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Recycling industry's growth spurred by green initiatives, cost savings

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Businesses that recycle are significantly reducing waste-removal costs and scoring points for being environmentally friendly.

The recycling industry has experienced tremendous growth in the last few years. That's due largely to the emergence of the single-stream system, the technology that allows users to put all recycled materials together in one container, eliminating the hassle of sorting.

"Until the advent of single stream, the technology that enables people to commingle every commodity in one container, we were unable to recycle in a practical way," said Alek Orloff, CFO of **Alpine Waste** and Recycling in Commerce City. "You have an easier time getting someone to participate if it's easier [to do]; there's good evidence that's driving the amount of materials received."

Denver Recycles contracts with **Waste Management Recycle America** to provide recycling for residents in the City and County of Denver. Denver Recycles launched the first phase of single-stream recycling three years ago. In 2007, the first full year that single-stream service was offered, the volume of material collected leapt 68 percent to 26,500 tons collected from residences, up from 15,700 tons in 2004, the last full year of the traditional system.

Alpine Waste and Recycling has had similar results with its commercial clients.

"We're seeing an increase because we started to utilize commercial single-stream operations," said Charles Bayley, vice president of public affairs for Waste Management Recycle America (NYSE: WMI). "People are looking for a sustainable business plan, but also want it to make economic sense."

Alpine first offered Altogether Recycling, its branded system of single-stream recycling, last September with the opening of its own recycling plant. Last month, Alpine collected 650 tons of recyclables, more than six times what it collected nine months ago.

In addition to processing its own collections at the Altogether Recycling plant, Alpine allows its competitors to use the facility as well. The plant processes 3,500 tons of recycled material each month.

Orloff said revenue has grown 50.1 percent in seven years for privately held Alpine, which employs 91. In 2006, Alpine generated just over \$9 million in revenue; this year's projections are between \$14 million and \$15 million.

Recycling has taken the spotlight off Alpine's traditional focus on waste hauling.

"We've re-educated our sales force and realigned our internal corporate approach to put recycling first and waste second," Orloff said.

Guaranteed Recycling Experts, a privately held Denver-based electronics recycler, processes 1 million pounds every month and employs 55. President Mike Wright credits public awareness for his business's recent growth. Businesses are legally prohibited from tossing electronic equipment in the Dumpster and, therefore, are inclined to use the services of an electronics recycler, Wright said.

Guaranteed Recycling Experts' revenue has grown by \$1 million each year since Wright purchased the company in 2004. Projections for 2008 are for a \$2 million increase over 2007, for total revenue of \$5 million.

Those companies aren't the only ones reaping the economic benefits of recycling. Businesses that recycle are reducing their waste-hauling costs. Both Alpine and Waste Management Recycle America subsidize part of the waste-hauling fee for each ton of material the client recycles.

Those in the industry don't expect business to slow down anytime soon. Colorado's participation rate is half of the national average. Industry leaders estimate recycling rates to be in the low teens for Colorado, less than half of the nationwide 32.5 percent. This year will be the first that the Colorado Department of Public Health and Environment tracks recycling rates.

"If Denver could get involved at the rate of West Coast cities, the current market wouldn't be able to process it, and the capital couldn't support the participation rates," Orloff said. "That's a good problem for the market."

Younger sectors of the industry are poised for growth in the coming years. Denver Recycles recently received a \$215,000 grant from the Recycling Resources Economic Opportunity Grant Program, through the Colorado Department of Public Health and Environment, to conduct a pilot compost program this fall.

Denver Recycles is in the midst of a master plan to determine how to get Colorado's diversion rates up to 30 percent, according to Charlotte Pitt, recycling program manager.

Alpine plans to further develop and push its compost program as well. Already, grocery stores and restaurants are getting on board to recycle food waste.

"There's a huge amount of stuff in the waste stream that's [able to be composted]," Orloff said. "We believe composting is the third leg of the waste-disposal stool that needs to be present in a larger way."

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