
Asset Preservation Summary Report

Calendar Year 2024

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Date: January 15, 2025

To: Erin Campbell, Commissioner, Minnesota Management & Budget
Legislative Committee Chairs, per M.S. 16A.632, subd. 4 (distribution list attached)

From: Tamar Gronvall, Commissioner

RE: Asset Preservation (AP) Summary Report for Calendar Year 2024

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 2024.

cc: Governor Tim Walz
Legislative Reference Library

AP Summary Report Distribution

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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 full-time equivalents.

The uniform facility condition assessments completed by state agencies, under the oversight of the ERPP, identifies the state has \$1.54 billion in adjusted deferred maintenance backlog for state-owned properties and a \$2.97 billion need to keep up with aging systems over the next 10 years, for a total asset preservation need of \$4.52 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, the average deferred maintenance cost per system is \$54 Thousand for buildings in “fair” condition, versus \$189 Thousand for buildings in “crisis” condition.

Funding Summary

In 2023, agencies received asset preservation funding of \$54,560,000 from general obligation bonds and \$5,822,000 from the general fund in the bonding bill. Additionally, Admin received funding of \$9,391,000 from the general fund in the state government finance bill for asset preservation of Capitol Complex buildings and infrastructure.

Admin receives and manages asset preservation appropriations on behalf of other state agencies that operate state facilities.

The following tables contain summaries of asset preservation funds appropriated in 2020 and 2023 that have been expended on projects during calendar year 2024.

Table 1: Projects Funded in Calendar Year 2024 using the Fiscal Year 2020 Appropriation

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0085	Faribault	Reroof Fern and Power Plant	\$10,000
78FA0092	Faribault	Upgrade Master Control Floor	\$40,999
78LL0066	Lino Lakes	Repair Chiller Emergency	\$425,000
78ML0088	Moose Lake	Replace Two Elevators	\$2,384
78ML0094	Moose Lake	Upgrade Fuel Tank	\$91,739
78ML0096	Moose Lake	Update Arch Flash Plan	\$37,700
78RC0037	Rush City	Replace Water Heaters	\$154,300
78RC0040	Rush City	Upgrade Cooler Mechanical	\$135,291
78RC0041	Rush City	Replace Booster Pump	\$8,270
78RC0043	Rush City	Replace Ductwork	\$75,000
78RC0044	Rush City	Upgrade HVAC Hangers	\$100,000
78RW0049	Red Wing	Reroof Knox Bldg	\$15,640
78RW0051	Red Wing	Replace Mech Shop Floor	\$27,250
78SC0078	St. Cloud	Install Security Fence	\$101,169
78SC0086	St. Cloud	Install Fire Suppression	\$200,000
78SH0051	Shakopee	Upgrade Water Softener	\$17,450
78SW0075	Stillwater	Reroof Bldg 11	\$580,484
78SW0083	Stillwater	Update Arc Flash Plan	\$40,920
78SW0084	Stillwater	Repair Emergency Breaker	\$38,000
78VA0010	Various	Improve Water Management Plans	\$104,600
78VA0011	Various	Replace Duct Hanger Deficiencies	\$49,700
Agency Total			\$2,255,896
Employment and Economic Development			
22MP0010	Minneapolis	Update South Mpls Bldg	\$17,971
Agency Total			\$17,971
Human Services			
55AK0055	Anoka	Renovate Food Service Bldg	\$8,500
55BR0022	Brainerd	Replace Window Tuckpoint Bldg 20,21,22	\$1,706,500
55BR0030	Brainerd	Replace Water Mains Bldg 21	\$50,000
55ML0032	Moose Lake	Replace Existing Fire Door	\$88,507

Agency and Project Number	Location	Description	Amount
Human Services continued			
55ML0036	Moose Lake	Install Pump VFDs and Controls	\$25,049
55SR0166	St. Peter	Upgrade Summit AHU 2-01 BAS	\$54,171
55SR0167	St. Peter	Upgrade BAS VAVs Summit Ctr	\$173,467
55SR0168	St. Peter	Upgrade Chiller and Fire Smoke	\$68,427
55SR0172	St. Peter	Replace Worn Out Controllers	\$55,820
55SR0174	St. Peter	Repair Tuckpointing Old Center	\$68,842
Agency Total			\$2,299,283
Perpich Center for Arts Education			
25GV0035	Golden Valley	Repair Parking Lots	\$145,000
25GV0037	Golden Valley	Repair Exterior Panels Dorm	\$50,000
Agency Total			\$195,000
Veterans Affairs			
75LF0010	Little Falls	Replace Flooring and Wall Finishes	\$80,000
75MP0095	Minneapolis	Convert Steam to Low Pressure	\$12,000
75MP0106	Minneapolis	Repair Bridge 5756	\$502,982
75MP0111	Minneapolis	Replace Campus Fire Alarm System	\$2,430,296
Agency Total			\$3,025,278
Grand Total			\$7,793,428

Table 2: Projects Funded in Calendar Year 2024 using the Fiscal Year 2023 Appropriation

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0085	Faribault	Reroof Fern and Power Plant	\$2,971,873
78FA0087	Faribault	Abate Vehicle Shop and Dairy House	\$21,485
78FA0090	Faribault	Upgrade Shower Coatings	\$660,035
78FA0094	Faribault	Repair Tunnel Section AJ	\$100,000
78LL0064	Lino Lakes	Upgrade Fire Alarm Campus Wide	\$1,419,579
78LL0066	Lino Lakes	Repair Chiller Emergency	\$425,000
78ML0093	Moose Lake	Upgrade Truck Gate	\$2,705,875
78OP0040	Oak Park Heights	Upgrade BAS, chiller and Piping	\$614,412
78RC0042	Rush City	Upgrade Roofing	\$3,533,096
78RW0048	Red Wing	Upgrade Sanitary Sewer and Gate	\$1,066,109
78RW0050	Red Wing	Repair Tunnel and Concrete	\$750,000
78RW0052	Red Wing	Repair Concrete	\$75,000
78SC0084	St. Cloud	Install Fire Suppression	\$345,364
78SC0087	St. Cloud	Repair Sprinkler Flood	\$50,000
78SW0074	Stillwater	Install Fire Suppression System	\$2,723,162

Agency and Project Number	Location	Description	Amount
Corrections continued			
78SW0082	Stillwater	Replace Roof Bldg 25	\$357,403
78TH0045	Togo	Upgrade Siding and Roofing	\$1,274,803
Agency Total			\$19,093,196
Human Services			
55BR0022	Brainerd	Replace Window Tuckpoint Bldg 20, 21, 22	\$170,650
55BR0030	Brainerd	Replace Water Mains Bldg 21	\$116,682
55ML0032	Moose Lake	Replace Fire Wall	\$234,050
55SR0152	St. Peters	Upgrade Water Sewer System	\$2,000,000
55SR0163	St. Peters	Replace AC and Windows	\$397,907
55SR0173	St. Peters	Abatement Remediation Sunrise	\$150,000
Agency Total			\$3,069,289
State Academies			
44BA0037	Blind Academy	Repair Condensate Pipe	\$100,000
44DA0048	Deaf Academy	Replace Freezer	\$200,000
44DA0049	Deaf Academy	Install FTA and PHA	\$50,000
44FA0034	Faribault	Replace Entrance Door Walls	\$282,024
Agency Total			\$632,024
Perpich Center for Art Education			
25GV0036	Golden Valley	Replace Roof Gaia Bldg	\$850,000
Agency Total			\$850,000
Veterans Affairs			
75FF0023	Fergus Fall	Replace Water Heaters and Boiler	\$1,021,000
75FF0025	Fergus Fall	Replace Wander Guard System	\$350,000
75LN0022	Luverne	Upgrade Digital Controls	\$450,000
75MP0095	Minneapolis	Convert Steam to Low Pressure	\$187,000
75MP0115	Minneapolis	Replace Cooling Tower Bldg 16	\$80,000
Agency Total			\$2,088,000
Grand Total			\$25,732,509

Priority Projects for New Asset Preservation Funding

Agencies have submitted their asset preservation funding requests to Minnesota Management and Budget. The Governor may submit revisions to his previous recommendations to the legislature for consideration during the 2025 legislative session.