

Case Study of Reuse Centers: Burlington's ReCycle North

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ReCycle North is a nonprofit organization dedicated to resource conservation, job skill training, and poverty relief in Burlington, Vermont. It was founded in 1991 by Ron Krupp, a longtime organic farmer who found warehouse space near the city's recycling center and convinced citizens to donate household goods and reusable materials that they would otherwise discard. All the material collected was reconditioned in ReCycle North by homeless people under expert supervision, and the refurbished goods were sold in a flea-market-type setting, where anyone, including the poor, could buy appliances, furniture, and other household items at a very low price.¹ I interviewed Thomas Longstreth, executive director of ReCycle North since 1996. He graduated from the John F. Kennedy School of government at Harvard and specialized in job training programs.

In 1996, ReCycle North initiated its job skills training programs. As Longstreth explained, "ReCycle North, along with several other partners in the community, received a grant from the Housing and Urban Development Department (HUD). We were the training program, and other homeless providers referred trainees to us. All of our trainees were homeless, and we trained them in appliance repair and in electronic repair." Up to 1998, ReCycle North's budget for training was almost entirely dependent on the grant from HUD. However, in 1999 the grant was not renewed for 1999, and the organization was forced to seek alternative funding. "At that time our stream of funding changed as did the type of trainees we started serving. We started serving more trainees who had been injured on a prior job and needed retraining, and consequently we started being paid by workers compensation insurance carriers. At the same time we also started working with more people who had been on public assistance, but because of welfare law changes were being required to go to work." As a result of this transition, ReCycle North began charging tuition for its six-month apprentice-style training program in order to cover training costs. The Vermont Department of Employment and Training (DET) began to subsidize 36% of tuition for disadvantaged trainees, including individuals on public assistance, the homeless, or the otherwise disadvantaged and unemployed. ReCycle North covered the rest of the tuition through alternative sources of funding, including grants, individual contributions, and payments from workers' compensation.²

ReCycle North occasionally received donations of used building materials but due to space constraints, struggled to display these materials. It also lacked staff familiar with building materials and did not have a base of customers who thought to shop at ReCycle North for this type of materials. As a result, there seemed to be little reuse potential in building materials. Nonetheless, funded by a small grant from the Vermont Agency of Natural Resources and with the encouragement from Burlington Mayor Peter Clavelle and the Chittenden Solid Waste District, ReCycle North completed a comprehensive survey of local builders and completed a business plan for the startup of a Building Material Reuse enterprise. This effort culminated in 2001 with the start of a

Deconstruction Service followed shortly afterward by the opening of the Building Material Center in an old City owned garage. The first facility became the Household Good Retail Store, which solely sells used appliances, furniture, TVs, computers, and other household items. Longstreth added, “We took a novel approach, and the first part of it that we launched was a deconstruction service, where we take down buildings that are slated for demolition and reuse the component parts. We started that enterprise first, and then once we had the materials from our first job, we then opened up the Building Materials Center, a store where we sell lumber, windows, doors, cabinets, light fixtures, toilets, bathtubs, showers, and so on.”

In 2005, ReCycle North had grown to an organization of 39 staff members with a \$2.3 million budget and over \$1.5 million in sales and services located in the two stores: the Household Goods Store and the Building Materials Center. The income stream is split as follows: 75% from reuse sales and services that include appliances (17%), furniture and household goods (26%), computers (9%), building materials and deconstruction services (39%), pick-up and delivery services (4%), and appliance repair and computer repair services (5%). Another 15% of the revenue is from government grants that partly fund the training programs. The last source is individual and corporate contributions, which cover about 9% of ReCycle North’s budget. ReCycle North also offers four job skills training programs, which complement its reuse and deconstruction operations, and the organization donates yearly more than \$70,000 worth in goods through its Essential Goods Program.³

Equity and Sustainability

ReCycle North has explicit environmental commitments. It creates a market for reusable and repairable household goods and protects the environment by diverting potential resources from the waste stream. As Longstreth explained, “We fill a vital role in just keeping stuff out of the landfill, in keeping it moving.” For example, in 2004 ReCycle North diverted 300 tons in household goods and 274 tons in building materials from landfills. Since 1991 the organization had sold \$5,346,777 worth of reusable and repaired material that otherwise would have ended up in landfills. Individuals and businesses donate what they no longer need to ReCycle North. The items are then inspected, refurbished, and repaired through a job training and education program and sold with a guarantee of quality.

ReCycle North is also committed to relieve poverty by providing job training skills. The organization has trained and employed over 200 people, most of them from low-income households, to reuse household goods and building materials. According to Longstreth, “We help low-income people through our training programs. We give them job skills, so they can become gainfully employed.” The organization has paid for the positions largely through reuse sales and services revenue.

The organization also alleviates the effects of poverty indirectly by making vital household goods and building materials available to the poor, and directly by its Essential Household Goods program. As Longstreth explained, “We have available very low-cost goods. Someone with a low income can buy major appliances from us. They can buy furniture, books, appliances, computers, pots and pans, dishware, etc., and completely outfit their house for probably less than a tenth that it would cost if they were to any other

store, even a low-cost store like Wal-Mart or some other discount chain. We are cheaper and generally the stuff they can get from us is often of higher quality.”

The Essential Goods Program through which ReCycle North’s delivers its charitable giving , allows people with a very low income to purchase goods that they otherwise could not afford. In 2003, ReCycle North helped 164 individuals and families that had recently become homeless. It also helped 214 other low-income individuals and families, who acquired important household goods that they otherwise could not have obtained. That year, ReCycle North gave away \$49,721 worth of goods and services as donations to poor people and 54 non-profit organizations. ReCycle North collaborates with partner social agencies to deliver the goods to individuals and families who are recovering from crisis, and the organization gives other items, including building materials, directly to non-profits to help them serve low-income people. As Longstreth added, “At the Essential Goods Program people who cannot even afford our low prices can get stuff basically for free. We work with sixteen different partner agencies and at the beginning of every year we give them a certain amount of vouchers for ReCycle North. The case managers and social workers from the other agencies can write out a voucher to a client they are working with and send that client to ReCycle North. Instead of paying cash, the client can pull out the voucher and use it as form of payment to acquire anything we offer. It is a nice way for us to partner with the other agencies and also get the support of the other agencies, because we do not want to become a social worker. We do not have staff to do that, and we want to make sure that the low-income people who perhaps have other needs get the full gamut of support.”⁴

Another way ReCycle North helps low-income people is through its training programs. The firm gives access to employment skills to disadvantaged youth and individuals who are homeless, unemployed, dependent on public assistance, or with physical or mental barriers. The job skill training programs support, and are supported by Recycle North’s productive activities. The different training programs are correlated with the various departments or productive activities in the organization, where opportunities for hands-on training can be easily coincide with theoretical instruction.

Four training programs (Apprentice-Style Training, Work Experience Training, YouthBuild, and Community Service) serve the different populations’ needs and are supported by different public agencies. The six-month Apprentice-Style and the twelve-month Work Experience trainees program have been partially funded by grants from the Vermont Department of Employment and Training and other public agencies, but recently the funds have been increasingly cut. In 2003, ReCycle North provided full or partial scholarships to 70% of Apprentice-Style trainees enrolled, and 100% of these trainees graduated as scheduled. Of the graduates, 50% were employed three months after graduation. Individuals are currently trained in four departments: Computer Systems Technology, Customer Service/Retail Management, Major Appliance Repair, and Office Administration. The organization offers them roughly ten of its twenty full-time jobs as entry-level positions, which will ultimately allow them to move into higher paying jobs within, or outside the organization.⁵

The Work Experience program offers training opportunities to those who may not be ready for the Apprentice-Style program. The emphasis is not as much on technical learning as it is on participating on a team and developing communication and decision-making skills to work with others. As Longstreth added, “Someone who is not ready for

our Apprentice-Style program might get into our Work Experience program. It's a feeder program so that even if someone comes in and their skill levels really are not ready, and we do not think that in six months they can learn to become an appliance technician or a computer technician, we might enroll them as a Work-Experience trainee. That program often does not have the same outcomes as the Apprentice-Style program, but it also has more flexibility. So someone might be able to gain some skills through that program, then graduate from that and then enter to the Apprentice-Style program."

The Deconstruction Service also has created more opportunities for training and employing disadvantaged youth because of the physical strength required to perform deconstruction activities.⁶ As Longstreth explained, "When we started the Building Materials site, we wanted to have an equivalent training program. Many of the people we work with in our existing programs have been injured, so physically they are unable to do some of their old type of work. One of the challenges is that construction is an aging industry. The average age of the construction worker in Vermont is fifty-two years old, so they need young people to enter the industry. We noticed this and we wanted to create a training program for disadvantaged youth who needed to finish their education. Last year we took over a YouthBuild program, which is a national model. It serves sixteen to twenty-four-year-olds who had dropped out of high school and are economically disadvantaged and need to finish their education. We now train eighteen young people every year, and the training is in construction training. However, they also do deconstruction work, and they work at our Building Materials Center." These young people work toward their high school diploma and learn construction skills by building affordable housing for low-income people, providing deconstruction services, working at the Building Material Center, and creating new products out of scrap building materials in a new program implemented in ReCycle North called Waste Not Products!. "For some materials we get in at the Building Materials Center, there is no use for them in their raw form: single pane windows, short pieces of 2x4, short pieces of oak flooring, barn board, etc. so we started taking those pieces and adding value to them. We construct sheds, garden sheds, picture frames, shelving units, and birdhouses, and we turn single pane architecturally attractive windows into mirrors, and so on. We are creating products out of waste, essentially, and so we call it Waste Not Products!, and we hope to integrate that with our job training program, related to the YouthBuild, to make it all come together."

ReCycle North also provides a structured work environment for individuals who need to complete mandated community service for either educational institutions or the justice system. The Community Service program has been specifically designed for local colleges and high schools. In 2003, the program served seventy individuals who performed community service at ReCycle North to maintain benefits, three adults whose skills and talents were not recognized in the workforce, and forty students. It also served twenty-five adult offenders, and eighty-nine first-time youth offenders through community restitution programs.⁷

All four training programs exemplify ReCycle North's commitment to the three parts of its mission: reuse, training, and poverty relief. Every program reduces the amount of reusable and repairable items dumped in landfills while giving individuals in transition job skills and creating new, refurbished, and cheaper products for low-income people. ReCycle North's environmental and poverty relief commitments have been recognized with an award from Association of Vermont Recyclers as the "Most

Innovative Waste Reduction Program” in 1993, the Governor’s Award for Excellence in Employment & Training in 1998, the Blue Ribbon Award for Excellence from HUD in 1998, and the Harry Chapin Self-Reliance Award from World Hunger Year in 2000.⁸

Even though one of the remarkable characteristics of ReCycle North is having achieved a balance and having created synergies between its environmental and poverty relief concerns, there are several challenges that the organization faces to fulfill completely its mission. Several of these challenges relate to the deconstruction service. As Longstreth noted, “When we do a deconstruction job, we can’t salvage all the wood, sometimes there is glue, a lot of screws, or it’s just filled with nails. When that happens, it is not worth the time to take it all apart and thus reuse it. Occasionally we’ll have to take some wood and we recycle it rather than reuse it, and the way we recycle it if it is clean wood not painted, we can burn it for energy, and we take it to the McNeil generating plant and it is chipped and turned into energy. We have three de-nailing guns, which are pneumatic devices that speed up the process of cleaning up wood and allow us to very quickly and efficiently take apart lumber, then reuse it. Some old structures have plaster lath, which comes apart very hard and is not something we can reuse. You tug and tug and tug, beat up a whole section and yet get only a four square foot section of wall off. Then you have to do it again and again and there is a lot of dust, and the health and safety of our workers are very important to us, so to some degree we will evaluate what problems we expect to encounter and try only go after a bid on jobs that we think we can do efficiently.”

This efficiency is also a requirement to maintain deconstruction cost-competitive in comparison with demolition companies. As Longstreth amplified, “Deconstruction is expensive because in order to bid a job at a price that people are going to accept it, basically in order to stay competitive with the demolition company, we have to do it extremely efficiently and quickly. Sometimes what that means is we bid below the cost of doing the job and we can do that because the sale of the materials eventually will support the deconstruction. We have also created some tools that help us speed the deconstruction and make the work quicker and more efficient.” By reducing disposal costs and by providing donors with tax benefits for donating materials as a 501(c)(3) organization, ReCycle North can also claim that its fees for deconstruction can be less than the cost of demolition. “One of the things that make us cost-competitive is that we can reuse. That is going to reduce the cost of the job for the customer, because if you are looking at a whole house, just the tipping fee at a hundred dollars a ton that will add up quickly. So the more we reuse, the more we save the customer in terms of disposal.” ReCycle North has been successful in maintaining competitive costs for deconstruction and developing efficient procedures and tools for deconstruction, creating synergies with its training programs, selling the materials obtained from deconstruction at the Building Materials Center, offering alternatives to the high tipping costs in Vermont for waste disposal, and offering tax benefits to its customers for donating material.

Sometimes ReCycle North faces trade-offs between its reuse activities and environmental concerns. As Longstreth explained, “We get some refrigerators that we can fix, but if they are an older model, they may be an energy-hog refrigerator. If we fix that refrigerator and re-sell it, we have reused it, but if it means that an energy hog is out there on the market instead of a cleaner, more efficient one. We are trying to help the environment, so we need to weigh which machine should get fixed and which should not.

For refrigerators it really means we need to know how much of an energy hog they are. With energy hogs we clip the cord and recycle the metal; we do not reuse them. Where to draw that line in terms of which are efficient enough to reuse is a difficult question, but for us the cut-off is refrigerators that are roughly more than a thousand kilowatts-hours a year.”

Some other times these trade-offs are between its reuse activities and training programs. “Let’s say an employee learns in the appliance department how to fix a dryer. If we were a pure business, we would keep that person on a dryer and have him just work on dryers because that is what they know, but really we switch the trainee to washing machines, refrigerators, or stoves. We try not to rely on our trainees to get reuse done, and we really try to keep that focus on the training, so that those trainees can continuously learn the skills and as quickly as possible. It is a challenging trade-off, and it is particularly challenging when with government funding being fairly tight and it sometimes means we need to fund the training through the reuse activities, when that is the case we are going to be pushing. One unintended consequence is that sometimes we cannot accept a trainee who has higher barriers to success. If we do not get governmental funding or private sources of funding, we have to rely on our reuse income, which means we cannot serve a trainee who has got multiple barriers to employment. Fortunately, we have had pretty good luck with getting individual and corporate and foundation grants, and the YouthBuild funding is a new source of funding that is enabling us to really expand that youth training.”

Policy Issues

Local, state and federal policies have helped ReCycle North’s mission over the years. High disposal costs fixed by local policies in Burlington and Chittenden County (\$100 per ton), as well as tax deductions, have helped deconstruction services to be cost-competitive in comparison with demolition companies. State policies that do not allow businesses to throw out their computers in Vermont also promote more willingness from businesses to pay reuse centers to dispose or to recycle computers.

However, there are some other policies that have constrained reuse activities. As Longstreth explained, “One policy that hurts is that individuals can still throw out electronics, including computers and monitors, and in some cases the cost is relatively cheap. That is a policy that could be improved. In addition, the Chittenden Solid Waste District has days that are free to drop off appliances and other items like that. In some ways that means that people have this way to get rid of the materials for free, so if they are comparing that with using us, sometimes they would rather drop it off on their local free day.”

Other policies that have generated extra-costs for reuse and training activities in the past have come from taxes. Again, Longstreth explained: “In terms of the local city government, we used to be required, even though we are non-profit, to pay a business property tax. We were taxed on some of the equipment we own, including our trucks and our tools. However, a Supreme Court ruling recently issued a ruling so that going forward we are not going to have to pay that tax anymore.”

The relationship with the City of Burlington and the local agencies is not only limited to the grants received from these public agencies to support training programs and mandatory community service for first-time offenders, it is also instantiated in support of physical space. For reuse centers physical space is critical to store, refurbish, and sell reusable goods and materials. In the case of ReCycle North, the Building Materials Center is located in a city garage. Longstreth: “It is a space with no lease. We can use it on a temporary basis because the city of Burlington is supporting us but we cannot invest in it, we can not grow it, and it is not well heated. It has all sorts of problems : for example, the lighting is terrible and it leaks, so we have identified the building as almost a crisis because we can lose that space any time. Fortunately, the city is interested in having us redevelop it, and the mayor is willing to work with us to do a redevelopment plan. I am not sure if the city is going to be able to help us financially, but I hope the city is going to agree to give us a long term lease. They do not want to sell the land but they might give us a lease for the land for \$1 for 99 years. We would own the building, and I think that is the general structure of how the relationship would be.” The city’s support in ensuring a permanent physical space for the Building Materials Center will be key, and it will require the leadership of both the city and the nonprofit organization to gain public acceptance of this proposal. “We need to talk to the local people; we need to talk to the City Council and make sure that we get their support.”

Another policy change that would facilitate the work of ReCycle North is that LEED (Leadership in Energy and Environmental Design) standards could be implemented in building design and building construction policies to promote and to facilitate deconstruction practices in the future. ReCycle North has alliances with local universities, LEED and local construction companies to promote these standards. As Longstreth added, “LEED is essentially a certification that promotes buildings being constructed in an environmentally safe and benign way where the long-term costs, the life cycle cost of the materials, is factored in so that a material that is going to last a hundred years. Often when you are constructing, the long-lasting materials are compared with the materials that are going to last only twenty years, and if the one with a twenty-year life span is less expensive, that is the one people buy. LEED promotes an analysis that looks at the long-term value of materials. It also promotes as one of its criteria the degree of recycling and reuse that occurs, so you can get more points by designing and using deconstruction as part of the process. So an old building if you deconstruct it, and that is where your new building is going to go in, that gets factored in.”

Web site: <http://www.recyclenorth.org/>

Based on an interview by Richard Arias with Thomas Longstreth, June 20, 2005, and a visit to ReCycle North in Burlington, VT.

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