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[www.eurekarecycling.org](http://www.eurekarecycling.org)

Reduce waste today through innovative resource management.  
Reach a waste-free tomorrow by demonstrating that waste is preventable not inevitable.

## **MRF Development: Benefits to Saint Paul**

Building a material recovery facility (MRF) is a momentous undertaking that carries some risk. But the risks of not acting are even more formidable: if Saint Paul loses local control of its recycling program, recycling and waste reduction programs will deteriorate unacceptably. Studies by Eureka Recycling, the city of Saint Paul, the Institute for Local Self-Reliance and independent consultants are in agreement that an independently owned MRF is in the best of interest of Saint Paul. In recognition of this fact, every district council in Saint Paul has signed a resolution supporting the development of a MRF operated by Eureka Recycling. Backed by strong local support and an international paper industry partner, Eureka Recycling is bringing its case to the city.

Recycling is important for Saint Paul. Not only is the city required to have a recycling program under Minnesota state statute, but city residents have said that a quality recycling program matters to them. Eureka Recycling (formerly the recycling department of the Saint Paul Neighborhood Energy Consortium) has been managing Saint Paul's community-based recycling program since its inception in 1986. Now Eureka Recycling is prepared to bring locally-controlled recycling to a new level by developing and operating its own MRF with capacity to serve Saint Paul as well as surrounding communities. The new MRF will provide better service at a lower cost to the city, bring competition into the local recycling industry, and keep its roots and its profits in the community.

### **A locally-controlled MRF has substantial financial benefits for the city of Saint Paul:**

- € **Stable Program Cost:** Development of a MRF enables Eureka Recycling and the city of Saint Paul to combat the increasing costs in current proposals from service providers as well as the decreased or stagnant recovery that accompanies dependence on the current service provider. Waste Management, the company that Eureka Recycling currently contracts with to pick up and process recyclables, has indicated that prices for this service will increase as much as 30 percent in the short term. This could result in a \$3 million to \$5 million program cost increase for the city over the next ten years. In contrast, Eureka Recycling has agreed to hold current per ton prices for the city constant over the next ten years—until 2013—including no cost of living adjustment.
- € **Increased Market Share:** By working with Eureka Recycling to develop a MRF, the city of Saint Paul will profit from a more lucrative market share agreement, increasing its percentage of proceeds from recycling. Currently, the city stands to miss out on at least \$2 million in revenue over the next ten years if it continues with the present market share agreement. Furthermore, poor service from outside contractors is likely to result in a drop in the recovery and quality of recyclable material, which means that the city could receive even less revenue from the sale of recyclable commodities.

- € **Healthy Competition:** Eureka Recycling’s entry into processing will revive the recycling industry in the area. Over the past few decades, the waste and recycling industry has consolidated to the point that two large corporations control the vast majority of hauling and processing capacity. Pricing policies used by the dominant service providers can shut out independent haulers who wish to deliver materials to their facilities. By developing an independent MRF, the city and Eureka Recycling are creating a competitive environment to ensure that small and medium sized haulers can deliver materials under a fair pricing structure. In addition, the MRF addresses a shortage of processing capacity for source-separated and two-stream materials. The large players in the recycling industry are moving toward single-stream collection, in spite of the fact that a recent study conducted by Eureka Recycling indicates that two-stream weekly collection results in the greatest recovery of recyclable material in Saint Paul. Only Eureka Recycling has the expertise and dedication to carefully weigh the cost, convenience and environmental impacts of recycling and provide optimal collection and processing options for all players.
- € **Private Investment in Saint Paul:** Eureka Recycling has cultivated a relationship with an international paper industry partner to provide a win-win situation for the long-term stability of recycling and for the community’s benefit. In exchange for a committed and quality supply of old newspapers, the paper partner has guaranteed long-term viable markets for more than 75 percent of materials collected at the curb. In addition, they have agreed to provide a grant for the development of the MRF.

#### **Eureka Recycling is uniquely positioned to provide Saint Paul with the best recycling services:**

- € **Experience:** Eureka Recycling has the expertise to run the best recycling program in Saint Paul. The organization has managed recycling in the city for over 15 years, and current staff members on the MRF Development Team have successfully developed 25 MRFs across the nation. Building on the experience of several individual careers in the recycling industry, this team is developing an efficient facility, designed to meet the needs of the community and large enough to take advantage of economies of scale by drawing materials from the wider metro area. In addition, Eureka Recycling is governed by an expert board with knowledge about topics from finance to organizational planning and management. This comprehensive base of experience complements the diverse nature of the programs and services offered by Eureka Recycling.
- € **Community Connection:** As a locally-based nonprofit organization, Eureka Recycling’s values reflect the community’s values. Eureka Recycling is accountable to residents, not to stockholders. The organization is directly linked to the community in many ways, from the community representatives who sit on its board to the waste reduction hotline that fields over 50,000 calls annually. All of Eureka Recycling’s profits and surpluses are invested directly back into the community to promote sustainable practices through enhanced recycling opportunities and investments in other waste reduction programs.
- € **Environmental Benefits:** Since waste reduction is the centerpiece of its operations, nothing distracts Eureka Recycling from providing the best collection and processing services. With no interests in disposal, Eureka Recycling’s central goal is to increase the recovery of recyclable material by providing good service to Saint Paul residents. With the backing of the city, Eureka Recycling will launch the next ambitious waste reduction development—a locally-owned MRF—in its continuing effort to demonstrate that waste is preventable not inevitable.