

**Environment and Natural Resources Trust Fund
2014 Request for Proposals (RFP)**

Project Title:

ENRTF ID: 143-E

Developing Building Deconstruction into a Sustainable Enterprise

Category: E. Air Quality, Climate Change, and Renewable Energy

Total Project Budget: \$ 150,000

Proposed Project Time Period for the Funding Requested: 1 Year, July 2014-June 2015

Summary:

The project will show deconstruction is a viable alternative to demolition; reducing construction waste going to landfills, conserving natural resources by promoting reuse/recycling, and increasing employment for chronically unemployed adults.

Name: Steve Thomas

Sponsoring Organization: Better Futures Minnesota

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Minneapolis MN 55405

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Web Address: http://betterfuturesenterprises.com/

Location

Region: Metro

County Name: Anoka, Carver, Hennepin, Ramsey, Scott, Washington, Wright

City / Township:

_____ Funding Priorities	_____ Multiple Benefits	_____ Outcomes	_____ Knowledge Base
_____ Extent of Impact	_____ Innovation	_____ Scientific/Tech Basis	_____ Urgency
_____ Capacity Readiness	_____ Leverage	_____ Employment	_____ TOTAL _____%



Environment and Natural Resources Trust Fund (ENRTF)

2014 Main Proposal

Project Title: Developing building deconstruction into a sustainable enterprise

PROJECT TITLE: Developing Building Deconstruction into a Sustainable Enterprise

I. PROJECT STATEMENT

An analysis of Minnesota’s Construction, Demolition and Industrial Waste determined that approximately 1.2 million cubic yards of this type of waste is sent to Minnesota landfills annually. Nationally, construction waste represents 25-40% of total waste generated. Landfill owners cited that many of these materials are recyclable, yet channels do not exist to viably recycle or reuse the materials upon their arrival at landfills. Building deconstruction provides an alternative, allowing 60% to 90% of materials to be reused and recycled. Home remodeling projects also present a valuable market to harvest additional building materials. By diverting this waste from landfills, fewer natural resources are needed to manufacture new products and less landfill gas, composed of methane and CO₂, is created. Along with generating environmental benefits for our State, deconstruction creates five times more jobs than demolition, generating multiple social and economic benefits.

This project aims to:

1. Reduce the amount of construction waste sent to landfills, reduce CO₂ emissions, and preserve natural resources in the process.
2. Create 6 new full time jobs and part time work for 30 chronically unemployed adults.
3. Establish Better Futures Minnesota as a visible and sustainable source for donations and harvesting materials recovered from building and renovation projects in the Twin Cities metro region and replicate this practice state-wide.
4. Develop viable outlets and techniques for reusing materials diverted from construction and renovation projects.

II. DESCRIPTION OF PROJECT ACTIVITIES

The four activities presented below are mutually dependent. By establishing Better Futures Minnesota as a reputable deconstruction business, deconstruction becomes the alternative to demolition, significant environmental benefits are generated, and an increase in deconstruction activity produces more jobs for chronically unemployed adults in our community.

Activity 1: Reduce construction waste sent to landfills, reduce CO₂ emissions, and preserve resources **Budget: \$17,061**

Outcome	Completion Date
1. Refine and enhance existing database for tracking the amount, type and disposition of all goods harvested under this project	Sep 30, 2014
2. Work with key officials in public agencies and research institutions to develop a full and complete analysis of environmental benefits	Mar 31, 2015
3. Prepare and distribute final report that provides data on the performance of this project including the environmental benefits, jobs created, number of people employed, lessons learned, and strategies for replicating the model across the state.	Jun 30, 2015

Activity 2: Create new jobs for chronically unemployed adults **Budget: \$283,080**

Outcome	Completion Date
1. Fully develop a training curriculum to help at least 60 adults become ready to work	Sep 30, 2014
2. Provide part-time deconstruction work for at least 30 of these adults and create 12 full-	Jun 30, 2015



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time positions	
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Activity 3: Establish Better Futures Minneosta as a visible and sustainable source for donations and harvesting materials recovered from building and renovation projects

Budget: \$16,320

Outcome	Completion Date
1. Develop key message points and prepare marketing materials for promoting the economic, social and environmental value and benefits of deconstruction; prepare targeted materials for relevant sectors: architects, contractors and homeowners; government agencies and policymakers	Sep 30, 2014
2. Work with cities and counties to promote the value and benefits of deconstruction for government, businesses, and residents	Dec 31, 2014
3. Attend and present at key conferences and workshops to promote the practices of deconstruction, reusing, and recycling	On-going
4. Develop relationships with key environmental advocacy groups and solicit their help with promoting this line of business	June 30, 2015

Activity 4: Develop viable outlets and techniques for reusing materials diverted from construction and renovation projects

Budget: \$111,879

Outcome	Completion Date
1. Explore and test options for materials diverted from landfills; this may include testing processing techniques and machinery at the Better Futures warehouse	Dec 31, 2014
2. Using data and analysis from testing materials and processing techniques, assess market demand and begin discussions with potential customers for the materials; refine testing and analysis to reflect findings from market assessment and feedback from potential customers	Mar 31, 2015
3. Develop processing techniques, including securing necessary equipment; negotiate purchasing agreements and product specs with potential customers	Jun 30, 2015

III. PROJECT STRATEGY

A. Project Team/Partners

Steve Thomas, CEO of BFM, is in charge of business development, sales, and marketing. COO Darryl Lindsey has overall responsibility for enrolling men, providing worker readiness training, and creating pathways to long term employment. Tim Hanson, General Manager, organizes work crews, assesses projects, and submits bids. Crew chiefs complete the deconstruction work and train and supervise the workers.

B. Timeline Requirements

As elaborated in Part II, we plan to have all activities completed by July 2015.

C. Long-Term Strategy and Future Funding Needs

The long term strategy is to develop building deconstruction as an alternative to demolition and cover our direct and related overhead costs from fees paid by homeowners, contractors and government agencies. These entities are already paying to have buildings renovated or demolished. Our plan is to redirect some of this current spending to pay for our deconstruction services, intensive marketing, alternative uses for the materials we harvest, identifying efficient methods to market used materials to consumers and improving efficiencies which will help us reach a level of sustainability. In the short term, grants from government and foundations will be used to cover funding gaps as we build this enterprise into a business that generates significant environmental, social and economic benefits for our state.

2014 Detailed Project Budget

Project Title: Developing Building Deconstruction into a Sustainable Enterprise

IV. TOTAL ENRTF REQUEST BUDGET *One year*

BUDGET ITEM						AMOUNT
Personnel						
Staff/Title	Responsibilities	FTE	# of People	Wages	Benefits	
S. Thomas, CEO	Sales & marketing	0.15	1	25,500	5,100	\$ 30,600
D. Lindsey, COO	Training	0.1	1	9,300	1,860	\$ 11,160
T. Hanson, GM	Project logistics	0.2	1	15,200	3,040	\$ 18,240
Crew Chiefs	Crew supervision	2	2	80,350	16,070	\$ 96,420
Work Crew	Project labor	10	42	185,120	37,024	\$ 222,144
Contracts						
Equipment/Tools/Supplies						
Container Rental & Transport for 50 projects @\$500/project						\$ 25,000
Consumable Supplies (saw blades, etc. for 50 projects @ \$100/project						\$ 5,000
Safety Supplies (gloves, goggles, hard hats, masks, protective boot inserts, etc.)						\$ 3,900
Tools - are already owned. Budget allowance is to replace items as needed						\$ 10,000
Equipment - machinery needed to process materials will be determined at a later date and funded from other sources						
Acquisition (Fee Title or Permanent Easements)						
Travel						
Vehicle expense for transporting crew and equipment to work sites, estimated at 200 miles/week						\$ 5,876
Additional Budget Items						
Total Expenses						\$ 428,340
TOTAL ENVIRONMENT AND NATURAL RESOURCES TRUST FUND \$ REQUEST =						\$ 150,000

V. OTHER FUNDS

SOURCE OF FUNDS	AMOUNT	Status
Other Non-State \$ Being Applied to Project During Project Period		
Earned Income (fees for services and proceeds from sale of materials)	\$ 218,340	<i>Pending</i>
Private Grants	\$ 60,000	<i>Pending</i>
Other State \$ Being Applied to Project During Project Period		
	\$ -	
In-kind Services During Project Period		
	\$ -	
Remaining \$ from Current ENRTF Appropriation (if applicable)		
	\$ -	
Funding History		
Minnesota Pollution Control Agency awarded \$18,833 grant to fund a deconstruction pilot. Grant period is 11/15/12 - 6/30/14.		

Environmental and Social Benefits of Building Deconstruction



90%

- In a typical 1500 ft² home, up to 90% of materials can be reused or recycled.

92 tons

- These efforts keep about 92 tons of waste out of landfills



A Better Futures Deconstruction Crew

Deconstruction creates 5x more jobs than demolition. Due to the revenues generated from re-sale of materials, much of the additional labor costs can be recuperated making it cost competitive with traditional demolition.

Organization Description and Project Manager Qualifications

Organization Description

Better Futures Minnesota (formerly The Network for Better Futures) was established in 2007 by a team of Minnesota's leading health care, housing, workforce, community corrections, and human service practitioners. Over 650 men were served and 370 were employed in our first 5 years. Better Futures' business activities provide employment and a path to success for at risk, chronically unemployed men. These men have been locked into a cycle of incarceration and dependency on public programs and excluded from the labor market. By finding and extracting value from the waste stream, we provide work for our men, preserve natural resources, and generate income to sustain the enterprise.

Better Futures' existing waste diversion and recycling/reuse lines of business are comprised of:

- Appliances;
- Books, including a resale relationship with an on-line book seller;
- Post-consumer plastics;
- Used household goods and furnishings; and
- Used building materials, including goods secured from abandoned properties, renovation projects, and buildings slated for demolition.

Our staff is trained to safely and efficiently deconstruct buildings and maximize the reuse of the materials harvested through these activities. Specifically, we have:

- Built the capacity to assess the viability and value of projects;
- Developed a trained and experienced team of workers to provide deconstruction services;
- Procured the tools and equipment necessary to support deconstruction;
- Established partnerships with materials processors and researchers in an effort to develop viable outlets and new uses for the range of materials secured from projects;
- Established the infrastructure needed to support the processing and reuse or recycling of materials.

Project Manager Qualifications: Steven G. Thomas, President and CEO

Steve Thomas is a social entrepreneur with 35 years of success in designing, launching and operating innovative public service ventures in communities across the country. Under his leadership, Better Futures Minnesota was developed and launched in 2007. Thomas held several senior executive positions at the Corporation for Supportive Housing (CSH) and he held several appointive positions in New York City government. As Assistant Commissioner in the Department of Correction, he managed all of the medical and mental health services and drug treatment programs for inmates in the City's jail system. He also served as director of New York's emergency housing and financial assistance programs for homeless families and as a budget analyst for the City's Office of Management and Budget.

In developing Better Futures Minnesota, Thomas visited and studied high performing social enterprises that employ at risk workers, including prominent and successful building deconstruction companies. Through his relationships with these companies, he and Better Futures staff have been able to develop building deconstruction into a promising and viable line of business in Minnesota. In addition, Thomas has raised significant amounts of startup capital from private foundations to help build Better Futures into a sustainable enterprise that creates jobs. Under his leadership, the Better Futures team is focused on results, impact, and continuous improvement.