

DIVE BRIEF

C&D recycling and rail transfer facility coming to capacity-strained Greater Boston market

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Courtesy of Martignetti Development

Dive Brief:

- A new C&D recycling and transfer facility with 182,500 tons per year of capacity is slated to break ground in Wilmington, Massachusetts, this fall. The project, led by 887 Woburn, is expected to provide a rare addition of capacity to Greater Boston starting in 2023.
- 887 Woburn is a subsidiary of Martignetti Development, a regional commercial real estate company led by Anthony Martignetti, who has a background in the local waste industry. This facility is expected to be the area's only waste site not owned by a publicly-traded company, private equity-backed company or government entity.
- The approximately 37,000-square-foot facility is set to have a recycling system that can surpass the state Department of Environmental Protection's recently established 15% process separation rate requirement for C&D material. In addition, Martignetti says the facility will have direct rail access through an arrangement with CSX and is working to line up an end market disposal partner.

Dive Insight:

As construction continues to boom in Greater Boston, transfer and disposal capacity are shrinking and local haulers have long complained about their limited options.

"The haulers are thrilled," said CEO Anthony Martignetti, about the newly approved facility. "Especially local guys, family businesses that have been trying to find out if they have a future in the business because they're getting squeezed out."

Martignetti sold his own hauling company, Go Green Waste Services, to local company EZ Disposal Service last year, but he has been working on this C&D project for multiple years. Remediation

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work was needed at a site that previously hosted operations including a pig farm, scrapyards and barrel recycling operation over various decades, and the permitting process has been extensive.

Now that the bulk of state and local approvals have been received, with support from state legislators, construction is set to begin in the coming months. The operation will mechanically and manually recover commodities that include “wood, metal, asphalt/brick/concrete rubble, and clean gypsum wallboard,” according to a project fact sheet. Massachusetts has banned disposal of asphalt pavement, brick, concrete, metal, wood and clean gypsum wallboard for multiple years, and its updated performance standards took effect last year.

Reports to MassDEP indicate the separation rate at area C&D facilities ranged widely, from 1% up to 46%, and the state is looking for increased efforts in this area to meet its 2030 waste goals. A recently finalized solid waste plan set a target to reduce C&D disposal by 260,000 tons by 2030, which would more than double the state’s current C&D recycling rate.

John Thomas, president of New Jersey-based Hainesport Holdings and a member of the Construction & Demolition Recycling Association’s executive board, said Massachusetts is unique in setting a high separation rate requirement. He said the market is experiencing multiple challenges at the moment, including pressures around labor and diesel costs, as well as the recent passage of a Maine law to limit imports of C&D.

“Everybody’s kind of in a panic and trying to figure out where to send the material next,” said Thomas, adding his company’s Ohio landfill has received heightened interest in recent weeks following the Maine decision. “They’re going to have to get resourceful.”

MassDEP estimates 1,425 tons per day of daily C&D capacity has been lost in recent years due to the permanent closure of two facilities in the cities of Cambridge and Everett (both close to Boston) and the temporary closure of one in North Andover.

Now, many haulers are driving as far as Salem, New Hampshire (to a site owned by ReEnergy Holdings), or farther west in Massachusetts (to a site in Millbury owned by WIN Waste Innovations). As noted in a MassDEP document, “Although C&D waste processing capacity exists elsewhere in the Commonwealth, only two processing facilities currently operate within the Northeast Region,” and neither has direct rail access.

Like multiple aspects of the regional waste industry, C&D facilities have been part of the consolidation trend in recent years. WIN Waste purchased its site from United Materials Management in

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2020, and ReEnergy was acquired by private equity firm GCM Grosvenor last November. Other regional acquisitions involving C&D operations have also been completed by companies such as Republic Services in recent years.

Haulers regularly report multihour wait times at area transfer facilities, which Martignetti says is a sign the market has a clear need for more capacity and the new facility isn't a competitive threat to the existing players. Some of the same large companies with local operations could be potential end-market landfill partners.

"Just because our market is really tight here in Massachusetts doesn't mean it's tight in central Ohio and other places across the country," said Martignetti, adding that access to a rail spur at the landfill isn't essential, but any arrangement with a disposal partner will need to help ensure rail cars (which can cost around \$130,000 each) can be returned efficiently.

Thomas said the Northeast is well-positioned to lean into rail transfer, as it has "robust" infrastructure, it can benefit from the reduction in truck traffic (one gondola car can carry the same amount as five tractor-trailers) and it will also see new investments following CSX's recently approved acquisition of regional company Pan Am Systems.

MassDEP reports show the state exported more than 725,000 tons of C&D in 2019, with New Hampshire the largest destination by far. No C&D waste was disposed of within the state in recent years as more landfills have closed. MassDEP wasn't available for further comment on regional C&D trends.

Thomas said a big focus for CDRA is to help bolster end markets for C&, with a particular interest in potentially using recycled concrete or aggregate material in road and sidewalk construction. Speaking generally, Thomas said C&D recyclers are open to upgrading their sorting equipment to meet higher standards, but "we need to find end markets for these products," and "if you're not offering a solution, all you're doing is kicking the can down the road."

Martignetti is focused on starting construction in the fall and potentially opening the facility by spring or summer of 2023, but he's also looking at further expansion. This could include similar rail transfer facilities or vertical integration opportunities throughout the country, he said.

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