUALIFICATION.

Questions and Answers:

Does the City have a preference as to which storage method service provider's purpose for residential recycling collection? Specifically are wheeled polycarts required or will bins and/or bags be considered? **The City prefers carts to keep recycling clearly separated from normal trash.**

Bonding Requirements

Proposal Bond -On Page 18, Section C (i) of the RFP, the Proposal Bond requirement is "5% of the total Proposal amount"; however Item 3 of Appendix I on Page 28 reflects a "proposal surety in the amount of \$25,000.00". Which is applicable for the RFP? **A proposal surety in the amount of \$25,000.00 is required for this solicitation.**

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Maintenance Bond - On Page 18, Section C (i) of the RFP, a Maintenance Bond is required. Will this Bond be applicable for this RFP, and, if so in what amount? **There is no maintenance bond required for this solicitation.**

Termination

Section 7 (m) - Would the City consider to a mutual termination for default? **No**

Section 7 (j) - Would the City consider removing the termination for convenience clause? **No**

Insurance

Will the City accept any changes to the stated insurance requirements? **The City will accept changes to the state insurance requirements on a case by case basis.**

The City will accept a State of Texas approved Worker's Compensation program and does not require to be named as the additional insured on a Worker's Compensation policy.



CITY OF GALVESTON – RFP# 17-23
ADDENDUM 2
TRANSFER STATION AND RECYCLING CENTER OPERATIONS

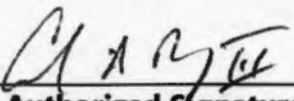
No medical payment or professional liability insurance is required for this solicitation.

A broad form general liability endorsement in blanket form is acceptable for this contract when awarded.

Will the City consider a negligence standard for the required indemnity? **No**

Will the City be providing drafts of the operating agreements and the franchise agreements?
The City can provide the current agreements. However, contracts for this solicitation are subject to negotiation and will not be finalized until after negotiations are completed with the selected vendor.

I hereby certify receipt of this addendum and have incorporated its information or changes in preparation of my submittal.


Authorized Signature

October 18, 2017
Date

Calvin A Ray, III - Division GM
Printed Name

Republic Services of Houston
Company Name

A COPY OF THE ADDENDUM MUST BE SIGNED AND RETURNED WITH YOUR BID