



STAFF REPORT

TOWN COUNCIL MEETING OF SEPTEMBER 8, 2015

To: Town Council
From: Roger Carroll, Finance Director
Subject: Redesignation of Recycling Market Development Zone (RMDZ)
Date: August 28, 2015

RECOMMENDATION:
Adopt resolution.

Issue Statement and Discussion

California's Integrated Waste Management Act (IWMA), which originally passed in 1989 and has since been amended, requires each jurisdiction within the State to reduce the amount of waste disposed in landfills by 50% by the year 2020.

To assist California cities and counties in reaching this goal, the Recycling Market Development Zone (RMDZ) program was created by the California Department of Resources and Recovery (CalRecycle). Placer County was designated as an RMDZ in March 1995 and was redesignated in 2005. The RMDZ designations are approved for a term of ten years. There are presently over 30 RMDZs in the State.

On June 16, 2015 the Placer County Board of Supervisors approved a 10 year extension of the Placer County's RMDZ and is hereby requesting participating cities to also extend their participation in the program (see Attachment 1). The Placer County RMDZ includes the cities of Roseville, Rocklin, Lincoln, Auburn, Colfax, and the Town of Loomis and the unincorporated areas of Placer County surrounding these cities. RMDZs must be redesignated after ten years by CalRecycle if they wish to continue their status as an RMDZ.

The RMDZ program is a business assistance program, and qualifying manufacturers in an RMDZ are eligible to receive low interest loans from the State. Other benefits, such as help with locating recycled materials for processing and identifying new customers may be offered to companies located in RMDZs as well. Please refer to Attachments 2 and 3 for copies of Recycling Market Development Revolving Loan Program general criteria and eligibility requirements.

In summary, in the RMDZ loan program the types of projects that are currently eligible for loans are:

1. Waste Prevention
2. Reuse
3. Recycling, composting and anaerobic digestion
 - a. Producing recycled raw feedstock material
 - b. Manufacturing recycled-content finished products

Program funds can be used for, but not limited to:

1. Machinery and equipment
2. Working capital
3. Real Estate purchase (max \$1,000,000)
4. Real estate improvements
5. Financing loan-closing points

CEQA:

There are no CEQA issues.

FINANCIAL AND/OR POLICY IMPLICATIONS:

No General Funds will be used for the redesignation of the RMDZ. Implementation of the RMDZ program can help create jobs by increasing the market demand for local recycled materials. Additionally, implementation of the program will continue to allow assistance and/or low interest loans for qualified businesses..

Attachments:

Email request from Placer County for Redesignation of Recycling Market Development Zone.
Recycling Market Development Zone Loan Program General Criteria
Recycling Market Development Zone Loan Program project Eligibility Criteria
Resolution for Redesignation of Recycling Market Development Zone

TOWN OF LOOMIS

RESOLUTION NO. 15-

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS APPROVING REDESIGNATION OF RECYCLING MARKET DEVELOPMENT ZONE (RMDZ)

WHEREAS, California's Integrated Waste Management Act (IWMA) requires each jurisdiction in the state to reduce the amount of waste disposal in landfills by 50% by the year 2020; and

WHEREAS, the RMDZ was created by the California Department of Resources and Recovery to assist California cities and counties in reaching this goal; and

WHEREAS, Placer county was designated an RMDZ in March 1995 and was redesignated in 2005; and

WHEREAS, on June 16, 2015, the Placer County Board of Supervisors approved a 10 year extension of the Placer County's RMDZ and is hereby requesting participating cities to also extend their participation in the program; and

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Loomis that the continuation of the Recycling Marketing Development Zone (RMDZ) program is hereby approved.

PASSED AND CERTIFIED by the Town Council of the Town of Loomis on this 8th day of September, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Town Clerk

Mayor Rhonda Morillas

Attachment 1

Matteoli, Laura

ject: FW: Redesignation of Recycling Market Development
Attachments: DOC062915.pdf

-----Original Message-----

From: Judy Sage [mailto:JLSage@placer.ca.gov]
Sent: Monday, June 29, 2015 3:18 PM
To: Robles, Chris; kgarner@rocklin.ca.us; Shawn Tillman; Rick Angelocci; Tim Rundel; Mark Miller
Cc: David Snyder
Subject: Redesignation of Recycling Market Development

Greetings Economic Development Professionals:

On June 16, 2015 the Placer County Board of Supervisors approved a 10-year extension of the Recycling Market Development Zone. As you may know, the RMDZ is a business assistance program that provides low-interest loans, technical assistance and other potential benefits to qualified recycling companies in Placer County, and more than 30 other zones statewide.

As was accomplished in 2005, CalRecycle would like to see each of your jurisdictions pass a resolution extending the RMDZ for another ten years. Attached please find the county staff report and resolution in order to assist you in drafting a document for your respective councils.

CalRecycle provides 90 days (through September 16th) for you to bring this to your governing bodies but we'd appreciate if the action could be brought to your agendas as soon as possible. Also, if you are successful moving it through council, please send a copy of the resolution to Dave and to Mitch Delmage, RMDZ Coordinator at CalRecycle. He's been cc'd on this correspondence.

Please don't hesitate to contact Dave Snyder with any questions about this renewal.

All the best...

Dave

David C. Snyder, CECD
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The following project categories and examples are provided to assist potential business borrowers. CalRecycle staff determines feedstock eligibility and final project qualification is determined by CalRecycle. The categories include, but are not limited to, the projects specified below:

What types of projects are currently eligible?

1. Waste Prevention
2. Reuse
3. Recycling, Composting, and Anaerobic Digestion
 - a. Producing recycled raw feedstock material
 - b. Manufacturing recycled-content finished products

What types of projects are ineligible?

Ineligible projects include electronic waste, hazardous waste, metals, transformation, single use plastic bags, the do not meet the intent of AB 2449 (Levine, Chapter 845, Statute of 2006) and the definition of Secondary Waste Material (Public Resources Code, section 42002(f)); and polystyrene food containers. In addition, materials that are banned from landfills are also not eligible for a loan.

1. *What Are Waste Prevention Projects?*

Waste Prevention projects change the way products are made or packaged to prevent or reduce solid waste. This can be accomplished only by modifying equipment or processes, improving operations and maintenance, and changing materials in manufacturing. The project will result in less waste being generated during the manufacturing process.

Examples of eligible projects:

- Modifying equipment or processes to make products using less raw material or packaging.
- Converting to optimizing equipment to reduce waste generation.

Examples of ineligible projects:

- Buying recycled or reusable pallets, reusable containers or reusable filters that are not directly involved in the making of a product.
- Procurement of "environmentally-friendly" office products.
- Manufacturing or procurement of bio-degradable products.
- Reclamation of scrap metal.
- Production of single use plastic bags.
- Production of polystyrene food containers.

2. *What Are Reuse Projects?*

Reuse projects will prolong the useful life of a product, delaying final disposal or recycling. Reuse is the repair, reconditioning, washing, or treatment of a worn or used product that makes the product useable again for its originally intended purpose.

Examples of eligible projects:

- Separating construction and demolition (C & D) debris or other salvageable items by material type for sale.
- Resurfacing or re-sawing reclaimed lumber from old buildings for decking and paneling.
- Sorting and repairing used plastic garment hangers from department stores.

**RECYCLING MARKET DEVELOPMENT REVOLVING LOAN PROGRAM
General Criteria
Effective September 16, 2008**

Introduction

The Recycling Market Development Revolving Loan Program (Loan Program) provides low-interest loans to private businesses and not-for-profit organizations to increase diversion of non-hazardous solid waste from California landfills and to promote market demand for secondary and postconsumer materials.

The purpose of this document is to provide information on the Loan Program General Loan Criteria. The information contained herein is not intended to be all inclusive of the criteria used to evaluate loan applications.

Applications are evaluated on an individual basis based upon the purpose, goals, and requirements of the Loan Program as set forth by law and regulation. Environmental Justice is addressed through the Zone approval/renewal process and local permit process. For additional information regarding the Loan Program, please contact the Department of Resources Recycling and Recovery (CalRecycle) Loan Program staff.

General Loan Criteria

The general criteria applies to all Loan Program loans, regardless of the type of project.

Where must the project be located?

The project, or if a mobile operation, the primary business location must be located within a Recycling Market Development Zone (RMDZ).

What is the maximum loan amount?

The program can fund a maximum of 75% of costs directly attributed to an eligible project up to a maximum of \$2,000,000 whichever is less.

Can a borrower or related entity obtain more than one RMDZ loan?

A borrower may apply for subsequent loans for business expansion that result in additional diversion using the same or different type of feedstock, manufacturing process, or end product, but may not have more than \$3,000,000 total principal outstanding on all RMDZ loans to a borrower and related entities at any one time.

Who can apply?

Eligible applicants can include businesses and not-for-profit organizations.

What can the funds be used for?

Businesses and non-profit organizations can use the funds (a) for

- Machinery and equipment,
- Working capital,
- Real estate purchase (b), (maximum of \$1,000,000)
- Real estate improvements (b), and
- Refinancing of onerous debt that results in increased diversion, and
- Funds can also be used for financing loan-closing points.

(a) RMDZ loan recipients are required to agree that when purchasing products with loan funds in the 11 SABRC categories, the borrower agrees to purchase recycled-content products when available and fitness and quality are equal to that of non-recycled products.