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CITY COUNCIL TRANSMITTAL


Lisa Shaffer (Mar 23, 2021 14:59 MDT)

Lisa Shaffer, Chief Administrative Officer

Date Received: 03/23/2021

Date sent to Council: 03/23/2021

TO: Salt Lake City Council
Amy Fowler, Chair

DATE: March 23, 2021

FROM: Vicki Bennett
Sustainability Department Director



SUBJECT: Recycling Market Development Zone

STAFF CONTACT: Debbie Lyons
Deputy Director
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DOCUMENT TYPE: Resolution

RECOMMENDATION: Adopt a resolution approving Salt Lake City's amended application to the State of Utah's Recycling Market Development Zone program, which will allow businesses to participate in the City's Program.

BUDGET IMPACT: No funding required

BACKGROUND/DISCUSSION:

The Recycling Market Development Zone Program is a state-sponsored program that assists qualifying businesses that collect, process, distribute or use recycled materials in their manufacturing operations, or compost by providing State income tax credits to such qualifying businesses. Local government entities must apply to participate in the State's program every five years so that qualifying businesses within their jurisdictions may access the tax credits. The City's application must include documentation of Council's written approval for the City to apply (or renew its application) to participate in the program.

In 2010 the City Council and Mayor signed Joint Resolution 53 of 2010 approving the City's first application to the Program, which was approved by the State in December 2010. Jurisdictions are required to reapply every five years to continue participation in the program, so Council adopted resolution 43 of 2015 to renew the City's application, which was approved by the State in December 2015.

The City is not proposing any changes to its program in this 2021 application. The City's application limits its Program to businesses located within M-1 and M-2 zones. The City's Program applies an overlay zone and does not alter what is currently allowed by zoning regulations.

Since 2010, four businesses have expanded or relocated within the City's Recycling Market Development Zone: Momentum Recycling, Spring Back Utah Mattress Recycling, Metech Recycling, and Advanced Technology Recycling.

PUBLIC PROCESS

Prior to the initial application in 2010, a thorough public process was conducted focused on the communities adjacent to the area defined in the City's program. Since the passage of the program, there has not been any notable opposition to the program and participation by businesses remains steady.

NEXT STEPS

The Sustainability Department will submit the 2021 renewal application to the State if Council adopts the resolution approving the City's renewal application. Council's resolution would need to be included in the renewal application packet. The City's program will be effective for the 2021 tax year if the state is able to approve the City's application in 2021.

ATTACHMENTS

- Salt Lake City's 2021 Recycle Market Development Zone Program Application to the State of Utah
- Resolution Approving Submission of Application to the State of Utah's Recycling Market Development Zone Program
- Map of Recycle Market Development Zone



**WASTE MANAGEMENT
& RADIATION CONTROL**

Division of Waste Management and Radiation Control

Solid Waste Management Program

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Utah Recycling Market Development Zone Application for Counties and Municipalities

Criteria for Designation:

1. An area may be designated as a recycling market development zone only if:
 - a) the county or municipality agrees to make a qualifying local contribution under Section [19-13-105](#) (See Below); and
 - b) the county or municipality provides for postconsumer waste collection for recycling within the county or municipality
2. The executive authority of any municipality or county desiring to be designated as a recycling market development zone shall:
 - a) obtain the written approval of the municipality or county's legislative body; and
 - b) file an application with the department demonstrating that the county or municipality meets the requirements of this part

Section [19-13-105](#): Qualifying Local Contributions

Qualifying local contributions to the recycling market development zone may vary depending on available resources, and may include:

- (1) Simplified procedures for obtaining permits;
- (2) Dedication of available government grants;
- (3) Waiver of business license or permit fees;
- (4) Infrastructure improvements;
- (5) Private contributions;
- (6) Utility rate concessions;
- (7) Suspension or relaxation of locally originated zoning laws or general plans; and
- (8) Other local contributions the office finds promotes the purpose of this part

Note: This is not an exhaustive list. Please consider any other contributions that your county/municipality may make and be sure to list them below.

Recycling Market Development Zone Application for Counties and Municipalities

County/Municipality Applicant: Salt Lake City Corporation

Local Recycling Zone Coordinator: Peter Nelson

Date of Application:

Telephone Number: 801-535-6477

E-mail Address: peter.nelson@slcgov.com

Mailing Address: 451 S. State Street, rm 415, Salt Lake City, UT 84111

Please provide all required documentation as an attachment to this application:

1. Identify the proposed recycling market development zone. You must provide information identifying the proposed area in the three following formats.
 - a. Provide a GIS shapefile of the proposed area.
 - b. Provide a .kml file of the proposed area (for use with Google Earth™ etc.).
 - c. Provide a sufficient number of pdf maps to clearly show all extents of the proposed area.

2. Identify the local contributions meeting the requirements in Section [19-13-105](#) (see above).

Development Project Coordination

The City will provide development assistance through its Development Review Team (DRT). The DRT assists developers by providing input in the early stages of a project to identify potential problems and to facilitate the project's formal review.

Business Development Assistance

Salt Lake City's Economic Development Department and its Business Development team are dedicated to supporting new and established enterprises with loan funding, workforce development opportunities, and streamlined access to City business licensing and permitting processes. The Business Development team, which conducts onsite meetings with up to 300 businesses annually, actively promotes the City's RMDZ among its suite of business incentives.

Salt Lake City's Economic Development Loan Fund (EDLF)

The EDLF's purpose is to stimulate business development and expansion, create employment opportunities, and encourage private investment. The program's overarching goal is to invest in viable businesses that produce strong economic returns and also provide positive social and environmental impacts. Startup businesses are eligible to apply for loans of up to \$100,000 and existing business are eligible for loans of up to \$350,000. Additionally, businesses are also eligible to apply for microloans of \$25,000 or less.

3. How does your county or municipality provide for postconsumer waste collection for recycling within the county or municipality?

Salt Lake City's Waste & Recycling Division provides four separate curbside collection services for approximately 42,000 residential properties: weekly curbside recycling, compost, garbage, and an annual bulk item collection through the Call 2 Haul program.

The Waste & Recycling Division also provides annual holiday tree collection, a subscription curbside glass recycling service, and recycling drop-off sites for glass. A total of 39% of the residential waste stream was diverted from the landfill through recycling and composting in 2020. The Operations program also provides waste and recycling services for City parks and facilities, and curbside recycling for qualified small businesses and multi-family properties.

Additionally, the City's Recycling Education and Permits program provides education and outreach to the residents and employees of the city, and oversees implementation of the recycling requirements for the business, multifamily, construction, and special event communities in order to achieve the City's ambitious waste diversion goals.

4. Identify and outline the following:

a. The specific investment or development reasonably expected to take place:

Some of the businesses already established that receive the RMDZ designation could expand their operations due to the savings they derive (as long as they comply with the requirements of the underlying land use zoning district).

b. Any commitments obtained from businesses to participate, and in what capacities regarding recycling markets:

Businesses that have participated in the Recycle Market Development Zone Program in Salt Lake City in the past include:

- ArborCare/Arborscape: Accepts wood waste and manufactures wood pellet fuel and wood pellet animal bedding.
- Momentum Recycling: Collects mixed recyclables from businesses, electronic waste, batteries and CFL lightbulbs. Collects and processes glass for recycling. The Recycle Market Development Zone program was instrumental in Momentum Recycling's ability to expand from a recycling collection company, to a large processor of recovered glass that currently serves the intermountain west.
- Liberty Tire Recycling: Accepts tires of all sizes and manufactures crumb rubber for use in athletic fields and running tracks, recovers and recycles steel from tires.
- Varex Imaging: Manufactures x-ray tube and imaging products. Accepts end of useful life x-ray tubes and the containers they are shipped in. In 2019, Varex accepted 9,437 X-Ray tubes for recycling in their processes.
- Pallet Express/Streadbeck Enterprises: Accepts and recycles pallets, clean wood waste, cardboard and steel. Manufactures pallet components, colored landscape mulches, animal and plant bedding, and pellet stock.
- Metro Group, Inc: Accepts and recycles scrap metal.
- Western Metals Recycling: Accepts and recycles scrap metal.
- Spring Back Utah Mattress Recycling: Established in 2014, accepts, deconstructs, and recycles mattress and box spring components. Prior to their establishment in Salt Lake City, we had not had a local mattress recycler in Utah.

c. List the names of any economic development plans that will be maintained on file with the local recycling zone coordinator as part of this application that demonstrate coordination between the recycling zone and overall development goals:

Salt Lake City's current *Strategic Economic Development Plan* prioritizes developing and maintaining a suite of incentives that enhance new business development and retention, as well as outlining a robust and active recruitment campaign to attract new businesses to

the City. The RMDZ has been and will continue to be valuable incentive asset in Salt Lake City, where it is prominently featured among other incentives and policies in official City publications and websites, and is actively promoted by the City's Business Development team.

Salt Lake City's *Climate Positive 2040* sustainability plan addresses the City's Zero Waste goal by specifically calling for continued improvement of "local recycling infrastructure and markets through strategic partnerships," as well as working with state partners on continued recycling market development opportunities. The RMDZ serves as a foundational partnership program with the State and Salt Lake City in achieving these recycling market and infrastructure development goals.

Within the City's Sustainability Department, the *E2 Business program* works to engage existing Salt Lake City businesses in sustainable best practices, including business waste diversion and recycling. E2 Business program staff refer participating RMDZ businesses as opportunity paths for other Salt Lake City businesses seeking to divert their waste streams to recycled markets. Additionally, some RMDZ businesses are longtime members of the City's E2 Business program, where they are promoted as models for future sustainably-minded businesses that Salt Lake City is seeking to attract.

- d. Demonstrate that sufficient portions of the proposed zone area are zoned as appropriate for the development of commercial, industrial, or manufacturing businesses.

The proposed geographic area for the RMDZ requires an interested business to be located in M-1 or M-2 zoning districts, as these zoning classifications allow recycling activities. The business must also be located either west of I-215 or north of 600 North which creates a buffer between any residential or commercial zones and the highest concentration of manufacturing or recycling businesses.

Economic development is best achieved if all companies abide by existing zoning, hence all benefits from the State and the City would be contingent on company compliance with current zoning regulations.

- e. Outline the county's or municipality's long-term waste management plan and evidence that the zone will be adequately served by the plan.

In 2011, a joint resolution was signed by the City Council and the Mayor of Salt Lake City adopting waste reduction and diversion goals for Salt Lake City. The City adopted Zero Waste as a guiding principle for all City operations and the community. Goals were adopted to reach a 70% diversion by 2025 and eliminate waste by 2040. Salt Lake City currently diverts 39% of residential waste through recycling or composting.

In 2016, Salt Lake City adopted a business and multifamily recycling ordinance (chapter 9.08.2), requiring businesses and multifamily properties that produce over 4 cubic yards of waste per week to have a recycling program in place.

Salt Lake City's Solid Waste and Recyclable Items ordinance (chapter 9.08.095) also dictates that recyclable items are not permitted to be placed in residential refuse containers and is enforceable as a civil violation.

Strategic targets to meet waste diversion goals are further outlined in the City's Climate Positive 2040 plan, and include:

- Improving price incentives to reduce waste and increase recycling;

- Engaging residents and businesses in waste reduction and recycling;
- Reducing contamination of recyclables and compost by enforcing refuse code;
- Increasing participation in glass recycling;
- Developing capacity for composting or recovering energy from food scraps

f. Outline the county's or municipalities postconsumer waste collection infrastructure:

Curbside Recycling

Salt Lake City has offered curbside collection of recyclables from residential homes since 1993. Participation in residential curbside recycling is mandatory. Recyclables are collected from a 90-gallon blue container, provided for the residents by the City, each week. Acceptable materials include: newspaper, magazines, corrugated cardboard, phone books, junk mail, paperboard, office paper, notebook paper, paper bags, plastic containers, aluminum beverage containers, and steel food cans.

Yard Waste Recycling

Salt Lake City introduced weekly yard waste collection service in March 2008. Participation in residential yard waste recycling is mandatory.

Compostable material is collected from a 90-gallon brown container, provided for the residents by the City, each week. Acceptable materials include all yard waste, tea bags and coffee grounds, egg shells, and clean fruit and vegetable waste. Material is composted at the Salt Lake Valley Solid Waste Management Facility.

Bulky Waste Recycling

Salt Lake City's *Call 2 Haul* program provides annual, scheduled collection of household bulky waste products for City residents. In 2020, the City collected and diverted 1,764 tons of material, including 216 tons of mattresses, electronics, appliances, tires and metal. Recyclers that have located in Salt Lake City and participate in the RMDZ are vendors Salt Lake City frequently uses to recycle these materials.

Compostable material is processed at the Salt Lake Valley Solid Waste Management Facility.

Salt Lake City also recycles green waste from the internal park maintenance program and golf course maintenance. Grass is mulched, and all other bulky green waste is taken to the compost facility.

Glass Recycling

Salt Lake City provides twenty drop off sites for glass recycling, and offers a voluntary curbside recycling program for glass, diverting over 1,604 tons of glass from the landfill in 2020.

Construction and Demolition Waste Recycling

Salt Lake City requires construction and demolition waste recycling on major projects permitted by the City.

Special Event Waste Recycling

Salt Lake City requires recycling amenities at all special events on city-owned property and permitted by the City.

5. Outline the county's or municipality's proposed means of assessing the effectiveness of the development plan or other programs implemented within the zone:

Each business will be required to track and make available upon request a report to Salt Lake City documenting the amount of material being recycled by each businesses and amount of material being used for manufacturing.

The number of businesses with the RMDZ designation will also be an indicator of its effectiveness. Our goal will be for this number to increase over time.

6. State whether within the zone either of the following will be established:
- a. commercial composting
 - b. commercial manufacturing that will produce end products that consist of not less than 50% recovered materials, of which not less than 25% is post-consumer waste material

Several businesses currently exist within Salt Lake City's proposed zone that produce end products that consist of at least 50% recovered materials, and 25% postconsumer waste material. As described in the answer to Question 4.d, above, the proposed areas are zoned as appropriate for the development of commercial, industrial, or manufacturing businesses. Salt Lake City has established goals supporting economic development and sustainability. Salt Lake City strives to increase the number of environmentally conscious companies within City boundaries and to incentivize businesses to move towards sustainable operations. Several businesses have either been established or relocated to Salt Lake City's zone with the assistance of RMDZ benefits.

7. Include any additional information the county or municipality considers relevant to its designation as a recycling market development zone.

Salt Lake City has a broad and ambitious sustainability agenda, detailed in the Climate Positive 2040 Plan, which establishes the City's commitment to protect resources, reduce pollution, slow climate change, and ensure greater resiliency and vitality for every aspect of our community. Maintaining a recycling market development zone within Salt Lake City will continue to be a valuable incentive we can offer for businesses looking to start up, or invest in growth and sustainably, and contribute to highest and best use of locally generated waste materials.

8. Attach the written approval from the municipality or county's legislative body of the recycling market development zone.

Questions about the application process for Recycling Market Development Zone designation should be directed to Robert Windell, at rwindell@utah.gov or call 801-536-0211.

RESOLUTION NO. __ OF 2021

(A Resolution of the Salt Lake City Council Approving Submission
of an Application to the State Recycling Market Development Zone Program)

WHEREAS, the Utah Legislature has created the Utah Recycling Market Development Zone Program (“State Program”), which focuses on recycling as an economic development tool; and

WHEREAS, the State Program provides certain incentives and benefits to qualified businesses that collect, process, distribute or use recycled materials in their manufacturing operations, or compost; and

WHEREAS, the incentives and benefits under the State Program include, for example, a 5% state tax credit on machinery and equipment as well as a 20% state tax credit (up to \$2,000) on eligible operating expenses; and

WHEREAS, to be accepted into the State Program, cities and counties within Utah must formally apply to the program by submitting an application to the Utah Department of Environmental Quality; and

WHEREAS, an application to the State Program is required every five years to set forth a local recycling market development zone program; and

WHEREAS, the City has participated in the State Program since 2010; and

WHEREAS, the City’s Sustainability Department intends to submit an updated application to the State on behalf of the City’s Recycling Market Development Zone Program; and

WHEREAS, as proposed, the City’s Program will neither amend, alter, modify nor change allowed permitted land uses in Salt Lake City; and

WHEREAS, the City’s Program currently allows businesses located in the Light Manufacturing (M-1) or Heavy Manufacturing (M-2) Districts that are either west of I-215 or north of 600 North, and that meet the other “Business Qualifications” as defined in the City’s Program application to the State to participate in the City’s Program; and

WHEREAS, the Salt Lake City Council finds that recycling is currently allowed in the M-1 and M-2 zoning districts and limiting the City’s Program to businesses within the M-1 and M-2 zones that are either west of I-215 or north of 600 North will create a buffer between any residential or commercial zones and the highest concentration of manufacturing or recycling businesses near those areas; and

WHEREAS, the Salt Lake City Council finds that the City’s Program and participation in the State Program will enhance the City’s ability to retain and recruit businesses that utilize or produce recycled products; and

WHEREAS, the Salt Lake City Council finds that qualified businesses in the M-1 and M-2 zoning districts in Salt Lake City may benefit from the incentives offered through the State Program; and

WHEREAS, there are existing businesses in the corporate limits of Salt Lake City that will benefit from location in the area of the City's Program; and

WHEREAS, the Salt Lake City Council finds that qualified businesses in the M-1 and M-2 zoning districts in Salt Lake City may benefit from the incentives offered through the State Program.

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. It does hereby approve the Mayor's execution and delivery of the application to the Utah Department of Environmental Quality to participate in the Utah Recycling Market Development Zone Program and establishment of a Recycling Market Development Program in the M-1 and M-2 zones, west of Interstate 215 or north of 600 North, within Salt Lake City.

Passed by the City Council of Salt Lake City, Utah this ____ day of _____ 2021.

SALT LAKE CITY COUNCIL

Amy Fowler, Chair

ATTEST AND COUNTERSIGN:
Salt Lake City Recorder's Office

Cindy Lou Trishman
City Recorder

APPROVED AS TO FORM:
Salt Lake City Attorney's Office

Megan DePaulis

Megan DePaulis
Senior City Attorney

Legend

M1_M2

ZONING

