

RICHARD GRAHAM
PUBLIC SERVICES DIRECTOR

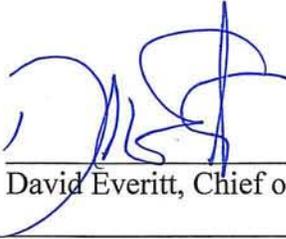
SALT LAKE CITY CORPORATION
DEPARTMENT OF PUBLIC SERVICES
DIRECTORS OFFICE

SCANNED TO: Mayor
SCANNED BY: JF
DATE: 10/7/10
RALPH BECKER
MAYOR
RECEIVED

OCT 07 2010

Salt Lake City Mayor

CITY COUNCIL TRANSMITTAL



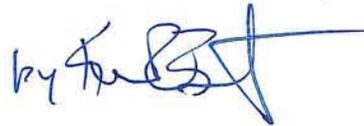
David Everitt, Chief of Staff

Date Received: _____
Date sent to Council: 10/8/2010

TO: Salt Lake City Council
J.T. Martin, Chair

DATE: October 7, 2010

FROM: Rick Graham, Director of Public Services



SUBJECT: Recycle Market Development Program

STAFF CONTACT: Debbie Lyons, Recycling Program Manager, 535-7795

DOCUMENT TYPE: Resolution

RECOMMENDATION: Adopt a resolution approving Salt Lake City's amended application to the State of Utah's Recycle Market Development Zones Program which will allow new businesses established after the date of Resolution No. 48 of 2008 to participate in the City's Program.

BUDGET IMPACT: No funding required.

BACKGROUND/DISCUSSION: In 2008 the City Council approved the City's application to the State of Utah to participate in the Recycle Market Development Zone Program. The Program assists businesses that collect, process, distribute or use recycled materials in their manufacturing operations, or compost. Qualifying businesses are allowed State income tax credits. The State approved the City's application in December 2008.

The City Council limited the program to businesses that had been established as of December 2008 and only applies to M-1 and M-2 zones. The program does not alter what is already allowed by zoning regulations. New businesses that are established in Salt Lake City after December 2008 currently do not qualify for the state tax credits.

Eleven businesses in Salt Lake City submitted applications during the first three years of the program. Four businesses were approved by the City for the 2008 tax year and four were disqualified due to non-compliance with city ordinance. For the 2009 tax year, seven businesses were approved by the City and two were disqualified due to non-

compliance. This Program has added to the level of scrutiny these businesses receive and has facilitated discussions with businesses on proper storage of material on their properties.

In 2009 qualified businesses created five new jobs in Salt Lake City, invested over \$7.5 million in capital equipment, and recycled or composted over 30,000 tons of material.

The city's contracted electronic recycler, Metech Recycling, relocated from Clearfield, Utah to Salt Lake City in June of this year. In addition to being in closer proximity to the Wasatch Front, Metech will benefit from this amendment in the state tax credits they will receive.

PUBLIC PROCESS: In 2009, staff attended six community council meetings adjacent to the area defined in the City's Program. Staff presented a proposal which would allow new businesses the opportunity to apply for the City's Program. The meeting with the Glendale Community Council was the only community council meeting where negative comments were received. Attendees at the Glendale Community Council meeting voiced concerned that this program could create additional pollution. It was explained that businesses who participate in the program primarily use recycled material in a manufacturing process that would have otherwise been transported to the landfill.

No other opposition has been noted from other community councils, and several residents voiced support of the program as it may expand ability to recycle more materials and create more local jobs.

RESOLUTION NO. _____ OF 2010

A Resolution of the Salt Lake City Council Approving Submission of an Amended Application to the State Recycling Market Development Zone Program

WHEREAS, the Utah Legislature has created the Utah Recycling Market Development Zone Program (“State Program”), which focuses on recycling as an economic development tool; and

WHEREAS, the State Program provides certain incentives and benefits to qualified businesses that collect, process, distribute or use recycled materials in their manufacturing operations, or compost; and

WHEREAS, the incentives and benefits under the State Program include, for example, a 5% state tax credit on machinery and equipment as well as a 20% state tax credit (up to \$2,000) on eligible operating expenses; and

WHEREAS, in order to be accepted into the State Program, cities and counties within Utah must formally apply to the program by submitting an application to the Governor’s Office of Economic Development; and

WHEREAS, an application to the State Program is required to set forth a recycling market development zone program; and

WHEREAS, the City has been approved by the State as set forth in the City’s Recycling Market Development Program (“City’s Program”); and

WHEREAS, the City’s Sustainability Division intends to submit an amended application to the State on behalf of the City’s Program; and

WHEREAS, as proposed, the City’s Program will neither amend, alter, modify nor change allowed permitted land uses in Salt Lake City; and

WHEREAS, the City’s Program currently allows businesses located in the Light Manufacturing (M-1) or Heavy Manufacturing (M-2) Districts that were operating as of the date of Resolution No. 46 of 2008, that are either west of I-215 or north of 600 North, and that meet the other “Business Qualifications” as defined in the City’s Program application to the State to participate in the City’s Program; and

WHEREAS, the City’s Program will be amended to allow new businesses established after the date of Resolution No. 48 of 2008 that meet all “Business Qualifications” defined in the City’s Program to participate in the City’s Program; and

WHEREAS, the Salt Lake City Council finds that recycling is currently allowed in the M-1 and M-2 zoning districts and limiting the City's Program to businesses within the M-1 and M-2 zones that are either west of I-215 or north of 600 North will create a buffer between any residential or commercial zones and the highest concentration of manufacturing or recycling businesses near those areas; and

WHEREAS, the Salt Lake City Council finds that the City's Program and participation in the State Program will enhance the City's ability to retain and recruit businesses that utilize or produce recycled products; and

WHEREAS, the Salt Lake City Council finds that qualified businesses in the M-1 and M-2 zoning districts in Salt Lake City may benefit from the incentives offered through the State Program; and

WHEREAS, there are existing businesses in the corporate limits of Salt Lake City that will benefit from location in the area of the City's Program; and

WHEREAS, the Salt Lake City Council finds that qualified businesses in the M-1 and M-2 zoning districts in Salt Lake City may benefit from the incentives offered through the State Program.

THEREFORE, BE IT RESOLVED by the Salt Lake City Council that the Mayor be authorized to submit an amended application to the Governor's Office of Economic Development to permit new businesses established after the date of Resolution No. 46 of 2008 that meet all "Business Qualifications" as defined in the City's Program application to the State, to participate in the City's Program with respect to the establishment of a Recycling Market Development Program in the M-1 and M-2 zones, west of Interstate 215 or north of 600 North, within Salt Lake City.

PASSED by the City Council of Salt Lake City, Utah, this _____ day of _____, 2010.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

ATTEST AND COUNTERSIGN:

APPROVED AS TO FORM:

CITY RECORDER



SALT LAKE CITY ATTORNEY