

Draft Deconstruction Summary Report

January 1, 2018 through December 31, 2018

- **City-bid deconstruction projects since ordinance took effect:**
 - 3 attempts to bid out 8 parcels and 1 attempt to bid a single parcel has yielded only excessive and incomplete bids. Department adjusted bid specifications to make bid packages as accommodating as possible within limits of the ordinance.
 - DNS has pending award of contract for 7 deconstruction of City owned parcels – average cost of \$29,990.71/parcel – currently being held.
 - Contractors cite issues stemming from acquiring and retaining RPP workers with sporadic city contracts, requirements for handling lead painted materials and inability to find offsets to manage higher operational costs.
 - Only 2 contractors have been moderately interested. Both requesting City to contract larger volume of work to prevent worker lay-offs and higher costs.
 - DNS re-published Request for Proposals seeking deconstruction services for city-owned buildings on a larger scale. This proposal is due January 7, 2019 and was published in response to above cited contractors' input.

- **Private Deconstructions:**
 - Recyclean, Inc. completed to date:
 - 2 Residential properties – 2075-77 N Cambridge - Duplex and 3-family
 - Approximately 95% waste diversion.
 - 1 Commercial Property – 2032 S Kinnickinnic – Restaurant
 - Approximately 75% waste diversion.
 - 3 Residential deconstructions adjacent to 2032 S Kinnickinnic
 - Approximately 95% waste diversion.
 - Spencer Renovations, Inc. :
 - 3 Residential properties – 1004 thru 1010 S 6th Street – single-family homes.
 - Approximately 70% waste diversion.

- **Negative impact to date on employment including RPP, SBE and LBE:**
 - At least 2 demolition contractors (including D&H the only local, in-the-city demolition contractor) have laid off employees due to the sudden decrease in both public and private demolition work.
 - Collaterally, with the closing of the DPW demolition program DNS has stopped contracting for asbestos abatement work with Braxton Environmental – they were providing 6~8 jobs at 100% RPP.

- **Private razes have slowed in 2018:**
 - Private School auditorium project at 2607 S 5th St on hold – unable to meet the cost differences to raze 7 houses and 4 garages.
 - Insured properties with minor fire damages are unable to be razed due to cost vs insurance coverage issues and private development projects are in limbo, unable to rebuild or raze and move on.
 - Approximately 20 private razes held up to date.

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- **Increasing number of condemned buildings:**
 - 384 in December of 2017
 - Currently 520 properties in the active queue of condemned properties.
 - Approximately 100 additional city-owned in process to come to DNS program from DCD in 2018-early 2019.

- **Contributing factors to higher costs and low response:**
 - Demo contractors unable/unwilling to take big risk of changing business model 'overnight'. All cite lack of time to "re-tool" business/business model.
 - Surge in local construction and development has created a demand for workers qualifying for RPP and similar credits. Other projects and paths currently paying greater than current DPW workforce wages. Very difficult to find/retain qualified, reliable workers.
 - Local markets for salvaged materials not very strong. Contractors practicing deconstruction are currently able to sell most materials but not for desired price points.
 - Lead – greater scrutiny from WDHS, WDNR and OSHA concerning lead hazards during hand demolition, salvage of materials and retail sales of potentially lead impacted building materials. Per MHD request, workers on deconstruction projects should be certified as lead abatement workers and a certified lead supervisor should be on site during deconstruction process when painted materials are involved. Lead-safe best practices must also be employed.