
Chapter 7

Arizona Recycling Market Development Program

Arizona Recycling Market Development Program Mission

Arizona Recycling Market Development Program Background

Fiscal Year 2000 Recycling Market Development Results

Fiscal Year 2001 Projects

Arizona Recycling Market Development Program Mission

The Arizona Recycling Program provides funding for the Arizona Department of Commerce's (ADOC) Arizona Recycling Market Development Program. The Arizona Recycling Market Development Program was created to develop local recycling markets for Arizona's recycling programs and assist in the creation of jobs and capital investment by recycling-based businesses. Specifically, the Arizona Recycling Market Development Program encourages the use of recycled materials as a manufacturing feedstock by new and existing Arizona businesses, attracts recycling-based businesses to the state, and assists existing Arizona recycling-based companies in their business expansions. In order to accomplish these goals, the Arizona Recycling Market Development Program works closely with public, non-profit, and private economic development and recycling officials.

Arizona Recycling Market Development Program Background

Since 1994, the Arizona Recycling Market Development Program has assisted numerous recycling-based businesses that have located new facilities or expanded existing operations in Arizona. These companies have created more than 2,000 jobs and their combined capital investment exceeds \$343 million.

The Arizona Recycling Market Development Program was launched in 1992 with the passage of Senate Bill 1287, which created a recycling market development program housed jointly at ADOC and the Arizona Recycling Program. The Arizona Recycling Market Development Program is funded by a portion of the \$.25 per ton landfill disposal fee.

In 1993, the state legislature adopted the Arizona Environmental Technology Bill (A.R.S. §41-1514.02) creating the Environmental Technology Office and providing significant tax benefits to large recycling companies that committed to an Arizona location through mid-1996. In 1994, Arizona Recycling Market Development Program was awarded a "Jobs Through Recycling" (JTR) Grant from EPA to support the state's recycling market development efforts.

JTR Grant monies were used to fund the 1996 Arizona Recycling Market Development Study, which was jointly funded by EPA, the Arizona Recycling Program, and Arizona Recycling Market Development Program. The study was the first of its type in the nation to provide comprehensive information on the growth and development of a statewide recycling economy. The study provided baseline information designed to assist in the attraction of key recycling businesses and to help existing operations expand in Arizona. According to the study, Arizona's recycling industry contributed more than half a billion dollars to the state's Gross State Product (GSP) in 1995. During the same year, the recycling industry also accounted for \$616 million in direct capital investment and 3,427 direct jobs.

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Grant to promote targeted recycling business development in rural and economically depressed areas of the state. The Arizona Recycling Market Development Program received its third JTR Grant in late 1998 for the Rural Recycling Business Initiative (RRBI). This project, which will be completed in 2000, will provide the information necessary to establish recycling businesses in rural and tribal areas of the state. Specific development tools will include geographic information databases, on-line and printed media that will identify and link regional waste streams, eco-industry sites, and sources and users of recyclable materials. Tools will be posted on the ADOC web site (www.azcommerce.com) and marketed to assist local economic developers, attract new industries, and help to mentor similar efforts across the country.

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Fiscal Year 2000 Recycling Market Development Results

Conference and Project Sponsorship

Southwest Public Recycling Association's 8th Annual Recycling Market Development Conference: Recycle and Compost '99

In conjunction with the Arizona Recycling Program, sponsorship funding was provided for the Southwest Public Recycling Association's 8th Annual Recycling Market Development Conference. The event, held Oct. 27-28, 1999, in Mesa, Ariz., drew more than 180 participants and featured educational sessions on recycling business financing options and recycling markets. The Arizona Recycling Market Development Program also participated as an exhibitor at the conference.

Arizona Recycling Coalition 1st Annual Conference and Trade Show: Arizona Recycles! Get into the Loop!

Arizona Recycling Market Development Program staff chaired the conference planning committee and oversaw the paid conference coordinator for the Arizona Recycling Coalition's 1st Annual Conference and Trade Show. The event attracted more than 200 attendees and was held May 15-16, 2000, in Phoenix, Ariz.. Attendees had the option of attending 27 different educational sessions in four educational tracks and three plenary sessions. In addition, the conference included equipment demonstrations and a networking breakfast and reception. The Arizona Recycling Market Development Program also participated as an exhibitor at the conference.

Waste Characterization Study of the City of Nogales, Arizona

Funding, totaling \$14,500, was provided to the Southwest Public Recycling Association to conduct a waste characterization study of Nogales, Ariz.. The purpose of the study was to provide information on border community waste streams for the Rural Recycling Business Initiative. The study was funded by EPA JTR Grant. The study covered both residential and commercial wastes and included two-day waste sorts in November 1999 and January 2000.

Regional Recycling Forums in the Cities of Winslow and Sierra Vista, Arizona

The Arizona Recycling Market Development Program co-sponsored two Arizona Recycling Coalition regional recycling forums held Oct. 15, 1999, in Winslow and March 3, 2000, in Sierra Vista. The forums covered existing regional recycling programs, collection options, markets and infrastructure, and recycling market development issues. The forums drew about 80 participants, who ranged from private recyclers to public recycling officials.

Rural Recycling Business Initiative

Many rural communities have begun to request individual recycling market development assistance from the Arizona Recycling Market Development Program. Adequate technical and planning assistance is difficult to provide to all rural areas of the state. Further, some individual rural communities lack the resources to attract recycling industry, and are often unaware of suitable waste streams in their own region which could be used as a manufacturing feedstock.

To meet this need, EPA-funded project is designed to assist in the development and attraction of sustainable recycling-based businesses in rural and economically disadvantaged communities in Arizona. This web-based business development tool, which will be housed on the Arizona Recycling Coalition web site (www.azrc.org), is currently under development. Information on waste stream analyses, waste diversion rates, existing recycling companies, and community profiles will be provided for a majority of rural Arizona communities.

Marketing and Outreach

The Arizona Recycling Market Development Program worked in conjunction with the Arizona Recycling Program to survey existing collectors, processors, brokers, and end-users of recycling materials. The survey data, housed at ADOC, is used to calculate the state's recycling and diversion rates. The survey also tracks the recycling industry's investment and job creation in the Arizona market.

Arizona Recycling Market Development Program staff also visited numerous communities, both urban and rural, and tribal nations to educate and assist economic development officials and community members in their recycling economic development efforts.

Administration

During FY 1999-2000, the Arizona Recycling Market Development Program received \$72,562.00 from the Arizona Recycling Program to administer the program

Arizona Recycling Market Development Program staff participated in the following events to promote recycling market development efforts in Arizona and highlight the state as an ideal recycling business location.

*National Recycling Coalition,
Cincinnati, OH*

*Southwest Public Recycling Association,
Mesa, AZ*

*Governor's Rural Development Conference,
Pinetop-Lakeside, AZ*

*National Recycling Market Development Roundtable,
New York, NY*

*Arizona Recycling Coalition 1st Annual Conference and Trade Show,
Phoenix, AZ*

R'2000, Toronto, Ontario, Canada

National Plastics Expo, Chicago, IL

*Arizona/America Recycles Day,
statewide*

Nine companies announced the relocation or expansion of their business into Arizona or expansion of existing Arizona operations. This will create 236 new jobs in the state within three years and make capital investments exceeding \$23 million. In addition, these businesses will divert more than 77,670 tons of secondary material from Arizona's landfills annually. Recyclables handled by these companies include fiber (paper), tires, organic material, mine tailings, plastics, glass and wood.

and fund specific projects.

Business Development and Technical Assistance

The Arizona Recycling Market Development Program provided a wide range of assistance to more than 70 companies and entrepreneurs during this past fiscal year. Assistance included: site location assistance, identification of financing options, permitting assistance, recyclable supply stream analysis, networking, market research, the cost of doing business in Arizona, and incentives information. Nine of these companies announced the relocation or expansion of their business into Arizona or expansion of existing Arizona operations. They will create 236 new jobs in the state within three years and make capital investments exceeding \$23 million. In addition, these businesses will divert more than 77,670 tons of secondary

material from Arizona's landfills annually. Recyclables handled by these companies include fiber (paper), tires, organic material, mine tailings, plastics, glass and wood. The companies include:

American Surface Technologies - This company relocated its corporate headquarters to Tempe, Ariz. and established a mixing plant/warehouse operation to better serve its United States customers. They manufacture playground surfaces made from scrap tires.

Dynamite Organics - This Phoenix-based composting company was established to provide commercial tree trimmers and landscapers a with responsible way to dispose of organic waste.

E-Crete LLC - This start-up company will produce autoclaved aerated concrete for use in residential, commercial, industrial, institutional, and public works construction. Processed mine tailings will comprise approximately 64 percent of the finished product.

Envirotech Recycling - This rural Maricopa County-based company plans to cryogenically process off-road scrap tires into crumb rubber for use in various products, including floor mats.

Eterna Building Systems - A start-up operation, Eterna is manufacturing building blocks using post-consumer expanded polystyrene from commercial and industrial packaging. Their operation is located in Graham County, near Fort Thomas.

Mattera Enterprises - A start-up company that has partnered with Kuhles Service, a long-term scrap metal recycler in Prescott, Ariz.. Mattera Enterprises will provide commercial recycling services in Prescott and neighboring communities, with a focus on fiber.

National Environmental Waste - The largest secondary plastics processor in Arizona handling post-consumer materials, National Environmental Waste, expanded its processing capacity and established additional product warehouse space.

Owens Corning - A major fiberglass manufacturer and user of glass cullet, Owens Corning expanded its capacity and upgraded equipment to automate and improve production efficiency at its Eloy plant.

SASCO - A recycler of wood waste, SASCO produces finger-jointed studs from waste wood at their Phoenix plant.

Fiscal Year 2001 Projects

The following projects are planned over the next fiscal year.

Rural Recycling Business Initiative

During FY 2000, the recycling business database will be completed. The Web site will be developed and include a hyperlink mapping system where local waste streams, infrastructure, market access, and labor pools will be matched to business needs through on-line data profiles. Existing collection sites, processors, and end-users along with community resources will also be listed in order to facilitate the successful location of recycling industries in rural and tribal communities. The site will also feature information on rural waste stream characterization developed under an Arizona Recycling Program grant.

Recycling Market Development Study Update

A FY 2000 update of the 1996 Recycling Market Development Study will be completed this year. Arizona Recycling Market Development Program is administering the study, with funding and participation from the Arizona Recycling Program. The purpose of the study is to conduct an updated economic assessment of the impact of the recycling market development infrastructure on Arizona employment, income, and tax base. This year's study will also survey manufacturers for input on state recycling incentives and policy.

Information from the surveys conducted as a result of the Arizona Recycling Market Development Study will provide baseline information for the development of an Arizona Recycling Markets Directory. The directory will serve as a listing of processors and manufacturers in Arizona. It will serve as a source of information for collectors, processors, and end-users of recyclables.

Recycling Markets Directory

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Identify International Trade Opportunities for Arizona Recycling-based Businesses

In coordination with the ADOC's International Trade and Investment Division and the Arizona Environmental Technology Office, Arizona recycling firms will be featured at an October 2000 Asian "matchmaker" session in Phoenix.

Recycling Economic Development Training

In conjunction with an Arizona Recycling Program-funded curriculum and training program, local recycling officials will be educated through Recycling Coordinators

Training Programs planned in November 2000 in Casa Grande and Sedona on recycling economic development opportunities and the recyclable material needs of recycling businesses. Similar outreach will be provided at an October 2000 Yuma recycling forum.

In FY 2001, the Arizona Recycling Program will provide support to a national research effort on plastic bottles that will support the recycled plastics market and provide needed information to recycled plastics processors and plastic bottle manufacturers.

Recycling-based Business Planning Workshop

Support monies will be provided to the Southwest Public Recycling Association for the planning and

coordination of a workshop designed to help with start-up and/or the expansion of businesses, and assist entrepreneurs develop business plans and access capital. One-on-one business planning assistance will be provided to participating individuals and businesses prior to, and after the workshop by the Arizona Council for Economic Conversion.

Plastics Redesign Project

Support will be provided to a national research effort on plastic bottles that will support the recycled plastics market and specifically provide needed information to recycled plastics processors and plastic bottle manufacturers. Specific work includes: 1) analysis on the physical properties of a plastic beer bottle that are compatible with current (or readily adaptable) recycling systems; 2) analysis of the "all bottles" plastics collection program with a focus on whether the system increases contamination for processors; 3) an econometric analysis that is intended to find a win/win resolution of the debate over increasing recycled content in beverage/food contact PET bottles. From the bottlers' perspective, the study will estimate if optimizing the percentage of recycled content affects the overall price for plastic bottles; and 4) work with the consumer products industry and vendors of bottles that manufacture specific types of plastic bottles to increase their usage of recycled content and encourage production of recyclable containers.

Electronics Recycling Roundtable

ADOC, in conjunction with the Arizona Recycling Program and the Arizona Recycling Coalition, will host an electronics roundtable to discuss issues ranging from electronics collection to disassembly to regulatory issues. The workshop will feature speakers from the public and private sector and provide a forum and networking opportunity for Arizona's current electronics recyclers and potential customers.