# 2026 Agency Capital Investment Priorities

Minnesota Senate Capital Investment Committee | March 10, 2026

# 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 proudly manages eight State Veterans Homes, four State Veterans Cemeteries, and a comprehensive portfolio of programs that honor the service and sacrifice of Minnesota's 278,000 Veterans and their families.

# MDVA Locations Statewide

## VETERANS HOMES

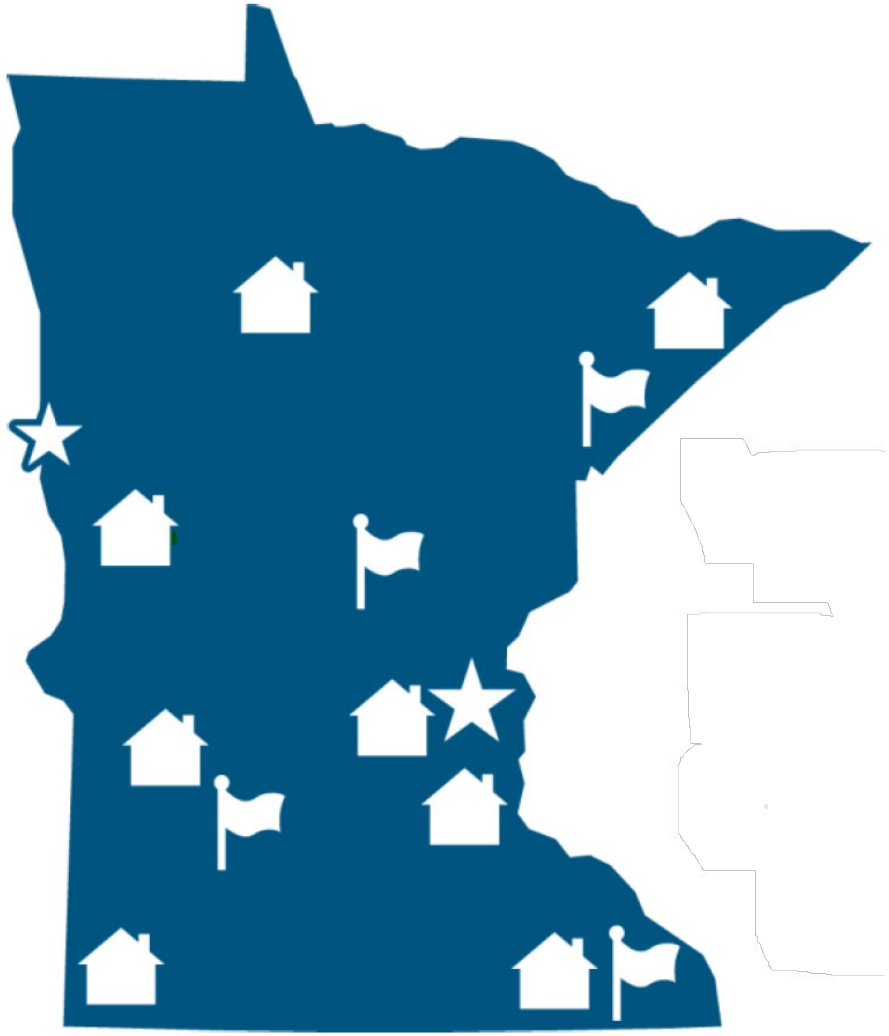
Bemidji
Hastings
Minneapolis
Preston
Fergus Falls
Luverne
Montevideo
Silver Bay

## STATE CEMETERIES

Duluth
Little Falls
Redwood Falls
Preston

## OFFICE LOCATIONS

Fargo – VA Regional Office
Fort Snelling – Federal Building
St. Paul – Veterans Service Building



# 2025 Asset Preservation Update

## In the 2025 Bonding Bill, MDVA received $7.6M in Asset Preservation Funding. The below table shows how the funding has been allocated:

| Priority | Building Name | Location | Description | Estimated Cost ($) | Energy Savings Protentional Yes/No |
|---|---|---|---|---|---|
| 2-Poor | Fergus Falls Vets Home | Fergus Falls, MN | Drywall & suspended ceiling tile system | 861,418.88 | No |
| 2-Poor | Fergus Falls Vets Home | Fergus Falls, MN | Elevator | 553,879.18 | No |
| 2-Poor | Little Falls Cemetery, Site-SCA | Little Falls, MN | Concrete curb and gutter comb. | 1,176,748.38 | No |
| 2-Poor | Luverne Vets Home | Luverne, MN | Drywall & suspended ceiling tile system | 703,573.15 | Yes |
| 2-Poor | MSVH, B-19 | Minneapolis, MN | Plumbing systems and fixtures – single user | 2,694,674.16 | No |
| 2-Poor | Silver Bay Vets Home | Silver Bay, MN | Carpet tile in all areas, tile in restrooms (Class B) | 734,452.02 | Yes |
| 2-Poor | Silver Bay Vets Home | Silver Bay, MN | Fire alarm and data/communication system | 1,071,190.29 | Yes |
| | | | **Total Cost** | **7,795,936.06** | |

# Priority Ranking #1: Agency-wide Asset Preservation

- The Agency oversees 71 buildings that occupy 1.4 million square feet in the State Veterans Homes and Cemetery facilities. The replacement value is $496 million dollars.

- Twelve of those facilities have 24/7 occupancy
- Renovations and upgrades on these buildings will address asset preservation that goes beyond the day-to-day maintenance needs to care for 900+ residents.

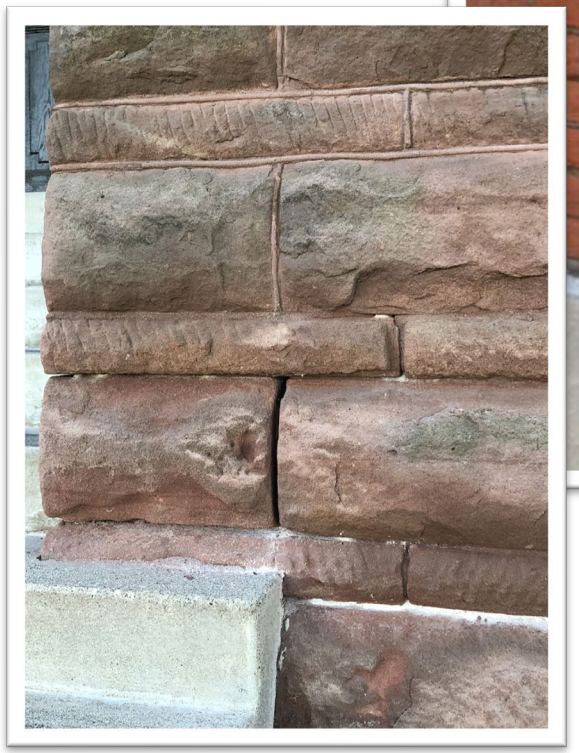
# Agency Asset Preservation

- The Agency ask is $23.7 million for asset preservation and capital betterments at eight State Veterans Homes and four Cemeteries.

- This request addresses building systems and components that have exceeded their useful life to ensure skilled-nursing facilities and Veteran Cemeteries remain safe, functional, and able to provide high-quality care for Residents.

# Agency-wide Asset Preservation

- Examples of needed preservation 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.



# Agency-wide Asset Preservation

- The Agency currently has more than $137 million in deferred maintenance, with approximately $54.6 million of that total FCI Rated as “Crisis” or “Poor.”

- The amount identified in this request is intended to address a portion of the backlog of our highest-priority asset preservation needs.

- Much of this funding would target historic structures still in daily use at the Minnesota Veterans Home – Minneapolis campus, some buildings are more than 100 years old.

# Priority #2 – Domiciliary Renovation (The Pivot)

- After several cycles, it is evident that Minnesota will likely not be able to secure the matching funds from the US Department of Veterans Affairs. The Agency believes the state matching funds should be used to make critical improvements to its domiciliary facilities.

- MDVA proposes a “pivot” away from the tear down and rebuild project that needed Federal State Home Construction Grant Program (SHCGP) grant matching funds and instead utilize the remaining $62.3M of the existing $77M rider towards significant improvements to the Hastings and Minneapolis Domiciliary Facilities.

# Hastings Domiciliary Renovation

## Key Considerations

- If we do nothing, the funding authorization will end in 2027 without having made any improvements to MVH Hastings buildings or improving the quality of life for its residents.
- This pivot does not require any new funding in the 2026 Capital Investment Bill, only a language change to the 2023 Hasting's rider language.
- In addition to the critical improvements for the buildings on the Hastings campus, this change would fund the renovation of Minneapolis Building 16.
- While not what was originally planned, if the Hastings Pivot and Minneapolis Building 16 renovation were to pass in the 2026 Session, the State of Minnesota will have made historic investments in ***all three levels of care*** for Minnesota's Veterans.

# Hastings Domiciliary Renovation

## Specific Improvements in “Pivot” Proposal – Hastings SVH

| Improvement | Cost $ |
|---|---|
| Convert campus to City Water Connection | $5,209,000 |
| Roof Replacement Building 33 | $230,000 |
| Roof Replacement Building 30 | $290,000 |
| Roof Replacement Building 23 | $1,325,000 |
| Roof Replacement Building 25 | $259,000 |
| Roof Replacement Building 20 | $959,000 |
| HVAC Upgrade | $20,000,000 |
| Plumbing Upgrade | $6,000,000 |
| Window Replacement | $3,500,000 |
| Resident Care Area Upgrades - Nursing Station + Bathrooms | $5,000,000 |
| Elevator Upgrade Building 23 & 20 | $400,000 |
| Contingency Funding | $2,000,000 |
| Renovation Project Total | $45,172,000 |

# Priority #3: MVH-Minneapolis – Building 16 Remodel

- $17.2 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.

# MVH-Minneapolis – Building 16 Remodel

- This facilities HVAC system has experienced periodic failures and is nearing the end of the expected useful life.
- During the resultant project evaluation process, many other building systems were identified as nearing or past their useful lives and in need of replacement.
- Another example is plumbing issues such as wastewater line failures - see photo.

MINNESOTA DEPARTMENT OF VETERANS AFFAIRS

# Questions?

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