
Asset Preservation Summary Report

Calendar Year 2025

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Cost to prepare this report: \$1200



Date: January 15, 2026

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 2025

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 2025.

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.

Deferred Maintenance Backlog

Background

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 established by the legislature to support consistent statewide inventory, condition assessment, and strategic management of state-owned real property assets.

Forecast Methodology and Estimates

The State's forecasted facility backlog reflects multiple estimates developed using different methodologies and should not be viewed as additive except where noted. Current Adjusted Deferred Maintenance (ADM)—defined as building systems in Poor or Crisis condition requiring correction to return facilities to Fair or better condition—is estimated at \$1.59 billion. Using an updated, Minnesota-specific model based on historical facility condition data and current inflation assumptions, the State estimates that \$1.73 billion over the next ten years is required to eliminate the ADM backlog. Agencies have also reported approximately \$3.46 billion in future Renewal and Replacement needs; however, these figures were developed using legacy methodologies and older national assumptions and are not directly comparable to ADM estimates. For purposes of assessing current building condition and near-term capital needs, the ADM and ten-year ADM elimination estimates provide the most reliable measures.

Please note that the above amounts do not include the deferred maintenance and asset preservation needs at Minnesota Department of Transportation (MnDOT), Minnesota State (formerly MnSCU) and the University of Minnesota (UMN), which are tracked and reported separately.

Cost of Delay

ERPP data demonstrates that delayed reinvestment is associated with significantly higher repair costs. For example, the average deferred maintenance cost per building system is approximately \$57,000 when a system is rated in Fair condition, compared to approximately \$196,000 when a system has deteriorated to Crisis condition. This data underscores the financial benefit of timely capital investment to prevent accelerated deterioration and higher long-term costs.

Funding Summary

In 2025, state agencies received \$50,260,000 in asset preservation funding from general obligation bonds and no asset preservation funding from the general fund in the 2025 bonding bill.

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

The following tables summarize asset preservation funds appropriated in 2023 and 2025 that were expended on projects during calendar year 2025.

Table 1: Projects Funded in Calendar Year 2025 using the Fiscal Year 2023 Appropriation

| Agency and Project Number | Location | Description | Amount |
|---------------------------|------------------|--------------------------------|---------|
| Corrections | | | |
| 78FA0088 | Faribault | Replace Damaged Solar Array | 350,000 |
| 78FA0098 | Faribault | Upgrade Make Up Air (MUA) Coil | 42,960 |
| 78LL0054 | Lino Lakes | Replace High Voltage Cabling | 42,771 |
| 78LL0061 | Lino Lakes | Upgrade Cooling Equipment | 350,654 |
| 78LL0064 | Lino Lakes | Upgrade Fire Alarm Campus Wide | 64,450 |
| 78OP0041 | Oak Park Heights | Upgrade Phone System | 50,000 |
| 78RC0037 | Rush City | Replace Water Heaters | 2,438 |
| 78RC0040 | Rush City | Upgrade Cooler Mechanical | 7,916 |
| 78RC0042 | Rush City | Upgrade Roofing | 700,264 |
| 78RC0044 | Rush City | Upgrade HVAC Hangers | 157,380 |
| 78RC0046 | Rush City | Heat Pump Upgrades | 61,600 |
| 78RW0049 | Red Wing | Reroof Knox Building | 120,000 |
| 78RW0052 | Red Wing | Repair Concrete | 150,944 |
| 78SC0083 | St. Cloud | Upgrade Utility Connection | 216,194 |
| 78SC0085 | St. Cloud | Roofing Replacements | 193,306 |
| 78SC0086 | St. Cloud | Install Fire Suppression | 325,000 |
| 78SC0087 | St. Cloud | Repair Sprinkler Flood | 750,000 |
| 78SC0088 | St. Cloud | Repair HVAC Controls | 26,450 |
| 78SH0054 | Shakopee | Emergency Boiler Replacement | 101,725 |
| 78TH0045 | Togo | Upgrade Siding & Roofing | 366,108 |

| Agency and Project Number | Location | Description | Amount |
|--|--|---|--------------------|
| | Shakopee, Oak Park Heights, Faribault, St. Cloud, Moose Lake | | |
| 78VA0011 | Cloud, Moose Lake | Replace Duct Hanger Deficiencies | 492,846 |
| 78WR0017 | Willow River | Resurface Shower Room Floor | 205,000 |
| 78WR0018 | Willow River | Upgrade Generator | 5,000 |
| 78WR0019 | Willow River | Update Arc Flash Plans | 17,200 |
| 78WR0020 | Willow River | Upgrade Security & ADA | 100,000 |
| Corrections Total | | | \$4,900,206 |
| | | | |
| Direct Care and Treatment | | | |
| 51AK0001 | Anoka | Repair Fence, Window Screen Building D1 | 31,600 |
| 51AK0002 | Anoka | Repair Concrete | 63,500 |
| 51AK0003 | Anoka | Rebuild 2 Chillers | 288,600 |
| 51BR0001 | Brainerd | Design Tuckpoint/Window Building | 90,000 |
| 51BR0002 | Brainerd | Replace Pneumatic HVAC Control | 300,000 |
| 51BR0003 | Brainerd | Remodel Bathroom Building 21 | 100,000 |
| 51BR0004 | Brainerd | Roof Replacement Building 21 | 1,140,000 |
| 51ML0001 | Moose Lake | Replace Building Management System | 628,000 |
| 51ML0002 | Moose Lake | Window Replacement | 250,000 |
| 51ML0003 | Moose Lake | Shower Replacement | 1,000,000 |
| 55BR0022 | Brainerd | Replace Window/Tuckpoint, Building 20, 21, 22 | 179,848 |
| 55BR0030 | Brainerd | Replace Water Mains, Building 21 | 17,000 |
| 55SR0163 | St. Peter | Replace AC and Windows | 4,557 |
| 55SR0175 | St. Peter | Replace Lower Generator | 150,000 |
| Direct Care and Treatment Total | | | \$4,243,105 |
| | | | |
| Minnesota State Academies | | | |
| 44DA0048 | Deaf Academy | Replace Freezer | 25,000 |
| 44DA0049 | Deaf Academy | Install Therapy Pool Lift | 38,148 |
| 44DA0050 | Deaf Academy | Repair Tate Hall Cupola | 66,515 |
| 44DA0051 | Deaf Academy | Replace Wilkins Hall Water Heater | 15,183 |
| 44FA0035 | Faribault | Repair Building Management System | 204,290 |
| 44FA0036 | Faribault | Repair Emergency Generator | 25,000 |
| 44FA0037 | Faribault | Repair Emergency Boiler | 56,000 |
| State Academies Total | | | \$430,136 |
| | | | |
| Perpich Center for Arts Education | | | |
| 25GV0039 | Golden Valley | Exterior Dorm Panels Sealing | 38,393 |
| 25GV0040 | Golden Valley | Elevator Repair | 34,000 |
| 25GV0041 | Golden Valley | Remove Asbestos | 41,980 |
| 25GV0044 | Golden Valley | Sidewalk Replacement | 33,000 |
| 25GV0046 | Golden Valley | Asphalt Milling and Overlay | 132,460 |
| Perpich Total | | | \$279,833 |

| Agency and Project Number | Location | Description | Amount |
|---|------------------|---|---------------------|
| Veterans Affairs | | | |
| 75HA0039 | Hastings | Repair HVAC Building 30 | 25,500 |
| 75HA0052 | Hastings | Replace Fire Doors | 31,903 |
| 75HA0061 | Hastings | Replace Boiler #3 | 400,000 |
| 75LF0010 | Little Falls | Replace Flooring & Wall Finishes | 8,370 |
| 75LF0014 | Little Falls | Replace Exterior Doors Maintenance Building | 125,000 |
| 75LN0021 | Luverne | Replace Fire Doors | 50,000 |
| 75LN0022 | Luverne | Upgrade Digital Controls | 50,000 |
| 75LN0023 | Luverne | Update Main Office Security | 26,800 |
| 75LN0024 | Luverne | Replace Boiler & Fuel Tank | 1,500,000 |
| 75MP0106 | Minneapolis | Repair Bridge 5756 | 92,173 |
| 75MP0113 | Minneapolis | Upgrade HVAC/DDC Building 1, 2, & 10 | 125,000 |
| 75MP0115 | Minneapolis | Replace Cooling Tower B16 | 26,733 |
| 75MP0116 | Minneapolis | Replace Water Softener | 111,000 |
| 75MP0117 | Minneapolis | Replace Leaking Transformer | 300,000 |
| 75PC0002 | Preston Cemetery | Replace Low Voltage Lighting | 115,000 |
| Veterans Affairs Total | | | \$2,987,479 |
| Grand Total All Agencies from FY23 Appropriation | | | \$12,840,759 |

Table 2: Projects Funded in Calendar Year 2025 using the Fiscal Year 2025 Appropriation

| Agency and Project Number | Location | Description | Amount |
|---------------------------|------------------|-----------------------------------|-----------|
| Corrections | | | |
| 78FA0089 | Faribault | Repair Tunnel Section AD & AI | 3,721,809 |
| 78FA0098 | Faribault | Upgrade Make Up Air Coil | 42,960 |
| 78FA0099 | Faribault | Upgrade Paving for ADA | 64,901 |
| 78FA0100 | Faribault | Upgrade Domestic Water Filtration | 1,000,000 |
| 78FA0101 | Faribault | Repair Broken Water Main | 25,500 |
| 78LL0061 | Lino Lakes | Upgrade Cooling Equipment | 618,995 |
| 78ML0098 | Moose Lake | Upgrade Industry Stairs | 89,042 |
| 78ML0099 | Moose Lake | Fire Alarm Upgrades | 2,000,000 |
| 78OP0042 | Oak Park Heights | Deferred Maintenance Projects | 3,000,000 |
| 78RC0047 | Rush City | Upgrade Sewage Grinder | 35,106 |
| 78RW0048 | Red Wing | Upgrade Sanitary Sewer & Gate | 250,000 |
| 78SC0085 | St. Cloud | Roofing Replacement | 806,694 |
| 78SC0086 | St. Cloud | Install Fire Suppression | 1,000 |
| 78SC0087 | St. Cloud | Repair Sprinkler Flood | 330,000 |
| 78SC0089 | St. Cloud | Upgrade Storm Water Culvert | 200,000 |
| 78TH0045 | Togo | Upgrade Siding & Roofing | 500 |

| Agency and Project Number | Location | Description | Amount |
|---|-----------------------|---------------------------------------|---------------------|
| 78SH0046 | Togo | Deferred Maintenance Projects | 1,250,000 |
| 78WR0020 | Willow River | Upgrade Security & ADA | 200,000 |
| 78VA0009 | Faribault & St. Cloud | Repair Water Towers | 55,000 |
| Corrections Total | | | \$13,691,507 |
| | | | |
| Direct Care and Treatment | | | |
| 51SR0001 | St. Peter | Remodel Shantz Hall Showers | 980,000 |
| 51SR0002 | St. Peter | Upgrade Pneumatic Controls | 603,293 |
| 51SR0003 | St. Peter | Resurface Kitchen Wash Bay | 53,890 |
| 51WI0001 | Willmar | Replace AC Units and AHU Coils | 83,457 |
| 55ML0027 | Moose Lake | Rebuild Chillers | 8,000 |
| Direct Care and Treatment Total | | | \$1,728,640 |
| | | | |
| Minnesota State Academies | | | |
| 44BA0037 | Blind Academy | Repair Condensate Pipe | 6,822 |
| 44DA0049 | Deaf Academy | Install FTA Lift | 232,500 |
| 44DA0050 | Deaf Academy | Repair Tate Hall Cupola | 38,485 |
| 44DA0051 | Deaf Academy | Replace Water Heater Wilkins Building | 30,817 |
| 44DA0053 | Deaf Academy | Replace Boiler Wilkins Building | 70,000 |
| 44FA0035 | Faribault | Repair Building Management System | 8,210 |
| State Academies Total | | | \$386,834 |
| | | | |
| Perpich Center for Arts Education | | | |
| 25GV0038 | Golden Valley | Upgrade Building Automation System | 70,000 |
| 25GV0045 | Golden Valley | Repair Dock Area Drainage | 49,600 |
| Perpich Total | | | \$119,600 |
| | | | |
| Grand Total All Agencies from FY25 Appropriation | | | \$15,926,581 |

Priority Projects for New Asset Preservation Funding

State agencies have submitted their 2026 asset preservation funding requests to Minnesota Management and Budget in accordance with established capital planning processes. These requests reflect agency-identified priorities to address critical building systems, life-safety needs, and deferred maintenance across the state's facility portfolio.

The Governor will review these submissions and make funding recommendations to the Legislature for consideration during the 2026 legislative session.