

Washington State Beverage Container Initiative Proposal

Proposer: NorthTown Mall
4750 N. Division, Spokane WA 99207
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1.a. Project Overview

NorthTown Mall has been a landmark in Spokane for over 51 years and is now a property of General Growth Properties, Inc. We are a 1,046,000 square foot shopping center with over 175 retail stores, restaurants and one 12 screen movie theater. We have over 12 million customers visit NorthTown Mall each year. NorthTown Mall is the largest shopping center along the I-90 corridor between Seattle and Minneapolis. We draw customers from Idaho, Montana and Canada.

The average age of a NorthTown shopper is 39 with an average income of \$53,927. The population within a five mile radius of NorthTown is over 192,000 and over 334,000 within a 10 mile radius.

We currently have 33 Pepsi vending machines throughout the mall. The machines carry every product our local bottler produces. The products come in plastic bottles, aluminum cans and glass bottles. We sell an average of 150,000 beverages a year through these vending machines. Our merchants sell an additional 4000 beverages that come in recyclable containers. There is no program in place to capture these used beverage containers.

The only recycling that is currently being done at NorthTown Mall is cardboard. We have done a recent survey with our tenants to determine what products routinely are used by merchants that could be recycled. Besides cardboard and beverage containers, these items were also listed: packing peanuts, bubble wrap/air pillows, white office paper, and mixed waste paper.

Our long term goal is to reduce waste by 20% by recycling as many of the products listed above as possible. The collection of beverage containers consumed by shoppers with the additional opportunity for store tenants to recycle beverage containers will contribute to that goal. Spokane Regional Solid Waste System, one of our partners in this proposal, will utilize their Industrial Recycling Consultant to do an analysis of our current waste before we start testing this program. As we start to measure the effectiveness of this program, Spokane Regional Solid Waste System will analyze our waste at certain benchmarks to gauge the effectiveness of this program.

There are several reasons why NorthTown Mall would be an excellent location for this project.

1. We would be able to test different types of incentives against each other in the same setting to evaluate which incentives are the most motivating and which incentives are the most cost effective. We could do this by providing two Reverse Vending Systems and periodically changing the incentive in the system. Some of the incentive items could be merchant coupons, free merchandise, money, free Pepsi products or an enter to win contest with the prize being a mall gift card or an item of high perceived value such as an Ipod.

As part of the test, we would be able gauge the advertising value to the merchants in the mall with the incentives we utilize from them. We would also be able to test incentives from businesses outside the mall who are interested in advertising at the mall through this program. After the test is completed, we will be able to measure the cost of the incentives used based on the effectiveness of each incentive, the sponsorship potential of utilizing incentives from mall retailer and other local business and how this program can be replicated with little or no cost in other businesses throughout the State.

2. We could test the increased collection of recyclables when using an incentive as compared to not using an incentive in a public gathering space. We would do this by placing recycling receptacles near each garbage can in our common area. We would measure the amount of product recycled through these receptacles where there is no incentive versus the reverse vending machine where a consumer will receive an incentive for recycling their used beverage containers.
3. We will be able to create an on-going system to collect containers that can be self-sustaining and can be replicated throughout the State. Tomra North America, the company who manufactures the reverse vending machines, will be providing us the machines for our pilot program at almost half the original cost and will provide full support and maintenance for the machines during the year long test. To ensure this program can be replicated throughout the State, Tomra will provide alternate financing programs for the reverse vending machines which will include ongoing support and maintenance of the machines. The cost of the recycling receptacles can vary depending on the type of receptacle needed by a particular business. Recycling receptacles can be purchased for as little as \$70 per unit up to over \$900 per unit. The cost for both of these recycling systems can be offset by the revenue received from the recycled materials as well as the reduction in garbage collection expenses. There are also sponsorship opportunities that could offset the cost of the recycling receptacles. The advertising value from businesses that provide incentives for the reverse vending machine is another avenue of generating revenue that could offset the initial cost of the receptacles and provide additional revenue in the future.
4. We will partner with several organizations in this project including Spokane Regional Solid Waste System, The Pepsi Bottling Group, Spokane Recycling, Pacific Steel and Recycling and Tomra North America. We will also be able to utilize our existing partnerships with mall tenants to provide us with incentives and to help educate their customers about our recycling program.

As part of the program, we will place recycling receptacles near each garbage can in the common area of the mall. We will also utilize a corridor on the second level near the food court for the incentive testing portion of the program. The corridor is over 800 square feet (see pictures below). In this corridor, we will place two Reverse Vending Machines, one for recycling plastic bottles and one for recycling aluminum cans. We will also place a couple of Pepsi vending machines and tables with chairs for people to sit and read or relax. We will use this space to place informational brochures, provided by Spokane Regional Solid Waste System, to educate consumers on the importance of recycling.



On the blank wall in the corridor (the wall is 62' long and 14' wide), we will paint a mural that shows the progression of what happens when a Pepsi bottle is recycled. It will start with a customer purchasing a Pepsi from a vending machine and then after drinking the Pepsi, the customer will use one of the Reverse Vending Machines to recycle the plastic bottle. Then we will show the bottle being picked up by the recycler and the sequence of steps it will go through until it becomes a new product. To come up with the wall design, we could have a design contest and award the winner a mall gift card. The projected cost of this mural will be \$5000 which may be funded by Pepsi.

We will be able to test the amount of containers that are recycled using the receptacles near the garbage cans versus the amount of containers that are recycled using the Reverse Vending Machines. We will also be able to test different incentives through the Reverse Vending Machines during the course of the project. We will utilize bursts on the 33 Pepsi vending machines we have located throughout the mall to alert customers about the Reverse Vending Machines and where they are located. We will also provide this information in our monthly email blast that is sent to over 30,000 people in Spokane as well as on our website and in our monthly merchant newsletters.

We would test this program for one year. Each month, we would change the incentive in the Reverse Vending Systems to test the incentive's effectiveness.

1.b. Project Work Plan – Timeline

- 2007 December (or as soon as grant awarded) – order Recycling Receptacles and Reverse Vending Systems
- 2008 January – put containers in place and advertise usage, paint mural on wall and place educational material
- January to December – monitor results
- December – prepare final report

1.c. Project Evaluation/Measurement

Outputs: NorthTown Mall will document the printed materials used and track the work on the mural design. We will also track the incentives used and who provided them.

Outcomes: NorthTown Mall has annual information for baseline information on waste disposal and recyclable diversion. Monthly data to track during pilot:

- # and type of beverage containers sold and/or loaded into Pepsi machines
- Type of incentive for a given month and # of incentives distributed
- Tonnage of aluminum and plastic collected – and compare to incentive to see if that makes a difference.
- Garbage disposal – measured by size of container and # of dumps during a week. Will need to physically monitor garbage dumpsters to determine volume reduction – and ultimately a reduction in # of pick-ups.
- Record anecdotal information that might affect traffic in the mall and thus usage.
- Conduct consumer research surveys to help measure the awareness of this program and the value of the recycling incentives. The surveys would be completed once per quarter with input from all parties on the questions that will be asked per survey. Each survey would include questions that can gauge shopper interest on each incentive used during that quarter and questions that would identify barriers the shoppers see to increased beverage container recycling. The surveys would be written by GGP's National Survey Network and administered by mall management employees using Personal Data Assistant (PDA) technology with results being tallied by GGP's National Survey Network.

2. Budget Information:

Project Activity	Responsible Party	In-Kind/ Project Funded	Initiative Funding Needed
65 Recycling Receptacles	NorthTown Mall		\$46,450.00
Reverse Vending Systems	TOMRA	\$13,000.00	\$13,000.00
Electrical for Reverse Vending Systems	NorthTown Mall		\$2,600.00
Wall Mural	NorthTown Mall/Pepsi	\$5,000.00	
Incentives	NorthTown Mall/Various Partners	\$5,000.00	\$5,000.00
Surveys	NorthTown Mall	\$2,500.00	
Educational Materials	Spokane Regional Solid Waste System	Provided by Solid Waste	
Total Funding		\$25,500.00	\$67,050.00

3. Organizational Capability and Project Partners

a. Key Individuals:

Steve Garcea
Food Service Key Account Manager
The Pepsi Bottling Group
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Ann Murphy
Education Coordinator
Spokane Regional Solid Waste System
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Steve Garcea is the Key Account Manager for our local Pepsi Bottler. He will be instrumental in securing free product and give-aways for the incentive portion of our program. Pepsi will also be providing us with furniture items to place in our Reverse Vending Machine area.

Ann Murphy is the Education Coordinator for Spokane Regional Solid Waste System. She is responsible for outreach classroom education programs and is the system's contract representative for three major assembly/education programs for elementary schools and middle/high schools. Solid Waste System will also provide us with educational materials for our Reverse Vending Machine area.

b. Letters of Commitment - to follow