



**Date:** January 15, 2022

**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 2021**

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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 2021.

**Cc:** Governor Tim Walz  
Legislative Reference Library (2)

## **AP Summary Report Distribution:**

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**DEPARTMENT OF  
ADMINISTRATION**

# **ASSET PRESERVATION SUMMARY REPORT**

For Calendar Year 2021

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

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 assists 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 \$1.26 billion in deferred maintenance backlog for state-owned properties and a \$2.11 billion need to keep up with aging systems over the next 10 years, for a total asset preservation need of \$3.37 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 \$64 per square foot, while the cost to restore a building that has declined to "crisis" condition is about \$127 per square foot.

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

### Funding summary

Admin 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

Admin 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 2021. The attached tables list the specific projects that received funding.

**Table One***Projects funded in Calendar Year 2021 using the Fiscal Year 2017 appropriations*

<b>Agency and Project Number</b>	<b>Location</b>	<b>Description</b>	<b>Amount</b>
<b>Corrections</b>			
78LL0048	Lino Lakes	Asbestos Abatement	150,000
78SC0076	St. Cloud	Upgrade Armory and IT	20,000
78SW0072	Stillwater	Replace Roof	1,200,000
<b>Agency Total</b>			<b>\$1,370,000</b>
<b>Veterans Affairs</b>			
75HA0039	Hastings	Repair Building 30 HVAC	375,000
75HA0044	Hastings	Study Hastings Master Plan	91,125
75MP0097	Minneapolis	Replace Lighting Bldg 19	150,000
<b>Agency Total</b>			<b>\$616,125</b>
<b>MN State Academies</b>			
44DA0046	Faribault	Repair Facility Tuck Pointing	50,000
<b>Agency Total</b>			<b>\$50,000</b>
<b>Grand Total</b>			<b>\$2,036,125</b>

**Table Two***Projects funded in Calendar Year 2021 using the Fiscal Year 2018 appropriations*

<b>Agency and Project Number</b>	<b>Location</b>	<b>Description</b>	<b>Amount</b>
<b>Corrections</b>			
78TH0043	Thistledeew Camp	Improve Various Buildings	739,000
<b>Agency Total</b>			<b>\$739,000</b>
<b>Perpich Center for Arts Education</b>			
25GV0033	Golden Valley	Replace Dorm Boiler	60,000

<b>Agency Total</b>			<b>\$60,000</b>
<b>Veterans Affairs</b>			
75LF0007	Little Falls	Replace Roof Windows Doors	200,000
75LN0017	Luverne	Study Dining Room Window	224,406
75MP0098	Minneapolis	Renovate Bldg 16	600,000
75MP0099	Minneapolis	Install Water Heaters Bldg 22	160,000
<b>Agency Total</b>			<b>\$1,184,406</b>
<b>MN State Academies</b>			
44BA0032	Faribault	Repairing Flooring	40,000
44BA0033	Faribault	Replace HVAC System Dorms	325,000
44BA0034	Faribault	Abatement Dorm HVAC	25,000
44DA0044	Faribault	Repair Water Main Break	50,000
44DA0046	Faribault	Repair Facility Tuck Pointing	50,000
44FA0031	Faribault	Study Arc Flash	24,000
44FA0032	Faribault	Upgrade Lighting Smith\Quinn	150,000
<b>Agency Total</b>			<b>\$664,000</b>
<b>Human Services</b>			
55AK0048	Anoka Metro	Restore Exterior Bldg	1,700,000
55AK0049	Anoka Metro	Replace HVAC RTU5 Miller Bldg	300,000
55LV0003	Lakeville	Replace HVAC	17,164
55ML0027	Moose Lake	Rebuild Chillers MSOP	685,074
55ML0028	Moose Lake	Upgrade Switchgear PLC	200,000
55ML0029	Moose Lake	Inspect Switchgear and PM	100,000
55SR00134	St. Peter	Upgrade MSH 94' Addition HVAC	125,000
<b>Agency Total</b>			<b>\$3,127,238</b>
<b>Grand Total</b>			<b>\$5,774,644</b>

**Table Three***Projects funded in Calendar Year 2021 using the Fiscal Year 2020 appropriations*

<b>Agency and Project Number</b>	<b>Location</b>	<b>Description</b>	<b>Amount</b>
<b>DEED Workforce Center</b>			
22MP0009	Mpls South Center	Preserve Workforce Ctr Phase 3	634,000
<b>Agency Total</b>			<b>\$634,000</b>
<b>Veterans Affairs</b>			
75LF0007	Little Falls	Replace Roof, Windows, Doors	500,000
75LN0018	Luverne	Upgrade Elevator Code Compliance	61,023
75MP0095	Minneapolis	Covert Steam to Low Pressure	800,000
75VA0006	Various	Replace Ceiling Lifts	400,000
<b>Agency Total</b>			<b>\$1,761,023</b>
<b>Human Services</b>			
55AK0045	Anoka Metro	Install Siding and Windows	25,000
55AK0046	Anoka Metro	Replace Tuckpointing	250,000
55AK0047	Anoka Metro	Reseal Parking Lot	150,000
55ML0025	Moose Lake	Replace Water Heater	63,000
55ML0027	Moose Lake	Rebuild Chillers MSOP	17,826
55PC0001	Pine City	Construct New Crisis Home	225,000
55SR0124	St. Peter	Seal Coating Roads	90,519
55SR0126	St. Peter	Repair Shantz Bldg	68,675
55SR0127	St. Peter	Replace Concrete/Asphalt	64,225
55SR0128	St. Peter	Upgrade BAS FNH	250,817
55SR0130	St. Peter	Upgrade HVAC Cooling Tower Pro	22,800
55SR0133	St. Peter	Overhaul Chiller	46,502
<b>Agency Total</b>			<b>\$1,274,364</b>
<b>Corrections</b>			
78FA0077	Faribault	Replace Fire Alarm System	1,300,000
78FA0079	Faribault	Transfer Switch	190,000
78LL0051	Lino Lakes	Upgrade L1 Mayo Elect & HVAC	981,000
78LL0054	Lino Lakes	Replace High Voltage Cabling	100,000
78LL0055	Lino Lakes	Replace HVAC Bldg J3	600,000
78ML0088	Moose Lakes	Replace Two Elevators	504,000
78ML0089	Moose Lakes	Replace Water Heaters	385,000
78ML0090	Moose Lakes	Repair Storm Sewer	45,000
78OP0036	Oak Park Heights	Upgrade Security Fence	890,000



78OP0037	Oak Park Heights	Repair Elevator	114,416
78RC0032	Rush City	Upgrade Bldg Automation System	2,000,000
78RC0034	Rush City	Repair Asphalt	548,000
78RW0041	Red Wing	Replace Perimeter Road	443,400
78RW0042	Red Wing	Replace Front Entry Concrete	662,000
78RW0043	Red Wing	Replace Water Haters	400,000
78SC0074	St. Cloud	Replace AC Unit	258,848
78SC0078	St. Cloud	Install Security Fence	3,000,000
78SW0072	Stillwater	Replace Roof	296,334
78SW0073	Stillwater	Remodel Computer Room	100,000
78TH0032	Togo	Upgrade Septic System	1,882,000
<b>Agency Total</b>			<b>\$14,699,998</b>

<b>Perpich Center for Arts</b>			
25GV0033	Golden Valley	Replace Dorm Boiler	440,000
25GV0034	Golden Valley	Replace Sidewalk	100,000
<b>Agency Total</b>			<b>\$540,000</b>
<b>MN State Academies</b>			
44DA0043	Faribault	Upgrade Life Safety, ADA and Mechanical systems	1,500,000
44DA0045	Faribault	Replace Tate Hall Roof	500,000
<b>Agency Total</b>			<b>\$2,000,000</b>
<b>Grand Total</b>			<b>\$20,909,385</b>

### 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.