

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles
Dept.: City Manager
Subject: ADOPTION OF A RESOLUTION
APPROVING PARTICIPATION IN THE
ORANGE COUNTY RECYCLING MARKET
DEVELOPMENT ZONE

From: Kingsley Okereke
Dept.: Finance
Date: September 22, 2015

OBJECTIVE

The purpose of this report is to request the City Council adopt the attached resolution approving the City's participation in the Orange County Recycling Market Development Zone ("RMDZ").

BACKGROUND

In early 2015, representatives from the cities of Orange and Huntington Beach invited City staff to attend a workshop exploring the possibility of forming a multi-jurisdiction, countywide RMDZ. There are currently 36 RMDZs in the state, but none in Orange County. The City of Huntington Beach would be taking the role of Lead Agency in this effort.

DISCUSSION

California Public Resources Code section 42010 establishes the statewide RMDZ program, which is to be administered by CalRecycle, a division of the California Environmental Protection Agency. This economic development program provides incentives to stimulate the development of post-consumer and secondary materials markets for recyclables. Businesses and manufacturers that use recycled or recyclable materials partner with one another to create new products out of materials that would have ordinarily been discarded.

There are numerous economic and environmental benefits from participation in an RMDZ. The RMDZ program utilizes the growing supply of recycled and recyclable materials to fuel new businesses, expand existing businesses, create jobs, increase local revenues, and divert waste from landfills. Eligible businesses within an RMDZ may apply for low interest loans of up to \$2 million, receive technical assistance, and benefit from free business-to-business product marketing. The City currently has over 90 businesses that may qualify for these RMDZ incentives.

There are a total of six Orange County agencies participating: Garden Grove, Huntington Beach, Orange, Stanton, Santa Ana, and Unincorporated Orange County. As lead agency for the proposed Orange County RMDZ, the City of Huntington Beach will assess the environmental impact, if any, and will submit the application to CalRecycle by October 2015. In order for the City to be designated as an RMDZ, it must first adopt a resolution.

ADOPTION OF RESOLUTION APPROVING PARTICIPATION IN THE ORANGE COUNTY
RECYCLING MARKET DEVELOPMENT ZONE

September 22, 2015

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approving the designation and participation in the program, which will be included in the City of Huntington Beach's application to CalRecycle. The City must also review and adopt the City of Huntington Beach's Notice of Exemption indicating that the City's participation in the RMDZ is categorically exempt from the California Environmental Quality Act.

FINANCIAL IMPACT

As a participant in the program, there is no negative financial impact to the City. Information about the program will be made available via the City's website and businesses will be referred to the program. All incentives are provided by the State.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached Resolution supporting the designation of the City as a Recycling Market Development Zone pursuant to California Public Resources Code section 42010, and also adopting the City of Huntington Beach's Notice of Exemption; and
- Authorize the City Manager or his designee to forward the Resolution to the City of Huntington Beach for inclusion in the regional Recycling Market Development Zone application to CalRecycle.



KINGSLEY OKEREKE
Assistant City Manager


By: Jim DellaLonga
Senior Project Manager

Attachment 1: Proposed Resolution

Attachment 2: Huntington Beach Notice of Exemption

Recommended for Approval


Scott C. Stiles
City Manager

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
SUPPORTING THE DESIGNATION AS A RECYCLING MARKET DEVELOPMENT ZONE
PURSUANT TO CALIFORNIA PUBLIC RESOURCES CODE SECTION 42010

WHEREAS, California Public Resources Code Section 42010 provides for the establishment of the Recycling Market Development Zone (RMDZ) program throughout the State which provides incentives to stimulate development of post-consumer and secondary materials markets for recyclables;

WHEREAS, all California jurisdictions must meet a 50% reduction in landfill waste disposal as mandated by the California Integrated Waste Management Act;

WHEREAS, the development of local markets for recycled materials would reduce the need to transport them out of the region in the future;

WHEREAS, the current and proposed waste management practices and conditions are favorable to the development of post-consumer and secondary waste materials markets;

WHEREAS, the designation of a zone comprised of the cities of Garden Grove, Huntington Beach, Orange, Stanton, Santa Ana, and Unincorporated Orange County, dedicated to establishing, sustaining and expanding recycling-based manufacturing businesses, is essential for market development and to assist these jurisdictions in meeting the established landfill waste reduction goals;

WHEREAS, the designation as an RMDZ is necessary to facilitate local and regional planning, coordination, and support of existing and new recycling-based manufacturing businesses, as well as the attraction of private sector recycling investments to the RMDZ;

WHEREAS, RMDZ designation would make existing and new recycling-based manufacturing businesses located within the proposed zone eligible for the technical and financial incentives associated with the RMDZ program;

WHEREAS, local governing bodies may receive RMDZ program related benefits as authorized by Public Resources Code;

WHEREAS, the California Legislature has defined environmental justice as "the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations and policies" (Government Code Section 65040.12(e)), and has directed the California Environmental Protection Agency to conduct its programs, policies, and

activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations, and low income populations of the State (Public Resources Code Section 71110(a));

WHEREAS, CalRecycle in its Strategic Plan, has adopted a goal to continuously integrate environmental justice concerns into all of the Department's programs and activities;

WHEREAS, the cities of Garden Grove, Huntington Beach, Orange, Stanton, Santa Ana, and Unincorporated Orange County have agreed to submit a joint application to CalRecycle requesting designation as a RMDZ;

WHEREAS, the City of Huntington Beach has agreed to act as Lead Agency for the proposed designation of the RMDZ;

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), the City of Huntington Beach has determined that the RMDZ program is categorically exempt from CEQA;

WHEREAS, the City of Huntington Beach has prepared, or caused to be prepared, and adopted a Notice of Exemption indicating that the RMDZ project is exempt from CEQA;

WHEREAS, the Notice of Exemption reflects the City of Huntington Beach's independent judgment and analysis;

WHEREAS, the City of Garden Grove has considered the information in the Notice of Exemption and its supporting documents;

WHEREAS, the City of Garden Grove, on the basis of the entire record before it, finds that there is no substantial evidence that the requested designation as a RMDZ will have a significant effect on the environment; and

WHEREAS, the record of the proceedings on which the City of Garden Grove bases its decision to adopt the Notice of Exemption is available from the Lead Agency's custodian of records:

Joan L. Flynn
City Clerk
2000 Main Street
Huntington Beach, CA 92648

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove as follows:

1. The above recitals are true and correct and hereby incorporated herein by reference.
2. The City of Garden Grove adopts the Notice of Exemption prepared by the City of Huntington Beach.
3. The City of Garden Grove, as a Responsible Agency, approves the designation of the Orange County Recycling Market Development Zone as a RMDZ and directs the City of Huntington Beach to submit an application to CalRecycle requesting designation of the Orange County Recycling Market Development Zone as an RMDZ, which includes the cities of Garden Grove, Huntington Beach, Orange, Stanton, Santa Ana, and Unincorporated Orange County.
4. The City of Garden Grove will administer the RMDZ program in a manner that seeks to ensure the fair treatment of people of all races, cultures and incomes, including but not limited to soliciting public participation in all communities within the RMDZ, including minority and low income populations.
5. Approves receipt of any Recycling Market Development Zone related payments authorized by the Public Resources Code. The City Manager or his designee is hereby authorized to execute in the name of the City of Garden Grove all documents necessary to secure payment and implement the associated activities.

0. NOTICE OF EXEMPTION

To:

- Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, Ca 95814
- Orange County Clerk Recorder's Office
Public Services Division
P.O. Box 238
Santa Ana, CA 92702

From:

City of Huntington Beach
Planning Department
2000 Main St., 3rd Flr.
Huntington Beach, CA 92648

Project Title: Designation of Orange County Recycling Market Development Zone (RMDZ)

Applicant Name and Address: City of Huntington Beach, 2000 Main Street, Huntington Beach, CA 92648

Project Location-Specific: Cities of Huntington Beach, Stanton, Santa Ana, Orange, Garden Grove, and Orange County Unincorporated Areas.

Project Location-City: HUNTINGTON BEACH **Project Location-County:** ORANGE

Project Description: An RMDZ is an economic development and technical assistance program that provides State funded low interest loans, technical, permitting, and recycled materials acquisition assistance to businesses located within the established boundaries. The City of Huntington Beach, acting as Lead Agency, will establish and operate a RMDZ and act as Zoning Administrator for the zone. The establishment of the RMDZ is an administrative action intended to facilitate the use of recycled materials for manufacturing, the reuse of materials, and/or alteration of manufacturing processes to use less material. The Orange County RMDZ is proposed to include the cities of Huntington Beach, Stanton, Santa Ana, Orange, Garden Grove and Orange County unincorporated areas.

Public Agency Approving Project: City of Huntington Beach as the Lead Agency

Person or Agency Carrying Out Project: City of Huntington Beach

Exempt Status:

- Ministerial (*Sec. 21080(b)(1); 15268*).
- Declared Emergency (*Sec. 21080(b)(3); 15269(a)*).
- Emergency Project (*Sec. 21080(b)(4); 15269(b)(c)*).
- Categorical Exemption: *Section 20165*
- Statutory Exemption (*State Code Number _____*).
- Other (*Govt. Code Sec. _____*).

Reasons why the project is exempt: A designation of a RMDZ and related program benefits offering lower interest loans, and resources for business outreach, staff training and marketing the program to eligible businesses to incentivize the manufacturing of recycled products is a ministerial action and is not a project subject to CEQA, pursuant to Section 20165. Any activities occurring within this RMDZ that would result in a physical change to the environment will be

subject to further environmental analysis required as part of an applicable entitlement review by each city or unincorporated area in Orange County.

Fee: Exempt per Govt. Code Section 6103

Lead Agency

Contact Person: Hayden Beckman, Associate Planner **Telephone:** (714) 536-5317

Signature: _____

Title: _____

Date: _____.

Signed by Lead Agency

Signed by Applicant