



DATE: June 13, 2019

TO: Programs and Administration Committee
Planning Committee/Recycling Board

FROM: Anu Natarajan, Legislative and Regulatory Affairs Manager

SUBJECT: Recycling market Development Zone (RMDZ)

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. Given the critical need in creating local infrastructure for recycling in the wake of China's National Sword policy and the upcoming requirements to comply with SB 1383, StopWaste is better suited to administer an expanded RMDZ that includes all of Alameda County.

DISCUSSION

Background

The Recycling Market Development Zone (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 or reduce waste as part of the manufacturing process. To qualify for assistance, the facilities must be located within a CalRecycle-designated RMDZ and use postconsumer or secondary recovered waste feedstock generated in California. Currently, there are 34 RMDZs covering roughly 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.

Over the years, the RMDZ program criteria has been refined and updated to incorporate new state requirements and market conditions. In addition to the RMDZ loan program, CalRecycle established the Greenhouse Gas Reduction Grant and Loan Programs to provide financial incentives for capital investments in infrastructure for aerobic composting, anaerobic digestion and recycling and manufacturing facilities that will reduce greenhouse gas emissions. These grants promote

infrastructure developments that achieve greenhouse gas emission reductions by diverting more materials from landfills, and are targeted to build or expand organics infrastructure, such as composting and anaerobic digestion, or rescuing food to feed hungry people, in addition to new or expanded infrastructure for manufacturing products with recycled content fiber, plastic, or glass.

Alameda County RMDZ

The acute shortage of recycling infrastructure, new mandates from the State directing new diversion goals and research that connects recycling with reducing greenhouse gas emissions, point to the critical need to build a more robust recycling infrastructure in California. To accommodate the increase in recyclable materials collected in California, facilities both for processing recyclables and for manufacturing that uses recycled content are needed. CalRecycle has been partnering with the Governor's Office of Economic Development to address expansions of existing manufacturing and to attract new manufacturers to the State.

Given the significance of developing this infrastructure, staff believes that a countywide zone has the potential to attract more manufacturing and provide more recycled content as feedstock for new and/or expanded manufacturing facilities.

Staff has initiated preliminary conversations with City of Oakland staff, CalRecycle staff and the Technical Advisory Committee. All have been supportive of expanding the zone countywide. Steve Lautze, the current Oakland/Berkeley RMDZ coordinator, will be present at the meeting. The recently adopted FY 19-20 budget includes staff hours to explore adoption and administration of this program.

Any potential expansion of the current zone in Oakland/Berkeley 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. The application process also requires that the WMA Board adopt a resolution on behalf of the cities in Alameda County (including the County) supporting the proposal and designating StopWaste as the Zone Administrator. A CEQA analysis will most likely be required as well.

RECOMMENDATION

Provide direction to staff on beginning the process of expanding the Berkeley and Oakland RMDZ to a countywide RMDZ, with StopWaste becoming the Zone Administrator.