



City of Huntington Beach

File #: 19-293

MEETING DATE: 3/4/2019

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Fred A. Wilson, City Manager

PREPARED BY: Antonia Graham, Assistant to the City Manager

Subject:

Adopt Resolution No. 2019-14 expanding the Orange County Recycling Market Development Zone (OCRMDZ) by adding the cities of Fullerton and Lake Forest

Statement of Issue:

In 2015, the City Council approved the creation of the Orange County Recycling Market Development Zone with the City of Huntington Beach serving as the Lead Agency. Since then, the success of the Recycling Market Development Zone has led to other cities asking to join the Zone. This Council Action requests authorization to apply for Zone expansion with the State of California's Department of Resources, Recycling, and Recovery.

Financial Impact:

There are no cost impacts to the City by expanding the Zone.

Recommended Action:

Adopt Resolution No. 2019-14, "A Resolution of the City Council of the City of Huntington Beach Expanding the Orange County Recycling Market Development Zone by Adding the Cities of Fullerton and Lake Forest to the Recycling Zone."

Alternative Action(s):

Do not adopt the Resolution and direct staff accordingly.

Analysis:

The RMDZ is an economic development program that utilizes the growing supply of recyclable materials to fuel new businesses, expand existing ones, create jobs, and divert waste from landfills. These programs foster businesses that manufacture products using secondary materials or that seek to partner with other companies who may want to use their discards, thereby creating a circular economy and enhancing the City's economic development potential.

A RMDZ is defined as a geographical area designated by CalRecycle dedicated to the development and support of businesses that utilize secondary feedstock in the manufacturing process. CalRecycle funds and administers the RMDZ program utilizing landfill tipping fees. This program is

offered at no cost to participating cities. Recycling based manufacturers located in RMDZs are eligible to apply for low-interest loans, receive technical assistance, and free marketing of their products by the CalRecycle Materials Management and Local Assistance Division.

Since its approval by the State in 2016, the Orange County Recycling Market Development Zone (OC RMDZ) has assisted dozens of businesses throughout the Zone with technical assistance and location services. The harbinger for success of this program is the technical/engineering services that businesses seek from the State through the RMDZ program at no cost to them. In 2016, the Orange County Business Council recognized the OC RMDZ as a Red Carpet Award Recipient for working with the regional manufacturing community.

Over the past two years, cities in Orange County have come to staff seeking entrance into the program because they, too, want to be able to offer their businesses this economic development tool. More and more manufacturing businesses are utilizing recycled content in their manufacturing processes as materials become more abundant because of the National Sword instituted by China, thus, many businesses have approached their local municipality inquiring as to whether they are in the Zone. Both of the cities who have requested to join the OC RMDZ have had businesses that want to take advantage of the RMDZ program benefits. This Council Action will enable the City, as the lead agency for the zone, to submit an application to expand the Zone to include the cities of Fullerton and Lake Forest. Both cities have taken Resolutions to their City Councils requesting authorization to join the OC RMDZ. The addition of the two cities will not add any additional staff time as the member cities are the ones who do the “heavy lifting” with businesses located within their respective jurisdictions.

Environmental Status:

This project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 20165. A designation of a RMDZ and related program benefits offering lower interest loans, resources for business outreach, staff training, and marketing to new businesses to incentivize the manufacturing of recycled products is a ministerial action and is not a project subject to CEQA.

Strategic Plan Goal:

Strengthen economic and financial sustainability

Attachment(s):

1. Resolution No. 2019-14, “A Resolution of the City of Huntington Beach Expanding the Orange County Recycling Market Development Zone by Adding the Cities of Fullerton and Lake Forest to the Recycling Zone”
2. Resolution from City of Fullerton.
3. Resolution from City of Lake Forest.