DATE: August 9, 2018

TO: Planning Committee/Recycling Board

FROM: Tom Padia, Deputy Executive Director

BY: Meri Soll, Senior Program Manager

SUBJECT: DR3 Mattress Recycling – Facility Relocation Support

SUMMARY

DR3 is a mattress recycling company founded in 1999 in Oakland, now with three locations: Oakland, Stockton, and Woodland. They collect mattresses and box springs for recycling by disassembling the beds by hand to maximize the amount of recyclable materials. DR3 operates under the umbrella of The Society of St Vincent de Paul of Lane County, Oregon, a 501c3 nonprofit. Proceeds from mattress recycling fund services for homeless individuals and families in need. DR3 also provides stable, quality jobs with benefits to local residents. DR3 recently reached out to StopWaste staff to seek potential funding support for the upcoming relocation from their Oakland facility to Livermore after they lost their Oakland lease.

DISCUSSION

DR3 was notified in March 2018 that their current lease at their Oakland DR3 mattress recycling facility (9921 Medford Ave) would not be renewed when it was up at the end of September. After a long search, they were able to stay in Alameda County and secure a lease for a facility in Livermore (7041 Las Positas Road). The new Livermore facility has almost twice as much square footage, which will increase their mattress recycling capacity as well as allow for a potential increase in employees from 24 FTE to 33 FTE in the next 12 months. The Oakland facility currently processes about 14,000 mattresses a month (about 600 a day) and the new larger Livermore facility will permit a substantial increase in recycling capacity as the statewide mattress recycling program continues to grow. In 2017, the Oakland DR3 facility diverted 4.5 million pounds of materials at a 67 percent diversion rate. DR3 anticipates purchasing a larger, more robust baler to reduce equipment breakdowns and accommodate the increased mattress recycling capacity in the new Livermore facility.

Increased lease costs (an additional $10k per month), new equipment, as well as required site improvements and other relocation expenses are impacting the nonprofit’s budget. St. Vincent de Paul staff has asked StopWaste to consider providing funding support to offset the costs of the
relocation. DR3 has estimated relocation costs at about $95,000, which includes lease down payment, equipment moving and wiring, and other moving activities. (These costs do not include a new baler purchase at $58,000).

Over the years, we have provided funding support for relocation costs to nonprofit entities in order to retain recycling and reuse infrastructure here in Alameda County. DR3 will be moving in September of 2018 and is in need of funding support in the immediate future. (The Agency’s Competitive Grants Funding cycle opens January 2019, with awards distributed in April 2019.)

Staff recommends that StopWaste support DR3 by providing a one-time $57,500 grant to St Vincent de Paul to offset the following relocation costs:

- Business License/Inspections: $2,700
- Architectural and electrical plans: $6,800
- Equipment installation and electrical: $14,000
- Transport equipment: $34,000

**TOTAL COSTS COVERED BY GRANT:** $57,500

Grant funding would come from the Grants to Nonprofit Fund Balance (estimated balance is $2.1 million as of July 1, 2018).

**RECOMMENDATION**

Provide a $57,500 one-time grant to The Society of St. Vincent de Paul (nonprofit entity operating as DR3) to offset facility relocation costs from Oakland to Livermore.