



DATE: July 28, 2021

TO: Waste Management Authority Board

FROM: Timothy Burroughs, Executive Director
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SUBJECT: Update on Recycling Market Development Zone Countywide Expansion

SUMMARY

The current Recycling Market Development Zone (RMDZ) in Alameda County includes the cities of Oakland and Berkeley and is administered by City of Oakland staff. In 2019, due to the need to meet demand and the economic and environmental benefits of creating additional recycling and reuse capacity in the region and state, the WMA Planning Committee and Recycling Board provided direction to staff to begin the process of expanding the Berkeley and Oakland RMDZ to a countywide RMDZ, with StopWaste becoming the Zone Administrator. This memo provides an update on expansion progress and also highlights a new partnership between StopWaste and the East Bay Economic Development Alliance (EDA) to advance market development efforts in Alameda County.

DISCUSSION

Background

The RMDZ program, administered by CalRecycle, provides low interest loans and technical assistance to firms that use recycled materials to make new products or that prevent, reduce, or recycle recovered materials through value-added processing or manufacturing. Technical assistance includes site location support, identification of feedstocks and markets, and connections to financing and incentives. To qualify for the loan (up to \$2,000,000 or 75 percent of total project cost, whichever is less) the facility must be located within a CalRecycle-designated RMDZ and use postconsumer or secondary recovered waste feedstock generated in California. While projects located outside of an RMDZ could still obtain technical assistance, the Zone facilitates the connections between these entities and local governments. Currently, there are 39 RMDZs covering over 88,000 square miles of California.

Oakland/Berkeley RMDZ

The Oakland/Berkeley RMDZ encompasses West Berkeley between Interstate 80, San Pablo Avenue, the Oakland-Emeryville border, and the Albany border. In Oakland, the zone includes the central business district, major industrial areas in West Oakland and the Coliseum area, the Port of Oakland's facilities, and the Oakland International Airport. A map of the zone can be shown below as Figure A.

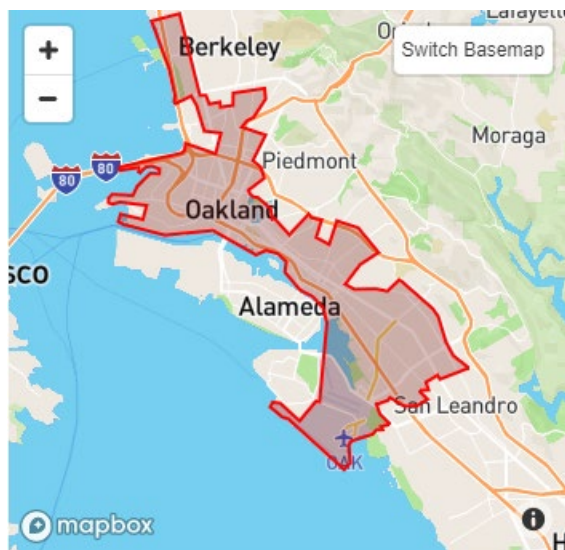


Figure A. Map of Oakland/Berkeley RMDZ

Since its formation in 2003, eight businesses have received loans as part of the Oakland/Berkeley RMDZ program totaling \$3.4 million. Recipients include large industrial manufacturers to reuse stores, demonstrating the range of projects that qualify under the RMDZ. Two of these loan recipients have moved to locations outside of Oakland/Berkeley but still within Alameda County, highlighting the regional nature of market development.

Alameda County RMDZ

Given the critical need to create local infrastructure for recycling in the wake of China's National Sword policy, the new requirements to comply with SB 1383, the imperative to move toward a more circular economy, and the potential economic benefits of enabling investment in recycling and reuse infrastructure locally, the Recycling Board and WMA Planning Committee directed staff to pursue development of a countywide RMDZ. This work is also consistent with the Countywide Integrated Waste Management Plan (CoIWMP) and the Recycling Plan, both of which were updated in 2020 and include market development as a strategy to meet the goal of landfill obsolescence.

While not all locations within Alameda County may be appropriate for certain facilities that could be supported by an RMDZ, every jurisdiction will benefit from a robust and healthy system for reuse and recycling to meet diversion and climate goals. The RMDZ and other market development work that StopWaste is advancing is also an opportunity to make stronger connections to the economic development side of waste and materials management, especially as the local economy recovers from the effects of the COVID-19 pandemic.

Any expansion of the Oakland/Berkeley RMDZ to cover all of Alameda County will require approval from CalRecycle. First, the cities of Oakland and Berkeley will need to adopt resolutions that support the proposed expansion and transfer Zone Administration to StopWaste. Within the current timeline, StopWaste expects that these items will be heard at Oakland and Berkeley City Council meetings in the fall.

As the Zone Administrator, StopWaste staff will coordinate closely with member agency staff and will leverage its expertise in waste prevention and circular economy to help serve as a contact point for businesses hoping to locate or remain in Alameda County and that prevent waste from going to landfill. Jurisdictions will retain all local land use authority and would still have all the same authority to approve or deny any facility that wishes to locate within its boundaries. The RMDZ effort is designed to dovetail with existing member agency economic development and sustainability efforts and would not require any additional member agency staff capacity or funding.

Progress to Date

Since direction was given in June 2019, the countywide expansion had been put on hold due to various reasons, including the ColWMP update and the COVID-19 pandemic. However, in fall 2020 staff restarted work on expansion to a countywide zone. Since then, staff has met with several Zone Administrators throughout the state, including other countywide zones, and discussed the process and timeline with CalRecycle. Other progress includes legal review with Agency counsel, updating TAC at the July 1, 2021 meeting, and meeting with Oakland and Berkeley city staff.

East Bay EDA Partnership

In addition to StopWaste's efforts to advance the countywide RMDZ, the Agency also recently launched a new partnership with East Bay EDA through which EDA will assist StopWaste to better understand the current state of reuse, recycling, composting, and other industries and manufacturers within the county that align with the Agency's priorities. This study will identify where these businesses are located within the county, what strengths Alameda County has in attracting and retaining such businesses, and what barriers may exist to expanding market development work. This separate but related effort is an opportunity to combine EDA's economic development expertise with StopWaste's waste prevention and sustainability expertise to promote market development.

In the meantime, StopWaste is also contributing to and sponsoring an effort underway and being led by EDA called "East Bay Forward," which is a regional economic assessment and vision to guide post-pandemic economic recovery and growth that is centered on rebuilding an equitable, resilient, and sustainable East Bay.

Next Steps

Staff will prepare the zone expansion application, informed by East Bay EDA's research, for WMA Board review and approval before the end of 2021. The application will then be submitted to CalRecycle for approval and CEQA documents will be prepared.

RECOMMENDATION

This item is for information only.