

THE RESTAURANT DECONSTRUCTION ADVANTAGE

COMMERCIAL DECONSTRUCTION CAN CUT COSTS,
CREATE "FOUND MONEY," DRIVE VALUE, AND, AT
THE SAME TIME, HELP SAVE THE PLANET

YOU DECIDE:
DECONSTRUCT OR DEMOLISH?
SALVAGE OR TRASH?
RECOVER CAPITAL OR CAPITAL EXPENSE?

Capital recovered from deconstruction equals an expanded renovation scope. This can add on-the-cusp property upgrades, improves your restaurant/guest profile, increases cash flows, returns a higher NOI / IRR, and creates a higher residual value. In addition, it is a "green-friendly" marketing opportunity!



GREENDONATION
CONSULTANTS

927 Maple Grove Dr. Suite 201
Fredericksburg, VA 22407

(800) 870-3965
info@grndonation.com

WHY CHOOSE DECONSTRUCTION FOR A RESTAURANT?



Three great reasons:

1. Improves your guest profile and experience.
2. Expands renovation scope options.
3. "Green" differentiation, PR, and marketing.

Materials salvaged reduces the cost of disposal, creates affordable building materials for the community, and extends the life of "sound" building materials and equipment, all while reducing the project's carbon footprint. It also creates a "green-friendly" differentiation and marketing opportunity.

Tax benefits, net/net, would add back capital to the project renovation budget. This can potentially add "on-the-cusp" amenities or upgrades the renovation scope raising the restaurant profile. Improving the revenue over the project's life will result in increased daily/monthly cash flow for a higher NOI and a higher IRR, ultimately creating a higher residual value.

More than 90% of C&D debris comes from demolition projects, while new construction accounts for less than 10%.

BENEFITS OF DECONSTRUCTION

- Captures hidden value - tax benefits of donated salvageable materials.
- Opportunity to increase capital budgets for renovation.
- A relatively unknown differentiator, promotes a "green project."
- Upgrades the property and diner profile with additional upgrades.
- Improves the project financial proforma & returns with "found money."

A CHANGE IN THINKING LEADING TO VIBRANT RESULTS.

In the past, new commercial real estate developments typically have been about creating a “clean slate” via demolition before developing. This tactic literally threw away hundreds of thousands of dollars. Realizing users appreciated and generally paid higher rents for unique properties that were re-zoned/repurposed, savvy developers capitalized on repurposing and renovation of existing structures. The overall value of a project increased and resulted in a more vibrant project.

The next step, utilizing deconstruction and create “found money.” With the coming “green movement,” end-users increasingly will endorse these projects and will “pay up” to live, work, and play in these re-purposed development projects. Deconstruction creates significant public relations benefits, marketing value and creates extra capital. It is a green differentiator for developers who utilize deconstruction in their projects. Deconstruction also provides an opportunity to earn additional LEED points and creates a “green-friendly” developer image.

WHAT WE DO

Green Donation Consultants facilitates the whole deconstruction process. We coordinate the non-profit and the deconstruction contractors along with working closely with the clients from the beginning inspection to deconstruction and the final donation process. Green Donation Consultants completes the appraisal process and provides all the necessary paperwork for claiming the donation tax benefits to your tax professionals.

We coordinate the various third parties throughout the process and do all the heavy lifting, so you have virtually no extra effort in the deconstruction/donation process. We ensure the client receives the full appraised value of the donated items.

Empowered with the deconstruction option, savvy developers uncover unpolished real estate gems to re-develop. They capitalize on cutting-edge financial techniques to become true differentiated leaders in the future of real estate development.

Deconstruction + Donation = Greater Cash Flows

THE DECONSTRUCTION PROCESS: IT'S SIMPLE!

Deconstruction is a down-to-earth, economic and, environmentally-friendly alternative to traditional demolition that adds capital back to the project!



INSPECTION

Initial evaluation of the commercial property to get an estimated value range of salvageable materials determined by the work's anticipated renovation scope.



BENEFIT ANALYSIS

The client analyzes the potential tax benefits, utilizing their tax professionals to determine the capital value opportunity.



ENGAGE

Engage Green Donation Consultants to complete the appraisal and perform project coordination with the deconstruction contractor and the non-profit throughout the deconstruction and donation process.



DECONSTRUCTION

The deconstruction firm completes the dismantling process. Green Donation Consultants coordinates and validates salvaged materials conveyed to the non-profit.



APPRAISAL DELIVERY

Green Donation Consultants completes the appraisal process and delivers the final appraisal to the client.

Sample Deconstruction Benefits

Estimated Tax Rate*	Deconstructed Salvage Material Value Range				CALCULATED TAX BENEFITS
	\$500,000	\$750,000	\$1M	\$10M	
20%	\$100,000	\$150,000	\$200,000	\$2M	
30%	\$150,000	\$225,000	\$400,000	\$3M	
40%	\$200,000	\$300,000	\$400,000	\$4M	

*Up to and over \$1,000,000 in tax benefits depending on the value of salvageable materials and the client's tax rate. Green Donation Consultants has completed commercial projects where the final appraisal valuation of deconstructed and donated materials **exceeded \$8,000,000**.

RESTAURANT DECONSTRUCTION

“What can we include in our scope of work that is affordable, can be renovated easily and efficiently, will create a unique ambiance, and will also improve the restaurant and diner profile?”

The deconstruction tax benefit creates many opportunities to create additional value. It can significantly add capital back to a renovation budget to increase the renovation scope of work, adding additional amenities that will drive improved guest ambiance, experience, and loyalty while bringing higher revenues over time.



The scope of renovations for restaurants typically includes a complete renovation of the front of house and upgrading the back of house. As a stand-alone site or as part of a mixed-use project, restaurant transformation requires a magical recipe of architectural interior components to create the right dining experience ambiance. Utilizing deconstruction creates "found money" to expand the renovation scope and raise the restaurant profile, increasing average table receipts!

Deconstruction creates valuable salvageable materials from the bar, kitchen, and dining areas, that adds up quickly. Typically, thrown away, these items can be turned into capital for "upgrades" in the kitchen, dining decor, or that "over the top" finishing touch that makes your restaurant the favorite spot for dining!

SAMPLE ITEMS THAT MAY BE INCLUDED IN A RESTAURANT DECONSTRUCTION:

- Tables, chairs, booths, bar stools
- Hostess, reception furnishings
- Bar stools, chairs, tables
- Table coverings, linens, napkins
- Sofas, sofa chairs, tables
- Bar tops, countertops
- Fixtures, plumbing, mech equip
- Lighting, signage
- Lumber, brick, stone
- Architectural details
- Doors, windows, flooring
- POS system, phone/audio system
- Art, sculpture, decor accessories
- Air handlers, ventilation systems
- Cookware, utensils, cutlery
- Storage racks, shelving
- Kitchen display systems
- Small appliance, kitchen gadgets

- Food prep equipment/tables
- Refrigerators, freezers, coolers
- Deli and bakery cases
- Cooking equipment, fryers
- Ice makers, dishwashers
- Ovens, warmers, broilers
- Commercial range, grill, griddles
- Food bar and buffets
- Shelving and carts
- Ventilation, fire protection
- Mixer, slicer, beverage dispensers
- Dinnerware, flatware, glassware
- Trays, pots, pans, cookware
- Patio heaters, planters
- Soft goods, disposables
- Restaurant and bar furnishings
- Beverage dispensing, sinks
- Catering trays, chafing, server ware



IT PAYS TO BE GREEN



Depending on the restaurant's size and the scope of the renovation, full deconstruction salvage value could easily range from \$800,000 to \$2,250,000 or more. The dining area for an average 5,000 sqft restaurant (60% FOH), salvage value would vary based on the type of dining service (fine/full/counter/booth) and would range from \$300,000 to \$800,000, depending on the materials salvaged. The typical back-of-house full deconstruction (kitchen, cooking, storage, prep), would range from \$500,000 to \$1,450,000 in salvageable value, depending on the equipment/materials salvaged.

At a 40% tax rate, this is a real value of

\$320,000 to \$900,000

in recovered capital for upgrade options!

- Will \$600,000+ in upgrades improve your dining guest profile?
- Will this improve your positioning in the competitive set?
- Upgrade: kitchen, technology, decor, ambiance, and experience?
- Unique "green" niche marketing and PR opportunity.

This is all created from "found money" through deconstruction!

According to The Construction & Demolition Recycling Association, recycling 538 million tons of C&D waste saves 4,300 acres of landfill space.

BENEFITS OF RESTAURANT DECONSTRUCTION

- Improve your patron profile from added decor ambiance.
- Move up a few notches in the competitive set.
- Improve cash flow and increase project residual value.
- Use the deconstruction and donation "green" process as a differentiator and PR springboard for your restaurant.
- Create goodwill and add value to the local community through providing easier access to low-cost materials.
- Potentially speed up permitting approvals.

Ready to get started?
Call us to learn more!

Green Donation Consultants

(800) 870-3965

