

**City of Culver City, California
Agenda Item Report**

Meeting Date: September 13, 2010		Item Number: <u>A-2</u>	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution to Join the Los Angeles County Recycling Market Development Zone Program.			
Contact Person/Dept.: Damian Skinner		Phone Number: (310) 253-6421	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Steve Rose-Culver City Chamber of Commerce on 1/06/10 and 08/11/10; Los Angeles County Department of Public Works on 07/29/10; Meetings and Agendas – City Council (08/18/10); Sustainability and Environmental Issues			
Department Approval: Charles D. Herbertson (08/11/10)		City Attorney Approval: Carol Schwab (by H. Baker) (09/07/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (09/08/10)		City Manager Approval: John M. Nachbar (09/08/10)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a resolution to join the Recycling Market Development Zone program regionally administered by Los Angeles County Department of Public Works. <u>BACKGROUND:</u> Assembly Bill 939, which became law in 1989, required all cities and counties in California to reduce the amount of refuse being sent to landfills by 50% by the year 2000 and continue to maintain this diversion rate every year after. The Recycling Market Development Zone (RMDZ) Program was created by California Senate Bill 2310 in 1992 to balance the “supply” aspect of California Assembly Bill 939 by creating demand for recycled materials collected via pursuit of greater landfill diversion. The RMDZ program combines recycling with economic development to fuel new businesses, expand existing ones, create jobs, and divert waste from landfills. The program provides attractive loans, technical assistance, and free product marketing to businesses that use materials from the waste stream to manufacture their products and are located in a RMDZ.			

City of Culver City, California
Agenda Item Report

The RMDZ covers roughly 71,790 square miles of California from the Oregon border to San Diego. As of June 2009, the Los Angeles County RMDZ consists of the following jurisdictions:

- City of Burbank
- City of Carson
- City of Commerce
- City of Compton
- City of El Monte
- City of Glendale
- City of Inglewood
- City of Palmdale
- City of South Gate
- City of Torrance
- City of Vernon
- Unincorporated areas of Los Angeles County

In September 2010 the RMDZ will be expanded to include the cities of Azusa, Baldwin Park, Covina, El Segundo, Huntington Park, Monrovia, Santa Fe Springs, and Whittier. Culver City's participation in the zone is contingent upon the City Council adopting a resolution of inclusion.

DISCUSSION:

The California Department of Resources Recycling and Recovery (CalRecycle) (formerly the California Integrated Waste Management Board) administers the RMDZ Loan Program for recycling-based manufacturers located in designated zones in California. The program encourages California-based recycling businesses to locate new facilities and expand existing operations by providing low-interest rate loans for eligible projects. This loan program is designed to help California RMDZ businesses increase their processing capabilities and markets for recycled-content products. The current interest rate for a loan up to 1.5 million dollars is 4%. Rates are adjusted every January and July.

Los Angeles County Department of Public Works (County) is the regional administrator of the RMDZ program. In December 2009, County representatives approached staff to join the program because of Culver City's position on the Westside and the number of business that reside within Culver City that could potentially benefit from the program. Based on Culver City's interest in the program, the County prepared a mitigated negative declaration that shows Culver City's participation in the program will not have an adverse effect on the environment. The environmental review process took seven months to complete.

The County gave staff a list of Culver City businesses that may qualify to participate in the loan program. Staff vetted the list with the Chamber of Commerce (Chamber) to gauge possible interest in the program. Chamber and staff concluded that there are a number of businesses that may immediately qualify to participate in the program and several others that might qualify by changing their operations.

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Agenda Item Report**

Marketing

The County will annually advertise the program in local newspapers and provide staff with marketing brochures and material to use for City driven marketing campaigns. Representatives from the County are also on hand to market the program at City sponsored events. The Chamber has agreed to market the program via their newsletter, events, and word of mouth.

FISCAL ANALYSIS:

The annual fee to participate in the program is \$1,500 payable to the County. The fee is required to cover the County's administrative and advertising expenses. Should the City Council adopt the proposed resolution, the fee will be paid out of existing appropriations in the Refuse Enterprise Fund.

The City can opt out of the program at any time.

ATTACHMENTS:

Proposed Resolution

MOTION:

That the City Council:

Adopt a resolution to join the Los County Recycling Market Development Zone Program thereby establishing Culver City as a Recycling Market Development Zone.