

**Waste Management Proposals
Comparison Chart
(as discussed March 3, 2006)**

Topic	Original Proposal	Negotiated Revised Terms with Land-Use Ordinance Change
Host Fees	<ul style="list-style-type: none"> • \$2.00/ton to County • \$0.50/ton to Enoree Community [no increases or escalations]	<ul style="list-style-type: none"> • \$2.25/ton to County escalating annually based on CPI up to 3%/year commencing in year 7 of operations • \$0.50/ton to Enoree Community escalating annually based on CPI up to 3%/year commencing in year 7 of operations
Development Fees	<ul style="list-style-type: none"> • \$2 million to County • \$2 million to Enoree 	<ul style="list-style-type: none"> • \$2.45 million to County • \$2 million to Enoree
Free Waste Disposal	<ul style="list-style-type: none"> • 100,000 tons (no escalation) • no favored rate offered for excess 	<ul style="list-style-type: none"> • 111,000 tons (escalating annually with population growth) • \$20/ton for excess (\$17.75 net after host fee)
Future Of County's Wellford Landfill	Closure sought	Remains open, operating permits to remain active, unlimited C&D waste, recyclables, yard waste, white goods, reduced MSW volume
Minimum Host Fee Revenue Stream Assurance	None	All direct hauled volume of MSW that WM collects in or outside Spartanburg County must go to Enoree
Landfill Footprint Restriction	None	Limited to 400 acres out of 1,200 acres
Height Limitation	100 ft. by ordinance	Requesting change to 150 ft.
Recreational Uses	None	<ul style="list-style-type: none"> • Active recreation facilities (ballfields) to be constructed at WM expense on 200 acre site located adjacent to Palmetto landfill • Passive and active recreation facilities at Enoree to be constructed at WM expense including nature and hiking trails, ballfields, and river access

Energy Project/ Alternative Revenue Source	None	Methane recovery project to be pursued with 10% of all net profit (before taxes) paid to County
Ultimate Parent Guarantee	No	Yes
Insurance	None offered	WM will procure and maintain standard coverages at its expense with County named as additional insured as follows: <ul style="list-style-type: none"> • General liability of \$2 million occurrence/\$2 million aggregate • Automobile liability of \$2 million occurrence/\$2 million aggregate • Environmental impairment coverage of \$3 million occurrence/\$6 million aggregate • County may obtain excess coverage if desired at County expense
Mobile Home Amnesty	None	WM will accept up to 20 mobile homes annually at its expense
Indemnification Of County	None	WM will indemnify and defend County for all litigation arising from plan amendment, land-use ordinance amendment, and host agreement
Property Value Assurance	None	WM will provide property value assurance to owners of all properties contiguous to the landfill
County Inspectors And Inspection Facility At Landfill	Not addressed	County oversight rights provided. Office facility provided at WM expense.
Estimated Value	\$224,312,500 (based on 37.5 year operating cycle – original WM estimate of approx. \$120 million was based on assumed 20-year contract)	\$250,918,750 (without value added for escalators, additional host fee on County waste above free volume, mobile home disposal, perpetual recreational uses, corporate parent guarantee, potential energy project profits, etc.)

Economic Impact Forecasts of Waste Management's Proposal to Spartanburg County (as discussed March 3, 2006)

Payments/ Direct Benefits to County	Recurring Payments to County: Host Fee	\$2.25 / ton	X	1,150,000 tons ¹	X	37.5 Years ²	=	\$97,031,250	
	One-time Benefits to County	Development Fees to be paid to county (total)						=	\$2,450,000
		Value of recreational amenities to be constructed at WM expense at Palmetto and Enoree (as estimated by WM Inc.)						=	\$3,000,000
Subtotal								\$102,481,250	
Payments/ Benefits to "Enoree Community"	Payments to "Enoree Community Foundation"	Local Host Fee	\$0.50 / ton	X	1,150,000 tons ¹	X	37.5 Years ²	=	\$21,562,500
		Funds for local projects, purchase of adjacent properties, and establishment of Enoree Foundation fund						=	\$2,000,000
Subtotal								\$23,562,500	
County Cost Avoidance (Potential Cost Savings to County)	Free Services (WM will dispose of up to 111,000 tons/year of waste generated by county households at no charge to the county)	\$30 / ton ³	X	111,000 tons ⁴	X	37.5 Years ²	=	\$124,875,000	
Lifetime Total Value of Agreement ⁵								=	\$250,918,750

Notes:

This summary does not account for inflation, nor pricing escalators specified for some of the variables. This is not a presentation of the present value of the proposal.

The host fees and free tonnage benefits will commence upon the opening of the Enoree facility, which is anticipated to be 4-5 years from now.

The chart does not reflect the financial impact of any other cost savings or increases within the county's solid waste system that could result from the changes proposed in the County's waste disposal system.

1. The actual annual tonnage of intake in any year is unknown and will depend on market activities. It could be higher or lower than the 1,150,000 tons used for estimating purposes.
2. The actual useful life of the facility is also unknown and ultimately dependent on many factors. The estimate of 37.5 years is based on the total anticipated capacity if utilized at a rate of 1,150,000 tons/year.
3. \$30/ton is Waste Management's estimated value of these services. It does not necessarily equate to what other private landfills would charge for these services or to the amount the county would have to spend to otherwise dispose of this tonnage.
4. 111,000 tons is the current volume of residential waste. The free disposal limit begins at 111,000 tons and will escalate based on percentage population growth in the county. The county would be charged \$20/ton (\$17.75 net after host fees) for any overage.
5. The total value estimate does not include any values for future energy project profit share to the county, the additional host fee to be paid by WM to the county for county waste above the free volume limit, escalators, the value of the ultimate parent guarantee, value of mobile home disposal, value of property taxes, or value to the county of perpetual recreation uses.