

Legislation Text

File #: 24-0026, **Version:** 1

Item Description:

Agmt PR00005904 with Better Futures Minnesota and Agmt PR00005905 with Birch Group to provide deconstruction services, 01/01/24-12/31/25, total combined NTE \$600,000

Resolution:

BE IT RESOLVED, that Agreement PR00005904 with Better Futures Minnesota to provide deconstruction services, for the period of January 1, 2024 through December 31, 2025, in an amount not to exceed \$400,000 be approved; that the Chair of the Board be authorized to sign the amendment on the behalf of Hennepin County; and that the Controller be authorized to disburse funds as directed; and

BE IT FURTHER RESOLVED, that Agreement PR00005905 with Birch Group to provide deconstruction services for the period of January 1, 2024 through December 31, 2025, in an amount not to exceed \$200,000 be approved; that the Chair of the Board be authorized to sign the agreement on the behalf of Hennepin County; and that the Controller be authorized to disburse funds as directed.

Background:

Agreement PR00005904 with Better Futures Minnesota and Agreement PR00005905 with Birch Group, continue the county's support of deconstruction to divert building materials from landfilling. Deconstruction, a building removal technique, systematically dismantles a structure to maximize the recovery of materials for reuse and recycling.

While about 85% of the materials in a typical demolition project could be salvaged and kept out of landfills, currently only about 30% of building materials are reused or recycled. Greater diversion of these materials is possible by changing industry norms. This method removes materials like fixtures, cabinets, windows, flooring, and wood framing intact for reuse. Increasing the amount of building materials recycled is an important zero-waste action.

The county has partnered with Better Futures Minnesota since 2011 to support its goal to divert materials from landfill and providing housing and employment support to formerly incarcerated men. The Birch Group was founded in 2021 by a woman of color with the mission to normalize deconstruction and creating launch pads for people to move to the next level of their lives. The Birch Group operates a building material reuse warehouse in North Minneapolis where deconstructed materials are resold to the community.

In addition to diverting waste, deconstruction also makes building materials available to use in a variety of projects, avoiding the need for new materials. Creating new building materials requires energy - to harvest raw material, process it, manufacturer it into new products, transport it and sometimes to use it. Eighty percent of the emissions attributed to buildings are embodied emissions from the materials used to build them, while operating buildings accounts for 20% of the building's emissions. Diverting construction and demolition waste for reuse or recycling is an important way to reduce greenhouse gas emissions associated with the materials we consume and how we manage waste.

The environmental benefits of deconstruction are compelling; however, it takes longer and costs more to deconstruct than to demolish. A full deconstruction of a 2,000 square foot house takes up to two weeks and costs around more than double what traditional demolition would cost, which takes a fraction of the time and

staff. The funds allocated through these contracts offset the cost of deconstruction to make it a competitive alternative to demolition.

Both Better Futures Minnesota and the Birch Group prioritize employment for underserved communities. Better Futures Minnesota provides job training and support services for primarily African American men with histories of incarceration, substance abuse, mental illness, chronic unemployment, and homelessness. The organization not only focuses on providing short term work, access to job training and job placement but also on community building and renewal, promoting a sense of belonging, volunteer service, and reengagement with family and friends to combat the often-overlooked isolation faced by program participants.

Better Futures Minnesota reports that its participant recidivism rate in 2022 was 8%, compared to the national rate of 25% for individuals that return to prison within their first year of being released. Further, the average annual cost of incarcerating an individual in Minnesota is over \$62,800 per year, compared to the average annual cost of \$18,626 for each Better Futures Minnesota participant. Better Futures Minnesota has calculated a social return on investment of \$3.61 for every dollar invested in its program model.

The Birch Group currently employs eight staff with a focus on hiring marginalized individuals with employment barriers including former incarceration, criminal records, professional experience, and age. The Birch Group expects to hire additional staff as the organization grows and actively recruits from local technical schools, such as Summit Academy OIC and Goodwill-Easter Seals Minnesota, to provide real-life professional experiences to participants.

Current Request: This request seeks approval of Agreement PR00005904 with Better Futures Minnesota to provide deconstruction services for the period of January 1, 2024 through December 31, 2025, in an amount not to exceed \$400,000.

This request also seeks approval of Agreement PR00005905 with the Birch Group to provide deconstruction services for the period January 1, 2024 through December 31, 2025, in an amount not to exceed \$200,000.

The 2024 Environment and Energy budget includes \$300,000 in expenditures for these services. Funding for these agreements comes from the Solid Waste Enterprise Fund.

Impact/Outcomes: The deconstruction services funded under these agreements will expand existing markets and create new viable markets for reusable and recyclable building materials and divert valuable resources from landfilling. Under these agreements, as many as 80 buildings will be fully or partially deconstructed.

This contract supports the county's zero-waste and climate action goals. Diverting construction and demolition waste for reuse or recycling is an important way to reduce greenhouse gas emissions associated with the materials we consume and how we manage waste.

These agreements support the county's effort to reduce disparities in the employment domain by providing job training and other services to primarily African American men with histories of incarceration, substance abuse, or other challenges.

Recommendation from County Administrator: Recommend Approval