



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: October 20, 2015
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, P.E., Director, 568-3010
Director(s)
Contact Info: Mark Schleich, P.E., Deputy Director, 882-3605

SUBJECT: **Renewal of Designation of Santa Barbara Regional Recycling Market Development Zone**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Not applicable

As to form:

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- a) Approve the renewal of the designation of the Santa Barbara Regional Recycling Market Development Zone as a Recycling Market Development Zone and direct the Public Works Director or his or her designee to submit an application to CalRecycle, requesting such renewal, which includes the County of Santa Barbara and the cities of Buellton, Goleta, Lompoc, Santa Barbara, and Santa Maria;
- b) Approve receipt of any Recycling Market Development Zone related payments authorized by the California Public Resources Code;
- c) Authorize the Public Works Director or his or her designee to execute in the name of the County of Santa Barbara all documents necessary to secure payment and implement the associated activities; and
- d) Determine that the renewal of the designation is exempt from the California Environmental Quality Act pursuant to the California Environmental Quality Act Guidelines Section 15061 (b) (3) and approve the filing of a Notice of Exemption on that basis.

Summary Text:

The Santa Barbara Regional Recycling Market Development Zone (SBRRMDZ) was originally established on January 24, 1996 and represented one of 40 Recycling Market Development Zone (RMDZs) across California. The California Integrated Waste Management Board (CIWMB) (now known as CalRecycle) approved the renewal of its designation in 2006.

Since the designation for the SBRRMDZ expires on January 24, 2016, and the cities of Buellton and Goleta have expressed an interest in joining the SBRRMDZ, the Resource Recovery & Waste Management Division (RRWMD) of the Public Works Department is submitting an application to renew the designation of the SBRRMDZ in addition to expanding the Zone to include these two cities. Upon CalRecycle's approval in December 2015, the SBRRMDZ's renewal designation date will change to that month and expire in 10 years from that date.

The RMDZ program combines economic development with solid waste recycling by offering low-interest loans and other forms of assistance to manufacturers that use recycled materials to make new products or as a source for other companies to make new products. It fosters markets for recycled materials, helps divert materials from being disposed in local landfills, helps startup businesses and existing businesses expand, and creates jobs. Renewing the designation for the SBRRMDZ will enable the SBRRMDZ to continue offering these incentives to manufacturers in its member jurisdictions for another 10 years while achieving these benefits.

Background:

The CIWMB established the RMDZ program to offer incentives to manufacturers in a RMDZ that use:

- a) Recycled materials to make new products; or
- b) Prevent or reduce their manufacturing waste; or
- c) Add value to a finished product for reuse by reconditioning, reprocessing, repairing, washing, or manufacturing.

Under the RMDZ program, up to \$2 million may be borrowed (up to \$1 million for property acquisition) or 75 percent of a project's costs, whichever is less. CalRecycle establishes the fixed interest rate every six months, and the rate may not be lower than four percent. The maximum loan term is 10 years, or 15 years if secured by commercial real estate. Projects in the categories of waste prevention, reuse, and recycling/composting/anaerobic digestion are eligible.

The loan funds may be used for:

- Purchasing machinery or equipment;
- Acquiring property;
- Making property improvements (at least 25 percent of the costs have to be used for sustainable building products and services); and
- Providing working capital

Manufacturers participating in the program can also receive other types of assistance from member jurisdictions, as well as CalRecycle.

Beginning in January 2016, RRWMD will contract with the Santa Maria Valley Chamber of Commerce (SMVCC) to serve as the Zone Administrator. As Zone Administrator, the SMVCC will:

- Attend the semiannual Zone Works Training Workshops sponsored by CalRecycle;
- Apply for, accept, and use, on behalf of the RRWMD, the Zone Incentive Funds (ZIF) allocated to each RMDZ to attend the Zone Works Training Workshops and to market and promote the SBRRMDZ program;

- Respond to inquiries from manufacturers in the member jurisdictions regarding the program;
- Provide technical assistance, such as locating a site or property, identifying sources of recycled materials for use in manufacturing, marketing recycled-content products, and identifying other potential funding sources; and
- Prepare the RMDZ Annual Report for submittal to CalRecycle.

The County of Santa Barbara, RRWMD will authorize CalRecycle to issue any RMDZ related payments authorized by the Public Resources Code to the SMVCC, upon the Chamber becoming the Zone Administrator.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$750	\$5,000	
Federal			
Fees			
Other:	\$15,000	\$15,000	
Total	\$ 15,750.00	\$ 20,000.00	\$ -

Narrative:

The State allocates \$5,000 per Zone annually. In addition, each member jurisdiction contributes up to \$5,000 annually, including the County, depending on the size of the jurisdiction, for a total historical average of \$15,000. The County portion is included in the RRWMD budget for FY 15/16.

Special Instructions:

1. Please provide a copy of the signed Board resolution to Alan Nakashima and Joddi Leipner of the Public Works Department, Resource Recovery & Waste Management Division.
2. Following Board approval, Clerk of the Board to post the Notice of Exemption and forward a date stamped copy to Alan Nakashima and Joddi Leipner of the Public Works Department, Resource Recovery & Waste Management Division.

Attachments:

Attachment A: Resolution

Attachment B: Notice of Exemption

Authored by:

Alan Nakashima, Public Works Department, Resource Recovery & Waste Management Division, Senior Program Specialist

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Subject: Renewal of Designation of Santa Barbara Regional Recycling Market Development Zone

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