

# 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

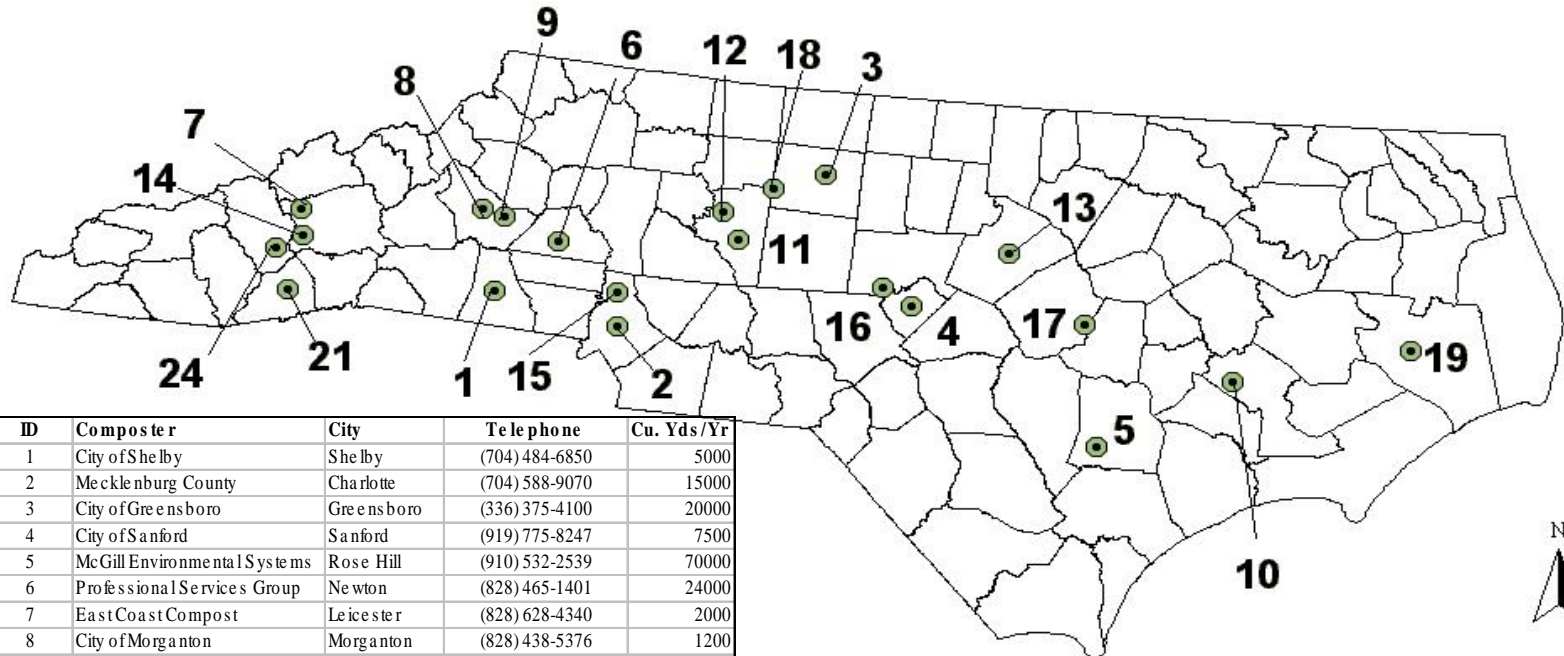
# Organics Recycling Program

- 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

# NORTH CAROLINA COMPOSTERS



| ID | Composter                    | City         | Tele phone     | Cu. Yds/Yr |
|----|------------------------------|--------------|----------------|------------|
| 1  | City of Shelby               | Shelby       | (704) 484-6850 | 5000       |
| 2  | Mecklenburg County           | Charlotte    | (704) 588-9070 | 15000      |
| 3  | City of Greensboro           | Greensboro   | (336) 375-4100 | 20000      |
| 4  | City of Sanford              | Sanford      | (919) 775-8247 | 7500       |
| 5  | McGill Environmental Systems | Rose Hill    | (910) 532-2539 | 70000      |
| 6  | Professional Services Group  | Newton       | (828) 465-1401 | 24000      |
| 7  | East Coast Compost           | Leicester    | (828) 628-4340 | 2000       |
| 8  | City of Morganton            | Morganton    | (828) 438-5376 | 1200       |
| 9  | Town of Valdese              | Valdese      | (828) 879-2131 | 9000       |
| 10 | Coastal Partnership          | Cove City    | (252) 633-1564 | 6000       |
| 11 | City of Lexington            | Lexington    | (336) 243-2489 | 2000       |
| 12 | Progressive Soil Farm        | Lexington    | (336) 731-3418 | 20000      |
| 13 | City of Raleigh              | Raleigh      | (919) 250-2728 | 35000      |
| 14 | Mountain Organic Materials   | Candler      | (828) 665-9899 | 2400       |
| 15 | Wallace Farms                | Huntersville | (704) 875-2975 | 25000      |
| 16 | Brooks Contractor            | Goldston     | (919) 837-5914 | 40000      |
| 17 | Smith Farms/Rondeli Corp.    | Princeton    | (919) 736-4336 | 200        |
| 18 | City of High Point           | High Point   | (336) 883-8514 | 5000       |
| 19 | Mattamuskeet Seafood         | Swan Quarter | (252) 926-2431 | 200        |
| 20 | Parker's Products, Inc.      | Rose Hill    | (910) 289-3672 | 200        |
| 21 | East Coast Growers           | Brevard      | (828) 862-4070 | 200        |
| 22 | Jennings Trout Farm          | Canton       | (828) 648-3012 | 200        |

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# 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

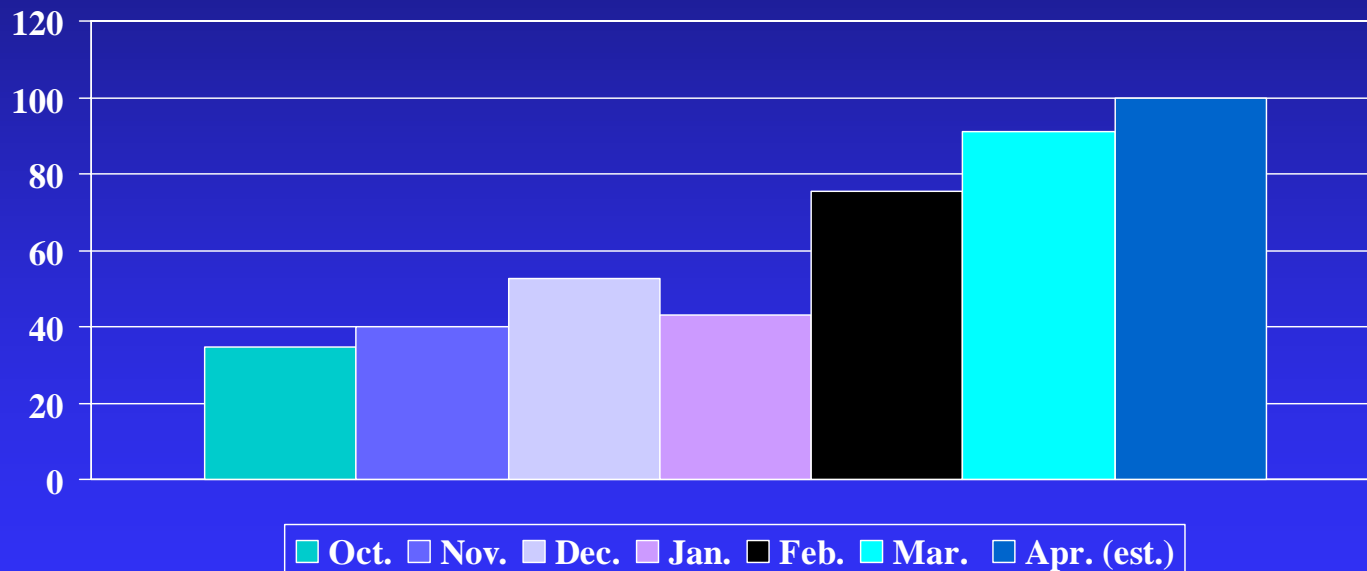
# 1999 Organics Grant Round

- 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

