



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 27, 2015

TO: Mayor and Councilmembers

FROM: Environmental Services Division, Finance Department

SUBJECT: Renewal Of Santa Barbara Regional Recycling Market Development Zone Designation

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Renewal of the Designation of the Santa Barbara Regional Recycling Market Development Zone and Authorizing the County of Santa Barbara Public Works Director or His or Her Designee to Submit an Application to CalRecycle, Requesting Renewal of the Santa Barbara Regional Recycling Market Development Zone, Comprised of the Unincorporated Areas of Santa Barbara County and the Cities of Buellton, Goleta, Lompoc, Santa Barbara, and Santa Maria.

DISCUSSION:

The Integrated Waste Management Act (IWMA) requires jurisdictions to divert at least 50% of their waste from landfill disposal. To assist jurisdictions to meet this mandate, the State Department of Resources Recycling and Recovery (CalRecycle) established 40 Recycling Market Development Zones (RMDZ) throughout California. Under this program, the State offers low-interest loans and other forms of assistance to manufacturers that use recycled materials to make new products or that provide recycled feedstocks for use by other companies in the manufacture of goods.

Loans may be used to purchase equipment, acquire property, and to provide working capital. The goal of the RMDZ program is to foster markets for recycled materials, thereby helping to divert materials from landfill disposal.

The Santa Barbara Regional Recycling Market Development Zone (SBRRMDZ), comprised of the County of Santa Barbara and the Cities of Santa Barbara, Santa Maria, and Lompoc, was originally established on January 24, 1996. The State approved the renewal of its designation in 2006.

The designation for the SBRRMDZ expires on January 24, 2016. The County of Santa Barbara, as Zone Administrator, is applying to CalRecycle to: 1) renew the designation of the SBRRMDZ; 2) to expand the Zone to include the Cities of Goleta and Buellton; and 3) transfer Zone Administrator responsibilities from the County of Santa Barbara to the Santa Maria Valley Chamber of Commerce (SMVCC).

The County of Santa Barbara, as the current Zone Administrator and lead agency, has determined that the renewal of the designation is exempt from the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15061 (b) (3), finding that the renewal of the designation is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment, the activities are not subject to CEQA. Based upon this determination, the County has filed a Notice of Exemption for the project.

To remain in the Zone, the City Council must adopt a resolution authorizing the City's continued participation. Staff recommends that the City Council adopt this resolution. Zone membership will help to develop markets for recycled goods and will continue to demonstrate good faith effort by the City to maintain compliance with the existing and future State diversion mandates.

Staff also supports the appointment of the SMVCC to serve as the Zone Administrator for the following reasons:

- A feedstock study commissioned by the Zone last year found that the majority of reuse and recycling-based businesses that would be eligible for RMDZ funding are located in the Santa Maria Valley where the Chamber serves in a leadership capacity.
- SMVCC hosts monthly meetings of the Santa Maria Valley Manufacturers' Association, whose members are prime candidates for RMDZ funding; and,
- Businesses may be more receptive to a solicitation by a business organization than a governmental agency.

As Zone Administrator, SMVCC will: 1) promote the program to eligible businesses; 2) provide technical assistance, such as identifying suitable locations for new enterprises, identifying sources of recycled material feedstocks, marketing recycled-content products, and identifying other potential funding sources; and 3) perform all reporting to CalRecycle on behalf of Zone members, including the City of Santa Barbara.

BUDGET/FINANCIAL INFORMATION:

As a member of the SBRRMDZ, the City contributes approximately \$3,700 per year to promote the Zone and to cover nominal administration costs. The Fiscal Year 2016 contribution is included in the approved Solid Waste Fund budget. The recommended action would not result in any additional costs to the City.

SUSTAINABILITY IMPACT:

Continued membership in the SBRRMDZ will allow eligible businesses located in the City of Santa Barbara to access low interest loans to further develop markets for recycled feedstocks and recycled goods. Such enterprises would help the City to achieve and maintain compliance with State diversion mandates while preserving valuable landfill space.

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SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office