

State of Maryland

2010 Bond Bill Fact Sheet

1. Senate LR # Bill #		House LR # Bill #		2. Name of Project
lr1079	sb0150	lr1080	hb0326	Community Forklift Facility
3. Senate Bill Sponsors				House Bill Sponsors
Pinsky				Gaines
4. Jurisdiction (County or Baltimore City)			5. Requested Amount	
Prince George's County			\$450,000	
6. Purpose of Bill				
<p>Authorizing the creation of a State Debt not to exceed \$450,000, the proceeds to be used as a grant to the Board of Directors of the Sustainable Community Initiatives, Inc. for the acquisition, construction, and repair of the Community Forklift Facility.</p>				
7. Matching Fund				
Requirements:		Type:		
Equal		The grantee shall provide and expend a matching fund		
8. Special Provisions				
<input type="checkbox"/> Historical Easement		<input checked="" type="checkbox"/> Non-Sectarian		
9. Contact Name and Title		Contact Phone	Email Address	
Jim Schulman, CEO		202-544-0069	jschulman@communityforklift.com	
10. Description and Purpose of Grantee Organization (Limit Length to Visible area)				
<p>Sustainable Community Initiatives (SCI) is a not-for-profit organization that has been dedicated to enhancing the sustainability of communities in the Mid-Atlantic since its founding in 1996. Through 2002, SCI was involved in material reuse, building deconstruction job training, and “low-impact development” (water conserving) demonstration projects. Beginning in 2003, SCI focused its efforts on opening a center for the recovery, reuse, and sale of surplus, salvaged, and green building materials, called Community Forklift, LLC (CF). It is a wholly-owned subsidiary of SCI. CF grew out of a desire to obtain value from the enormous amount of reusable building materials thrown away regularly in the Washington Metro area and to help create a regional retail market for materials salvaged by graduates of SCI’s training programs, among others. In a nutshell, Community Forklift is a green business contributing to community revitalization by supplying the National Capital region with low-cost surplus and salvaged building supplies.</p>				

11. Description and Purpose of Project (Limit Length to Visible area)

SCI seeks a bond bill for \$450,000 as part of a project total of \$1,347,000 being assembled to finance the purchase of the 40,850 sq. ft. warehouse/office facility from which it has operated since 2005. The purposes of the purchase include making it possible for the business to remain in Maryland, obtaining site control, enhancing the organization's long term financial sustainability, reducing overhead costs, and making other efficiency improvements. CF has rented its facility in the Port Towns/Hyattsville area of Prince George's County from the Washington Gas Light Company (WGL). CF has become a destination landmark for approximately 10,000 customers and material donors. CF also sublets a small amount of space to other local businesses, including several with a similar focus on green jobs and green construction. With its lease coming to a close in February 2010, CF has entered into negotiations with its landlord to purchase the facility it has occupied. SCI is currently negotiating financing to facilitate the building purchase, make selective energy efficiency improvements and repairs to the building, and to refinance a loan obtained from the Washington Area Community Investment Fund that served as start-up capital.

Round all amounts to the nearest \$1,000. The totals in Items 12 (Estimated Capital Costs) and 13 (Proposed Funding Sources) must match. The proposed funding sources must not include the value of real property unless an equivalent value is shown under Estimated Capital Costs.

12. Estimated Capital Costs

Acquisition	\$977,000
Design	0
Construction	\$370,000
Equipment	0
Total	\$1,347,000

13. Proposed Funding Sources – (List all funding sources and amounts.)

Source	Amount
Community Forklift, LLC (subsidiary) equity contribution from capital campaign & grants	\$90,000
Private bank financing (in negotiation)	\$360,000
SBA guaranteed 2nd mortgage (504)	\$447,000
Maryland Bond Bill	\$450,000
Total	\$1,347,000

14. Project Schedule			
Begin Design	Complete Design	Begin Construction	Complete Construction
		August 01, 2010	July 31, 2011
15. Total Private Funds and Pledges Raised		16. Current Number of People Served Annually at Project Site	17. Number of People to be Served Annually After the Project is Complete
Capital campaign underway		3,000 customers	4,500 customers
18. Other State Capital Grants to Recipients in Past 15 Years			
Legislative Session	Amount	Purpose	
FY 2009	\$47,500	Community Legacy grant for staff, facility renovations & equipment	
19. Legal Name and Address of Grantee		Project Address (If Different)	
Sustainable Community Initiatives 631 E St., NE Washington, DC 20002		Community Forklift 4671 Tanglewood Drive Edmonston, MD 20781	
20. Legislative District in Which Project is Located			22
21. Legal Status of Grantee (Please Check one)			
Local Govt.	For Profit	Non Profit	Federal
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Grantee Legal Representative		23. If Match Includes Real Property:	
Name:	James Schulman	Has An Appraisal Been Done?	Yes/No
Phone:	c: 202/544-0069		Yes - by seller
Address:		If Yes, List Appraisal Dates and Value	
631 E St., NE Washington, DC 20002		December 2009	\$1,165,000

24. Impact of Project on Staffing and Operating Cost at Project Site			
Current # of Employees	Projected # of Employees	Current Operating Budget	Projected Operating Budget
15 (11 FTE's)	20	\$700,000	\$900,000
25. Ownership of Property (Info Requested by Treasurer's Office for bond issuance purposes)			
A. Will the grantee own or lease (pick one) the property to be improved?			own
B. If owned, does the grantee plan to sell within 15 years?			no
C. Does the grantee intend to lease any portion of the property to others?			yes
D. If property is owned by grantee and any space is to be leased, provide the following:			
Lessee	Terms of Lease	Cost Covered by Lease	Square Footage Leased
Lance Whitney, t/a Red Oak Building and Grounds Maintenance	Annual office	\$7,533	837
Brian Higgins, t/a GreenHome (renovations)	Annual storage	\$7,119	791
R&R Towing	Month-to-month office	\$6,156	684
Soon to vacate & reoccupy Jan. 2010	Annual Office	\$10,690	1069
E. If property is leased by grantee – Provide the following:			
Name of Leaser	Length of Lease	Options to Renew	
Washington Gas Light Co. (landlord & seller)	5 years	yes - annually as of March 2010	
26. Building Square Footage:			
Current Space GSF	40,850		
Space to Be Renovated GSF	40,850		
New GSF	40,850		
27. Year of Construction of Any Structures Proposed for Renovation, Restoration or Conversion		Office 1920's Warehouse 1977	

28. Comments: (Limit Length to Visible area)

Community Forklift opened for business in the fall of 2005. Since then it has diverted approximately \$4,000,000 worth of materials from being land-filled or incinerated, and provided very low cost building materials to local homeowners, contractors, and related trades people. It has also provided material assistance to dozens of community-based non-profit organizations. Community Forklift obtains its products via tax-deductible material donations to SCI from homeowners and businesses, by agreement with area governments, and from consignments from an appliance repair company, a wood broker, an environmental product supplier, an antiques dealer, and deconstruction companies. Having been in business for over four years with steadily increasing sales, a current staff of 15, expanding community outreach and education, and a diversifying collection of materials - Community Forklift has established itself as a pre-eminent green construction resource in the Washington, D.C. area.

Washington Gas (WG) is selling the building, but intends maintain control of the land, leasing it long-term into the next century at a reasonable rate due to liability they retain from the presence of coal tar in the soil as a result of the business practices of Hyattsville Gas in the 1930's. It is our understanding that the Maryland Department of the Environment has issued a "no further action" letter with regard to this site because the coal tar is contained and there is minimal risk of future liability. WG's desire to retain ownership of the land surrounding the building works in Community Forklift's favor by bringing the sale price within Community Forklift's level of affordability.

Community Forklift's sales and operating capacity have grown appreciably since its start-up. Sales since July of 2009 have been exceptionally strong and the proportions of new and repeat customers remain robust. We await word from the State of Maryland regarding \$225,000 in acquisition, rehabilitation, and business development funds from the 2010 Community Legacy Program Fund, \$150,000 of which could be devoted to the building purchase. These funds would supplement our current capital campaign entitled "Rooting a Green Business in Prince George's County."

Community Forklift has come a long way in reducing operating costs as a portion of revenue while erasing significant start-up debt. We anticipate that purchasing the facility should reduce Community Forklift's average monthly business overhead between 20% and 45% (\$3,000 - \$7,100), significantly improving the sustainability of the business. Reducing overhead would permit desired staff expansion - creating more green jobs and allowing for greater material throughput, enhanced customer service, and increased sales tax revenue to the state.