

Memorandum



CITY OF DALLAS

DATE March 22, 2019

TO Mayor and City Council

SUBJECT **Blue Star Recycling LLC (Blue Star) Update**

The purpose of this memorandum is to update you on the Blue Star Recycling LLC (Blue Star) litigation and the court order issued yesterday enjoining further operations (attached). The City will continue to seek all appropriate relief to protect the environment and health of nearby residents.

Background: Blue Star's operations are located in Council District 8 at and around 9505 S. Central Expressway, Dallas, Texas. Blue Star was operating an asphalt shingle and wooden pallet recycling operation without a valid certificate of occupancy (CO) or specific use permit (SUP). Blue Star was the subject of complaints beginning in March 2018. The Department of Code Compliance (CCS) inspectors visited the site and issued a notice of violation to Blue Star for illegal land use. On December 8, 2018, CCS issued a citation for illegal land use for Blue Star's failure to comply with applicable city codes. Blue Star maintained that its operations were approved by Texas Commission on Environmental Quality (TCEQ).

Enforcement: On December 12 & 13, 2018, the City of Dallas' Office of Environmental Quality & Sustainability (DEQS) was given notice of the significant environmental risks and noncompliance issues at the site. DEQS observed apparent large-scale illegal dumping and noncompliant operations at the site. Based on the risk to the environment and health of nearby residents, DEQS immediately contacted the City Attorney's Office (CAO) to halt Blue Star's illegal operations. The City filed a lawsuit in state district court on December 13, 2018. Blue Star agreed to temporarily cease operations and come into compliance.

City staff conducted enforcement inspections while CAO continued to work with Blue Star towards compliance. However, Blue Star failed to demonstrate progress and waste materials continued to accumulate. In addition, TCEQ – the state agency with primary jurisdiction over recycling and solid waste operations – followed the City's action and began formal enforcement actions on March 11, 2019 against Blue Star. Based on the continued noncompliance and enforcement by TCEQ, the City revoked Blue Star's certificate of occupancy making any operations at the site by Blue Star illegal.

Yesterday's court order. On March 21, 2019, the Court granted the City's request for a temporary restraining order (TRO) immediately enjoining Blue Star from operating "any waste collection, recycling, or any other industrial activity" without first obtaining every permit necessary and demonstrating full compliance with local, state, and federal law. The TRO is valid for two weeks or upon further court order.

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Next steps. A hearing on the City's request for temporary injunction is set for April 3, 2019, at which point the Court will determine whether to extend the prohibition of illegal activity at Blue Star through the trial date. The City will continue to seek all appropriate relief to protect the environment and health of nearby residents with the goal of ensuring that remaining waste materials are properly handled and recycled or disposed.



T.C. Broadnax
City Manager



Chris Caso
City Attorney (Interim)

c: Carol A. Smith, City Auditor (Interim)
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

CAUSE NO. DC-18-18651

CITY OF DALLAS, TEXAS	§	IN THE DISTRICT COURT
PLAINTIFF	§	
	§	
V.	§	
	§	
BLUE STAR RECYCLING LLC;	§	DALLAS COUNTY, TEXAS
ALMIRA INDUSTRIAL AND TRADING,	§	
CORP.; CCR EQUITY HOLDINGS	§	
ONE, LLC; 9505 S. CENTRAL	§	
EXPRESSWAY, <i>IN REM</i>	§	
	§	
DEFENDANTS	§	191 ST JUDICIAL DISTRICT

TEMPORARY RESTRAINING ORDER

On this, the 20th day of March, 2019, came to be heard the City of Dallas (“City”)’s Request for Temporary Restraining Order. Plaintiff, the City, appeared through its counsel, Jayla Wilkerson. Defendants did/did not appear.

Based on the pleadings on file, the evidence presented, and the arguments of counsel, the Court finds that there is good cause to enter the following order:

IT IS ACCORDINGLY ORDERED that the Temporary Restraining Order requested by the City herein is hereby in all things GRANTED.

IT IS FURTHER ORDERED THAT:

Defendants Blue Star Recycling, LLC; Almira Industrial & Trading, Corp.; and CCR Equity Holdings, ONE, LLC (collectively, “Defendants”) and Defendants’ employees, servants, contractors, successors and assignees, and any person(s) acting in concert or as active

participants with Defendants who receive actual notice of this Order by personal service or otherwise, are immediately enjoined from:

1) placing and allowing to be placed roofing shingles, parts of roofing shingles, wooden pallets or other pieces of wood, and any other material onto and into any part of the stormwater drainage system, including creeks and streams at the property that is the subject of this lawsuit legally described as Block 8010, Tracts 3 and 3.1 and commonly referred to as 9505 and 9527 S. Central Expressway, Dallas, Texas (the "Property"); and

2) performing and allowing to be performed on the Property any waste collection, recycling, or any other industrial activity, without first complying with all relevant federal, state, and local laws, statutes, and regulations, including obtaining all necessary and proper permits, abiding by the conditions and requirements of such permits; and satisfying the requirements of all applicable environmental, nuisance, and zoning laws ^{and ordinances} *governed by the laws or ordinances of the City of Dallas.*

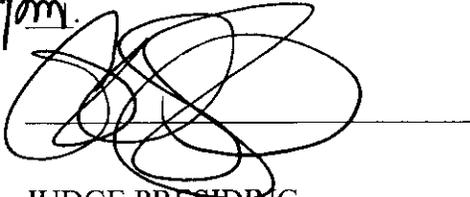
IT IS FURTHER ORDERED that Defendants, by and through their representatives or counsel, appear before this Court in the 191st Judicial District Courtroom in the Dallas County Courthouse, Dallas, Texas at 11:00 o'clock a.m. on the 3rd day of April, 2019, and then and there show cause, if any, why this temporary restraining order should not be made a Temporary Injunction, and for all other matters addressed in the City's Petition until the final hearing of this case.

IT IS FURTHER ORDERED that this cause be set for trial on the merits in the 191st Judicial District Courtroom in the Dallas County Courthouse, Dallas, Texas at 9:00 o'clock a.m. on the 27th day of January, 2019.

This Order expires on April 4, 2019, at 11:59pm or upon further Order of this Court.

SIGNED AND RENDERED this the 21st day of March, 2019 at 3:40 - o'clock,

pm.

A large, complex, and somewhat illegible handwritten signature in black ink, written over a horizontal line.

JUDGE PRESIDING