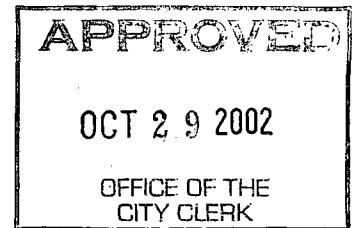


2.9

ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

October 17, 2001



City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: EXPANDING THE RECYCLING MARKET DEVELOPMENT ZONE (RMDZ) CURRENTLY LOCATED IN THE CITY OF SACRAMENTO'S FLORIN-PERKINS INDUSTRIAL AREA COUNTY-WIDE.

LOCATION AND COUNCIL DISTRICT: All

RECOMMENDATION:

It is recommended that City Council approve a resolution supporting the expansion of the current RMDZ countywide.

CONTACT PERSONS: Poppy Gilman, Project Manager, 264-5864
Aaron Anderson, Project Manager, 264-2796

FOR COUNCIL MEETING OF: October 29, 2002

SUMMARY:

In 1993, the City and County of Sacramento and the Sacramento Housing and Redevelopment Agency applied for and received a 10-year Recycling Market Development Zone (RMDZ) Designation from the State of California, which overlays the Florin-Perkins Enterprise Zone. This designation will expire in March of 2003. The current RMDZ program provides diversion of waste materials for the City of Sacramento and has assisted hundreds of local businesses. Expanding the zone countywide will be economically and environmentally beneficial.

Building on Our History ~ Creating The Place to Be.

BACKGROUND INFORMATION:

The Recycling Market Development Zone (RMDZ) is a partnership of local government, the State of California's Integrated Waste Management Board (CIWMB) and local businesses, which designates a geographic area as a project area, similar to Enterprise Zones. The purpose of the program is to develop sustainable markets for diverted solid waste materials. This can be accomplished by identifying candidate businesses that could feasibly use recycled materials in their manufacturing and assisting them to replace their virgin feedstock with post-consumer materials. New businesses can also be recruited to use targeted materials such as food waste, e-waste, green waste and mixed plastics.

The RMDZ program strengthens the local manufacturing sector by offering financial, technical, and marketing incentives to small and medium size manufacturers. CIWMB provides eligible projects below market interest rate loans up to \$2 million. Eligible projects for these incentives must be located within the designated RMDZ and must result in diversion of solid waste from a landfill. Diversion may be accomplished by waste reduction, reuse of finished products (through reconditioning, reprocessing or re-manufacturing), manufacture of new products, value-added processing of recycled feedstock, conversion technologies or transformation. Eligible projects are subject to all local zoning ordinances and are usually required to locate in industrial zoned areas.

Over the last 10 years, the California Environmental Protection Agency (CIWMB) provided 3 loans to Sacramento RMDZ designated area. The 3 loans totaled 2.78 million dollars and lead to the following estimates:

- A. \$6.2 million in economic activity
- B. \$1.9 million in household earnings
- C. More than 60 total jobs created
- D. Projected diversion of 74,000 tons annually
- E. An annual saving of 480,000 trees

It is the goal of the City and the County to continue to build on these successes by partnering regionally with the Sacramento Regional Solid Waste Authority and the Business Environmental Resource Center (BERC) to expand the RMDZ countywide. The jurisdictions invited to participate include: the Incorporated Cities of Folsom, Isleton, Galt, Elk Grove, Citrus Heights, West Sacramento and the unincorporated areas of Sacramento County. The regional partnership may include West Sacramento's Enterprise Zone.

The expanded zone will be called the Sacramento Regional Recycling Market Development Zone (SRRMDZ). (Attachment 1) With all jurisdictions participating, the zone would increase from 4500 acres to over 636,000 acres, of which more than 20,000 acres are zoned industrial. This increases the opportunities to site new manufacturers in

the region that might otherwise choose to site in other RMDZ's throughout the State. Businesses already located in the County and West Sacramento but not in the current zone would also become eligible for the program incentives.

Some additional benefits of re-designating and expanding the RMDZ include:

- A. Increasing diversion of solid waste from landfills.
- B. Strengthening the manufacturing sector by supporting efforts to develop sustainable markets for post-consumer materials.
- C. Helping local jurisdictions find markets for miscellaneous waste (i.e. glass lenses, toilets, etc.)
- D. Targeting materials such as e-waste and green waste potentially removes new and different trash from the waste stream.
- E. Increasing the number of higher skilled and higher paid jobs in the work force.
- F. Promoting recycling and therefore promoting the management of all resources to their highest and best use, resource conservation and energy efficiency.
- G. Establishing and strengthening community and regional partnerships to enhance the quality of life.
- H. Supporting smart growth strategies through solid waste transportation distance and cost cuts, thereby reducing vehicle emissions and improving air quality.

The Business Environmental Resource Center, working in conjunction with the participating jurisdiction's departments of Economic Development and Solid Waste will work to achieve the above goals by coordinating local business development, financial, marketing and technical assistance such as site selection and permit assistance for eligible projects.

FINANCIAL CONSIDERATIONS:

Approval of the resolution imposes no additional expense upon the City beyond administrative costs associated with managing another tool for Economic Development and Solid Waste Management.

ENVIRONMENTAL CONSIDERATIONS:

The Expansion of the current RMDZ designated area will not require any changes to the current zoning ordinances for the participating jurisdictions. Any and all businesses choosing to site within the expanded SRRMDZ will be subject to the local jurisdictions zoning ordinances. Additionally, this project is subject to the environmental review process as part of the approval of the re-designation application with the State of California.

POLICY CONSIDERATIONS:

The City of Sacramento views the participation in programs that aid in the creation of new employment opportunities as important cornerstones to the City's economic development strategy. Additionally, the City of Sacramento supports the development of programs that assist in retaining and attracting businesses.

The City of Sacramento is also committed to participating in programs that address regional issues and provide opportunities to strengthen and establish community and regional partnerships. Lastly, the City of Sacramento is committed to participating in programs that promote and support economic vitality.

Approval of the subject recommendation serves to promote these City policy objectives.

ESBD CONSIDERATIONS:

No goods or services are being purchased.

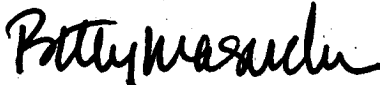
Respectfully submitted:

APPROVED:

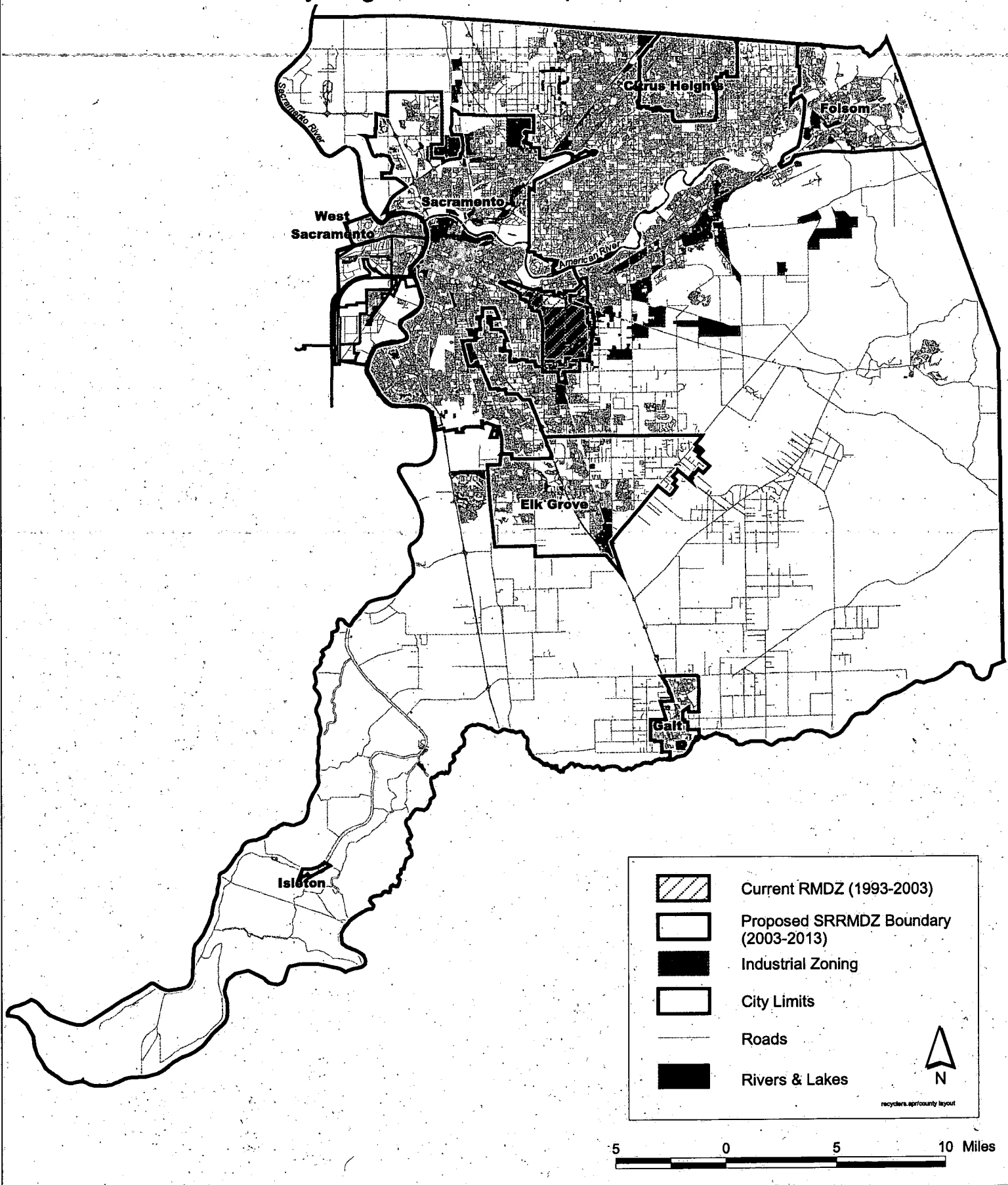

KRISTAN OTTO
Economic Development Manager


BETTY MASUOKA
Economic Development Director

RECOMMENDATION APPROVED:


ROBERT P. THOMAS
City Manager

Proposed Sacramento Regional Recycling Market Development Zone



RESOLUTION NO. 2002-716

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF _____

**A RESOLUTION SUPPORTING
RENEWAL AND EXPANSION OF THE SACRAMENTO REGIONAL RECYCLING
MARKET DEVELOPMENT ZONE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

WHEREAS, the California Public Resources Code Section 42010 provides for the establishment of the Recycling Market Development Zone (RMDZ) program throughout the State to provide incentives to stimulate development of post-consumer and secondary materials markets for recyclables; and

WHEREAS, the proposed expansion of the Sacramento RMDZ may include Sacramento County and the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Sacramento, and West Sacramento, which occasions the renaming of the Zone to the Sacramento Regional Recycling Market Development Zone; and

WHEREAS, cities and counties must meet a 50 percent reduction in landfill waste disposal as mandated in the California Integrated Waste Management Act (AB 939); and

WHEREAS, the Sacramento Regional RMDZ is dedicated to establishing, sustaining and expanding recycling-based manufacturing businesses, which is essential for market development and to assist local jurisdictions to meeting the established landfill reduction goals; and

WHEREAS, the existing Sacramento RMDZ designation will expire in March 2003 unless re-designated by the California Integrated Waste Management Board; and

WHEREAS, the City of Sacramento desires existing and new recycling-based manufacturing businesses locating within the region to be eligible for the technical and financial incentives associated with the RMDZ program; and

WHEREAS, the renewal of the Sacramento RMDZ is still necessary to facilitate local and regional planning, coordination, support of existing recycling-based manufacturing businesses, as well as attract private sector recycling business investments to the region; and

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RESOLUTION NO.: _____

DATE ADOPTED: _____

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WHEREAS, the current and proposed waste management practices and conditions are favorable to the development of post-consumer and secondary waste materials markets; and

WHEREAS, the development of local markets for recovered materials would reduce the need to transport them out of the region in the future; and

WHEREAS, the expansion of the Sacramento RMDZ would provide incentives for business development, thereby providing jobs for the unemployed within the region; and

WHEREAS, the California Legislature has defined environmental justice as "the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies" [Government Code section 65040.12(e)], and has directed the California Environmental Protection Agency to conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the state [Public Resources Code section 71110(a)]; and

WHEREAS, the California Integrated Waste Management Board, in its Strategic Plan, has adopted a goal to continuously integrate environmental justice concerns into all of the Board's programs and activities.

NOW, THEREFORE, be it resolved by the City Council of the City of Sacramento, as follows:

Section 1. Approves the submittal of a Recycling Market Development Zone renewal and expansion application to include the City of Sacramento.

Section 3. Supports the City of Sacramento Economic Development Department as the lead agency for the RMDZ application process including the environmental (CEQA) documentation and to coordinate, process, and execute all contracts, agreements, amendments, and ancillary documents required for the application process.

Section 4. Supports the Sacramento Business Environmental Resource Center acting as the lead agency for the SRRMDZ, and as described in the zone designation application to coordinate, process, and execute all contracts, agreements, amendments, and ancillary documents within the scope of the proposed zone application.

Section 5. Agrees to include the selection and adoption of the RMDZ program in the next update of the City of Sacramento Recycling Component of the Source Reduction and Recycling Element (SRRE).

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DATE ADOPTED: _____

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Section 6. Agrees to identify the RMDZ as a part of the over-all market development strategy and integrated waste plan of the City of Sacramento.

Section 7. Agrees to administer the RMDZ program in a manner that seeks to ensure the fair treatment of people of all races, cultures and incomes, including but not limited to soliciting public participation in all communities within the Regional RMDZ.

ATTEST:

Mayor

Clerk

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RESOLUTION NO.: _____

DATE ADOPTED: _____