

# Washington Reuses: Lessons Learned from the WA Materials Marketplace and Strategic Framework for Future Development and Programming

# **Executive Summary**

Over three years (2020-2022), Seattle Good Business Network (with the City of Tacoma and with support from the WA Department of Ecology) established the Washington Materials Marketplace, in partnership with the <u>US Business Council for Sustainable Development</u> (USBCSD).¹ USBCSD was chosen as our marketplace provider after approximately three years of research and experimentation with other platforms (our in-house online peer communications platform, mobilize, Sharetribe, and others) and the determination that USBCSD was uniquely experienced and qualified to facilitate exchanges, track diversion and embodied carbon metrics, identify 'toxic' waste, and more. It had the significant added benefit of a community of practice as it managed a national network of materials marketplaces.

Our efforts included the development of an application and 'membership' criteria, stakeholder engagement processes (outreach, marketing, education, etc), comprehensive wraparound programming (facilitation, interactive workshops, etc), and a data-driven approach to materials marketplace development (equity, climate, and diversion metrics). In 2022, ownership of the Washington Materials Marketplace shifted from USBCSD to Rheaply, resulting in loss of platform control due to corporate acquisition.

The Washington Materials Marketplace initiative can serve as a case study in community-focused circular economy platform development, strategic partnership challenges, and the critical importance of maintaining local control over public-serving infrastructure. This report documents the original vision, implementation strategies, community engagement methodologies, and partnership frameworks that were developed for the USBCSD Materials Marketplace, its acquistion by Rheaply, and how these insights provide a strategic foundation for

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the current work to establish and scale "Washington Reuses" as a materials exchange marketplace serving Washington's circular economy goals.

# I. Original Vision and Strategic Framework

# **Comprehensive Ecosystem Approach**

The Washington Materials Marketplace was a B2B technology platform developed by USBCSD and designed to connect businesses to exchange 'waste' materials for reuse (industrial symbiosis), that also served as a catalyst to advance regional circular economic growth with multiple integrated components. A one-time grant of \$25,000 from the Washington State Department of Ecology paid USBCSD for customization and access to the platform for one year. Seattle Good Business Network and City of Tacoma staff hours were not covered by the Ecology grant.

**Core Vision**: Help advance Washington's transition from an extractive linear economy to a more regenerative, circular economy with zero waste, thriving industries, and healthy communities.

#### **Integrated Program Model:**

- Online materials marketplace platform
- Professional advisory services for circular business model development/transitions
- Educational workshops and stakeholder convenings
- Data collection and material flow tracking
- Policy development and advocacy
- Community engagement
- Facilitation and matchmaking events

#### Regional Strategy

The materials marketplace initiative was explicitly designed for regional impact with a phased expansion approach:

- **Phase 1**: Seattle-Tacoma regional platform establishment
- Phase 2: Statewide expansion to additional Washington counties
- Phase 3: Policy recommendations and sustainable revenue stream development

This regional vision included partnerships with Ports of Tacoma and Seattle, integration with existing regional construction and demolition work groups, and connection to broader (anticipated) collaborative efforts at the intersection of climate and commerce.

# II. Stakeholder Engagement and User Research Methodology

The project employed a six-phase methodology that prioritized community needs assessment. Department of Ecology funds were used exclusively for customization of and access to the platform for one year and paid in entirety to USBCSD; all staff hours, i.e., what is outlined below were contributed in-kind by Seattle Good Business Network and City of Tacoma.

#### Phase 1: Data Collection (Feb-May 2020)

- Six in-person focus groups (15 businesses each)
- Online surveys reaching 750+ businesses
- Identifying materials and industry gaps
- Utilization of existing Mobilize platform to track material exchanges

### Phase 2: Cultural and Community Landscaping (May-Oct 2020)

- Active outreach to underrepresented communities
- Input from minority business chambers
- Integration of cultural and language accessibility needs
- Explicit focus on BIPOC- and women-owned businesses

#### Phase 3: Professional Advisory Structure (June 2020-March 2021)

 Steering committee with cross-sector representation to help inform marketplace development pathways, prevent potential pitfalls, and support community awareness building

#### **Evidence-Based Platform Design**

Pre-existing data from the Seattle Made/Seattle Good Mobilize platform<sup>2</sup> provided crucial foundational evidence of community demand for materials exchange and platform requirements:

- Food businesses showed highest demand for material exchanges
- Other material categories included both industry-specific equipment/materials and general supplies
- The majority of material posts revealed a need for facilitation with limited responses/exchanges completed
- Need for transaction completion tracking
- Need for industry-specific and, general material categorization
- Desire for integration of community discussion capabilities (need to maintain a Mobilize-type, i.e., communications platform that allows for discussion along with the marketplace platform for materials exchange)

<sup>&</sup>lt;sup>2</sup> Seattle Good Business Network has facilitated a peer-to-peer online communications platform, Mobilize, since the founding of the Seattle Made program as a way for member businesses to share knowledge, resources, opportunities, etc. It is also a way for the organization to survey member businesses about their needs and has been a forum for materials exchange, providing valuable insights into Seattle-based material flows.

• Supply-chain protection and confidentiality features (businesses have concerns about sharing information about suppliers)

# Stakeholder Sessions (2020-2021)

Three detailed stakeholder sessions were conducted with diverse industry representatives:

**Session 1 Participants**: BodyPoint (wheelchair accessories), Industrial Sewing Innovation Center, glass/beverage companies, textile recyclers

**Session 2 Participants**: Leather goods manufacturers, custom crating companies, fragrance/cosmetics producers

**Session 3 Participants**: Coffee roasters, chocolate manufacturers, construction material suppliers

#### **Key Insights Gathered**:

- Complex regulatory compliance needs: Businesses required safety data sheets and certifications (ISO 90000, OSHA documentation) for any materials they might acquire, creating barriers to using materials from unknown sources
- Intellectual property protection concerns: Companies worried about revealing proprietary techniques, supplier relationships, or competitive advantages when listing materials, with some stating they "can't give away materials because it reveals our processes and could create copycats"
- Minimum order quantity challenges: Small businesses struggled with suppliers'
  minimum order requirements that exceeded their needs, while having insufficient
  volumes of their own waste materials to make transportation cost-effective
- Need for traceability and transparency: Businesses wanted to know the complete story and sourcing history of materials, particularly important for companies with sustainability commitments or customer transparency requirements
- Aggregation services for smaller vendors: Recognition that individual small businesses often lacked sufficient material volumes to justify pickup/delivery, suggesting the need for coordination services to collect from smaller vendors to meet larger demands

# III. Partnership Development and Funding Strategy

#### **Multi-Stakeholder Steering Committee**

A 15-member steering committee was established in 2021 including:

**Government Partners**: City of Tacoma, City of Seattle Office of Economic Development, King County Solid Waste Division, Seattle Public Utilities

**Port Authorities**: Port of Seattle (seed funding provider)

Private Sector: Metamorphic Gear, Skanska, The Engh Group

Nonprofits: Seattle Good Business Network, Refugee Artisan Initiative

Consulting: Cascadia Consulting Group, Circular by Design

Platform: US Business Council for Sustainable Development

# **Funding Needs and Strategy**

Total Project Investment Sought: \$210,100 across multiple funding sources

• Port of Seattle seed funding: Initial development

- WA Department of Ecology: \$25,000 (Phase I; entirety of \$25,000 for USBCSD marketplace platform)
- City of Seattle: \$35,000 (one-time grant to Seattle Good Business Network to develop and execute the Circular Innovation Challenge, the precursor to PreCycle Innovation Challenge)
- Port of Tacoma: \$50,000 (requested, was *not* received)
- Additional sought: \$100,000 from grants/sponsorships (not received)

Additional funding, had it been received, would have been allocated as follows:

- Additional year of USBCSD Partnership: \$25,000
- 0.5 FTE Program Manager/Marketplace Facilitator: \$57,600
- 0.5 FTE Project Coordinator: \$19,200
- Circular Economy Consultant(s) and Platform Management Support: \$48,200

# IV. Programming/Development

# **Educational and Capacity Building**

- 2019 Construction & Demolition Sector Focus: Sector-specific engagement strategy demonstrated both high demand and the effectiveness of facilitated matchmaking. A December 2019 City of Tacoma materials exchange workshop attracted 24 unique organizations (many from the Tideflats area) and successfully identified over 20 potential waste matches in just three hours, with the director of the South Sound Manufacturing Industrial Council providing strong support.
- This 2019 event informed the development of an Industrial Symbiosis Explorations Panel
  in November 2021, which brought together diverse stakeholders including Daniel Kietzer
  (Rheaply), Marcus Hopper (Gensler), Dirk Wassink (Second Use Building Materials),
  Quest Jolliffe (Sledge Seattle), and representatives from King County Solid Waste
  Division and Seattle Public Utilities. The panel addressed key industry challenges
  including current salvage and deconstruction practices, regulatory drivers, infrastructure

- capacity, and equity considerations in the C&D space, and importantly, a strong interest in a facilitated materials exchange marketplace.
- Textiles Sector and Additional Considerations: Textiles was identified as a second
  priority sector for targeted marketplace focus, with programming planned to address the
  unique needs of sewing businesses and textile waste streams, building on existing
  engagement with the NW Sewn (a program of Seattle Good Business Network support
  textiles and sewn-trade businesses across WA state) community.
- Potential to integrate formal recognition for companies participating in materials exchange with existing recognition systems like <a href="EnviroStars">EnviroStars</a>.
- Programming should maintain a consistent workforce development and equity focus, with explicit commitments to serve BIPOC- and women-owned businesses, recognizing materials exchange as part of larger economic transition and community wealth-building strategies.

# **Wraparound Programming and Business Support Services**

**Comprehensive Service Framework**: The materials marketplace was designed as the centerpiece of a broader ecosystem of business support services, recognizing that simply providing a platform would be insufficient to drive meaningful adoption and impact. The four-component service model addressed the full spectrum of business needs for transitioning to circular practices:

- Education and Workshops: Development of educational programming about circular economy concepts, marketplace functionality, and materials exchange best practices, including sector-specific workshops for businesses interested in exploring circular business models and zero-waste strategies
- 2. Circular Research and Strategy: Personalized consulting services to assist individual businesses with strategic transitions, including redesign of business models, validation of new product or service offerings, and guidance on reaching sustainability targets essentially serving as business advisors for companies wanting to move from linear to circular operations
- 3. Scaling Up: Expanding marketplace participation and developing strategic partnerships for broader outreach and engagement, including support for businesses in recruiting their suppliers and customers to the platform, and assistance in building the network of organizations needed to create strong regional materials exchange ecosystems
- 4. **Design Research**: Ongoing evaluation and refinement of user experience for both the online marketplace platform and the broader offline ecosystem of services, ensuring the complete system is useful and impactful for participating businesses rather than becoming a static tool

This comprehensive approach recognizes that successful materials exchange requires not just technology but also education, strategy support, relationship facilitation, and continuous improvement based on user feedback.

# V. The USBCSD Partnership and Rheaply Acquisition

# **Strategic Partnership Rationale**

The decision to partner with the United States Business Council for Sustainable Development was driven by:

- Access to existing national network (Tennessee, Michigan, Ohio, Austin marketplaces)
- Established platform technology and operational experience
- Status as a nonprofit
- Potential for national collaboration and resource sharing
  - Shared learning and best practices across jurisdictions
  - Collaborative approach to common challenges (regulatory, measurement, stakeholder engagement)
  - Regular knowledge-sharing meetings with marketplace leaders

# Partnership Challenges and Rheaply Acquisition Impact:

Shortly after signing the contract with USBCSD for one year of the Washington Materials Marketplace, we were notified that the entire USBCSD network of marketplaces (Ohio, Tennessee Valley, Michigan, Austin, Texas) was to be acquired by Rheaply, a for-profit 'climate tech' business. Daniel Kietzer, our main point of contact at USBCSD, was also moving over to Rheaply, giving us some assurance of continuity, along with direct assurances from the Rheaply team that our contract would be honored and platform maintained 'as-is.' However, once contract negotiations began between USBCSD and Rheaply, maintenance of our site (the WA Materials Marketplace), access to back-end data, and our capacity to actively recruit and onboard businesses effectively came to halt. Below is more of the fallout from the Rheaply acquisition.

- Questions about platform control and governance: Uncertainty about decision-making authority over platform functionality and data access
- Uncertainty about Rheaply's role and vision alignment: The transition from USBCSD's collaborative network model to Rheaply's corporate ownership created ambiguity about whether the new platform would maintain the same community-focused mission and stakeholder-responsive approach that had been central to the original vision
- Loss of collaborative learning network access: The regular knowledge-sharing
  meetings with materials marketplace managers from Ohio EPA, Tennessee, Michigan,
  and other jurisdictions—which had provided valuable peer learning on challenges like
  "cross-jurisdictional regulatory challenges," "carbon measurements for materials reuse,"
  and "techniques for sustaining engagement"—were disrupted by the corporate
  acquisition
- Shift from community-driven to corporate-controlled approach: The governance model changed from a community steering committee with public and private sector stakeholders making consensus-based decisions to a for-profit company with different

priorities, accountability structures, and decision-making processes that were no longer transparent to or controlled by the local stakeholder community

Ultimately, after nearly a year of regular meetings with the Rheaply team about our community, environmental, and business considerations and objectives with the platform, we were informed that they did not intend to renew a contract with us, nor did they intend to operate statewide, but rather have a Seattle metro focus, and maintain proprietary possession of data, businesses, etc..

# VI. Lessons Learned and Strategic Recommendations

# **Platform Governance and Control and Programming**

Informed by years of program development, business and community input, and experimentation, we have developed the following recommendations, which prioritize a community and public-purpose focus and control of the platform as essential for maintaining mission alignment and community responsiveness.

#### **Recommendations for Washington Reuses:**

- Informed by our work on the WA Materials Marketplace, we joined Repair x Reuse WA in conversations with iWasteNot regarding their "Reuses" platform. The platform is positioned as a B2B service but allows for nonprofits, schools, government agencies, and individuals to become members. The purpose is to facilitate reallocation of a variety of useful materials across the state such as:
  - Byproducts of manufacturing processes
  - Scrap materials
  - Overstock / Excess
  - Items being surplused due to changing needs or upgrades
  - Non-functioning items that can be used for different purposes or potentially repaired
  - Who is the intended "user" audience? (Similar to the RIC but with some likely additions)
  - City / county government salvage programs and/or surplus operations
  - Tribal nations and community members
  - Reclaimed building materials providers
  - Small batch manufacturers, upcycling businesses, and independent makers
  - Repair shops & refurbishers
  - Resale shops (e.g. thrift and consignment stores)
  - Creative reuse spaces
  - Schools
  - Tool Libraries
- Washington Reuses must establish a <u>governance structure</u> that prevents corporate takeover and maintains democratic decision-making. The original project's 15-member

- steering committee, which included representation from cities, counties, ports, and community organizations, is a good approach to ensure regional representation and responsiveness to local needs.
- The experience of losing access to community-generated data and platform analytics when Rheaply took control highlights the critical need to develop clear data ownership and access policies that keep information in public hands.
- Create a sustainable funding model independent of corporate partners

#### **Stakeholder Engagement Best Practices**

Comprehensive user research should include detailed stakeholder sessions with diverse businesses—both historically i.e., those referenced in this document, and more recently the input from businesses gathered at the three 2025 PreCycle Materials Exchange events in Vancouver, Bellingham, and Twisp—extensive platform analysis of user engagement patterns, and structured focus groups to ensure broad industry representation. Cultural and linguistic accessibility planning must be integrated from project inception through proactive outreach to diverse business networks and community organizations, rather than being added as an afterthought. A cross-sector advisory structure should bring together expertise from waste management, economic development, logistics, and community organizations to provide essential guidance for navigating regulatory and partnership challenges. An iterative development approach emphasizing beta testing, continuous user feedback collection, and ongoing refinement based on stakeholder input will be essential.

Sector-specific engagement strategies by industry (e.g., construction & demolition, textiles, etc) will be more successful than generic outreach. Explicit equity commitments should be maintained as central rather than peripheral to platform and program success. Integrating with existing business support organizations—from EnviroStars recognition to Port authority partnerships—will leverage rather than compete with established networks.

Peer-to-peer learning opportunities (evidenced through the regular USBCSD network meetings) and collaborative problem-solving on challenges essential for platform improvement should be rebuilt.

#### Platform Requirements Based on Experience:

- **Transaction Tracking**: Complete lifecycle visibility (identified as critical gap in Mobilize analysis)
- **Industry Categorization**: Both general and industry-specific material listings/segmentation
- Confidentiality Features: Protection of proprietary information and supply chain relationships
- Regulatory Compliance: Integration of safety data sheets and compliance documentation as necessary
- Community Discussion: Communication platform for relationship building and material discussions

## **Wraparound Programming:**

- Educational programming tailored to specific material sectors
- Circular business model transition advisory services
- Matchmaking and networking events
- Facilitated 1:1 onboarding and matchmaking, as necessary
- Policy advocacy and development support
- Continuous program evaluation and improvement through impact measurement, data analysis, and stakeholder feedback integration

# Funding

The WA Reuses platform is being established with a Department of Ecology one-time grant that will cover the platform being 'embedded' (or hosted) on two WA Reuses partner websites for two years. Additional sites to house the platform (which can be accessed from every site where it is embedded, and ideally with a broad distribution across state geographies) can be brought online for \$4,000 per site/organization. Additionally, successful adoption of the WA Reuses site (as measured by number of businesses, number of transactions, 'waste' diverted, etc.) will require significant and dedicated outreach, education, and facilitation. Each partner org will ideally be able to allocate some staff hours to this purpose, and the overall initiative will need to fundraise to support both technological and personnel needs. See the <a href="WA Reuses Governace">WA Reuses Governace</a> Structure for more detail.

# **Diversified Funding Model:**

- State agency partnerships (e.g., Department of Ecology, Department of Commerce)
- Regional government collaboration (counties, municipalities, ports) who pay to embed platform and commit to outreach and engagement. Ideally we identify partners across the state from the outset (e.g., Eastern and Central Washington in addition to Western/Puget Sound)
- Economic development and community-based organizations (to embed platform, etc.)
- Earned revenue through services and events (not platform fees)
- Sponsorship
- Grants and contracts

#### Staffing and Organizational Structure/Needs:

- Dedicated program management and community engagement staff shared across many organizations and entities with more concentrated staffing at lead agency(ies)
- Technical advisory services capability largely with iWasteNot (the technology provider for WA Reuses) but also probably helpful to have additional input and expertise
- Governance/Advisory committee Washington Reuses Working Group with regional network-building function
- Data analysis and impact measurement expertise

# VII. Policy Integration and Systems Change

# **Connection to State Policy Initiatives**

**Washington Reuses Opportunity**: Position the platform as implementation infrastructure for state circular economy policies, providing data and evidence for policy development.

The original project was designed to integrate with proposed Washington State legislation for industrial symbiosis programs; and should now be developed mindful of other climate and solid waste considerations, including:

- Material flow data collection systems
- Solid waste diversion and impact on state landfills
- Regional facilitation and technical assistance
- Economic innovation cluster development
- Policy recommendations for circular economy initiatives, including looking to other states who work with iWasteNot for their policies and practices.
- Municipal waste reduction and climate goal integration
- Regional construction and demolition coordination
- Small business development and workforce creation

**Just Transition Framework**: Connect materials marketplace to broader economic transition goals, including equitable economic development and green job creation.

# VIII. Implementation Framework for Washington Reuses

# Phase 1: Foundation Building (Months 1-3) and Cost

#### Governance and Structure:

- Establish structure with community governance and advisory board
- Develop partnership agreements with key regional stakeholders
- Create data ownership and platform management policies

#### **Community Engagement:**

- Conduct regional stakeholder assessment and needs analysis
- Implement systematic user research process across target sectors
- Establish regional coordinator positions (likely embedded in partner organizations/agencies)
- Formalize agreements with regional and community partners
- Connect with existing waste reduction and circular economy initiatives

#### **Platform Development:**

- Ensure platform reflects documented user needs
- Create integrated communication and transaction tracking capabilities (use existing Mobilize platform and ensure that transactions that happen offline/on mobilize are uploaded onto WA Reuses)
- Build in equity and accessibility features from inception
- Beta test platform with small group (drawn from previous iteration of the marketplace and recent PreCycle gatherings)

# Phase 2: Platform Launch and Service Development (Months 4-18)

### **Platform Deployment:**

- Launch Washington Reuses platform with core functionality on Repair x Reuse WA, Good Business Network of WA (formerly Seattle Good Business Network, and others TBD)
- Implement transaction/exchange reporting
- Integrate with existing business networks and programs
- The platform will collect data on connections and materials diverted (ghg reductions, jobs created, revenue to the state (if possible), etc), businesses connected, communities supported (connect to DOH ESD map), etc

#### **Service Expansion:**

- Develop sector-specific advisory services
- Launch educational programming and workshops
- Create matchmaking events
- Develop earned revenue services and offerings

#### Phase 3: Ongoing Regional Expansion and Policy Integration (Month 19 on)

#### Geographic Expansion:

- Scale platform access across Washington state, connecting rural and urban materials flows
- Develop regional coordination and support capacity

#### **Policy Integration:**

- Provide data and evidence for state circular economy policy development
- Support regional waste reduction and climate planning efforts
- Develop recommendations for regulatory and incentives alignment

#### IX. Conclusion

The Washington Materials Marketplace project demonstrated both the potential and the challenges of community-driven circular economy platform development. The stakeholder engagement, wraparound programming, and regional partnership approach developed by Seattle Good Business Network and City of Tacoma provides a framework for a successful materials marketplace.

The experience with USBCSD and Rheaply highlights the critical importance of maintaining community control over platform infrastructure and data transparency and the risks of corporate acquisition.

The documented user research, stakeholder engagement methodologies, partnership frameworks, and service integration strategies provide a comprehensive foundation for developing "Washington Reuses" as a platform serving Washington's circular economy goals. By learning from both the successes and challenges of the original project, Washington state can develop a more resilient, community-responsive, and impactful materials marketplace that truly serves the public interest while advancing circular economy principles.

Washington Reuses, the next iteration of our state's materials marketplace, requires a commitment to community engagement, comprehensive service integration, sustainable funding, and maintaining democratic control over platform governance.