



DATE: January 15, 2011

TO: Jim Showalter, Commissioner, Minnesota Management & Budget
Legislators, per M.S. 16A.632, subd. 4 (Distribution list attached)

FROM: Ryan Church, Acting Commissioner

SUBJECT: **2010 Capital Asset Preservation and Replacement Account (CAPRA)
Summary Report**

Pursuant to Minnesota Statutes 16A.632, Subdivision 4, enclosed is the Capital Asset Preservation and Replacement Account (CAPRA) Summary Report. This report is a list of projects funded by CAPRA appropriations during calendar year 2010.

Enclosure

c: Governor Mark Dayton
Legislative Reference Library (2)

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CAPRA SUMMARY REPORT

**Capital Asset Preservation and Replacement Account
Summary Report**

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**Department of Administration
Real Estate and Construction Services
Voice 651.201.2399
Fax 651.296.7650**

Cost to prepare this report: \$600

Reporting requirements

Minnesota Statutes 16A.632, subd. 4, states that the Commissioner of Administration shall submit:

- A list of the projects in each agency funded from the Capital Asset Preservation and Replacement Account (CAPRA) during the preceding calendar year; and
- A list of priority projects for which a CAPRA appropriation will be sought.

Funding summary

CAPRA funding provides rapid financial assistance to agencies for emergencies and unanticipated hazardous material abatement needs. The program helps minimize the impact of facilities-related emergencies and unanticipated conditions on the delivery of services and programs by agencies.

Recent projects include asbestos abatement at the Stillwater Correctional Facility, emergency chiller repair at the Fergus Falls Veterans Home and hazardous materials abatement at the Perpich Center for Arts Education.

Since CAPRA's creation in 1990, \$85.3 million has been appropriated for projects. Examples of CAPRA-funded projects include asbestos and lead abatement, emergency roof and pipe repair, fire damage repair and replacement of failed air conditioning, boiler and water heater units.

The Department of Administration received \$2 million in funding in fiscal year 2010 (FY10) (Laws of 2010, Chapter 189, Section 11, subd. 2) and \$3.4 million in funding in FY08 (Laws of 2008, Chapter 365, Section 3, subd. 3). A total of \$2,274,139.96 was expended in calendar year 2010 (CY10), as follows:

- \$0 from FY10 CAPRA appropriation
- \$2,219,329.37 from FY08 CAPRA appropriation
- \$54,810.59 from FY06 CAPRA appropriation
- \$0 from FY05 CAPRA appropriation

All funds from the FY05 and FY06 appropriations have been expended. It is anticipated that the FY10 appropriation will pay for emergencies, unanticipated abatement of hazardous materials and small repair and maintenance projects during CY11. All funds from the FY08 appropriation have been assigned to projects or expended. Funds expended in CY10 from FY06 and FY08 appropriations are noted in Tables 1-2.

History of the account and future considerations

Historical appropriations for CAPRA since 2002 are:

- 2010: \$2 million
- 2008: \$3.4 million
- 2006: \$4 million
- 2005: \$3 million

- 2002: \$14 million

Prior to 2004, two sources of bonded funds were available to agencies for facility repair/maintenance: CAPRA, as requested by Admin, and Asset Preservation (AP), as requested by agencies individually. The similarities of the two programs led to uncertainty by both users and decision-makers about each fund's purpose and also duplicated management efforts. Because of this uncertainty, Admin in 2003 proposed a FY04 capital budget request for CAPRA dollars *only for emergencies and unanticipated hazardous materials abatement*. While this has increased the total dollar amount of agency AP capital budget requests, it has decreased the total dollar amount of CAPRA requests.

Admin typically requests CAPRA funds during bonding sessions (even-numbered years).

Priority projects for which funding will be sought

Because CAPRA funds address primarily emergency and unanticipated needs, it is impossible to identify/prioritize specific projects for which funding will be sought. In general, the priority for CAPRA spending is as follows:

1. Emergencies of all kinds
2. Hazardous material abatement
3. Non-recurring, small repair and maintenance projects ranging in cost from \$25,000 to \$350,000.

It has not been determined whether Admin will request a CAPRA appropriation in 2011.

State agencies served by the CAPRA program in recent years include Administration, Perpich Center for Arts Education, Corrections, Employment and Economic Development, Minnesota Historical Society, Human Services, Military Affairs, Minnesota State Academies, Natural Resources, Veterans Homes Board (now part of Veterans Affairs) and the Minnesota Zoological Gardens.

TABLE ONE
Projects funded in CY10 using the FY06 CAPRA appropriation

	Location	Description	Allocation	Agency Total
Department of Corrections				
78828RWC	Red Wing	Abate leaking pipes, Admin Bldg.	18,772.45	
Total				\$18,772.45
Minnesota Veterans Homes				
76250LNP	Luverne	Emergency generator switch	36,038.14	
Total				\$36,038.14
Grand Total				\$54,810.59

TABLE TWO

Projects funded in CY10 using the FY08 CAPRA appropriation (\$3.4 million appropriated)

	Location	Description	Allocation	Agency Total
Department of Corrections				
78833SWC	Stillwater	Abate asbestos (pipes), Bldg. 18	178,000.00	
78812LLC	Lino Lakes	Abate lead paint in water tower	100,000.00	
78808FAC	Faribault	Replace power plant doors and windows	50,000.00	
78809RWC	Red Wing	Remove ACM from existing windows on Duke	40,000.00	
78852FAC	Faribault	Abate lead paint Sierra Bldg.	18,638.00	
78841SCC	St. Cloud	Roof - food service and laundry	13,477.20	
78842SCC	St. Cloud	Roof - warehouse dining	20,222.80	
Total				\$420,338.00
Minnesota State Academies				
44101FAC	Faribault	Replace hot water tank	33,715.85	
44111FAC	Faribault	Replace failed electrical transformer	75,000.00	
44112BAC	Faribault	Abate oily liquid leaking into school bldg	15,275.52	
Total				\$123,991.37
Minnesota Veterans Homes				
75035HAC	Hastings	Emergency repair of frozen well lines	50,000.00	
75047FFC	Fergus Falls	Emergency chiller repair	285,000.00	
75049MPC	Minneapolis	Abate mold, building 6 tub room walls	60,000.00	
75060HAC	Hastings	Replace pipe insulation, Bldg. 25	50,000.00	
75061SBC	Silver Bay	Remove 500 gal. underground tank	20,000.00	
75063MPC	Minneapolis	Remove contaminated soil bet. b-6 & 17	1,000,000.00	
75054MPC	Minneapolis	Emergency repair of Bldg. 2 & 17 chillers	10,000.00	
Total				\$1,475,000.00
Perpich Center for Arts Education				
25062GVL	Golden Valley	Abate hazmat in storage building	200,000.00	
Total				\$200,000.00
Natural Resources				
29424R5C	Region 5	Repair storm damage to the Crystal Springs Hatchery	200,000.00	
Total				\$200,000.00
Grand Total				\$2,219,329.37