
Asset Preservation Summary Report

Calendar Year 2023

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Date: January 15, 2024

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

From: Tamar Gronvall, Commissioner *Tamar Gronvall*

RE: Asset Preservation (AP) Summary Report for Calendar Year 2023

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 2023.

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 an \$1.63 billion in adjusted deferred maintenance backlog for state-owned properties and a \$2.92 billion need to keep up with aging systems over the next 10 years, for a total asset preservation need of \$4.55 billion. That amount does not include the deferred maintenance and asset preservation needs at Minnesota State and the University of Minnesota. 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 \$54,000 for buildings in “fair” condition, versus \$198,000 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 2023.

Table 1: Projects Funded in Calendar Year 2023 using the Fiscal Year 2020 Appropriation

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0077	Faribault	Replace Fire Alarm System	12,633
78FA0084	Faribault	Upgrade Plumbing System	822,200
78LL0051	Lino Lakes	Upgrade L1 Mayo Elect & HVAC	30,000
78LL0054	Lino Lakes	Replace High Voltage Cabling	16,000
78LL0058	Lino Lakes	Improve Site Drainage	322,280
78OP0036	Oak Park Heights	Upgrade Security Fence	165,334
78OP0039	Oak Park Heights	Repair Exterior Courtyards	145,000
78RC0037	Rush City	Replace Water Heaters	515,000
78RC0038	Rush City	Upgrade Kitchen Floor	87,500
78RC0040	Rush City	Upgrade Cooler Mechanical	110,000
78RC0041	Rush City	Replace Booster Pump	310,000

Agency and Project Number	Location	Description	Amount
78SC0078	St. Cloud	Install Interior Fence	336,287
78SW0072	Stillwater	Replace Roof	8,000
78SW0075	Stillwater	Reroof Bldg 11	537,739
78SW0076	Stillwater	Repair Conference Center	114,250
78SW0077	Stillwater	Replace HVAC Bldg 17 and 37	517,500
78SW0078	Stillwater	Replace Transformer	2,013,000
78WR0016	Willow River	Replace Barracks Boilers	90,000
78WR0017	Willow River	Resurface Shower Room Floor	177,039
78WR0018	Willow River	Upgrade Generator	362,111
Agency Total			\$6,691,873
Human Services			
55AK0057	Anoka	Retro Commissioning	100,000
55AK0059	Anoka	Repair Passenger Elevator	83,178
55AK0060	Anoka	Replace Fire Smoke Dampers	67,980

Agency and Project Number	Location	Description	Amount
55AK0061	Anoka	Upgrade Transfer Switch Control	7,571
55BR0022	Brainerd	Replace Window Tuck Point	238,492
55BR0026	Brainerd	Replace Water Mains to Restrooms	50,000
55BR0028	Brainerd	Repair Concrete and Sidewalks	97,767
55BR0029	Brainerd	Update Mechanical Electrical	25,000
55ML0031	Moose Lake	Retro Commissioning	127,255
55ML0033	Moose Lake	Repair Roof Drain Lead Flashing	139,090
55ML0034	Moose Lake	Replace Fire Pump & Valves	75,000
55ML0035	Moose Lake	Replace Concrete	181,390
55ML0036	Moose Lake	Install Pump VFDs and Controls	144,391
55SR0119	St. Peter	Replace Water Heater	22,500
55SR0130	St. Peter	Upgrade HVAC Cooling Tower Pro	36,307
55SR0132	St. Peter	Replace FND Therapy Tubs	79,111

Agency and Project Number	Location	Description	Amount
55SR0136	St. Peter	Renovate Pexton Hall Shower	1,179,110
55SR0148	St. Peter	Remodel Aspen Seclusion Room	50,000
55SR0149	St. Peter	Install Flooring, Willow Unit	45,704
55SR0150	St. Peter	Retro Commissioning	100,000
55SR0152	St. Peter	Upgrade Water Sewer System	6,000
55SR0153	St. Peter	Remodel St. Peter Phase 2	93,700
55SR0154	St. Peter	Replace AHUs 3 & 4 BAS	125,000
55SR0155	St. Peter	Replace AHUs and Controls	150,000
55SR0156	St. Peter	Upgrade Boiler Monitoring System	175,000
55SR0157	St. Peter	Replace Boiler & Steam Valves	42,900
55SR0160	St. Peter	Replace Sidewalks and Stairs	40,616
55SR0161	St. Peter	Replace Asphalt Driveway	24,197
55SR0163	St. Peter	Replace AC and Windows	100,000
55WI0006	Willmar	Replace Curb	31,428

Agency and Project Number	Location	Description	Amount
Agency Total			\$3,638,687
State Academies			
44BA0035	Blind Academy	Replaster Pool	76,000
44DA0043	Deaf Academy	Repair Security Corridor	40,000
44FA0033	Faribault	Replace Water Heater	59,000
44VA0001	Faribault	Repair Campus Concrete	225,000
Agency Total			\$400,000
Veteran's Affairs			
75DU0002	Duluth Cemetery	Repair Bldg Exterior & Concrete	140,000
75HA0060	Hastings	Repair Building 36	50,000
75LF0010	Little Falls	Replace Flooring & Wall Finishes	70,000
75LN0021	Luverne	Replace Fire Doors	360,000
75MP0099	Minneapolis	Install Water Heaters Bldg 22	2,000
75PR0002	Preston	Repair Bldg Exterior Siding	55,000

Agency and Project Number	Location	Description	Amount
75SB0025	Silver Bay	Replace HVAC System	20,635
Agency Total			\$697,635
Grand Total			\$11,428,195

Table 3: Projects Funded in Calendar Year 2023 using the Fiscal Year 2023 Appropriation

Agency and Project Number	Location	Description	Amount
Corrections			
78FA0089	Faribault	Repair Tunnel Section AD	1,027,782
78LL0058	Lino Lakes	Improve Site Drainage	11,397
78LL0061	Lino Lakes	Upgrade Cooling Equipment	846,292
78ML0093	Moose Lake	Upgrade Truck Gate	764,528
78OP0040	Oak Park Heights	Upgrade BAS, Chiller & Piping	2,500,000
78RW0048	Red Wing	Upgrade Sanitary Sewer & Gate	2,321,022
78SC0083	St. Cloud	Upgrade Utility Connection	250,000
78SC0084	St. Cloud	Upgrade Control Room	483,482

Agency and Project Number	Location	Description	Amount
78SH0050	Shakopee	Upgrade Security Systems	4,500,000
78SW0081	Stillwater	Install Water Filtration	250,000
78SW0082	Stillwater	Replace Roof Bldg 25	1,050,396
78TH0044	Togo	Upgrade Holding Cell Areas	300,000
78WR0016	Willow River	Replace Barracks Boilers	80,321
78VA0008	Various	Replace Water Towers, FA & SCL	893,041
Agency Total			\$15,278,261
Human Services			
55SR0136	St. Peter	Renovate Pexton Hall Shower	120,000
Agency Total			\$120,000
State Academies			
44D0043	Deaf Academy	Repair Security Corridor	150,000
Agency Total			\$150,000

Agency and Project Number	Location	Description	Amount
Veteran's Affairs			
75MP0109	Minneapolis	Replace Sanitary Line Bldg 19	2,250,000
78VA0009	Minneapolis	Upgrade HVAC/DDC Bldg 1,2 & 10	1,000,000
Agency Total			\$3,250,000
Grand Total			\$18,798,261

Table 4: Projects Funded in Calendar Year 2023 using the State Facilities Asset Preservation Fiscal Year 2024 Appropriation

Agency and Project Number	Location	Description	Amount
Administration			
None			
Agency Total			\$0.00
Grand Total			\$0.00

Priority Projects for New Asset Preservation Funding

All agencies have submitted their 2024 asset preservation funding requests to Minnesota Management and Budget.

The Governor will submit recommendations to the legislature for consideration during the 2024 legislative session.