



# 2024 Agency Capital Investment Requests

Senate Capital Investment Committee | March 7, 2024



# Agency Profile

## **Mission**

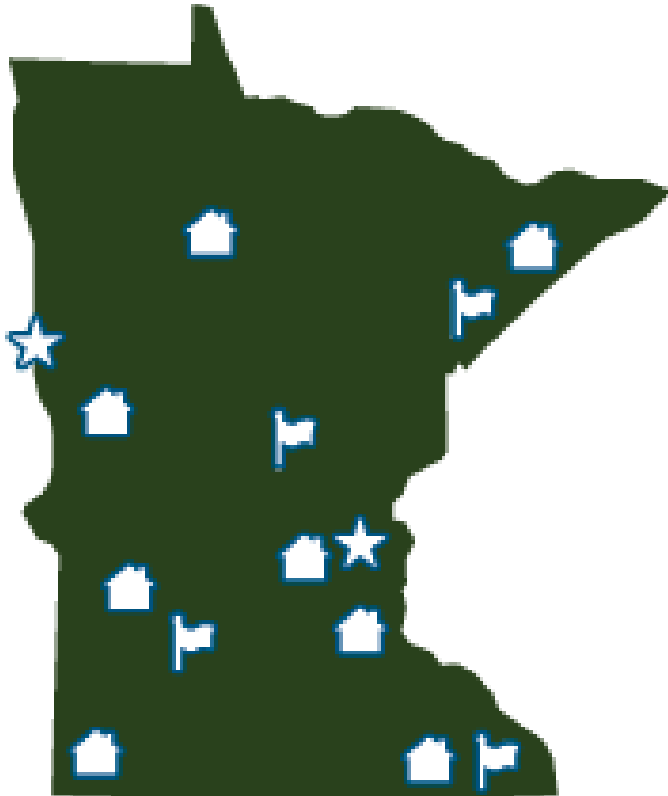
Serving Minnesota Veterans, their dependents and survivors by connecting them with the federal and state care and benefits they have earned.

## **What We Do**

The Minnesota Department of Veterans Affairs runs Minnesota's state veterans homes and assists Minnesota's nearly 300,000 Veterans and their dependents in securing available benefits and services.



# MDVA Locations Statewide



## **VETERANS HOMES**

Bemidji, Fergus Falls, Hastings, Luverne, Minneapolis, Montevideo, Silver Bay & Preston



## **STATE CEMETERIES**

Duluth, Little Falls, Redwood Falls & Preston



## **OFFICE LOCATIONS**

St. Paul (Veterans Service Building Central Office) & Henry Whipple Building Claims Office, Fargo/NW Minnesota Claims office



# Key Considerations

## The Administration's approach to asset preservation:

1. **Strong investments now significantly reduce future costs** – the backlog must be seriously addressed
2. **Avoid negative impacts on service delivery to Minnesotans** by investing in critical projects well before any infrastructure approaches failure
3. **Administer** asset preservation programs **promptly, efficiently, and transparently**

### Note on Encumbrance Levels:

- Whether or not a state asset preservation project has been encumbered does not indicate project readiness or project to completion, particularly for recently passed bonding bills.
- This is because state agency projects must wait for the full completion of the design and bidding process before funds can be encumbered.
- Local projects, on the other hand, show as 100% encumbered once a grant agreement is signed, regardless of the status of the project.



# Asset Preservation Priorities and Spending

- **Priorities Are Established by Agencies**

Based on significant analysis that focuses on critical life safety and programmatic needs

- **Project Starts Depend On**

**Volume of projects.** Total amounts appropriated to an agency for asset preservation

**Timing.** Getting funds in summer means contractors are already engaged and less likely to bid

**Design.** Projects start design when funding is known and appropriated or may need to redesign if too much time has passed

## **Regular, Predictable investments**

Improves asset preservation flow and allows for faster execution

Missing asset preservation in a bonding year results in greater risk to state facilities

Deferred maintenance doesn't go away – results in increased costs down the road.

## **Encumbrance vs. Project Starts**

Local projects that enter a grant agreement show up as 100% encumbered even if it take 5 years to spend



# Agency-wide Asset Preservation



- \$12.8 million for Asset Preservation improvements and betterments of a capital nature at the State Veterans Cemeteries and Minnesota Veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne.
- Request would be used to renovate and replace components in agency-managed buildings throughout the state.
- This request would address building systems and components that have exceeded their intended useful life in each facility and will ensure skilled-nursing facilities used to care for Residents and the State Veterans Cemeteries are in good condition.



# Agency-wide Asset Preservation

- The Minnesota Veterans Homes and State Veterans Cemeteries occupy 1.4 million square feet in 71 buildings – 12 of which have 24/7 occupancy – with a replacement value of \$496 million dollars.
- Renovations and upgrades on these buildings will address building repair items that go beyond the day-to-day maintenance needs of each facility to ensure facilities used to care for 700+ residents are in good condition.







# Agency-wide Asset Preservation

- Examples of projects in this request include roofs, chillers, boilers, tuck-pointing, elevator repairs, window and door replacement, mechanical and electrical replacements, structural water damage repairs, and major communication system replacements.
- The amount identified in this asset preservation request reflects a backlog of asset preservation needs to replace major systems that have exceeded their intended useful life.







# MVH-Minneapolis – Building 16 Remodel

- \$16 million to complete the design and fund the remodeling of Building 16 on the Minnesota Veterans Home - Minneapolis campus.
- Building 16 is a part of the MDVA Domiciliary program. It is a residential building on the MVH-Minneapolis campus that is staffed and occupied 24/7.
- The building's HVAC system has experienced periodic failures. Through the discovery process in predesign, many other building systems have been identified that are past their useful lives and need replacement.





**MINNESOTA DEPARTMENT  
OF VETERANS AFFAIRS**

# Thank You