



2024 Agency Capital Investment Requests

House Capital Investment Committee | March 25, 2024



Agency Profile

Mission

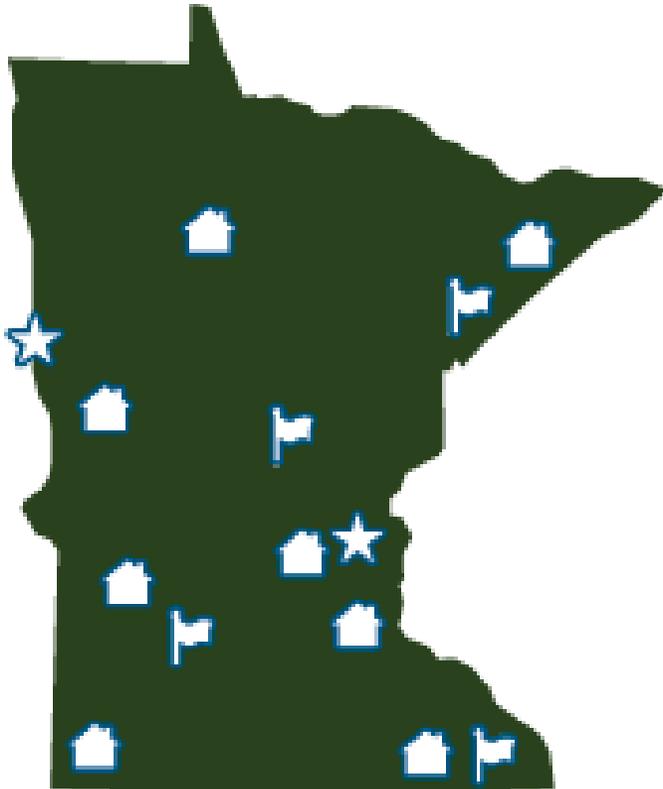
Serving Minnesota Veterans, their dependents and survivors by connecting them with the federal and state care and benefits they have earned.

What We Do

The Minnesota Department of Veterans Affairs runs Minnesota's state veterans homes and assists Minnesota's nearly 300,000 Veterans and their dependents in securing available benefits and services.



MDVA Locations Statewide



-  **VETERANS HOMES**
Bemidji, Fergus Falls, Hastings, Luverne, Minneapolis, Montevideo, Silver Bay & Preston
-  **STATE CEMETERIES**
Duluth, Little Falls, Redwood Falls & Preston
-  **OFFICE LOCATIONS**
St. Paul (Veterans Service Building Central Office) & Henry Whipple Building Claims Office, Fargo/NW Minnesota Claims office



Key Considerations

The Administration's approach to asset preservation:

1. **Strong investments now significantly reduce future costs** – the backlog must be seriously addressed
2. **Avoid negative impacts on service delivery to Minnesotans** by investing in critical projects well before any infrastructure approaches failure
3. **Administer** asset preservation programs **promptly, efficiently, and transparently**

Note on Encumbrance Levels:

- Whether or not a state asset preservation project has been encumbered does not indicate project readiness or project to completion, particularly for recently passed bonding bills.
- This is because state agency projects must wait for the full completion of the design and bidding process before funds can be encumbered.
- Local projects, on the other hand, show as 100% encumbered once a grant agreement is signed, regardless of the status of the project.



Asset Preservation Priorities and Spending

Priorities Are Established by Agencies

Based on significant analysis that focuses on critical life safety and programmatic needs

Project Starts Depend On

Volume of projects. Total amounts appropriated to an agency for asset preservation

Timing. Getting funds in summer means contractors are already engaged and less likely to bid

Design. Projects start design when funding is known and appropriated or may need to redesign if too much time has passed

Regular, Predictable investments

Improves asset preservation flow and allows for faster execution

Missing asset preservation in a bonding year results in greater risk to state facilities

Deferred maintenance doesn't go away – results in increased costs down the road.

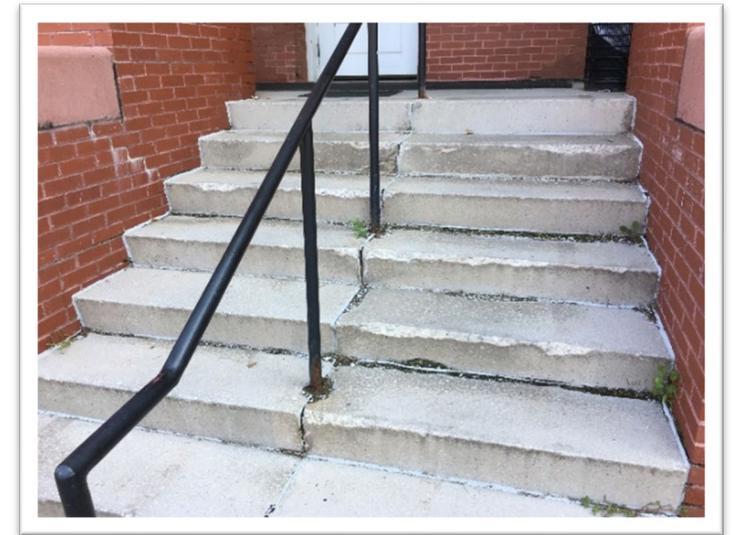
Encumbrance vs. Project Starts

Local projects that enter a grant agreement show up as 100% encumbered even if it take 5 years to spend



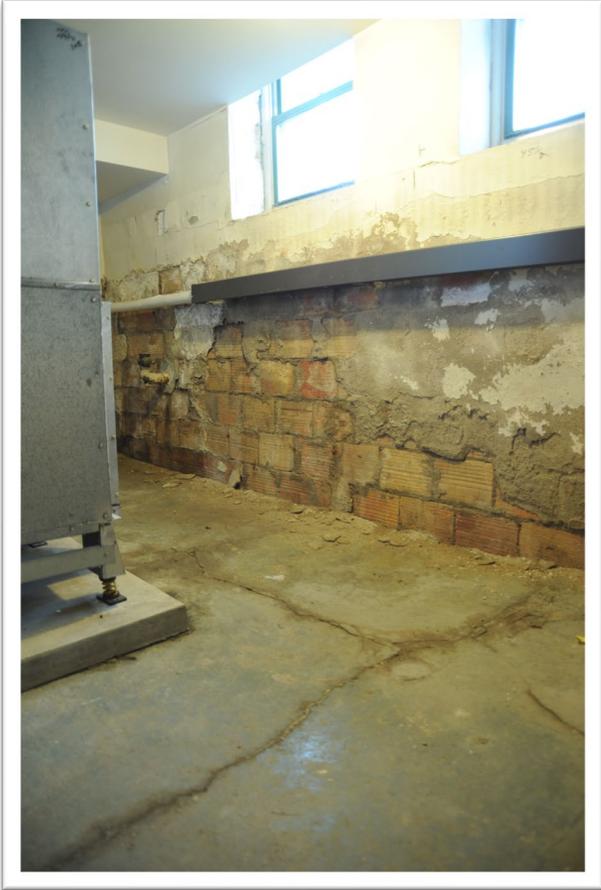
Agency-wide Asset Preservation

- The Minnesota Veterans Homes and State Veterans Cemeteries occupy 1.4 million square feet in 71 buildings across the state, with a replacement value of \$496 million dollars.
- 12 buildings have 24/7 occupancy
- Renovations and upgrades on these buildings will address building repair items that go beyond the day-to-day maintenance needs of each facility to ensure facilities used to care for 900+ residents are in good condition.





Agency Asset Preservation Governor's Recommendation

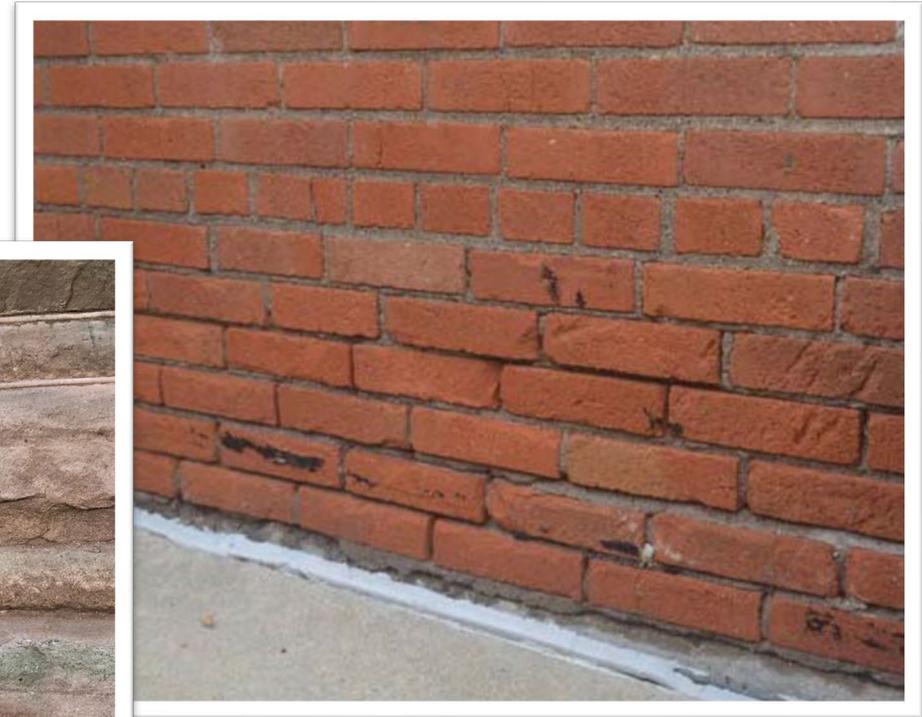
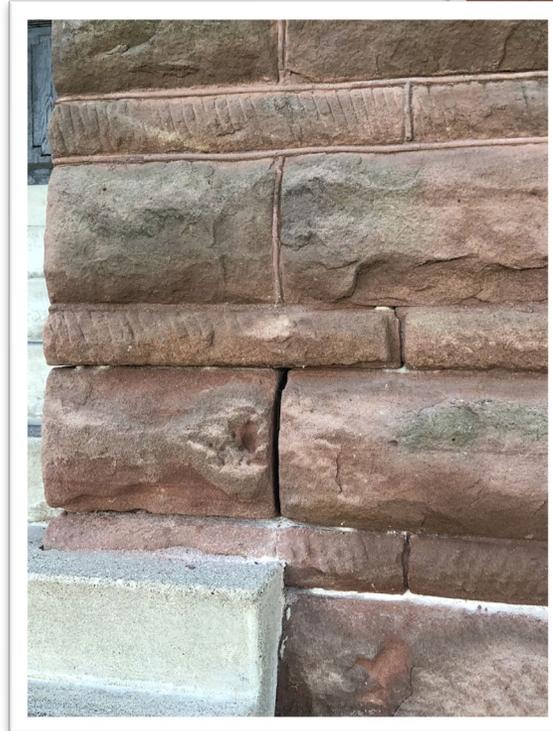


- \$12.8 million for Asset Preservation improvements and betterments of a capital nature at the State Veterans Cemeteries and Minnesota Veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne.
- Request would be used to renovate and replace components in agency-managed buildings throughout the state.
- This request would address building systems and components that have exceeded their intended useful life in each facility and will ensure skilled-nursing facilities used to care for Residents and the State Veterans Cemeteries are in good condition.



Agency-wide Asset Preservation

- Examples of projects in this request include roofs, chillers, boilers, tuck-pointing, elevator repairs, window and door replacement, mechanical and electrical replacements, structural water damage repairs, and major communication system replacements.





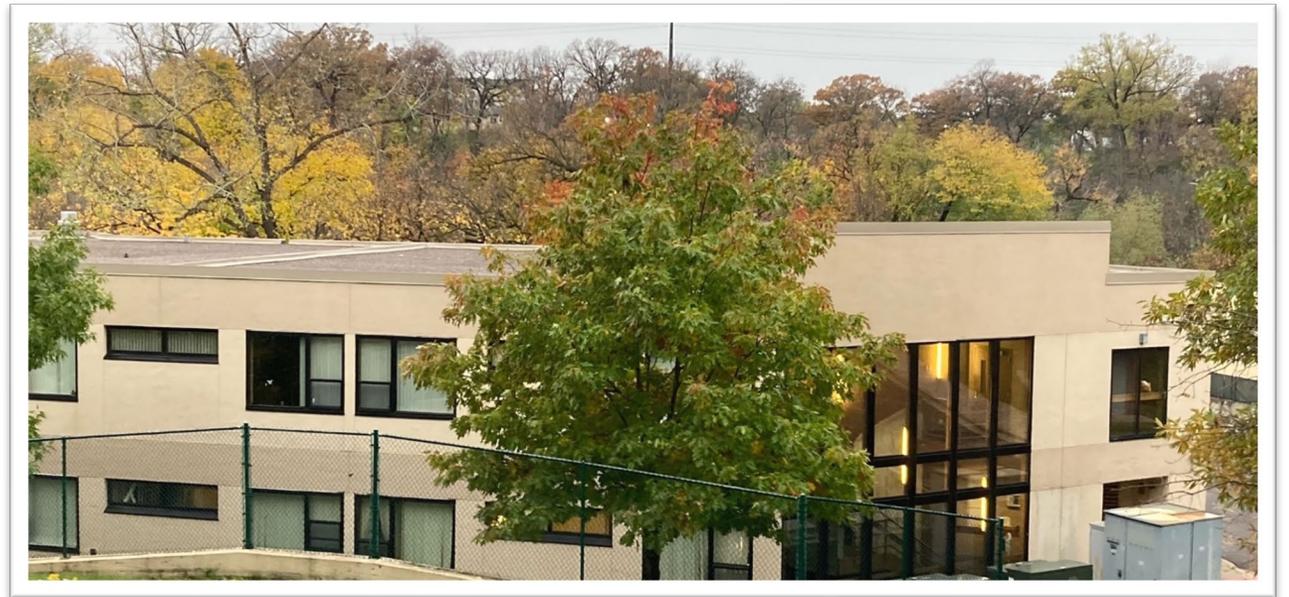
Agency-wide Asset Preservation

- The amount identified in this request is intended to address a portion of the backlog of our highest-priority asset preservation needs.
- Much of this funding would target historic structures still in daily use at the Minnesota Veterans Home – Minneapolis campus, some more than 100 years old.
- The agency currently has more than \$116 million in deferred maintenance, with approximately \$56.8 million of that total FCI Rated as “Crisis” or “Poor”.



MVH-Minneapolis – Building 16 Remodel

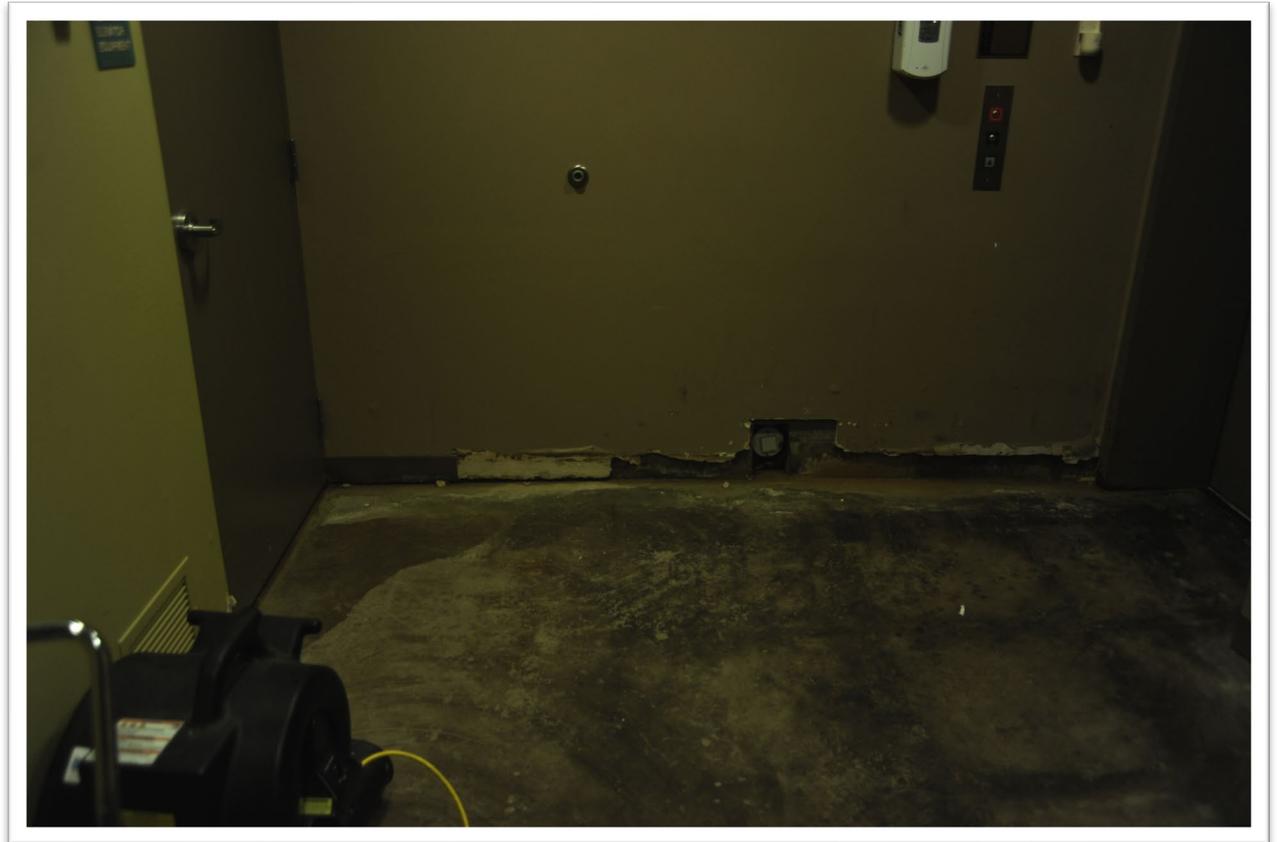
- \$16 million to complete the design and fund the remodeling of Building 16 on the Minnesota Veterans Home - Minneapolis campus.
- Building 16 is a part of the MDVA Domiciliary program. It is a residential building on the MVH-Minneapolis campus that is staffed and occupied 24/7.





MVH-Minneapolis – Building 16 Remodel

- The building's HVAC system has experienced periodic failures and is nearing the end of its expected useful life.
- During the resultant project evaluation process, many other building systems were identified as nearing or past their useful lives and in need of replacement.
- Other examples include plumbing issues such as wastewater line failures (at right).





MINNESOTA DEPARTMENT
OF VETERANS AFFAIRS

Opportunity for Questions