

Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
			2006	2008	2010	2006	2008	2010
Asset Preservation	1	GO	\$10,005	\$6,000	\$6,001	\$6,000	\$6,000	\$6,000
Minneapolis Emergency Power	2	GO	2,457	0	0	2,457	0	0
Minneapolis Adult Day Care	3	GO	2,261	0	0	0	0	0
Silver Bay Master Plan Renovation	4	GO	4,851	0	0	0	0	0
Luverne Dementia Unit/Wander Area	5	GO	599	0	0	599	0	0
Minneapolis Dining/Kitchen Renovation	6	GO	5,331	0	0	5,331	0	0
Fergus Falls Special Care Unit	7	GO	7,699	0	0	637	7,062	0
Minneapolis Phase 2 - Assisted Living	8	GO	20,104	0	0	0	0	0
Hastings Supportive Housing	9	GO	6,953	0	0	0	0	0
Minneapolis Phase 3 - Skilled Nursing Development	10	GO	175	16,765	0	0	0	0

Project Total	\$60,435	\$22,765	\$6,001	\$15,024	\$13,062	\$6,000
General Obligation Bonding (GO)	\$60,435	\$22,765	\$6,001	\$15,024	\$13,062	\$6,000

<b>Funding Sources:</b>	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

### Agency Profile At A Glance

- ◆ FY 2006-07 Operating Budget - \$125.2 million with revenues from
  - ⇒ 48% State Appropriation
  - ⇒ 25% Department of Veterans Affairs (USDVA) Per Diems
  - ⇒ 27% Patient Pay
- ◆ 952 Operating Beds
- ◆ 98% Occupancy Statewide

### Agency Purpose

The mission of the Veterans Homes Board is to fulfill the commitment of state government to provide the highest possible quality programs for health care, supportive services, and housing to our Minnesota veterans and their spouses while developing new and innovative solutions to meet the challenges of changing times.

M.S. 198.01 charges the Veterans Homes to "provide nursing care and related health and social services to veterans and their spouses who meet eligibility and admission requirements." Veterans eligible for admission to our homes must have either "served in a Minnesota regiment or have been credited to the state of Minnesota, or have been a resident of the state preceding the date of application for admission." There are approximately 442,000 veterans in the state, so one of every 12 Minnesotans meets this criterion. Spouses of eligible veterans are also eligible for admission if they are "at least 55 years of age, and have been residents of the state of Minnesota preceding the date of application for their admission." Veterans or spouses must be unable by reason of wounds, disease, old age, or infirmity to properly care for themselves.

### Core Functions

There are five Veterans Homes operating in Minnesota. These include skilled nursing beds at Minneapolis, Silver Bay, Luverne, and Fergus Falls with domiciliary beds at Minneapolis and Hastings. The Minneapolis facility operates a 16-bed inpatient program for homeless veterans with a mental

health and substance abuse history. Hastings has a transitional housing program for veterans who have been previously homeless. Both of these programs are funded jointly by the U.S. Department of Housing and Urban Development (HUD) and the State Veterans Home. Services provided are listed below:

- ◆ skilled nursing
- ◆ special care units – Dementia & Alzheimer's
- ◆ physical therapy
- ◆ occupational therapy
- ◆ speech therapy
- ◆ recreational therapy
- ◆ chiropractic (with doctor's order)
- ◆ dental
- ◆ podiatry
- ◆ optometry exams
- ◆ outpatient services (Fergus Falls – Department of Veterans (USDVA) community based outpatient clinic)
- ◆ domiciliary (board & care)
- ◆ hospice
- ◆ social services
- ◆ work therapy
- ◆ drug & alcohol treatment
- ◆ transitional care
- ◆ spiritual care
- ◆ volunteer programs
- ◆ mental health
- ◆ homeless programs

The agency's core values are:

- ◆ quality performance;
- ◆ customer satisfaction;
- ◆ public acceptance; and
- ◆ pursuit of excellence.

**Operations**

A nine-member board is appointed by the governor whose responsibility is to oversee the management of the agency. An executive director is hired by the board and is responsible for all operational aspects of the agency. Board staff provide leadership and oversight of functional areas which include human resources, financial management, quality assurance, legislative and public affairs, project management, safety, veterans benefits, legal, and information systems management. Administrators provide day-to-day leadership at the five facilities located throughout the state. Each facility is organized into functional units based upon size and type of patient care delivered. Typical skilled care facilities encompass nursing, dietary, housekeeping, social services, therapeutic recreation, facility maintenance, administration, admissions, business office, mental health, speech, physical and occupational therapy, chaplain, and other services provided through contractual arrangements. Board and care facilities focus medical and mental health management, substance abuse treatment and counseling, and transitional services. Veterans homes throughout the state also provide training sites through affiliation agreements for health care occupations. Approximately 100 students participate annually and help provide clinical services.

**Budget**

The agency's operating funds generally come from three sources - state appropriations (48%), patient pay amounts (27%), and USDVA per diems (25%). The agency's two primary sources of revenue include federal per diem payments and resident maintenance charges, which, when combined with the general fund appropriation, fund the operations of the homes. Fluctuations in federal per diems and patients' ability to pay the full cost of care puts added pressure on the state appropriation. Federal law sets USDVA per diem payments annually.

Resident maintenance charges are established as set forth in Minnesota Rules Chapter 9050. A monthly cost of care is first determined for each facility and each level of care. Residents are then billed the monthly charge, subject to their ability to pay.

**Contact**

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The Minnesota Veterans Homes web site at [www.mvh.state.mn.us](http://www.mvh.state.mn.us) gives visitors important information about the Veterans Homes. Types of information available through the site include history, bed availability, rules, agency initiatives, board meeting minutes, newsletters, vacancy data, and board member information. Applications can also be downloaded.

**At A Glance: Agency Long-Range Strategic Goals**

- ◆ To manage the Minnesota Veterans Home's with honesty, integrity, and cost effectiveness;
- ◆ To provide a therapeutic environment that encourages resident independence, respects individuality, promotes self worth, well being, and promotes quality care;
- ◆ To target services to veterans with special needs;
- ◆ To be good stewards of our physical assets to ensure that all of our facilities are properly maintained and managed;
- ◆ To provide a continuous evaluation of care and services to be responsive to changing needs;
- ◆ To support research and education in geriatrics and long term care;
- ◆ To recognize employees for their contributions; and
- ◆ To coordinate services and work cooperatively with medical communities.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

There are 442,000 veterans in Minnesota and it is anticipated that this population will decrease by approximately 35% over the next 20 years. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow 9% from today's rates. A U.S. Department of Veterans Affairs report "Caring for the Older Veteran" states "the aging trend in the veteran population because of its unique composition is challenging the nation's health systems." Veterans tend to cluster in age groups related to service in major conflicts. At least 50% of the patients cared for in veteran's homes are between the ages of 75-84 and 21% over the age of 85. This is compared to private sector long-term care where approximately 31% are between the ages of 75-84 and 52% over 85. Our population is 86% male as compared to 26.7% in the private sector

The top five primary diagnosis's for skilled care in the veterans homes system is dementia, alzheimer's, coronary vascular disease, diabetes, and chronic obstructive pulmonary disease. The top five secondary diagnosis's are dementia, alzheimer's, hypertension, diabetes, and osteoarthritis/

osteoporosis.

For domiciliary care the top five primary diagnoses are alcohol dependence/abuse, chronic obstructive pulmonary disease, hypertension, diabetes, and arthropathy. The top five secondary diagnoses are depression, tobacco use disorder, hypertension, complications from alcohol abuse and chronic obstructive pulmonary disease. Residents with Alzheimer's and/or dementia related illnesses comprise greater than 50% of our inpatient population. In addition, as in the rest of the long term care industry, residents are being admitted later in life and with more complex medical and mental health diagnosis.

This agency is also involved in developing services for homeless veterans. At the Minneapolis facility, a 16 bed inpatient unit for homeless veterans with a dual diagnosis (mental health and substance abuse) has remained full since its inception three years ago. In addition, Minneapolis is seeking to expand services to homeless veterans with a new triage proposal, and the Hastings Veterans Home is developing plans for a supportive housing unit for residents ready to be discharged.

Although the impact has not yet been seen at our facilities, a new group of eligible veterans are emerging from Desert Storm and Iraqi Freedom. Due to the nature of their injuries, veterans homes across the state and nation could begin to see applications for admissions from veterans with multiple amputations, traumatic brain injuries, and post traumatic stress related injuries once they have completed their acute care phase of their treatment.

Nationally, state veterans home programs represent the largest provider of long term care in the United States with 24,827 operating beds in 48 states. The U.S Department of Veterans Affairs (VA) provides state home construction grants to supplement the construction of new and the renovation of existing state veterans' health care facilities. As part of our strategy, we have submitted our major projects to the VA for state home grant funding. All of our project submissions have been approved by the VA and are waiting state funding. If state funding were awarded, a final decision on federal funding is made during the beginning quarter of the following federal fiscal year.

Currently, the Minnesota State Veteran’s Homes are licensed for:

	<u>Board and Care</u>	<u>Skilled Care Beds</u>
	<u>Beds</u>	
Minneapolis	154*	341
Hastings	200	0
Silver Bay	0	89
Luverne	0	85
Fergus Falls	<u>0</u>	<u>85</u>
Total beds	354	600

\*61 operational

The mission statement of the agency as well as the summary of diagnoses discussed above reflects the knowledge that we are focused on providing care for those "veterans with special needs" that often cannot or are not being met in other facilities. Our programs are specialized to our veterans' needs. We continue to evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans' community. As of this writing, waiting lists collectively continue to grow at all our health care facilities and account for the over 400 veterans seeking care in our homes.

As a result of factors such as age, gender, case mix, diagnosis, demographic changes, and recent and current wars, this agency is continually reevaluating its programs in an effort to meet the needs of the aging veteran population. During this past year, a long-term planning process was initiated which involved leadership from the veteran community around the state. This process considered existing services for veterans provided by the VA and others, conducted gap analysis to identify unmet needs, and considered the strategic direction of the state’s long term care task force recommendations to develop future planning initiatives.

Finally, a master plan has been developed for the Minneapolis and Hastings Veterans Homes for future campus development. Current demographic and program issues will serve as a blueprint for providing future, new, and expanded services for veterans in the Twin Cities and surrounding area including the development of alternatives to skilled nursing care. These include the addition of adult day care, assisted living units, and low income housing for veterans.

The Veterans Homes Board has reviewed, prioritized, and approved these strategic initiatives and included them in future bonding requests.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Currently, all of our licensed beds, with the exception of building 16 (95 beds) at our Minneapolis campus are being fully utilized. An assessment of each facility follows.

**Minneapolis** – This is our oldest campus dating back to 1887. We continue to work on maintaining this 51-acre historic site. While major renovations have taken place over the past few years, work is still required to update various aspects of the buildings on site which are reflected in the asset preservation project list as a part of the bonding request. Electrical upgrades, air handling systems, security, roof repairs and replacements, and other items are important to maintain the integrity of the campus. Minneapolis maintains a waiting list of over 300 veterans seeking skilled care services.

**Hastings** – This site is completing the final phase (phase III) of a campus renovation. Beginning with a major rework of the infrastructure, the renovations have included updates to the mechanical systems in the major patient care buildings, repair or replacement of tunnels, updates to the power plant, roof repairs or replacements, and other energy conservation items. Once phase III is complete, the majority of the campus infrastructure and buildings will have been updated.

**Silver Bay** – This facility was originally an elementary school built in 1953. It was converted to a nursing home and a number of space and functional deficiencies remain. A new sloped metal roof project has been completed. This new roof not only will reduce life-cycle costs, but has already provided energy savings. A clinical update plan would bring the facility up to current nursing home construction standards and provide a better environment for providing patient care services.

**Luverne** – A project to add programming space to the Alzheimer’s wing has been funded by the state (35%) and is waiting a federal commitment later this year. Work to correct water runoff in the parking lots has been

completed. This work eliminates a safety hazard, especially during the winter months. Luverne maintains a waiting list of approximately 40 individuals.

**Fergus Falls** – This is our newest facility and operates 86 skilled nursing beds and has a VA outpatient clinic co-located on site. A project proposed for this facility would add a 21-bed special care unit for Alzheimer's. Fergus Falls also has had a major waiting list for care, approximately 70 individuals, and the additional beds will help to alleviate that unmet demand.

### Agency Process Used to Arrive at These Capital Requests

The agency's long-range strategic operating plans and capital budget goals are to ensure that each of our homes is able to provide the highest quality of care to our residents in a therapeutic, highly adaptive, and dignified environment.

In order to meet these goals, we must ensure that each veterans home is in good operating condition. The agency has conducted a comprehensive strategic process to identify programmatic and facility needs; and these are reflected in our capital requests. If a home requires renovation or new construction, we have analyzed the need, reviewed the options, and requested the necessary funding. We have also completed pre-designs on major requests in an effort to provide more detailed and accurate information. These requests have been reviewed, prioritized, and approved by the agency's Board of Directors. We have also commissioned studies to determine future demand for services both from a qualitative and quantitative focus.

The current capital budget requests have been reviewed and recommended by the homes and the board. The priorities were reviewed using the following criteria:

- ⇒ **Quality patient care.** This includes both the services available to the residents and the environment in which residents reside.
- ⇒ **Maintenance and protection of the physical plant.** This includes correcting current deficiencies and maintaining the integrity of the physical plant.

- ⇒ **Adequate, viable infrastructure support.** This includes providing management with the tools necessary to ensure efficient operation of the homes.

The long-range planning study and the Historic Structures Report used to develop these requests contain a building-by-building evaluation of all buildings at the Minneapolis and Hastings veterans homes. These evaluations detail the condition of the buildings, the asbestos content, and the modification needed to comply with ADA standards. The study also includes long-range strategic plans for the Minneapolis and Hastings veterans homes' renovations, remodeling, and new construction. These plans, if implemented, will not only bring the homes into compliance with current health care and safety standards, but will also improve the service delivery to our residents.

These plans have not been developed in a vacuum. There has been a study of the long-term care needs of veterans in Minnesota that has helped to shape these requests. As part of this process, these strategic initiatives have also had input from our constituents at the grass roots level. There has been an active strategic planning process at the facility and agency level and strategic initiatives have been reviewed, prioritized, and approved by the Board of Directors.

### Major Capital Projects Authorized in 2005

**Minneapolis Adult Day Care** – 35% state match - \$1.031 million.

**Luverne Dementia Unit/Wander Area** – 35% state match - \$306 thousand.

**Asset Preservation** - \$4.0 million

## Asset Preservation

**2006 STATE APPROPRIATION REQUEST:** \$10,005,000

**AGENCY PROJECT PRIORITY:** 1 of 10

**PROJECT LOCATION:** 1200 East 18th Street, Hastings, 1300 North Kniss, Luverne, 1821 North Park Street, Fergus Falls, 45 Banks Boulevard, Silver Bay, 5101 Minnehaha Avenue South, Minneapolis

#### Project At A Glance

- ◆ Provides updates to over 50 buildings statewide
- ◆ Continues to provide a safe environment for caring for vulnerable adults
- ◆ Ensures continued full use of all of our physical assets
- ◆ Repairing/replacing now eliminates future higher costs

#### Project Description

The Minnesota Veterans Homes Board (MVHB) is requesting \$10.005 million for agency wide asset preservation.

The MVHB manages 50 buildings at five facility locations while providing care for over 900 residents. This asset preservation request will assist the agency in addressing building repair items that go beyond the day-to-day maintenance needs of the facilities.

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. Included in this request are the replacing of exterior envelope components, roof replacement, tuckpointing, sanitary sewer repairs, mechanical and electrical updates, resident bathroom, and central shower updating.

Repairs on the Minneapolis campus are needed to the exterior envelopes, replacement of windows and doors, and campus security upgrades.

The Hastings campus is in need of repairs on exterior envelopes, roofs, windows, doors, and sanitary/storm sewers. Parking lots need reengineering and upgrading.

The out-state campuses at Luverne, Silver Bay, and Fergus Falls are in need of a variety of building repairs including, but not limited to, resident room door replacements, nurse call and phone system replacement, generator upgrade, boiler burner parts replacement, and storage building repairs.

The amount identified in this asset preservation request reflects a backlog of unfunded asset preservation needs. Beyond bonded asset preservation, funds were previously available from agency repair and betterment accounts and the Department of Administration's (DOA) Capital Asset Preservation and Repair Account (CAPRA). These funds are no longer available. Funding in our operating account for repairs and betterment has largely been reprogrammed during the FY 2002-2005 biennia to deal with operating budget shortages. In addition to the loss of agency funds for repair and betterment, the DOA has reduced the amount of funding available through CAPRA with funds only available for emergency projects. Each agency is expected to include funding for projects under asset preservation that in the past have come from non-emergency CAPRA dollars.

#### Impact on Agency Operating Budgets (Facilities Notes)

The nature of these asset preservation improvements should not have any significant impact on the ongoing operating costs of the facility and may correct inefficiencies in mechanical equipment, ultimately reducing operating costs.

#### Previous Appropriations for this Project

Asset preservation has been funded in the past, including a direct appropriation of \$4 million in the 2005 bonding bill, and an additional \$2.2 million was dedicated for asset preservation from federal reimbursement of past MVHB projects. In 2002, the agency received \$2 million for asset preservation. There were additional resources from CAPRA funds at the Department of Administration.

**Asset Preservation****Project Contact Person**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$6 million for this project. Also included are budget planning estimates of \$6 million in 2008 and \$6 million in 2010.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	955	550	512	2,017
4. Project Management	0	322	185	172	679
5. Construction Costs	0	7,910	4,420	4,128	16,458
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	818	845	1,189	2,852
<b>TOTAL</b>	<b>0</b>	<b>10,005</b>	<b>6,000</b>	<b>6,001</b>	<b>22,006</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	10,005	6,000	6,001	22,006
<b>State Funds Subtotal</b>	<b>0</b>	<b>10,005</b>	<b>6,000</b>	<b>6,001</b>	<b>22,006</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>10,005</b>	<b>6,000</b>	<b>6,001</b>	<b>22,006</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	10,005	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Minneapolis Emergency Power

**2006 STATE APPROPRIATION REQUEST:** \$2,457,000

**AGENCY PROJECT PRIORITY:** 2 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- ◆ Improves emergency power for all patient care buildings on the Minneapolis campus
- ◆ Resolves compliance issues for providing emergency power
- ◆ Ensures a safe environment for residents in the event of a power failure
- ◆ Provides electrical infrastructure for future expansion
- ◆ Eligible for 65% federal VA reimbursement

**Project Description**

The Minneapolis Veterans Homes is requesting \$2.457 million for an upgrade to the emergency power system for the patient care buildings that will provide a cost effective means of providing reliable, code compliant electrical power to the Minneapolis Veterans Home. This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs. Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur and the urgent need to bring the campus up to code, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The current electrical system has been identified by the State Fire Marshall, Board of Electricity, State of Minnesota Codes Division, and Occupational Safety & Health Administration (OSHA) as non-compliant. Without this upgrade, the risk to the health and safety of our residents remains an issue. Winter heating and summer cooling of resident buildings could be lost. Since the vulnerable residents cannot be subjected to an unstable environment, emergency evacuations could be necessary.

This project does essentially two things. First, each building is directly connected to the power system. Second, additional wiring would be added to building 17 for emergency outlets providing power for critical equipment to function during a general power failure.

Modifications to the campus electrical system are necessary to ensure proper operation, load control and campus backup. Because buildings are connected in series, electricity must travel from one building to the next. An interruption at one building affects the entire system. By connecting each building directly to the backup system, in parallel, loss of electrical power is isolated. Additionally, if an individual building suffers an outage the backup system can be used to power just that building. This is not possible under the current configuration.

Also, this project provides emergency outlets in our largest patient care building, building 17, which houses 250 residents. Having these emergency outlets, similar to those seen in hospitals, mean that equipment residents rely on for health and safety can operate in the event of a general power failure.

The preliminary request for this project only included the modifications to the campus electrical system. After further review, the agency determined that adding additional emergency capacity to building 17 was an important life-safety consideration. Also, during the final review of the campus power system, the electrical contractor determined that additional electrical components and switchgear in building 16 would need to be replaced to complete the campus power update. The addition of the emergency power capacity to building 17 and the unanticipated equipment replacement in building 16 accounts for the cost difference between the preliminary and final capital requests.

**Background**

Based on utility billing records and projected building renovations and additions, the following estimates of present and projected electrical loads for the campus were developed:

## Minneapolis Emergency Power

Present Summer Peak Demand:	1300 kW
Projected Summer Peak Demand:	3000 kW
Present Winter Peak Demand:	800 kW
Projected Winter Peak Demand:	2000 kW
Present Code-Required Emergency Load:	60 kW
Projected Minimum Emergency Load:	228 kW
Projected Maximum Emergency Load:	1000 kW

The 1600 kW capacity of the existing generator is adequate to supply the campus during utility outages or control periods with room to accommodate approximately a 25% increase. Short-term load growth may bring the summer peak demand above the capability of the generator, while the winter peak demand is still well within it.

**Impact on Agency Operating Budgets (Facilities Notes)**

Potential cost savings available from operating generation under Xcel's energy-controlled interruptible electric rate.

**Previous Appropriations for this Project**

None.

**Other Considerations**

Operating additional buildings on the Minneapolis campus alters the power requirements. This was considered during the design phase. This recommended solution also considers the operational needs of the campus, capacity for future expansion and the cost savings available from operating generation under Xcel's energy-controlled interruptible electric rate. Also, connecting campus buildings as this project suggests satisfies the concerns of the State Fire Marshal and the Board of Electricity

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$2.457 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	158	0	0	158
4. Project Management	0	94	0	0	94
5. Construction Costs	0	2,004	0	0	2,004
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	201	0	0	201
<b>TOTAL</b>	<b>0</b>	<b>2,457</b>	<b>0</b>	<b>0</b>	<b>2,457</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	2,457	0	0	2,457
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,457</b>	<b>0</b>	<b>0</b>	<b>2,457</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>2,457</b>	<b>0</b>	<b>0</b>	<b>2,457</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	2,457	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Minneapolis Adult Day Care

**2006 STATE APPROPRIATION REQUEST:** \$2,261,000

**AGENCY PROJECT PRIORITY:** 3 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- ◆ Adult day care helps meet demand for additional services
- ◆ Alternative to skilled nursing care keeping veterans at home longer
- ◆ State has already made its 35% funding commitment to qualify for federal VA reimbursement
- ◆ Would serve 30 – 35 residents per day

**Project Description**

The Minneapolis Veterans Home is requesting \$2.261 million to provide full funding to remodel building 4 on the Minneapolis campus for an adult day care program for veterans in the metropolitan area. So that this project is not further delayed, the federal portion of funding is requested with the potential for reimbursement when federal funds become available.

While building 4 has already received extensive exterior remodeling, the interior requires significant renovation to bring it up to code and redesigned to handle the needs of patient activities. The interior of this structure will be upgraded to meet "I" (Institutional) occupancy by replacing the wood floor with a steel/concrete system. The interior will be remodeled to accommodate adult day care program use and building code compliance. This construction would include a new energy efficient mechanical system tied into the campus infrastructure.

The proposed adult day care program will provide services to veterans eight to ten hours a day and can accommodate 30 to 35 residents per day. A transportation network sponsored by veterans' organizations may be available to provide service to veterans in need of adult day care on this site.

**Impact on Agency Operating Budgets (Facilities Notes)**

No new state funding would be required to meet the facilities operating needs. The United States Department of Veterans Affairs (VA) has legislation that pays a daily per diem to the veterans' home for eligible veterans receiving care in this program. Due to the federal participation, adult day care on campus would be affordable to a greater portion of veterans who would not otherwise be able to avail themselves of this service. The remaining portion of costs would be a patient pay amount. The combination of federal funding and patient pay will fully fund this program.

**Previous Appropriations for this Project**

The project has already received the state's portion (35%) of \$1,031,000 in the 2005 bonding bill. This project is eligible for 65% funding through the U.S. Department of Veterans Affairs (VA) Home Construction Grant program. While the VA has received funding for the program in the upcoming federal fiscal year, it is unclear whether the program will continue to operate as it has in years past. In order to keep the project on track, the balance is being requested in this bonding cycle. The remaining 65% has been submitted to the VA and remains in their priority one listing.

**Other Considerations**

The Minneapolis facility receives numerous requests for adult day care services throughout the year and is not able to accommodate this need. The Veterans Homes Board conducted a study of veterans' health care needs in the state, which identified adult day care as a priority. The Minneapolis facility leadership conducted an in-depth strategic planning process, which identified adult day care as one of their priority initiatives. Our mission to provide high quality health care services to veterans and adult day care fits well within that mission as well as providing an alternative to a higher cost skilled care service. We will also be able to provide additional services on campus without significant increased costs since the services are already available and can be provided at a marginal additional cost.

In addition, the Minneapolis Veterans Home has an active waiting list of 300 and this program will allow some of those on the waiting list to remain at

**Minneapolis Adult Day Care**

home longer with this type of programmatic support and thus, positively impact the waiting list issue.

The Minneapolis Veterans Home is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

Ongoing operating funds for an adult day care program at the Minneapolis Veterans Home would come from daily per diems and patient pay amounts.

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	10	0	0	0	10
3. Design Fees	76	144	0	0	220
4. Project Management	44	84	0	0	128
5. Construction Costs	819	1,667	0	0	2,486
6. One Percent for Art	7	15	0	0	22
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	85	166	0	0	251
9. Inflation	0	185	0	0	185
<b>TOTAL</b>	<b>1,041</b>	<b>2,261</b>	<b>0</b>	<b>0</b>	<b>3,302</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	1,031	2,261	0	0	3,292
<b>State Funds Subtotal</b>	<b>1,031</b>	<b>2,261</b>	<b>0</b>	<b>0</b>	<b>3,292</b>
Agency Operating Budget Funds	10	0	0	0	10
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1,041</b>	<b>2,261</b>	<b>0</b>	<b>0</b>	<b>3,302</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	994	1,590	2,584
Other Program Related Expenses	0	91	0	91
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	1,085	1,590	2,675
Revenue Offsets	0	<994>	<1,590>	<2,584>
<b>TOTAL</b>	<b>0</b>	<b>91</b>	<b>0</b>	<b>91</b>
Change in F.T.E. Personnel	0.0	11.7	11.7	23.4

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	2,261	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Silver Bay Master Plan Renovation

**2006 STATE APPROPRIATION REQUEST:** \$4,851,000

**AGENCY PROJECT PRIORITY:** 4 of 10

**PROJECT LOCATION:** 45 Banks Boulevard, Silver Bay

#### Project At A Glance

- ◆ Provides improved clinical and program space
- ◆ Qualifies for 65% federal VA reimbursement
- ◆ Brings facility up to current skilled care space standards
- ◆ Provides improved physical environment for patient care
- ◆ Improved services with intergenerational care – adult day care/child care

#### Project Description

The Silver Bay Veterans Home is requesting \$4.851 million for renovation of existing space and a structural building addition to the nursing care facility. This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

A recent study of the clinical capacity at Silver Bay has shown that the facility is in need of modification. This nursing facility was originally constructed as an elementary school in 1953. Because it was never designed as a nursing facility, it needs modification to meet the needs of its residents. This initiative would renovate select space within the facility to provide additional clinical space, enlarge resident programming space, and expand space for administration offices.

This renovation is crucial because the current needs of the residents cannot be met by the facility's capacity to deliver those services. By renovating the site, resident programming needs can be better fulfilled, additional workplace efficiencies realized, and improved services provided. The overall quality of

life will also be enhanced for the residents by reducing the institutional quality of the Silver Bay Veterans Home.

Also, the facility's support functions, maintenance, housing for vehicles, shipping and receiving, do not have adequate space to provide support for resident care and recreation facilities. This expansion would separate these functions, giving residents more space to enjoy and would improve the efficiency of the site's operations.

#### Impact on Agency Operating Budgets (Facilities Notes)

The project will increase the useful life of the home's vehicles, snow removal and lawn equipment, lower routine maintenance costs, allow for savings from bulk purchases, as well as minimize the fire hazard liability potential. Adding storage space to this facility will be a direct benefit to residents because of the inconvenience having current programming space double as storage. There will be a marginal increase in operating costs estimated to be \$44,500 annually.

#### Other Considerations

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. An asphalt fire road would be installed surrounding the facility in addition to using this road for a drop off, shipping, and receiving location accessibility.

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#### Governor's Recommendations

The Governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	42	0	0	0	42
3. Design Fees	0	405	0	0	405
4. Project Management	0	111	0	0	111
5. Construction Costs	0	3,615	0	0	3,615
6. One Percent for Art	0	28	0	0	28
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	267	0	0	267
9. Inflation	0	425	0	0	425
<b>TOTAL</b>	<b>42</b>	<b>4,851</b>	<b>0</b>	<b>0</b>	<b>4,893</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	4,851	0	0	4,851
<b>State Funds Subtotal</b>	<b>0</b>	<b>4,851</b>	<b>0</b>	<b>0</b>	<b>4,851</b>
Agency Operating Budget Funds	42	0	0	0	42
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>42</b>	<b>4,851</b>	<b>0</b>	<b>0</b>	<b>4,893</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	152	152	304
Other Program Related Expenses	0	19	19	38
Building Operating Expenses	0	81	81	162
Building Repair and Replacement Expenses	0	8	8	16
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	260	260	520
Revenue Offsets	0	<171>	<171>	<342>
<b>TOTAL</b>	<b>0</b>	<b>89</b>	<b>89</b>	<b>178</b>
Change in F.T.E. Personnel	0.0	1.5	1.5	3.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	4,851	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Luverne Dementia Unit/Wander Area

**2006 STATE APPROPRIATION REQUEST:** \$599,000

**AGENCY PROJECT PRIORITY:** 5 of 10

**PROJECT LOCATION:** 1300 North Kniss, Luverne

#### Project At A Glance

- ◆ Improves programming space for number one facility diagnosis
- ◆ Provides activity/wander area for residents at LuVerne Veterans Home
- ◆ State has already made its 35% funding commitment to qualify for federal VA reimbursement
- ◆ Marginal \$7,500 additional operating costs

#### Project Description

The Luverne Veterans Home is requesting \$599,000 for the balance of this project's funding requirements. This project is for a structural building addition to the nursing care facility. This structure would contain Alzheimer's/dementia (A/D) day programming space attached to the existing A/D patient care wing similar to our Silver Bay facility. So that this project is not further delayed, full project funding is requested.

This nursing care facility has dedicated one wing of this facility (17 beds) to caring for veterans with an A/D diagnosis. Day-to-day functions like feeding, therapeutic activities, wandering, visiting, and other social functions have to be conducted in the center corridor of this wing. The limited space in this corridor restricts the programming of activities and becomes a quality of care issue. Congestion in this corridor combined with this diagnosis contributes to residents' frustration, agitation, and anger. Increased agitation causes greater acting out, physical aggression, and a greater safety concern for residents and staff.

The proposed open air, one room, cathedral-ceiling structure would provide day activity space for residents and a special programming area for the residents, with walking paths for patients to wander, all of which significantly

improve their quality of life. This space will also be used for special dining and programs that are specifically focused on the needs of patients (e.g. aromatherapy) with Alzheimer's or dementia. This type of space assists with improving behaviors and has the potential of reducing reliance on medication management thus reducing medication costs.

Wandering is a natural behavior and characteristic of many people with dementia and can be a means of both physical and emotional release. This 1,500 square foot room would allow the resident room to wander and/or participate in activities within this day room. The quality of life for these residents would increase and a more therapeutic and safe environment would be created.

#### Impact on Agency Operating Budgets (Facilities Notes)

There will be a marginal increase in building operations costs estimated to be \$7,500 annually.

#### Previous Appropriations for this Project

The project received \$306,000 in state funding in the 2005 bonding bill. This project is eligible for 65% funding through the U.S. Department of Veterans Affairs (VA) Home Construction Grant program. While the VA has received funding for the upcoming federal fiscal year, it is unclear whether the program will continue to operate as it has in years past. In order to keep the project on track, the balance is being requested in this bonding cycle. The remaining 65% has been submitted to the VA and remains in their priority one listing.

#### Other Consideration

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. This A/D addition will be attached at the end of the wing with minimal remodeling of the existing entrance. The proposed addition would be built on a loose back fill and would require, per verified soil borings, an extended depth footing for support of the building. In an effort to utilize the space under this structure and eliminate costly engineered fill the lower level would be used for heating and air conditioning, nursing home equipment, material stock, and vehicle

**Luverne Dementia Unit/Wander Area**

storage. The total usable space of the entire proposed addition would be 3,000 square feet.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$599,000 for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	9	0	0	0	9
3. Design Fees	21	41	0	0	62
4. Project Management	27	51	0	0	78
5. Construction Costs	256	456	0	0	712
6. One Percent for Art	2	4	0	0	6
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	47	0	0	47
<b>TOTAL</b>	<b>315</b>	<b>599</b>	<b>0</b>	<b>0</b>	<b>914</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	306	599	0	0	905
<b>State Funds Subtotal</b>	<b>306</b>	<b>599</b>	<b>0</b>	<b>0</b>	<b>905</b>
Agency Operating Budget Funds	9	0	0	0	9
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>315</b>	<b>599</b>	<b>0</b>	<b>0</b>	<b>914</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	15	15	30
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	15	15	30
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>30</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	599	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Minneapolis Dining/Kitchen Renovation

**2006 STATE APPROPRIATION REQUEST:** \$5,331,000

**AGENCY PROJECT PRIORITY:** 6 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

#### Project At A Glance

- ◆ Improves and expands dining space at the Minneapolis Veterans Home
- ◆ Provides more efficient kitchen service
- ◆ Improves tray line service
- ◆ Eligible for 65% federal VA reimbursement
- ◆ Meets future needs

#### Project Description

The Minneapolis Veterans Home is requesting \$5.331 million for remodeling and expansion of the main dining room, food preparation, and kitchen space in building 17. This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

Building 17 was built in 1980 as a 250-bed nursing care facility to augment the existing patient care programming. This building is home to the largest number of residents on this campus. The dining/kitchen also serves an additional 91 patients in the Alzheimer dementia building and the 61 patients in the board and care facility. In addition, meals are prepared for 16 patients from the homeless dual diagnosis program. This growth has been the result of the campus-wide renovation that has activated almost all of the available beds on campus. It is anticipated through increased site programming, that this facility could service an additional 95 residents as well as an adult day care population for their noontime meal. The dining area and kitchen are

currently significantly undersized for the current population, and future program additions places greater pressure to develop better dining and food preparation space.

It is the goal of the facility to serve as many residents as possible in the main dining room. The daily dining experience is often a highlight of a resident's day and serves as a significant social event. The renovation would reorganize the kitchen and provide better access for residents and offer an efficient food preparation and work area for staff.

The dining room expansion is designed to accommodate future needs, increasing seating from 110 to 250 seats. Included in the dining room expansion is space for private family dining for special occasions. At the present time, there is no space for this to occur. We also serve meals to employees and there is not a separate area for them to eat. This is a significant recruiting and retention issue for the facility.

Other improvements made by this renovation would include the enlargement and relocation of manager and supervisor offices near the dining room to provide better supervision and accommodate increased staff. Current space limitations in the kitchen create narrow aisles which result in inefficient traffic flow for staff. The inadequate space also contributes to job injuries and workers' compensation expenses.

#### Impact on Agency Operating Budgets (Facilities Notes)

The building 17 improvements will not significantly impact current operating budgets.

#### Previous Appropriations for this Project

None.

**Minneapolis Dining/Kitchen Renovation****Project Contact Person:**

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$5.331 million for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	15	0	0	0	15
3. Design Fees	0	378	0	0	378
4. Project Management	0	224	0	0	224
5. Construction Costs	0	4,099	0	0	4,099
6. One Percent for Art	0	37	0	0	37
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	113	0	0	113
9. Inflation	0	480	0	0	480
<b>TOTAL</b>	<b>15</b>	<b>5,331</b>	<b>0</b>	<b>0</b>	<b>5,346</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	5,331	0	0	5,331
<b>State Funds Subtotal</b>	<b>0</b>	<b>5,331</b>	<b>0</b>	<b>0</b>	<b>5,331</b>
Agency Operating Budget Funds	15	0	0	0	15
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>15</b>	<b>5,331</b>	<b>0</b>	<b>0</b>	<b>5,346</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	5,331	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Fergus Falls Special Care Unit

**2006 STATE APPROPRIATION REQUEST:** \$7,699,000

**AGENCY PROJECT PRIORITY:** 7 of 10

**PROJECT LOCATION:** 1821 North Park Street, Fergus Falls

#### Project At A Glance

- ◆ Provides increased capacity to meet demand (21 special care beds)
- ◆ Improves clinical space for number one diagnosis
- ◆ Qualifies for 65% federal VA reimbursement
- ◆ Improves patient physical environments

#### Project Description

The Fergus Falls Veterans Home is requesting \$7.699 million to construct a 21 bed special care unit. The unit will meet the strong demand for services and the particularly unique needs of its Alzheimer and dementia residents who comprise nearly 59% of its population. This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

This project is a necessary expansion in order to meet the sustained and increasing demands of the veteran population in this geographic area. Since the establishment of full census in September of 1998, the facility has been faced with increased demand for its services that it has been unable to meet. Waiting lists have grown to a maximum of 85 on the facility active waiting list and 205 on the inactive waiting list. (*Active Waiting List* is defined as an expressed interest in immediate placement; *Inactive Waiting List* is defined as expressing placement interest at an undetermined future time). Veterans on lists of this length could experience up to a 12-month delay before admission to this facility. The active waiting list demand has

consistently remained above 40 over the last four years and is currently at 77 on the active list and 195 on the inactive list. This prevents the facility from effectively meeting current demand and precludes them from addressing any immediate post acute needs of Veterans.

The special care unit would add an additional 33,500 square feet (19,500 first level; 14,000 basement/mechanical). Though not all residents with Alzheimer's and dementia would benefit from a special care unit addition (early and late stage residents) we estimate that up to half of the currently affected facility population will require these services in their lifetime.

The Fergus Falls Veterans Home, through constructing 21 beds for this facility, will be utilizing beds within the federally authorized level.

#### Impact on Agency Operating Budgets (Facilities Notes)

The phased July 2009 opening of the 21 beds would require the addition of 31 FTEs to perform nursing, direct support, and indirect support for the additional residents. Also, related dietary, drug, and medical supplies will be required. Other plant operating costs will accrue due to the additional square footage. Partial costs will begin in FY 2010 with full costs in FY 2011.

#### Previous Appropriations for this Project

None.

#### Other Considerations

The Fergus Falls Veterans Home has from its inception been a leader and innovator in long-term care for veterans. During its second year of operation it had the honor of becoming the first Nurse Practitioner Nursing Home Based VA Clinic in the nation. Through a shared use agreement, the VA can now serve over 600 area veterans within their geographic area. In exchange for hosting the clinic the home is able to obtain nurse practitioner and other services for veterans at no cost.

With the growing demand for these services, the Fergus Falls Veterans Home proposes expansion of VA's space at the facility by constructing an addition (2,550 square feet) for their exclusive use. This proposed space

**Fergus Falls Special Care Unit**

was included after consultation with the local Veterans Service Integrated Network Director and if accepted will mark another first in delivering services to veterans.

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**Governor's Recommendations**

The Governor recommends general obligation bonding of \$637,000 for the design phase of this project. Also included are budget planning estimates of \$7.062 million in 2008 for construction.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	10	0	0	0	10
2. Predesign Fees	42	0	0	0	42
3. Design Fees	0	354	0	0	354
4. Project Management	0	283	0	0	283
5. Construction Costs	0	5,386	0	0	5,386
6. One Percent for Art	0	44	0	0	44
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	875	0	0	875
9. Inflation	0	757	0	0	757
<b>TOTAL</b>	<b>52</b>	<b>7,699</b>	<b>0</b>	<b>0</b>	<b>7,751</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	7,699	0	0	7,699
<b>State Funds Subtotal</b>	<b>0</b>	<b>7,699</b>	<b>0</b>	<b>0</b>	<b>7,699</b>
Agency Operating Budget Funds	52	0	0	0	52
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>52</b>	<b>7,699</b>	<b>0</b>	<b>0</b>	<b>7,751</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	3,179	3,179
Other Program Related Expenses	0	0	498	498
Building Operating Expenses	0	0	219	219
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	3,896	3,896
Revenue Offsets	0	0	<1,541>	<1,541>
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>2,355</b>	<b>2,355</b>
Change in F.T.E. Personnel	0.0	0.0	31.0	31.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	7,699	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Minneapolis Phase 2 - Assisted Living

**2006 STATE APPROPRIATION REQUEST:** \$20,104,000

**AGENCY PROJECT PRIORITY:** 8 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

#### Project At A Glance

- ◆ Improves services by adding assisted living units for veterans
- ◆ Provides greater privacy for domiciliary residents
- ◆ Qualifies for 65% federal VA reimbursement for certain costs
- ◆ Meets future needs

#### Project Description

The Minneapolis Veterans Home is requesting \$20,104,000 for the development of a 45 unit assisted living program and the renovation of building 16 for relocation of the domiciliary program. This request is the result of a master plan study which included an estimate of demand for services as well as a campus development plan.

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

A master plan developed for the Minneapolis campus includes consideration of the following as Phase II is developed:

⇒ Improve Campus Zoning Concept. One important principle of site master planning is to consolidate similar functions and activities together on the site, particularly if these activities share resources or have common traffic patterns. At the Minneapolis Veterans Home, this

consolidation is interpreted as attempting to group skilled care nursing services together, as well as consolidating services to aged veterans. The Minneapolis Veterans Home provides a variety of treatment and recreational programs to its skilled care residents. The efficiency with which these programs are provided by the professional staff is greatly enhanced by a close proximity of the skilled care nursing units. Voluntary recreational activities are better attended by the residents if the distance from their nursing unit to the activity is reduced.

- ⇒ Improve Access to Campus. Another important objective of the long-range plan for campus development is to improve access to the site for visitors, staff, residents, and service personnel.
- ⇒ Development of Front Entrance to Campus. A corollary to the previous objective is the need to provide a stronger front entrance to the campus. Wayfinding is an important requirement for any site composed of many buildings. While signage is an essential ingredient in proper planning for wayfinding requirements, a visible "front door" for the campus is important to properly direct the visitor to their destination.
- ⇒ Improve Site Circulation and Access to the Warehouse Dock. Also mentioned is the need to improve traffic circulation patterns on the campus. Currently, all traffic is required to utilize the east perimeter road and then travel around the south end of the campus to arrive at destinations on the west side of the site. This has been noted in previous studies as significant problem, particularly for large tractor trailers, and delivery trucks attempting to reach the loading docks on the south end of building 18. Enlarging the road with turnaround access should solve this problem.
- ⇒ Improve Operational Efficiency of Support Services. One challenge of any large site with multiple buildings is the logistical problems created by the need to move people and materials around the campus. At the Minnesota Veterans Home, the primary logistical problem is the transportation of meals from building 17 at the north end of the campus to building 16 at the south end of the campus. In evaluating various options for campus development, the consultants sought to correct this problem. The construction of a circle road around the campus would be

## Minneapolis Phase 2 - Assisted Living

ideal and is proposed in this phase, circling around the south end of the campus passing building 16.

- ⇒ Develop a Strong Relationship of Parking to Buildings. Although parking was not noted by staff as a significant problem at present, as the campus evolves and buildings are added in the future, the relationship of parking to the building structures themselves becomes increasingly important. The future road system should lead to decentralized parking areas that are sized and designated in accordance with the activities occurring in the buildings. Ground level parking is proposed under the assisted living building addition.
- ⇒ Preserve Natural Amenities and Historical Structures. The site of the Minneapolis Veterans Home was originally selected because of the natural beauty the site provides. The historical nature of the buildings and grounds has been recorded in the National Register of Historic Places. While the focus of this study is to plan for future needs, an important objective is to preserve, where possible, the natural amenities and historical significance of the campus.
- ⇒ Retain the Newest Structures. Any long-range plan for facility development must address the potential demolition of buildings as well as the construction of new ones. Due to the historical nature of many of the buildings, this choice is not an easy one. However, one principle underlying this study is to build on the facility strengths that presently exist. It is our opinion that buildings 16 and 17 are functionally the most significant. They are the newest buildings on campus and in the best physical condition. They represent the majority of the capital investment on the site and for this reason should be preserved. Also, although some changes are necessary, both buildings can sustain veteran activities well into the future.
- ⇒ Locate New Structures to Accommodate the Cleveland Plan, Site Access, and Scenic Views. When meeting with the Minnesota Historical Society as part of this study (1992), the importance of adhering to the spirit of the original site plan developed by Horace Cleveland was mentioned. Recent additions to the campus have altered that plan, and a concern of the society is that future developments may erode the concept further. With that in mind, the consultant team established a final

objective of locating proposed structures so that the basic Cleveland plan would remain intact.

- ⇒ 1992 Site Development Plan. A focus on “zoning” the campus was a significant factor in all solutions developed from the 1992 study. It divided the campus in a long-term care (North Zone), historic zone (Central Zone) and a domiciliary area (Southern Zone). The updated long-range plan holds true to this concept and clearly demonstrates its usage.
- ⇒ Implementation Plan – Phase II - *Domiciliary/Assisted Living Development Plan*. Phase two will focus on creating a new home for the current domiciliary veterans and provide for an expansion of the program by creating an addition onto building 16, adjacent to building 4. No additional domiciliary beds will be added to the campus at this time, only improvements to the quality of life of veterans following state guidelines for skilled nursing care.

Based upon recommendations from the market feasibility consultants, approximately 250 domiciliary/assisted living units are recommended. The site can handle approximately 177 new units including 52 units to be housed in building 16. The domiciliary residents will be relocated into building 16 when renovated and the assisted living units will be made available to veterans seeking a residential setting with supportive services.

A major deficiency of building 16 is its remoteness, both functionally and visually, from the rest of the campus. The third project component is a landscaped pedestrian link to connect the new assisted living facility to the other major functional areas, including new activity centers to be created in the future. Features along the route will include resting places, shelters, and memorials to veterans' service. Reinforcing the new link is a revised vehicular traffic system, including a continuous loop driveway, satellite parking lots, and pedestrian drop-offs at key building entrances.

The preliminary request focused on just building additional assisted living space on the Minneapolis campus and remodeling Building 16 to handle domiciliary patients. Since then, the agency has reevaluated its needs associated with this project. A connection has been added to the project that would link Building 16 to the new facility, as well as adding dining and kitchen capacity to serve residents and additional programming space. These

**Minneapolis Phase 2 - Assisted Living**

additions are necessary to meet the residents' needs because current dining facilities are too far away. The additions made since the preliminary request ensures that assisted living facilities on the campus can serve this new population.

**Impact on Agency Operating Budgets (Facilities Notes)**

The building 16 improvements will not significantly impact current operating budgets.

**Previous Appropriations for this Project**

None.

**Other Consideration**

None.

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	150	0	0	0	150
3. Design Fees	0	1,350	0	0	1,350
4. Project Management	0	600	0	0	600
5. Construction Costs	0	15,204	0	0	15,204
6. One Percent for Art	0	112	0	0	112
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	652	0	0	652
9. Inflation	0	2,186	0	0	2,186
<b>TOTAL</b>	<b>150</b>	<b>20,104</b>	<b>0</b>	<b>0</b>	<b>20,254</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	20,104	0	0	20,104
<b>State Funds Subtotal</b>	<b>0</b>	<b>20,104</b>	<b>0</b>	<b>0</b>	<b>20,104</b>
Agency Operating Budget Funds	150	0	0	0	150
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>150</b>	<b>20,104</b>	<b>0</b>	<b>0</b>	<b>20,254</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	20,104	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Hastings Supportive Housing

**2006 STATE APPROPRIATION REQUEST:** \$6,953,000

**AGENCY PROJECT PRIORITY:** 9 of 10

**PROJECT LOCATION:** 1200 East 18th. Street, Hastings

#### Project At A Glance

- ◆ Improves programming for veterans ready for discharge
- ◆ Provides a supportive environment which increases the chance for success
- ◆ Provides a needed service which is in short supply in the Hastings area
- ◆ Increases the opportunity to serve more homeless veterans
- ◆ Qualifies for 65% federal VA reimbursement

#### Project Description

The Minnesota Veterans Home - Hastings (MVH-H) requests \$6.953 million to design and construct 30 units of permanent supportive housing for veterans with disabilities on the campus of the MVH-H. The permanent supportive housing will be located on the campus of the MVH-H and consist of 30 efficiency apartments for single adults. All residents will have some disability but be able to live on their own if provided with supportive services. Staff of the MVH-H are expected to provide property management and supportive services for the housing unit.

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The Hastings facility currently operates 200 domiciliary beds for veterans who require support with chronic medical problems, mental health diagnosis,

substance abuse treatment, and transitional services to move veterans towards independent living. There is a significant shortage of low income housing in the Hastings area and it impedes the facility's ability to timely discharge residents. In addition, the success of discharge will be dependent to a large extent on the supportive services available to assist veterans in their transition. The Hastings facility will be able to piggyback on the services already in place to incrementally provide the necessary service package to veterans in the housing units.

A demographic study completed in October 2004 identifies housing as one of the unmet demands on campus and supports the proposed construction. In addition, the difficulty of locating low income housing units with a prevailing "not in my back yard" attitude is overcome by locating this housing unit on the campus. Sufficient space is available on campus for this construction and a renovated power plant will be able to support the new construction.

The original request was to remodel an existing building on the Hastings campus to provide residents with supportive housing services. After further review, the agency determined that remodeling existing space was too costly and presented challenges because residents would have difficulty accessing other services on the campus. By constructing an entirely new building, costs per square foot are lower and residents will have better access to the services and programming they need.

#### Impact on Agency Operating Budgets (Facilities Notes)

There will be a minimal increase in building operations costs estimated at \$10,000 annually.

#### Previous Appropriations for this Project

None.

#### Other Considerations

This project would essentially be revenue neutral. Residents would be required to participate in the payment of rent and rental assistance will be sought to cover other expenses. Supportive services will be coordinated with facility and community resources. Veterans would have access to the

**Hastings Supportive Housing**

Veterans Administration Medical Center in Minneapolis daily for additional follow-up care on an outpatient basis.

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	40	0	0	0	40
3. Design Fees	0	463	0	0	463
4. Project Management	0	124	0	0	124
5. Construction Costs	0	5,477	0	0	5,477
6. One Percent for Art	0	39	0	0	39
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	189	0	0	189
9. Inflation	0	661	0	0	661
<b>TOTAL</b>	<b>40</b>	<b>6,953</b>	<b>0</b>	<b>0</b>	<b>6,993</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	6,953	0	0	6,953
<b>State Funds Subtotal</b>	<b>0</b>	<b>6,953</b>	<b>0</b>	<b>0</b>	<b>6,953</b>
Agency Operating Budget Funds	40	0	0	0	40
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>40</b>	<b>6,953</b>	<b>0</b>	<b>0</b>	<b>6,993</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	6,953	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011

## Minneapolis Phase 3 - Skilled Nursing Development

**2006 STATE APPROPRIATION REQUEST:** \$175,000

**AGENCY PROJECT PRIORITY:** 10 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

#### Project At A Glance

- ◆ Improves services by adding Assisted Living units for veterans
- ◆ Provides greater privacy for domiciliary resident
- ◆ Qualifies for 65% federal VA reimbursement for construction
- ◆ Meets future needs

#### Project Description

The Minneapolis Veterans Home is requesting pre-design funds of \$175,000 to develop a more detailed plan for the development of phase III of the Master Plan. This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

Even though demand projections are high for use of long-term care beds, a higher priority than adding beds to the campus is to significantly improve the existing skilled nursing facility to include the following:

- ⇒ Expand as necessary to have a maximum of two persons sharing a toilet.
- ⇒ Make the facility less institutional through organizing "neighborhoods" and creating a more residential living environment.
- ⇒ Assess care needs of residents and organize neighborhoods related to care needs to maximize staffing efficiencies and enhance programming.

- ⇒ Renovate and decorate the entire facility as part of the process to make it more hospitable and less institutional.

This standard for development is consistent with the Long-Term Care Advisory Committee for the state of Minnesota, the Long-Term Care Imperative (a collaborative effort between the two state nursing home trade associations), and projects that are being approved through the moratorium exception process. The standard for development after review of the existing conditions of building 17 is that 80% of the facility (200 residents) has four residents sharing a toilet. The standard for the Minnesota Department of Health is for a maximum of two persons sharing a toilet. The solution for toileting is to replace approximately half of building 17 with a new skilled facility of 100-125 beds. The master plan shows two possible locations for a partial replacement of building 17 (see page 214 of the master plan). There also exists the need to improve the common areas and hallways of building 17 creating neighborhoods that would allow a more residential living environment. The proposed site development plan:

- ⇒ Preserves the zoning concept as presented in the January 15, 1992 study.
- ⇒ Divides the campus zoning further into a resident "safety zone" for ease of movement throughout the campus.
- ⇒ Enhances the historic core area through creation of "pedestrian streets."
- ⇒ Creates further "flexibility of care" options by creating cottage settings in the historic core area.
- ⇒ Creates a continuum of care campus through the addition of more domiciliary/assisted living housing.
- ⇒ Improves the "quality of life" of current long-term care residents according to guidelines of M.S. Section 144A.073, Review of Proposals Requiring Exceptions to the Moratorium.

After the first three phases of construction are completed, an assessment of needs for additional long-term care beds should be completed. The master plan calls for a possible 125-unit facility to be added to the campus over the top of an existing building. The continuum of care concept developed at the Minneapolis campus should either help to relieve needs or eliminate future needs for additional skilled beds.

**Minneapolis Phase 3 - Skilled Nursing Development****Impact on Agency Operating Budgets (Facilities Notes)**

None at this time.

**Previous Appropriations for this Project**

None.

**Other Considerations**

None.

**Project Contact Person**

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**Governor's Recommendations**

The Governor does not recommend capital funds for this project.

<b>TOTAL PROJECT COSTS All Years and Funding Sources</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	175	0	0	175
3. Design Fees	0	0	735	0	735
4. Project Management	0	0	590	0	590
5. Construction Costs	0	0	10,907	0	10,907
6. One Percent for Art	0	0	90	0	90
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	1,970	0	1,970
9. Inflation	0	0	2,473	0	2,473
<b>TOTAL</b>	<b>0</b>	<b>175</b>	<b>16,765</b>	<b>0</b>	<b>16,940</b>

<b>CAPITAL FUNDING SOURCES</b>	<b>Prior Years</b>	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
State Funds :					
G.O Bonds/State Bldgs	0	175	16,765	0	16,940
<b>State Funds Subtotal</b>	<b>0</b>	<b>175</b>	<b>16,765</b>	<b>0</b>	<b>16,940</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>175</b>	<b>16,765</b>	<b>0</b>	<b>16,940</b>

<b>CHANGES IN STATE OPERATING COSTS</b>	<b>Changes in State Operating Costs (Without Inflation)</b>			
	<b>FY 2006-07</b>	<b>FY 2008-09</b>	<b>FY 2010-11</b>	<b>TOTAL</b>
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

<b>SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS</b> (for bond-financed projects)	<b>Amount</b>	<b>Percent of Total</b>
General Fund	175	100.0%
User Financing	0	0.0%

<b>STATUTORY AND OTHER REQUIREMENTS</b>	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2011