

# Financing Avenues: State Programs

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Let's look at some state grant  
(and loan) programs

*That address the private sector*

# Not so easy to find...

- USEPA: includes contact info for 32 states  
<http://www.epa.gov/epawaste/consERVE/rrr/rmd/bizasst/bizdir.htm>
- Resource Recycling Magazine  
<http://www.resource-recycling.com/search.html>  
(enter Directory of Key Recycling Contacts - \$45)
- Small Business Environmental: Environmental financial assistance programs in 50 states  
<http://www.smallbiz-enviroweb.org/Resources/funding/stateprograms.aspx>

# Old News: States Providing Private Sector Grants

(from [www.epa.gov/jtr](http://www.epa.gov/jtr) website)

- 17 states – AZ, CA, IL, IN, IA, KS, LA?, MA, MN, MS, MO, NE, NY, OH, OR, SD, WV
- \$500,000 max grant amount (NY)
- Match often required
- Often targeted materials: C&D, food waste, electronics, paper

# Old News: States Providing Private Sector Recycling Loans

(also from EPA JTR website)

- 11 states - CA, CO, FL, IN, IA, MA, MN, MS, MO, OR, SD
- Up to \$2.5 million
- Rates: market, prime plus, low interest, no interest, forgivable loans

# Minnesota Pollution Control

Agency (formerly OEA):

*Environmental Assistance*

*Grant Program emphasizes:*

- Environmental Education
- Pollution Prevention
- Waste reduction and reuse
- Source separation
- Recycling and market development
- Resource conservation

# MN PCA Grant & Loan Program

## continued

- \$7.1 million to businesses and other orgs from 1988 to 2005
- Grants leveraged over \$8 million in matching funds
- Eligible Applicants: local government, private business, non profit, educational institution
- *Has already provided \$1 million in grant funding to carpet recycling (additional - ????????)*

[www.pca.state.mn.us/grants/eaprogram](http://www.pca.state.mn.us/grants/eaprogram)

# Iowa Dept. of Natural Resources: *Solid Waste Alternatives Program (SWAP)*

- Financial assistance available: forgivable loans, zero int. loans, and 3% int. loans
- Quarterly competitive process
- 50% match is required
- Emphasis: tonnage avoided or reduced, sustainability, and ability to replicate
- Current targets: Process or supply waste reduction, Fiber projects, plastics projects, C&D, and organics

# Iowa SWAP Project Disbursement

- First \$20,000: eligible as a forgivable loan
- Next \$150,000 eligible as a zero int. loan
- Remainder eligible as a 3% interest loan

## Example of \$300,000 award:

- \$20,000 forgivable loan
- \$150,000 zero int. loan
- \$130,000 3% int. loan

[www.iowadnr.com/waste/financial/financialswap](http://www.iowadnr.com/waste/financial/financialswap)

**Massachusetts Dept. of Env.  
Protection (DEP) Grant Program:**  
*Recycling Industries Reimbursement Credit*

- Maximum Request: \$50,000 (\$150,000 food waste)
- Eligible Applicants: Processors & Manufacturers
- Use of Funds: Capital costs, pilot projects, product development and testing
- Targeted materials only, currently C&D (shingles, drywall, carpet) food waste, plastic film/wrap

[www.mass.gov/dep/recycle/business](http://www.mass.gov/dep/recycle/business)

# MA DEP Recycling Loan Fund

- Minimum Request: \$50,000
- Maximum Request: \$300,000
- Rate as low as 4%
- More than \$5 million financed by DEP and administered by the MA Business Development Corporation

# NY State Dept. of Economic Development's Environmental Investment Program

- Recycling investment priorities: C&D, Food Waste, Electronics, Glass, Paper, Plastic, Tires
- Types of projects: Capital (machinery, equipment, buildings, etc.), R&D, Tech. Asst.
- Capital projects: 10% to 35% (50%) of capital costs up to \$500,000 award
- [http://www.empire.state.ny.us/pdf/pollution\\_prevention\\_recycle/2008PROGRAMGUIDE.pdf](http://www.empire.state.ny.us/pdf/pollution_prevention_recycle/2008PROGRAMGUIDE.pdf)

# California Integrated Waste Management Board: *Recycling Market Development Zone Revolving Loan Program*

- Applicant may borrow up to 75% of project cost or max of \$2 million
- Fixed interest rate (currently 4 %)
- Uses: acquire equipment, working capital, refinancing of onerous debt, real estate purchase or improvements

[www.ciwmb.ca.gov/RMDZ/loans/](http://www.ciwmb.ca.gov/RMDZ/loans/)

# Florida First Capital Finance Corporation:

## *Florida Recycling Loan Program*

- \$200,000 max loan amount (net worth less than \$6 mil and less than 100 employees)
- Long term, fixed rate, up to 2% below Prime
- Purchase of equipment and machinery

[www.dep.state.fl.us/waste/categories/](http://www.dep.state.fl.us/waste/categories/)

[recycling/pages/loan.htm](http://www.dep.state.fl.us/waste/categories/recycling/pages/loan.htm)

# North Carolina Recycling Business Assistance Center: *Recycling Business Loan Fund*

- Administered by Self-Help (NC's community development bank)
- Funded by Self-Help and DENR
- NOT low interest (market rates)
- Higher risk loans (helping recycling businesses to become bankable)

# NC Recycling Business Loan Fund

## continued

- Commercial and SBA Loans (\$10,000 to \$2.5 million, \$75,000 average)
- Past 12 years: \$3 million in loans by Self-Help
- Leveraged an additional \$2 million
- Sometime take secondary position

# NC Recycling Business Development Grant Program

- Solicited Proposals – usually RFP process with submission deadline
- Unsolicited Proposals (rare) – apply anytime

# Typical Considerations

- How much funding is available (\$600,000);  
Max grant award (\$45,000)
- Who is eligible
- What materials will be considered or prioritized
- Is a match required
- Other obligations (invoices, reports, etc.)

# Example of How Funding Decisions Are Made

- Review committee established
- Each reviewer scores the proposals based on review criteria
- Finalists may be asked to respond to additional questions
- Grants awarded in order of rank until funding is exhausted

# Example of Review Criteria (85 point max)

- Business planning/experience (1-20)
- Project planning/cost-effectiveness (1-20)
- Impact on waste stream or toxicity (1-20)
- Need (1-10)
- Preferred (banned) commodity (5) – ABC collection, rigid plastic bottles, used oil filters, pallets
- Public/private partnership projects (1-5)
- Leverage of other funds (1-5)

# What Must an Application Include?

- Grant application form
- Written proposal – based on criteria, no longer than 6 pages
- Business Plan (start-up) or Business Status Report (existing)
- One-page budget
- Description of key personnel
- Letters of endorsement, support or commitment

# NC 2009

- 56 proposals requesting \$1.94 mil.
- 29 funded totaling \$600,000 (**including two carpet recycling proposals**)
- 165,000 tpy of capacity projected

# Recycling Business Development Fund Grantees

- FY 07-08: 21 recycling businesses, totaling \$320,000, 39,000 tpy additional capacity
- FY 06-07: 17 recycling businesses, totaling \$295,000, 66,000 tpy additional capacity
- Since 2003: \$2.1 million awarded to recycling businesses

[www.p2pays.org/rbac/main/finance](http://www.p2pays.org/rbac/main/finance)

# Tax Incentives for Recycling Businesses

<http://www.epa.gov/epawaste/consERVE/rrr/rmd/bizasst/rec-tax.htm>

- Summary of incentives offered by 25 states (AZ, AK, DE, FL, GA, HI, IA, ID, KY, LA, MD, MN, MT, NC, ND, NJ, NM, OK, OR, SC, TX, UT, VA, WI)
- List includes description of tax incentive and eligible applicants
- Wide variety: equipment credit or exemption, property taxes, sales tax exemption, etc.

# How could the federal stimulus package affect recycling?

- \$3.2 billion for the Energy Efficiency and Conservation Block Grant Program
- List of activities includes: “Material Conservation Programs including source reduction, recycling and recycling procurement programs that lead to increases in energy efficiency”
- Who is eligible: states, cities, counties, indian tribes

Where will this money go?

Most likely to State Energy Offices

# \$48 billion to Transportation

- Inter-city rail - \$9.3 billion
- Mass transit and light rail – \$8.3 billion
- Highway and bridge infrastructure - \$27.5 billion

# Recycled-content products from the transportation sector

- Composite railroad ties
- Composite concrete
- Erosion & Sedimentation Control
- Sound barriers

# For more info on recycling and the stimulus package...

- Check out the March 2009 issue of Resource Recycling magazine
- “Repairing recycling: Seven ways the stimulus package affects you”
- [www.resource-recycling.com](http://www.resource-recycling.com)

# US Conference of Mayors: 25 shovel-ready recycling projects

- Projects range from improved collection bins to material recovery facility expansions or construction
- Project costs range from \$75,000 to \$30 mil
- Carpet??? Possibly Dayton Ohio:  
Deconstruction and Construction Waste Recycling Centers (\$25 mil)

**Thank you!**

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[www.p2pays.org/rbac](http://www.p2pays.org/rbac)

