



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

**Date:** July 8, 2014

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

**Subject:** Green Deconstruction Pilot Project

## Recommendations:

1. Approve the Green Deconstruction Pilot Project with Better Futures Minnesota to pursue deconstruction on two City-owned properties.
2. Authorize staff to develop and enter into a contract with Better Futures Minnesota for deconstruction and demolition services for up to \$30,000 per property.

**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 \$15,000 per unit. The funds will be paid for through Fund 01CWS.

## 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.
  - One Minneapolis: Disparities are eliminated so all Minneapolis residents can participate and prosper.
  - Great places: Natural and built spaces work together and our environment is protected.

## Supporting Information

Staff recommends Better Futures Minnesota 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 Minnesota has been working with cities, counties, contractors, and the State of Minnesota Pollution Control Agency to promote the practice of building deconstruction as an alternative to construction waste going directly to landfills. Better Futures Minnesota is working to develop markets for harvested materials as well as alternative use for construction waste that can be diverted from entering landfills. Their partnerships with all levels of government, especially with the State, Hennepin County and the City of Minneapolis, can lead to regulatory changes and changes in standard practices. Better Futures Minnesota is also partnering with the University of Minnesota Duluth to explore products that can be made with the reused materials. Better Futures Minnesota seeks to establish deconstruction as a value added and competitive alternative to demolition.

Better Futures Minnesota 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 Minnesota 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 Minnesota 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 Minnesota provides participants with uniforms, equipment, and transportation to and from the work site. The participants receive regular support from life coaches and most receive 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, abatement of hazardous waste, back fill and seeding. Additionally, the sales proceeds from salvaged materials will contribute to the processing and overhead costs. The estimated costs of deconstruction and the remaining demolition for a typical City-owned single family home in Minneapolis is up to \$30,000. This cost is expected to decrease with improved procedures and increased efficiency.

Demolition focuses on removing structures as efficiently as possible, and for the most part, recovers minimal 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 greenhouse gases by reducing 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. This activity supports the City of Minneapolis Climate Action Plan by reducing waste and reducing greenhouse gasses.

2. Provide green job training for chronically unemployed adults

The Green Deconstruction Pilot Project will provide green job training 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 potentially lower the cost of deconstruction in future deconstruction projects. Deconstruction also offers families, businesses and communities materials at a cost lower than buying new. Deconstruction offers a much higher reuse and recycling rate of materials, currently estimated at approximately ninety percent.