



Date: January 15, 2021

To: Jim Schowalter, Commissioner, Minnesota Management & Budget
Legislative Committee Chairs, per M.S. 16B.307, subd. 2 (distribution list attached)

From: Alice Roberts-Davis, Commissioner *ARD*

RE: Asset Preservation (AP) Summary Report for Calendar Year 2020

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 2020.

Cc: Governor Tim Walz
Legislative Reference Library (2)

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**DEPARTMENT OF
ADMINISTRATION**

ASSET PRESERVATION SUMMARY REPORT

For Calendar Year 2020

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

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Cost to prepare this report: \$600

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.

Historic Asset Preservation Requests and Appropriations

The Department of Administration (Admin) maintains a database of (approximately 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 ERPP, identifies the state has an \$1.21 billion in deferred maintenance backlog for state-owned properties and a \$2.05 billion need to keep up with aging systems over the next 10 years, for a total asset preservation need of \$3.26 billion. That amount does not include the deferred maintenance and asset preservation needs at Minnesota State (formerly MnSCU) 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. For example, preventative maintenance for a building that is in "fair" condition costs \$44 per square foot, while the cost to restore a building that has declined to "crisis" condition is about \$136 per square foot.

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 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 2017, 2018, and 2020 that have been expended on projects during calendar year 2020. The attached Tables list the specific projects that received funding.

Table One

Projects funded in Calendar Year 2020 using the Fiscal Year 2017 appropriations

Agency and Project Number	Location	Description	Amount
Corrections			
78OP0034	Oak Park Heights	Replace Water Softener	\$175,000
78OP0035	Oak Park Heights	Replace Exterior Transformer	\$64,737
78SC0074	St. Cloud	Repair AC Unit	\$150,000
78SH0046	Shakopee	Replace Truck Gate	\$50,000
78SW0070	Stillwater	Repair Tank	\$300,000
78SW0071	Stillwater	Study Wall Repair	\$100,000
Agency Total			\$839,737
Veterans Affairs			
75FF0015	Fergus Falls	Replace Handrail	\$150,000
75FF0016	Fergus Falls	Replace Digital Controls	\$590,000
75FF0017	Fergus Falls	Replace Fire Alarm Systems	\$55,000
Agency Total			\$795,000
MN State Academies			
44DA0040	Deaf Academy	Upgrade HVAC Ionization Systems	\$111,000
Agency Total			\$111,000
Human Services			
55AK0038	AMRTC	Upgrade Parking/Pedestrian Walk	\$600,000
55AK0039	AMRTC	Add Door Closers	\$9,102
55AK0040	AMRTC	Upgrade Fencing Safety	\$134,000
Agency Total			\$743,102
Grand Total			\$2,488,839

Table Two

Projects funded in Calendar Year 2020 using the Fiscal Year 2018 appropriations

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0075	Faribault	Replace Sierra Sallyport	\$200,000
78LL0046	Lino Lake	Repair Boiler #1 and #3	\$150,500
78ML0081	Moose Lake	Renovate Master Control	\$343,348

Agency and Project Number	Location	Description	Amount
78ML0088	Moose Lake	Replace Two Elevators	\$600,000
78RC0022	Rush City	Replace Dishwasher	\$260,000
78RC0030	Rush City	Replace Boiler	\$351,000
78RW0040	Red Wing	Replace Boiler	\$2,300,000
78SH0045	Shakopee	Upgrade Cooling Systems	\$600,000
Agency Total			\$4,804,848
Veterans Affairs			
75FF0016	Fergus Falls	Replace Digital Controls	\$115,000
75MP0068	Minneapolis	Replace Windows 14A 12A Garage	\$271,200
75MP0087	Minneapolis	Replace Building 21 Flooring	\$320,000
Agency Total			\$706,200
MN State Academies			
44BA0030	Blind Academy	Repair FAC's Room	\$15,000
44BA0031	Blind Academy	Repair Roof	\$30,000
44DA0039	Deaf Academy	Replace MSA Concrete	\$10,000
44DA0040	Deaf Academy	Upgrade HVAC Ionization System	\$44,657
Agency Total			\$99,657
Human Services			
55AK0033	Anoka Metro	Upgrade Key and Door System	\$748,052
55AK0038	AMRTC	Upgrade Parking/Pedestrian Walk	\$70,000
55BR0022	Brainerd	Replace Window Tuck Point 20-22	\$3,470,000
55ML0022	Moose Lake	Restore Shower Wall	\$50,000
55SR0116	St. Peter	Replace Boiler Burner	\$25,000
55SR0117	St. Peter	Repair Bartlett Chiller	\$32,100
Agency Total			\$4,395,152
Grand Total			\$10,005,857

Table Three*Projects funded in Calendar Year 2020 using the Fiscal Year 2020 appropriations*

Agency and Project Number	Location	Description	Amount
Human Services			
55SR0118	St. Peter	Renovate MSOP Phase 2 Green Acres	\$1,851,150
55SR0119	St. Peter	Replace Water Heater	\$375,000
55SR0120	St. Peter	Construct Water Metering House	\$180,000
55SR0121	St. Peter	Upgrade HVAC	\$620,000
55SR0122	St. Peter	Upgrade Security Systems	\$500,000
Agency Total			\$3,526,150

Veteran's Affairs			
75FF0016	Fergus Fall	Replace Digital Controls	\$100,000
75HA0039	Hastings	Repair Building 30 HVAC	\$375,000
75HA0047	Hastings	Replace Nurse Calls Systems	\$425,000
75LN0017	Luverne	Study Dining Room Window	\$100,000
75MP0087	Minneapolis	Replace Building 21 Flooring	\$145,000
Agency Total			\$1,145,000
Grand Total			\$4,671,150

Priority Projects for which Asset Preservation Funding will be sought

During this coming year, all Agencies will be preparing and submitting their 2022 asset preservation funding requests to Minnesota Management and Budget. The Governor will submit recommendations to the legislature for consideration during the 2021 legislative session. All requests will be posted on Minnesota Management and Budget's website.