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Recycling Market Development Zone Program

Cut Costs and Increase Profits With California's...

Recycling-Based Businesses are the Growth Industry of the Future!

The Recycling Market Development Zone (RMDZ) program is a partnership of local governments and the California Integrated Waste Management Board, created to provide incentives to businesses that use secondary materials from the waste stream as feedstock for their manufacturing processes.

The RMDZs are geographic areas designated by the California Integrated Waste Management Board at the request of local governments. There are <u>40 zones</u> in California, covering much of the state from the Oregon border to San Diego.

The RMDZ program combines recycling with economic development to fuel new businesses, expand existing ones, and create jobs. Recycling-based manufacturers located in RMDZs are eligible to apply for Low-interest loans and other assistance provided by Local zone administrators and by the Board's Recycling Business Assistance Referral Team (R-Team). In addition to loans, the Board offers financial assistance, product marketing (for example, through the RecycleStore), and permitting assistance. Local government incentives include relaxed building codes and zoning laws, streamlined local permit processes, reduced taxes and licensing, and increased and consistent secondary material feedstock supply. Local incentives vary from jurisdiction to jurisdiction.

For further information regarding the RMDZ program and how it can assist your business please contact the R-Team by phone or e-mail as listed below.

Last updated: May 15, 2002

Recycling Market Development Zone Program http://www.ciwmb.ca.gov/RMDZ/ Technical Assistance: rteam@ciwmb.ca.gov (916) 341-6600 Loan Program: loan@ciwmb.ca.gov (916) 341-6530 ©1995, 2002 California Integrated Waste Management Board. All rights reserved.

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Loan Program

Cut Costs and Increase Profits With California's

Recycling Market Development Zone Revolving Loan Program

The RMDZ revolving loan program provides direct loans to eligible businesses that use postconsumer or secondary waste materials to manufacture new products or that reduce the waste resulting from the manufacture of a product. These low-interest loans promote market demand for postconsumer and secondary waste materials. To be eligible, the business must be located in one of the 40 designated RMDZs and divert waste from nonhazardous California landfills.

- Use of Funds
- Rates, Terms, and Fees
- Loans Granted in the Past Year
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Local governments may apply for funds to finance public works infrastructure that directly supports an eligible business.

Use of Funds

Funds may be used to:

- Acquire equipment.
- Make leasehold improvements.
- Purchase recycled raw materials and inventory.
- Acquire owner-occupied real property (limited to \$500,000).

Rates, Terms, and Fees

- Each eligible business or local government agency may borrow up to 75 percent of the cost of a project, for a maximum loan of \$2 million
- The term of the loan is not to exceed 10 years (15 years if secured by real estate) and amortization schedules are based on the useful life of the asset being financed.
- Interest rates are fixed for the term of the loan, and are set by the Board semiannually. The loan rate is 4.0 percent through June 30, 2002.
- A nonrefundable application fee of \$300.00 is due at time of application submittal. A loan origination fee of one-half percentage points will be charged on each loan. Points are due at the time of closing. The points are an eligible loan expense.
- The Board reduces recycling business loan costs by helping borrowers pay for loan insurance through its contribution to the <u>California Capital Access Program (CalCAP)</u>.

Recent Loans Granted

For easy reference, dates match those on the corresponding press release.

May 3, 2002: Innovative Chemurgic Solutions, LLC of Shafter will soon expand to recycle approximately 3,000 more tons per year of asphalt shingles, thanks to new equipment and improvements being financed in part by a business loan from the California Integrated Waste Management Board. For more information, read the complete press release.

May 3, 2002: Humboldt County roofing, home repair, and maintenance specialist John V. Sleuter, is expanding his operation to include grinding and recycling services for construction industry worksites. For more information, read the complete press release.

December 12, 2001: Summit Sales of Merced County (www.summitplastics.com) creates finished products that are made from 100 percent recycled materials. The company grinds up postconsumer PVC (polyvinyl chloride) pipe and manufactures it into new plastic pipe of various sizes that is used in industrial and commercial construction of fiber optics products. For more information, read the complete press release.

November 2, 2001: Oceanside Glasstile in North San Diego County, crushes and melts tons of glass containers at the to create handcrafted iridescent tiles for architectural and residential use. For more information, read the complete <u>press release</u>.

September 6, 2001: Sandler Brothers, a Los Angeles County manufacturer, will increase its efforts to recycle and keep fabric waste out of local landfills with help from an RMDZ low-cost business loan. The company takes discarded postconsumer and postindustrial cloth materials and manufactures more than 250 different types of new wiping rags that are sold to janitorial supply companies, the military, paint stores, printing companies, and furniture manufacturers. For more information, read the complete <u>press release</u>.

August 1, 2001: The St. Vincent de Paul Society of Lane County, Inc. recycles mattresses and other bulky goods into reusable materials at its new Oakland facility. The materials are deconstructed or shredded into various reusable commodities such as poly foam, fiber fluff, steel, and wood chips. For more information, read the complete press release.

August 1, 2001: Modesto Sand & Gravel Products, Inc. recovers concrete, bricks, asphalt, roof tiles, gravel, and cinderblock from commercial and residential improvement projects. These materials are screened down to a uniform aggregate base with sand as a by-product,

then sold to the construction, concrete, and landscape industries. For more information, read the complete <u>press release</u>.

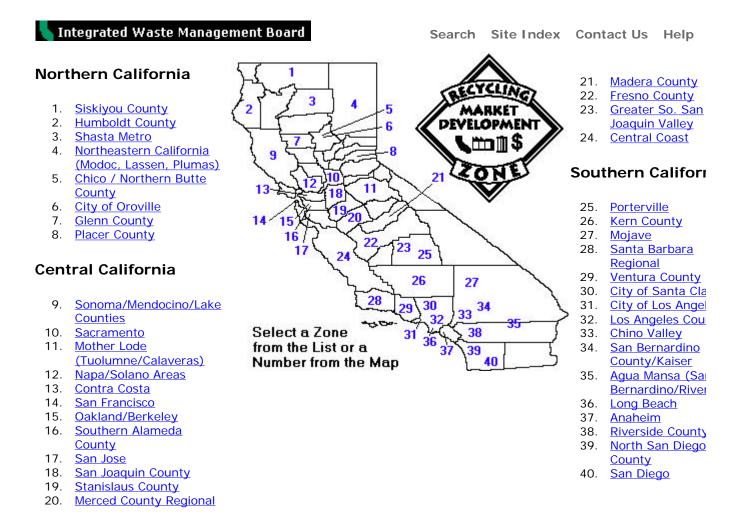
August 1, 2001: Paper, Pulp & Film, Inc. of Fresno diverts paper from the waste stream and creates a new product--needed packaging material. For more information, read the complete <u>press release</u>.

August 1, 2001: A concrete and asphalt recycling company, Modesto Sand & Gravel Products, Inc., crushes recovered concrete, bricks, asphalt, roof tiles, gravel, and cinderblock from commercial and residential improvement projects. For more information, read the complete <u>press release</u>.

Loan Applications

To request an application package, please contact the RMDZ Loan Program at the telephone number or e-mail address below.

Recycling Market Development Zone Program http://www.ciwmb.ca.gov/RMDZ/ Technical Assistance: rteam@ciwmb.ca.gov (916) 341-6600 Loan Program: loans@ciwmb.ca.gov (916) 341-6530 © 1995, 2002 California Integrated Waste Management Board. All rights reserved.



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