

# Deconstruction Incentive Program

## Overview

The Deconstruction Incentive program will provide an incentive to homeowners and developers to deconstruct structures rather than demolish them in an effort to divert construction and demolition (C&D) waste from landfills. Deconstruction is the process of carefully dismantling building structures to salvage building materials for reuse and has several environmental and social benefits compared to demolition. Currently, only 30% of C&D waste generated in the region is diverted for reuse and recycling and deconstruction provides an opportunity to divert up to 90% of building materials. According to a study done by the Delta Institute, up to 25% of the building materials in a residential structure can be reused if removed correctly, while up to 70% of a residential structure can be recycled, leaving very little building material that is actual waste.

Demolition of a residential structure costs on average \$5 to \$6 per square foot, while deconstructing a structure costs closer to \$10 to \$13 per square foot, about twice the cost. Standard demolition techniques use mechanical equipment to knock down structures, destroying materials that could be reused in the process. Standard demolition of a residential structure takes only a day or two while deconstruction takes about two weeks. The labor involved to deconstruct a structure adds cost and time, making it a deterrent to homeowners and developers with projects that involve the removal of building material.

The Deconstruction Incentive program will reduce the cost to homeowners and developers, making deconstruction a more affordable option. Additionally, the new program will increase public awareness of deconstruction and attempt to increase the number of contractors offering deconstruction services.

## Eligibility

Homeowners and developers are eligible to receive funds up to \$5,000 (\$2 per square foot) for the complete removal or major renovation of residential properties in Hennepin County utilizing deconstruction techniques to remove reusable building materials. Residential properties, including homes and apartment buildings up to four units, are eligible for the program. Projects must meet the reuse and disposal criteria listed below. If awarded, funds will be dispersed upon completion of deconstruction work and verification of material reuse or disposal. The program will initially be implemented in Minneapolis and St. Louis Park, but additional cities will be considered for participation as the program expands.

To qualify for funding, projects must meet the following criteria:

- ✓ Structure being demolished or renovated was built prior to 1950
- ✓ Size of structure or area of renovation is 250 square feet or larger

- ✓ A pre-demolition inspection must be conducted by Hennepin County staff
- ✓ A minimum of six different material types must be removed for reuse
- ✓ A minimum of 550 pounds of wood (including flooring, dimensional lumber or ceiling/floor joists) must be deconstructed for reuse
- ✓ All non-reusable building material generated from the project is sent to a county approved construction and demolition waste recycling processing facility
- ✓ Applicants must submit itemized receipts to Hennepin County from the reuse retailer
- ✓ Applicants must submit documentation showing weight of material sent to an approved C&D waste recycling facility

Applicants will be notified if their project is eligible for funding within five business days of the county receiving their application, and recipients will enter into contracts with the county in order to receive funding.

### **Timeline**

The Deconstruction Incentive program will be implemented in January 2020.

### **Financial**

Each year, the Environment and Energy Department anticipates allocating \$100,000 for the program as part of the operating budget request. Funding for the program will come from the Solid Waste Enterprise Fund. Contracts will be signed by the County Administrator, or designee.

### **Implementation**

The program will be promoted through press releases, county and city social media alerts, mailings to contractors and information at Minneapolis and St. Louis Park permit application desks. Homeowners and developers will complete an application and submit it to Hennepin County for review and approval.