

**ASSET PRESERVATION
SUMMARY REPORT**
Department of Natural Resources

January 2009

This information will be made available in alternate format,
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at TTY 651-296-5484 or by contacting

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Cost to prepare this report: \$950

DATE: January 15, 2009

TO: Mr. Tom Hanson, Commssioner
Department of Finance

FROM: Mark Holsten, Commissioner
Department of Natural Resources

SUBJECT: **Asset Preservation
Summary Report**

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Pursuant to Minnesota Statutes 16B.307, Subdivision 2, enclosed is the Asset Preservation Summary Report. This report is a list of projects funded from Asset Preservation appropriations during calendar year 2008.

Enclosures

c: Governor Tim Pawlenty
Legislative Reference Library (6)

**Asset Preservation Summary Report
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Asset Preservation Report Executive Summary

REPORTING REQUIREMENTS

Minnesota Statutes 16B.307, subdivision 2, states that the commissioner of an agency that has received an appropriation for asset preservation submit:

- A list of the projects in each agency that were funded from Asset Preservation (AP) during the preceding calendar year
- A list of priority projects for which an AP appropriation will be sought during this year's legislative session.

FUNDING SUMMARY

The Department of Natural Resources received \$2 million in Asset Preservation funding in FY06 and \$1 million in FY08. Of that amount, \$1,239,912 funded roofing, building envelope, mechanical and electrical, plumbing and septic, and interior projects in 2008 at 19 State Parks, 3 hatcheries, 2 regional offices, 11 Field Offices, and 4 Wildlife Management Areas in calendar year 2008. The Department of Natural Resources uses the Asset Preservation funds in addition to operating funds to maintain its buildings in a safe and code complaint manner.

DNR does not anticipate making a request for Asset Preservation funding in FY09.

DNR FACILITIES SUMMARY

The Department of Natural Resources operates and maintains over 3.2 million square feet of space in 2693 buildings across the state; the average age of the buildings is 38 years. These facilities are valued at over \$442 million and have asset renewal needs of \$20 million. This does not include the value or asset renewal needs of the related site infrastructure.

Table One

Department of Natural Resources Projects Funded in CY08 using the FY06 and FY08 Asset Preservation Appropriation

Site Location	Project Description	AP Funds
Badoura Forestry	Replace furnace, add off peak	\$ 3,800
Bearhead State Park	Replace roof system camper cabin	\$ 10,000
Bemidji Glidden Road	Replace Septic system	\$ 5,000
Big Stone State Park	Window Replacement Contact Station/Office	\$ 10,000
Buffalo River State Park	envelope, doors, windows, roof, replace heater	\$ 27,500
Camden State Park	Landscape Earth Shelter Entrance-Residence, confined spaces - raise valuse # 3 M.H. San, structural repairs Interp Ctr/Life Guard Cabin-Historic, Re-roof Beach House	\$ 83,000
Carley State Park	Window/Siding Replacement office	\$ 20,000
Carlos Avery Game Farm	Roof tenant farm house roof	\$ 30,000
Charles Lindbergh State Park	Residence roof	\$ 20,000
Deer River Forestry	Roofing/siding/concrete/office/oil shop	\$ 15,000
Duluth Fisheries	Improve ADA Entrance, Anchor wall in cold storage	\$ 35,000
Effie Forestry	Repair Foundation Wall Office	\$ 35,000
Eveleth Wildlife	Siding/Windows Office	\$ 32,800
Fort Ridgely State Park	Furnace Replacement Contact Station	\$ 4,000
Glacial Lakes State Park	Septic System	\$ 13,012
Glenwood Fisheries	Straighten Porch	\$ 2,000
Hill Annex State Park	Concrete Pump Bases, Lead Abate & siding office/interp	\$ 98,000
Itasca State Park	Douglas Lodge AC, Envelope repair Old Historic Museum, Re-roof/skylights Pine Ridge San. Bldgs, log, stone repairs 1-6 Bear Paw Cabins	\$ 368,000
Lake Bemidji State Park	Replace office slide-by windows, replace roof/skylights San. Bldg.	\$ 12,500
Lake Maria State Park	Shop Insulation & Window replacement repair shop	\$ 8,000
Maplewood State Park	reroof trails center	\$ 4,000
McCarthy Beach State Park	Replace Roof System San. Bldg	\$ 45,000
McGrath Forestry	Replace Furnace Move up office	\$ 5,000
Mille Laes Kathio State Park	5 Camper Cabin Roof Replacements	\$ 10,000
Mille Laes WMA	Siding & windows Office	\$ 20,000
Myre Big Island State Park	Concrete Apron Replacement Repair Shop, Laminated structural beam repair Interp Ctr.	\$ 4,000
New London Fisheries	Ceiling & Lighting Replacement office/repair shop, Window replace/overhead door, Re-roof office/repair shop	\$ 58,000
Northome Forestry	Replace Office Flooring	\$ 5,500
Red Lake WMA	reroof blacksmith shop	\$ 2,800
Reg Ops Hutchinson	Window Replacement Contact Station/Office	\$ 30,000
Reg. Ops - Grand Rapids	Upgrade Fire Alarm	\$ 45,000
Reg. Ops - Int'l Fall	Replace concrete slab	\$ 5,000
Reg. Ops - Spicer	Bituminous Parking Lot Repairs	\$ 25,000
Reg'l Ops - Warner Road	Window replacement office	\$ 50,000
Roseau River WMA	New overhead door reverse @ repair shop	\$ 1,000
Sibley State Park	Roofing EDM Cabin (7), Furnace/AC replacement, Replace 2 septic tanks -Oak Ridge Inter.Ctr.	\$ 51,000
Wannaska Area Forestry	Barrier removal at ADA walk	\$ 1,000
Whitewater State Park	Repair HVAC System Office/Interp. Center/contact station/office	\$ 2,000
Wm Obrien State Park	Roofing residence, garage, VC, skylight replace/re-roof San. Bldg. Lower campground	\$ 43,000
Total Statewide Approved Asset Preservation Projects		\$ 1,239,912

APPENDIX 1

16B.307 ASSET PRESERVATION APPROPRIATIONS.

Subdivision 1. **Standards.** Article XI, section 5, clause (a), of the Constitution requires that state general obligation bonds be issued to finance only the acquisition or betterment of public land, buildings, and other public improvements of a capital nature. Money appropriated for asset preservation, whether from state bond proceeds or from other revenue, is subject to the following additional limitations:

- (a) An appropriation for asset preservation may not be used to acquire new land nor to acquire or construct new buildings, additions to buildings, or major new improvements.
- (b) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of administration will consult with the commissioner of finance to the extent necessary to ensure this and will furnish the commissioner of finance a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.
- (c) Categories of projects considered likely to be most needed and appropriate for asset preservation appropriations are the following:
 - (1) projects to remove life safety hazards, like building code violations or structural defects. Notwithstanding paragraph (a), a project in this category may include an addition to an existing building if it is a required component of the hazard removal project;
 - (2) projects to eliminate or contain hazardous substances like asbestos or lead paint;
 - (3) major projects to replace or repair roofs, windows, tuckpointing, mechanical or electrical systems, utility infrastructure, tunnels, site renovations necessary to support building use, and structural components necessary to preserve the exterior and interior of existing buildings; and
 - (4) projects to renovate parking structures.
- (d) Up to ten percent of an appropriation subject to this section may be used for design costs for projects eligible to be funded under this section in anticipation of future asset preservation appropriations.

Subd. 2. **Report.** By January 15 of each year, the commissioner of an agency that has received an appropriation for asset preservation shall submit to the commissioner of finance, the chairs of the legislative committees or divisions that currently oversee the appropriations to the agency, and to the chairs of the senate and house of representatives Capital Investment Committees, a list of the projects that have been funded with money under this program during the preceding calendar year, as well as a list of those priority asset preservation projects for which state bond proceeds fund appropriations will be sought during that year's legislative session.

History: 2006 c 258 s 30