

## Reuse as an **ECONOMIC DRIVER** In Hub and Spoke Recycling

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## How to Figure Out Reuse Income Potential for Your Community

- Estimate the total discard supply.
  - How many tons per day to landfill?
- Assume 5% is reusable.
  - Caution: full development takes time.
  - Reuse draws from all commodity types.
- Approximate value is \$400/ ton for lowest quality, \$800 for highest.



## Income Calculation Case Study: Sunspot County

- Total supply            100 tpd landfill
- 5% reusable        = 5 tpd
- 5 tpd x \$400/ton = \$2,000/day
- \$2,000/day x 360 days =

**\$720,000/yr income**



## Expenses as % of income Case Study: Sunspot County

- Labor                            50%    \$360,000  
(12 fulltime jobs @ \$30,000/yr)
- Purchases for resale    6%    \$ 43,200
- All other expenses    30%    \$216,000  
(Land, insurance, utilities, etc.)
- Profit                            14%    \$100,800



## Expenses as % of income Case Study: Urban Ore 2009

- Labor                            55.3% \$1,339,365
- Purchases for resale    6.3% \$ 153,390
- Operations                11.3% \$ 273,738
- Administration        17.3% \$ 419,110
- Profit                            9.8% \$ 234,676

**These are real numbers!**



## Community Financial Benefit Case Study: Urban Ore

- Purchases for resale        \$153,390
- Sales taxes collected        \$213,812
- Property taxes                \$ 66,537
- Payroll taxes, fed & state    \$ 82,789
- Taxes, licenses, fees        \$ 79,758
- TOTAL    \$596,286**
- 7,000 tons not landfilled    Priceless



## Other Considerations

- Highest and best use.
- Labor, job, skill, and fun intensive.
- High value, high cash flow, higher wages than hardware stores.
- Generates sales and property taxes for local and state governments.
- Markets are local and regional.
- Low capital costs.



## Other Considerations (cont'd)

- Supplies materials for other economic sectors including skilled tradespeople.
- Maintains local property values.
- Reliable flows of recycling commodities.
- Controls toxic materials – Freon, lead, mercury, more.



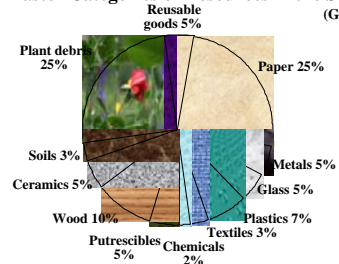
## What About the Other 95%

- Reuse is 5%.
- What's the rest?



## 95% = 11 More Commodity Types

12 Master Categories of Resources in the Supply (Generic)

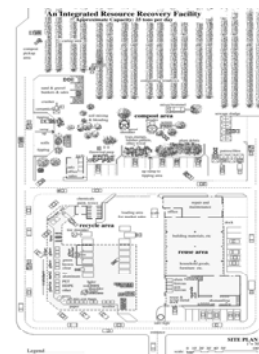


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## Hub and Spoke Development: Interactive Recovery Facilities

25 TPD Rural  
Zero-Waste  
Recovery Facility



**Hub and Spoke  
Development:  
Interactive  
Recovery Facilities**

**100 TPD Urban  
Zero-Waste  
Recovery Facility**



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