Viewing Organics Recycling as an Economic Development Tool

Summit 2000 – The Future of Composting and Organics Recycling

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N.C. Recycling Business Study

- 1997 study showed over 8,700 jobs in recycling in North Carolina
- More than 500 N.C. companies call recycling their primary business activity
- N.C. recycling businesses add new jobs at six times the rate of all private industry (last 4 yrs)
- 4 of 5 recycling companies are small businesses - annual revenues average $1.1 million
N.C. Strategic Economic Development Plan

- Prepared by Economic Development Board in 1999
- Goal 5: Sustainable Economic Growth and Development – “Foster environmentally sound development while promoting, preserving and protecting North Carolina’s natural and cultural assets”
  - Objective 2: Recruit and birth companies that provide new environmental products, services or technologies
  - Objective 4: Recruit and birth companies that provide markets for recycled materials
Tools Available

- Solid Waste Management Trust Fund
- Self-Help Bank
- Sustainable Jobs Fund
- Tax Credits for Recycling Operations
- Community Development Block Grants
- Industrial Development Fund
- Business Energy Loans
- Industrial Road Access Fund
- Rail Industrial Access Program
- Industrial Revenue Bonds
Organics Recycling Program

- Program started in March 1998 to stimulate infrastructure development
- Focus on changing perceptions – organics recycling is a manufacturing process producing a value-added product
- De-emphasize concept of “waste management”
- Elements of Program
  - Technology development and transfer
  - Market demand stimulation
  - Pilot projects
Organics Recycling in N.C.

- Nine public sector, 13 private sector composting facilities (not including yard waste mulching sites or on-farm composting)
- Annual compost production estimated at 150,000 cubic yards per year
- Most facilities produce less than 20,000 cubic yards/year
- Estimated demand (excluding agriculture) = 225,000 yards/year (1995 est.)
- Two anaerobic digesters (excluding on-farm biogas) - food waste and yard waste
Coordinator Responsibilities

- Provide technical, non-regulatory advice to businesses, industries, communities and citizens on organics recycling
  - Facility siting and permitting
  - Facility and process design
  - Facility operations and training
  - Feedstocks acquisition
  - Product marketing and sales

- Administer portion of Solid Waste Trust Fund dedicated to organics recycling program
Solid Waste Management Trust Fund

- Created in 1989
- Funded by advance disposal fees
  - New tires, white goods (appliances) and virgin newsprint
  - Approx. $800K/yr available for waste reduction
- Purpose of Fund – Help State meet 40 percent waste reduction goal by 2001
  - R&D projects
  - Educational activities
  - Market development activities
  - Technology development
Organics Recycling Grants

- Intent - provide seed money
- Grantee provides 25 percent cash match
- Focus on diverting landfilled organic solid wastes and/or stimulating market demand for composts
  - Biosolids considered, but second priority
  - Animal wastes becoming higher priority
- 1998 – funded 11 projects with $183,543
- 1999 – funded 8 projects with $180,237
- Diversion (to date) - 23,000 TPY
1998 Organics Grant Round

- Technology Development
  - Vermicomposting at Sampson Correctional
  - Rotary Drum InVessel at Brown Creek Correctional
  - Innovative aerated compost bins at dairy farm
  - Mechanical compost bins at UNC-Asheville

- Pilot Projects
  - Special Olympics Food Waste Composting

- Market Demand Stimulation
  - Effects of compost on Christmas Tree farm
  - Compost vs. methyl bromide in plasticulture strawberries
  - Hydroseeding large volumes of compost
1999 Organics Grant Round

- **Technology Development**
  - Mechanical compost bins at UNC-Charlotte
  - Anaerobic digestion of grocery/restaurant food wastes
  - Dedicated ICI food waste collection vehicle

- **Pilot Projects**
  - Grocery store food waste collection and composting (Food Lion)

- **Market Demand Stimulation**
  - N.C. Compost Promotional Initiative
  - Compost use in watermelon, cantaloupe & sweet potato production agriculture
Quantities Diverted

- Program began in Nov. 1999 (416 tons diverted so far)
Beyond Seed Money

- **Self-Help Bank, Durham, N.C.**
  - Loans to recycling businesses from $50K - $250K
  - Partnership with N.C.-RBAC and EPA’s JTR
  - $3.8 million in loans since 1991

- **Sustainable Jobs Fund, Durham, N.C.**
  - Community development venture capital with $15M available
  - Debt and/or equity participation
  - Amounts available: $50K - $1 million

- **Regional Recycling Investment Forums**
  - Sponsored by EPA’s Jobs Through Recycling
  - Amounts available: $1 million - $5 million
N.C. Special Tax Provision

- Applies to recycling and resource recovery land, facilities, equipment
- Exempted from real and personal property taxes
- Accelerated depreciation (five years) deduction on corporate state income taxes
- Costs can be deducted from basis when computing N.C. franchise tax on domestic and foreign corporations
- Can be disincentive to local economic development officials when siting new composting facilities
Other Tools

- **Pollution Control/Solid Waste Disposal Industrial Revenue Bonds**
  - Maximum $10 million in any one jurisdiction
  - Interest is federally tax-exempt
  - Can be used only for manufacturing industries
  - Can be used only for land, facilities and equipment

- **Business Energy Loans**
  - For renewable energy resources/projects (anaerobic digestion)

- **DOT Industrial Access/Road Access Fund**
  - Construction of roads for new/expanding industrial facilities
Developing An Infrastructure

- Learn how private sector companies operate
- Know the tools available from economic development officials
- Create an information library on organics recycling technologies, costs and compost/product utilization data
- Actively promote state and national composting associations
- Get out of the office - visit facilities, make presentations, build working relationships
- Get your hands dirty - create/conduct pilot projects