

# Financing Avenues: State Programs The Stimulus Package

Matt Ewadinger, Manager,  
NC Recycling Business  
Assistance Center

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](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 (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](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
- Restrictions: Targeted materials only, currently C&D, 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/polution\\_prevention\\_recycle/2008PROGRAMGUIDE.pdf](http://www.empire.state.ny.us/pdf/polution_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)

# 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!**

NC Recycling Business  
Assistance Center

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

