Financing Avenues: State Programs
The Stimulus Package
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Let’s look at some state grant (and loan) programs that address the private sector.
Not so easy to find…

• Small Business Environmental:
  http://www.smallbiz- enviroweb.org/Resources/funding/stateprograms.aspx

• Small Business Environmental:
  http://www.smallbiz-enviroweb.org/Contacts/sbosbeap.aspx
Old News: States Providing Private Sector Grants
(from 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 (NC)
- 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

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
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
- Restrictions: Targeted materials only, currently C&D, food waste, plastic film/wrap

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

- 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
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/
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/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
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
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!
NC Recycling Business Assistance Center

www.p2pays.org/rbac