



DATE: February 7, 2019

TO: Myron Frans, Commissioner, Minnesota Management & Budget
Legislator Committee Chairs, per Minnesota Statute 16B.307, subdivision 2
(Distribution list attached)

FROM: Alice Roberts-Davis, Commissioner

SUBJECT: **Asset Preservation (AP) Summary Report for Calendar Year 2018**

Pursuant to Minnesota Statutes 16B.307, Subdivision 2, enclosed is the Asset Preservation (AP) Summary Report. This report is a list of projects funded by AP appropriations during calendar year 2018.

AP Summary Report Distribution:

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ASSET PRESERVATION SUMMARY REPORT

Asset Preservation
Summary Report
For Calendar Year 2018

This document is in accessible format and can also be made available in alternative formats, such as large print, Braille, or audio tape or disk upon request at TTY 1-800-627-3529 or by contacting:

Department of Administration
Real Estate and Construction Services
Voice: 651-201-2550
Fax: 651-215-6245

Reporting requirements

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

- A list of the projects in each agency funded from Asset Preservation appropriations during the preceding calendar year; and
- A list of priority projects for which an AP appropriation will be sought.

Cost to prepare this report: \$600

Historic Asset Preservation Requests and Appropriations

The Department of Administration (Admin) maintains a database of over 6,100 state-owned buildings as required by Minnesota Statutes 16A.633. Admin’s Enterprise Real Property Program (ERPP) was created by the legislature with the intent that the program assist state agencies to consistently inventory and rate the condition of all state-owned property, as well as to assist in strategically managing state real property assets. While the creation of an enterprise property database enhanced the ability of agencies to evaluate and prioritize asset preservation needs, leveraging that data and ERPP framework to ensure best practices in state property asset management is greatly restrained by limited staff capacity, which currently amounts to 2.0 FTE.

The uniform facility condition assessments completed by state agencies, under the oversight of the Enterprise Real Property Program, identifies the state has a deferred maintenance backlog for state-owned properties of \$1.6 billion. That amount does not include the deferred maintenance and asset preservation needs at Minnesota State and the University of Minnesota (UMN). Further, the ERPP data reflects that delaying needed property maintenance results in higher costs to restore and maintain buildings in an optimal condition. It is also worth noting that 41 years is the average age of state-owned buildings.

Below is a summary of Admin’s asset preservation appropriations.

Funding summary

The Department of Administration received the following asset preservation funding for the preservation of Capitol Complex buildings and infrastructure:

- \$2.5 million in Fiscal Year 2005 (FY05)
- \$5 million in FY06
- \$8.075 million in FY10
- \$8.15 million in FY11
- \$0.500 million in FY12

The Department of Administration also receives and manages asset preservation appropriations on behalf of other state agencies that operate state facilities and create the funding requests. The following table contains a summary of asset preservation funds appropriated in 2014, 2017 and 2018 that have been expended on projects during calendar year 2018. The attached Tables (1 through 3) list the specific projects that received funding.

Table 1: Projects funded in Calendar Year 2018 using the Fiscal Year 2014 appropriations

Agency and Project Number	Location	Description	Amount
Corrections			
78ML0075	Moose Lake	Repair Industry Roof Beam	\$1,337.85
78RC0022	Rush City	Construct New Dishwasher	\$287,377.30
Agency Total			\$288,715.15
Veterans Affairs			
75MP0037	Minneapolis	Remodel Bldg 17 South Wing	\$330,458.00
Agency Total			\$330,458.00

Agency and Project Number	Location	Description	Amount
Human Services			
55SR0087	SPRTC	Replace Pexton Bathroom Floor	\$48,200.00
55AK0028	AMRTC	Design Miller Bldg Heat System	\$6,700.00
55ML0020	MLRTC	Convert Main Bldg to DDC	\$1,163,490.00
55SR0079	SPRTC	Construct MSH St. Peter Ph2	\$1,156,192.21
Agency Total			\$2,374,582.21
Grand Total			\$2,993,755.36

Table 2: Projects funded in Calendar Year 2018 using the Fiscal Year 2017 appropriations

Agency and Project Number	Location	Description	Amount
Corrections			
78OP0030	Oak Park Heights	Replace Dishwasher	\$10,000.00
78SC0057	St. Cloud	Repair Industry Water Intrusion	\$75,004.00
78OP0031	Oak Park Heights	Replace HVAC and Trolley	\$159,850.00
78RC0026	Rush City	Replace Hot Water Boiler	\$351,000.00
78ML0080	Moose Lake	Replace Kitchen Floor	\$25,000.00
78SC0063	St. Cloud	Intake Dock Wrhse Ph2 AP	\$830,000.00
78TH0039	Thistledew	Upgrade Laundry Gas & Piping	\$17,900.00
Agency Total			\$1,468,754.00
Veterans Affairs			
75LN0013	Luverne	Replace Chiller	\$65,000.00
75LF0006	Little Falls	Replace Cemetery Asphalt	\$54,200.00
75HA0031	Hastings	Replace Bldg 23 and 25 Windows	\$307,627.00
75HA0032	Hastings	Replace B20 Casework	\$115,980.00
75HA0033	Hastings	Upgrade B20 Ceiling Finishes	\$286,113.00
Agency Total			\$828,920.00
MN State Academies			
44BA0028	Blind Academy	Renovate FACS Space	\$220,000.00
44DA0031	Deaf Academy	Replace Wheelchair Lift	\$54,000.00
Agency Total			\$274,000.00
Human Services			
55AK0030	AMRTC	Add Campus Security Cameras	\$1,500,000.00
55AK0031	AMRTC	Upgrade Security Cameras	\$500,000.00
Agency Total			\$2,000,000.00
Grand Total			\$4,571,674.00

Table 3: Projects funded in Calendar Year 2018 using the Fiscal Year 2018 appropriations

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0065	Faribault	Expand Food Service Dish Room	\$1,000,000.00
78SH0039	Shakopee	Study Fire Alarm System	\$600,000.00
78OP0031	Oak Park Heights	Replace HVAC and Trolley	\$271,000.00
78SC0063	St. Cloud	Intake Dock Wrhse Ph2 AP	\$2,500,150.00
78ML0082	Moose Lake	Replace Roof Bldg 65	\$431,000.00
78FA0068	Fairbault	Restore Hillcrest Tunnel	\$515,000.00
78RW0035	Red Wing	Replace Dayton Bldg HVAC	\$879,000.00
78RC0027	Rush City	Upgrade Security System	\$100,000.00
78RW0036	Red Wing	Replace Dayton Bldg Roof	\$579,000.00
78LL0033	Lino Lakes	Upgrade G2 Mech-Elect & Window	\$319,500.00
78LL0040	Lino Lakes	Upgrade Security Fence	\$391,000.00
78SC0064	St. Cloud	Reroof Auto & Mason Shop & LU-E	\$230,000.00
78ML0083	Moose Lake	Replace Kitchen Hood	\$532,000.00
Agency Total			\$8,347,650.00
Veterans Affairs			
75FF0013	Fergus Falls	Upgrade Building 2	\$523,076.00
75HA0039	Hastings	Repair Building 30 HVAC	\$26,014.00
75HA0038	Hastings	Repair Tunnel E Floor-Paint	\$20,681.00
75HA0037	Hastings	Repair B25 Tool Shed	\$4,932.00
75HA0036	Hastings	Repair B28 tool shed	\$20,287.00
75HA0035	Hastings	Improve Building 34	\$736,797.00
75SB0025	Silver Bay	Replace HVAC System	\$3,442,361.00
75HA0041	Hastings	Repair Building 25	\$52,669.00
75HA0040	Hastings	Replace Building 23 Plumbing	\$756,942.00
Agency Total			\$5,583,759.00
MN State Academies			
44DA0031	Deaf Academy	Replace Wheelchair Lift	\$54,000.00
Agency Total			\$54,000.00
Grand Total			\$13,985,409.00

Priority Projects for which Asset Preservation Funding will be sought

During the coming year, all Agencies will be preparing and submitting their 2020 asset preservation funding requests to Minnesota Management and Budget. The Governor will submit recommendations to the legislature for consideration during the 2020 legislative session. All requests will be posted on Management and Budget's website.