

(\$ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds		
			2018	2020	2022
Asset Preservation	1	GO	\$ 13,200	\$ 0	\$ 0
Total Project Requests			\$ 13,200	\$ 0	\$ 0
General Obligation Bonds (GO) Total			\$ 13,200	\$ 0	\$ 0

(\$ in thousands)

Asset Preservation**AT A GLANCE****2018 Request Amount:** \$13,200**Priority Ranking:** 1

Project Summary: This request is for \$13.2 million to renovate and upgrade the 58 buildings owned by this agency. Nine of these buildings have 24/7 occupancy that require ongoing repair and maintenance support. This request will address building repair items that go beyond the day-to-day maintenance needs of each facility, and will assure facilities used to care for 900+ residents are in good condition.

Project Description

The Minnesota Veterans Homes occupy 58 buildings, 1.04 million square feet, and have a replacement value of \$251.2 million dollars. This request is for \$13.2 million to renovate and upgrade these buildings. Nine of these buildings have 24/7 occupancy, which requires ongoing repair and maintenance support. This request will address building repair items that go beyond the day-to-day maintenance needs of each facility. This request will also assure facilities used to care for 900+ residents are in good condition.

This request would update a variety of resident building components. These projects serve to maintain a safe, efficient, and manageable environment for the residents at the homes. Examples of projects in this request include: porch replacement, tuckpointing, mechanical and electrical replacements and repairs, water damage repair, and repairs to high pressure boilers.

The amount identified in this asset preservation request reflects a backlog of asset preservation needs.

Project Rationale

- Provides funding for upgrades to 58 buildings statewide
- Continues to provide a safe environment to care for vulnerable adults
- Ensures continued, full use of all physical assets
- Timely repair/replacement of building components eliminates future high costs
- Projects are located at the Minnesota Veterans Homes (Minneapolis, Hastings, Luverne, Fergus Falls, Silver Bay)
- Projects do not qualify for 65 percent federal VA reimbursement
- Ensures compliance with M.S.16A.11 requiring capital investment of one percent of the replacement cost of buildings for maintenance & repair of state buildings.

Project Timeline

The agency anticipates all projects will be complete within two years of funding.

Other Considerations

Without necessary Asset Preservation funding, the agency's facilities will continue to deteriorate, increasing repair cost. In the absence of appropriate maintenance funding, failures can occur, forcing the agency to spend operational funds. This can potentially erode the quality of care for our residents, requiring the agency to request additional general fund appropriations for operations.

Impact on Agency Operating Budgets

Agency repair and betterment funds, which are operating dollars, have been used in recent years to address portions of asset preservation projects. This funding will allow future repair and betterment funds to be spent on more routine maintenance and repair projects.

Description of Previous Appropriations

The Department of Veterans Affairs received \$4 million in 2008, \$4 million in 2010, \$3 million in 2012, \$2 million in 2014, and \$5 million in FY17 for Asset Preservation.

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