



Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: May 13, 2014

To: Council Member Lisa Goodman, Chair, Community Development & Regulatory Services Committee

Subject: Green Deconstruction Pilot Project

Recommendation: Approve the Green Deconstruction Pilot Project with Better Futures Enterprises to pursue deconstruction on two City-owned properties.

Previous Directives: None.

Department Information

Prepared by: Cherie Shoquist, Principal Project Coordinator, Phone 612-673-5078

Approved by: Charles T. Lutz, Deputy CPED Director _____

Catherine Polasky, Director, Economic Policy and Development _____

Language Reviewed by: Jeffrey Streder, Development Finance _____

Presenter in Committee: Cherie Shoquist, Principal Project Coordinator

Financial Impact It is estimated that this will cost more than a traditional demolition. Staff is estimating an increased cost of an additional average of \$8,000 to \$10,000 per unit. The funds will be paid for through Fund 01400 budgeted in 2014 under the Vacant and Boarded Program.

Community Impact

- Neighborhood Notification: All affected neighborhoods are notified of demolition.
- City Goals: Living well: Minneapolis is safe and livable and has an active and connected way of life.

Supporting Information

Staff recommends Better Futures Enterprises provide deconstruction services for two City-owned properties to determine the financial feasibility of pursuing deconstruction over demolition in the City of Minneapolis. Better Futures Enterprises has been working with cities, counties, contractors, and the Minnesota Pollution Control Agency to promote the practice of building deconstruction and to develop markets and alternative uses for construction waste diverted from landfills. Better Futures Enterprises seeks to establish deconstruction as a value added and competitive alternative to demolition.

Better Futures Enterprises is a non-profit social enterprise that intentionally seeks out and engages men who want a better future, men who have been labeled as chronically

homeless, chronically unemployed, frequent offenders and frequent users. Their model is based on four fundamentals: housing, behavioral health and primary health care, employment, and community re-engagement coaching. Better Futures participants are offered the opportunity to become contributing and productive members of society. The result: a man transforms from a "client" who consumes expensive public benefits to a healthy wage-earner and taxpayer who pays child support and is no longer chronically dependent on public support and programs. Better Futures Enterprises is positioning itself to lead deconstruction services in the Twin Cities metropolitan area with a business model based on efficiency, environmental responsibility and social good.

Better Futures Enterprise crews will perform deconstruction work at a starting wage for participants on this project at \$12 an hour. In addition to this wage, Better Futures Enterprises provides participants with uniforms, equipment, and transportation to and from the work site. In addition, the participants are receiving regular support from life coaches and most are receiving a rent subsidy for their housing. This type of work and the work experience is a valuable training experience for the men and provides a pathway to higher paying jobs in the construction industry.

The primary purpose of the Green Deconstruction Pilot Project is to fully develop safe, cost effective techniques for deconstructing buildings. The pilot project will identify the best practices and procedures to most efficiently deconstruct a building and will determine the costs of deconstruction in the City of Minneapolis. The pilot project will also provide the baseline information for future bids to include the costs of deconstruction, the costs of remaining demolition, minus the projected sales from the salvaged materials and accurately identify the total costs of deconstruction compared to demolition. The estimated costs of deconstruction and remaining demolition for a typical City –owned single family home in Minneapolis is \$23,000, minus the sales from the salvaged materials.

Demolition focuses on removing structures as efficiently as possible, and for the most part, does not recover reusable materials in the process. Deconstruction is an environmentally-friendly alternative to demolition. Deconstruction is the planned disassembly of buildings with the purpose of harvesting materials for reuse. Deconstruction salvages as many reusable materials as possible, diverting them from local landfills. Salvaged items typically include: doors, windows, cabinets, lighting and plumbing fixtures, framing lumber, roofing materials, and flooring.

Additionally, the Green Deconstruction Pilot Project has three goals that will generate significant environmental, social, and economic benefits:

1. Reduce the amount of construction and demolition waste sent to landfills.

The Green Deconstruction Pilot Project will document the environmental, social and economic impact of deconstruction compared to the standing policy of demolition, including reduced greenhouse gas emissions and the reuse of natural resources. Deconstruction reduces the amount of building materials in the waste stream and lengthens the lifespan of existing landfills, saves energy by reusing and recycling materials, and saves natural resources by reducing the need for new building materials to be manufactured.

2. Provide green jobs for chronically unemployed adults.

The Green Deconstruction Pilot Project will provide jobs for chronically unemployed adults, with a focus on adults who are homeless and at risk of returning to jail or prison. The pilot will develop and implement a deconstruction training regimen with certification. The basic skills of deconstruction are easily learned and will provide entry to higher paying jobs and pathways to work with the building trades. The pilot project will meet City of Minneapolis local, minority and women hiring goals.

3. Establish local marketplaces for selling reusable materials and new products developed from reclaimed materials.

The Green Deconstruction Pilot Project will develop and build sustainable markets and alternative uses for the range of reusable materials collected during the deconstruction process. The sale of salvaged materials will generate revenue to lower the cost of deconstruction. Deconstruction also offers families, businesses and communities materials at a cost lower than buying new.