

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

5-Year Capital Outlay Budget Plan

FY 2020-2024

October 31, 2018

I. Mission Statement

The mission of the Department of Military and Veterans Affairs is to provide trained and ready forces capable of performing a full range of military operations in support of federal and domestic requirements when called upon by appropriate authorities. As the National Guard, we strive to be fully manned, trained, and equipped to accomplish domain convergence during any assigned State or Federal mission. Critical to our overall readiness remains the construction of new modern facilities. Our ability to improve Readiness Centers (RC) by means of Sustainment, Restoration & Modernization (SRM) and improve and construct Readiness Centers by Military Construction (MILCON), are integral to meeting the State and Federal mission and protecting the lives and property of the State of Michigan's citizens.

II. Programming Changes

Because of anticipated competition for federal and state funds, DMVA has been proactive in contracting master plans for our two training sites, our readiness centers and our facility maintenance shops. With these initiatives, DMVA is developing short, mid and long-term goals that are aligned with our Master Plan. This will include upgrading and right-sizing readiness centers and facility maintenance shops statewide, and where practical, purchasing of buildings that meet our requirements and location needs. At Camp Grayling, we will be focusing on expanding its capabilities and collective level missions. This will enable it to provide training for regional states' National Guard units, United States Army Reserve units and the Active Component. As this occurs, we will focus on developing Fort Custer's capacity for increased numbers of squad level missions and overflow from Camp Grayling. DMVA has set a goal to have Camp Grayling "net-zero" as well as decreasing energy use and grid dependency statewide. Over the past five years, DMVA has acquired federal funding to install a micro grid and expand the solar array project at Fort Custer, replace a generator at headquarters, design and construct a virtual pipeline, upgrade digital controls, upgrade lighting and boilers, install a supervisory control and data acquisition (SCADA) system, replace sanitary sewer system, and install three electrical turbines; all at Camp Grayling.

III. Facility Assessment

- a. Overview: DMVA operates and maintains 34 active state-owned and 3 federally-owned readiness centers, a federally-owned army airfield and state-owned training area at Camp Grayling, and a federally-owned training area at Fort Custer.

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- b. Facility Age: DMVA readiness centers range in age from 69 to less than 6 years old. The functional life span of a readiness center is 50 years. The chart below provides a breakdown of the range of age of active readiness centers.

Over 60 years old	7
40-59 years old	11
25-39 years old	9
10-24 years old	7
0-9 years old	3

- c. Property Size: DMVA readiness centers are situated on parcels that range in size from 2 acres to more than 58 acres. The National Guard Bureau standard for acreage for readiness centers is no less than 15 acres with 20 acres being desirable. The chart below provides a breakdown on the range of size of our active state-owned readiness center acreage:

2-14 acres	25
15-20 acres	3
More than 20 acres	9

- d. Utilization Rates: National Guard Bureau Pamphlet 415-12, Army National Guard Facilities Allowances, prescribes size and utilization of space in readiness center. In all but the most recently constructed readiness centers, the number and size of classrooms, offices, locker rooms, food preparation and storage areas are significantly below the standard, resulting in grossly inadequate facilities.
- e. Functionality: Due to changing political climate and war on terror, the military unit force structure has also increased. Since many of the DMVA's readiness centers have reached their life span, they need to be extensively upgraded to meet current codes, technological infrastructure, accessibility standards and logistical mission requirements to match the increases in operations tempo. Most of the readiness centers are not large enough to provide the classroom, storage, locker room, office, administrative space and fire protection required to meet these standards. Changes in training technologies have placed additional emphasis on simulators and other computer-aided training requiring increased electrical and data infrastructure. The building shell at these readiness centers continues to be of serious concern. The roofs, boiler systems, windows, doors, and other internal infrastructure continue to age and degrade requiring more and more repairs to keep them in service. Additionally, over 41% of the readiness centers were built prior to 1972; the first year women were permitted to enlist into the Army National Guard, and were not designed to accommodate both genders. In 2015, the Secretary of the Army issued Army Directive 2015-43 which requires Commanders to designate a private space, other than a restroom, with locking capabilities for a Soldier to breastfeed or express milk.

This space must include a place to sit, a flat surface (other than a floor) to place the pump on, an electrical outlet, and access to a safe water source within reasonable distance from the lactation space. None of our readiness centers meet this directive, so included within our readiness center modification plan is to provide lactation space.

- f. Replacement Value: The current plant replacement value for active-readiness centers is \$431,627,964. However, the replacement value of the existing infrastructure must take into consideration the changes in military force structure and unit composition mentioned in Para III.e above. Therefore, replacement readiness centers will be larger and have additional required features and capabilities. The estimated replacement cost of all active state and federally-owned readiness centers is provided in the following chart (chart does not include the JFRC Headquarters Readiness Center).

Type of Readiness Center	Number	Cost Per Readiness Center	Total Cost
Single Unit Readiness Centers	22	\$14 million	\$308 million
Multiple Unit Readiness Centers	15	\$20 million	\$300 million
Total	37		\$608 million

- g. Facilities Utilities Systems: In most instances, utilities (electric, gas, water/sewer, and telephone) for each complex are provided by private or public utility companies. These companies are responsible for upgrade and maintenance of systems to the point of delivery. Upgrade and maintenance of the internal utility infrastructure (heating, ventilating, and air conditioning systems, water pipes, electrical lines, etc.) are the responsibilities of the DMVA. Because of the age of many of the readiness centers, there are continuous repair and maintenance requirements for internal utility systems to include work to meet code requirements. Unless the older readiness centers are replaced, extensive repairs are anticipated to electrical, heating and plumbing systems. Repair and maintenance cost estimates for the next five years can be found in Para IV.b.

In a continued effort to effect energy efficiency, we utilize numerous energy-reduction measures when designing new or remodeled facilities. These measures also help in meeting the energy reduction goals that are set forth by the federal government requirements. They include such actions as installing lighting fixtures with occupancy sensors, LED lights in facilities, motion sensors in parking lots, double pane windows, high efficiency boilers, increasing the roof and wall insulation R factors, installing demand control ventilation systems, micro grid, and low-flow flush valves on bathroom fixtures. We continue to install advanced meters in our facilities, as federal funding is

received, to more accurately measure utility consumption. We have an Energy Analyst under contract and have awarded an energy audit contract to be completed in FY 19.

Energy resiliency and independence is also a focus for our facilities. We continue to install generators, conduct energy audits, and focus on renewable energies. Within the next 5 years, we will focus on protecting existing utility lines from natural and manmade events.

- h. Condition of Facility Infrastructure: The primary supporting infrastructure surrounding each readiness center is parking surfaces. These include paved and unpaved, Government Owned Vehicle (GOV) and Privately Owned Vehicle (POV) areas. At 31 of our readiness centers, the GOV and POV parking areas do not meet National Guard Bureau criteria. In inclement weather, movement of heavy vehicles on these surfaces cause substantial damage and requires subsequent repair of the parking areas as several are in general degradation status and all 31 are rated poorly. As units are modernized and become more mobile, additional parking requirements for organizational equipment is generated. The required fenced, secure parking areas with security lighting is inadequate. At older locations with minimal acreage, there is insufficient space for GOV and POV parking.
- i. Adequacy of utilities and infrastructure: As outlined in Paras III.g. and III.h. above, several readiness centers require repair and preventive maintenance, including replacement of infrastructure (utilities, roofs, boilers, windows, doors, flooring), to prevent failure of the structural component. A contract has been awarded to validate the real property inventory and populate the GIS database. This is scheduled to be completed in FY19.
- j. Capacity for future development on existing land: In some instances, adequate acreage exists to replace readiness centers at the same locations. However, for many of the readiness centers exceeding their useful life span, there is no available space for replacement or future development. Most of these readiness centers are in the built-up areas of the communities.

IV. Implementation Plan

It is the intent of the Adjutant General of Michigan that the Michigan Army National Guard will systematically renovate older facilities with major condition and/or configuration deficiencies with modern and energy efficient facilities. We will strive to enhance existing facilities by bringing them into compliance with current standards, and being more energy efficient. Further, within our existing armories we have positioned our formations throughout the State to best support our Recruiting and Retention missions. However, we must divest some exiting facilities and invest in new facilities to meet Michigan's changing demographics. Obsolete and excess

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facilities shall be disposed of in accordance with federal and state regulatory requirements and law.

a. Facility Replacement:

1) **New Construction.** These projects construct National Guard facilities that support individual and collective training, administrative, automation, and communications and logistical requirements for the MIARNG. These projects will achieve TAG’s goals and objectives by constructing new facilities that will consolidate units. These projects address gross deficiencies in quality and mission functionality, while providing a safe environment for equipment security and accountability. These projects optimize the MIARNG’s ability to recruit and retain Soldiers, and to train and successfully mobilize units. Funding these projects will eliminate the continued use of inadequate facilities which degrade unit morale and impedes critical training requirements to support the homeland and unit deployments.

a) The Grayling Army Airfield Readiness Center project has been selected for construction on the Future Years Defense Plan (FYDP). See the table below for the schedule of the design and construction:

GRAYLING ARMY AIRFIELD READINESS CENTER				
Activity	Total Amount	Federal	State	Year of Funding
P&D/SIOH/Contingency	\$ 2,700,000.00	\$ 2,400,000.00	\$ 300,000.00	FY21 -FY22
Construction	\$ 18,000,000.00	\$ 16,000,000.00	\$ 2,000,000.00	FY22
TAILS	\$ 1,600,000.00	\$ 1,600,000.00		FY23
	<i>\$ 22,300,000.00</i>	<i>\$ 20,000,000.00</i>	<i>\$ 2,300,000.00</i>	

b) The State of Michigan conducted a Facilities Review Board and prioritized potential MILCON projects as follows:

1. Priority Number 0001, National Guard Readiness Center, Augusta, MI will construct a 66,537 square foot Readiness Center. This facility will be built on Federal land; thereby, receiving 100% federal funding. The estimated total cost of the project is \$21,000,000.00.
2. Priority Number 0002, National Guard Readiness Center, Monroe County, MI will construct an 87,889 square foot Readiness Center. This facility will be built on State land. The State’s contribution for this project will be 25% of the cost. The estimated total cost of the project is \$30,000,000.00.

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3. Priority Number 0003, National Guard Vehicle Maintenance Shop, Grand Rapids, MI will construct a vehicle maintenance shop. This facility will be built on State land, but qualifies for 100% federal funding. The estimated total cost of the project is \$21,000,000.00

2) Facilities Sustainment and Modernization. These projects sustain and modernize our existing facilities to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years. The federal government provides funding as shown in the below chart. The projects listed below identify those on our 5 years plan to modernize:

SITE	DESCRIPTION	STATE \$	FEDERAL \$
Detroit Light Guard	Parking/Safety >Partnership with City of Detroit for Soldier and children safety	\$ 860,000	\$0
Lansing	Flight facility >Supports new aircraft	\$ 2,200,000	\$3,600,000
Kalamazoo	Armory modernization >Provide current standard facility	\$ 1,450,000	\$3,600,000
Greenville	Maintenance bay/modernization >Provide current standard facility	\$ 800,000	\$2,000,000
FCTC	Weapons cleaning >Reduce Soldier/armory lead exposure	\$ 200,000	\$670,000
Lapeer	Armory modernization >Provide current standard facility	\$ 1,000,000	\$3,000,000
Washtenaw	Armory modernization >Provide current standard facility	\$ 1,100,000	\$3,300,000
Selfridge	Secure storage/modernization >Protects military equipment and vehicles	\$ 500,000	\$1,500,000
Traverse City	Secure storage/parking >Protects military equipment and vehicles	\$ 400,000	\$1,200,000

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SITE	DESCRIPTION	STATE \$	FEDERAL \$
Lansing	Tactical Operation Center >Supports 46th MP Command	\$ 600,000	\$1,800,000
Port Huron	Armory modernization >Provide current standard facility	\$ 900,000	\$2,700,000
Kingsford	Armory modernization >Provide current standard facility	\$ 600,000	\$1,800,000
Midland	Armory modernization >Provide current standard facility	\$ 1,200,000	\$3,600,000
Grayling	Wash rack >Supports Northern Strike rail operations	\$ 950,000	\$2,000,000
Grayling	Transient fire station addition >Supports units' abilities to fight aircraft, structural and wild land fires	\$ 750,000	\$2,000,000
Grand Ledge	Armory modernization >Provide current standard facility	\$ 1,200,000	\$3,600,000
Lansing	Armory modernization >Provide current standard facility	\$ 2,200,000	\$4,400,000
Grayling	Transient maintenance >Increase safety by reducing military traffic in the City of Grayling	\$ 500,000	\$3,000,000
		<u>\$ 17,410,000</u>	<u>\$ 43,770,000</u>

- a. **Facility Infrastructure Upgrade/Repair/Maintenance:** Many of our readiness centers require upgrading to meet ADA, training, and functionality requirements. Other locations require upgrade of readiness center infrastructure to reduce resultant repair/maintenance costs. The federal government provides reimbursement to the state, normally 50/50, for maintenance repairs on state-owned facilities. As existing facilities continue to age and deteriorate, repair and maintenance requirements will increase. The following repair/maintenance cycle chart provides details for each:

Type of Project	# per year	Total Cost
Boiler replacement	2	135,000.00
Roof replacement	6	655,000.00
Door repair/replacement	2	50,000.00
Ventilation Improvements	1	90,000.00
Masonry Repairs	1	45,000.00
Parking Lot Improvements	4	2,200,000.00
Replace Fire Alarms	2	280,000.00
Lighting Repair/Replacement	2	110,000.00
Install Generator	2	200,000.00
Force Protection Improvements	2	80,000.00
TOTALS	24	3,845,000.00

- b. **Real Property Acquisitions:** National Guard Bureau approval is required for Readiness Center acquisition or new construction since they are authorized by law to be funded 75% federal and 25% state. Real estate may not be considered within the state share; therefore, the State must provide ownership in property in fee.

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SITE	DESCRIPTION	STATE \$
Lansing	Property purchase >Supports new C12 hangar	\$ 600,000
Grand Rapids	Property purchase >Supports new maintenance facility (also addressed in New Construction above)	\$ 400,000
Grayling	Property purchase >Facilitates buffer zones between military operations and public for safety and noise	\$ 2,200,000
Saginaw	Property purchase >Supports Soldier safety issues	\$ 100,000
		<u>\$ 3,300,000</u>

c. Impact of addressing infrastructure repairs and upgrades over time: With an adequate long-range Capital Outlay Plan, the DMVA can program the replacement of aging and deteriorating readiness centers, thus deferring or rescheduling infrastructure repair, maintenance, and upgrade projects. However, some of the repairs accomplished each year are of an emergency nature, where deferment would cause further damage or create a safety risk.

- 1) Addressing infrastructure repairs or upgrades includes maintaining and/or improving the facilities, which are utilized not only by National Guard members during training assemblies, but for emergency use for domestic operations. Properly maintained facilities reflect positively on the image of the Michigan Army National Guard and the Michigan Department of Military and Veterans Affairs. Unsafe environments are reduced, thereby creating a better environment for our soldiers, families, and community. By completing the program repairs, it positively affects the ability of assigned units to conduct required training and increase their readiness.
- 2) Addressing infrastructure repairs and upgrades over time fall in line with the DMVA's personnel model and federal funding amounts, as we do not have the personnel or federal matching resources to address all infrastructure deficiencies immediately. Additionally, if the department were to request funding and schedule all repair/upgrade requirements immediately, there would be an adverse affect on the ability of units to conduct training if many of our readiness center were undergoing extensive repairs/upgrades.

d. Rate of Return on Expenditures - The Capital Outlay Budget Plan will provide the following operational savings:

- 1) Unit Readiness - By completing the program repairs, it positively affects the ability of assigned units to conduct required training and increase their readiness.

The new construction and property purchases will better align with our demographics to fully resource personnel.

- 2) Utility Savings - The DMVA has realized a significant savings in utility costs as a result of its ongoing efforts to replace non-energy efficient roofs, windows, doors, and heating systems. The scheduled replacement of these items in selected readiness centers over the next five years will further enhance the savings. It is estimated that the rate of return due to the upgrade of utility components is 18% per year, thus recovering investment costs in just four years. As energy audits occur, more detailed information will be available.
- 3) Readiness Center Replacement - The capital investment of replacing older readiness centers is recouped during the first 20 years of the life of the readiness centers. In many instances, the DMVA has spent many times more than the state's share of new readiness center construction in repairs/maintenance costs.
- 4) Energy Resiliency and Independence. Will allow for continuing state and federal operations in the event of utility company-provided electrical, water, gas and sewer are disrupted in the result of natural or manmade events.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Michigan Veterans Affairs Agency**

**Michigan Veterans Health System
Grand Rapids & D.J. Jacobetti Homes for Veterans
5 Year Capital Outlay Budget Plan
*FY 2019-2023***

I. Mission Statement

The Michigan Veterans Affairs Agency is the central coordinating agency, providing support, care, advocacy and service to veterans and their families.

The primary mission of the Michigan Veterans Health System, which operates Michigan's two state veterans' homes, is to surround members with a home-like environment in which they are nurtured, strengthened, and comforted so that they may enjoy life to the fullest extent possible. The MVHS seeks to provide the highest quality of care to its members and provide an environment that promotes a meaningful quality of life. To attain this goal, the MVHS must continually assess its programs and services to meet the ever-changing needs of the veteran.

Objectives:

- a. Maintain compliance with the laws, regulations, requirements, and standards of the State Nursing Home Regulations and the Federal V.A. Nursing and Domiciliary Standards.
- b. Provide the best possible medical and nursing care to meet the needs of each veteran as determined through individual assessment, health professional intervention, and care planning.
- c. Continually refine and develop programs to meet the changing needs of the State's veteran population while maximizing non-general fund revenues and improving the quality of care.
- d. Develop, expand, and maintain professionally-directed, therapeutically-beneficial rehabilitation initiatives consistent with veteran needs and facility resources that will assist each veteran in achieving and retaining their maximum functional level.
- e. Maintain a clean, safe, attractive environment, including buildings, grounds, equipment, and areas supportive to veterans' care.

Michigan Veterans Affairs Agency Values: Respect, Integrity, Service, and Excellence.

Respect – Treat everyone the way you want to be treated

Integrity – Always do the right thing with honesty and openness

Service – Exceed expectations with innovative and collaborative solutions

Excellence – Strive for the highest quality and continuous improvement

II. Long-Term Planning: Modernization of Facilities & Operations

The Michigan Veterans Affairs Agency, within the Department of Military and Veterans Affairs, oversees the State of Michigan’s two state veterans’ homes located in Marquette (D.J. Jacobetti Home for Veterans) and Grand Rapids (Grand Rapids Home for Veterans).

The State of Michigan’s veteran homes have a distinguished tradition of meeting the ever-changing needs of Michigan veterans. Service programs are developed to be efficient, effective, enhance the quality of life, and be accountable to the public purpose that underlies the homes. The homes are a symbol of America's promise to her veterans, that in return for their sacrifices and call to duty they would be cared for in time of need.

As we proceed in the future, Michigan seeks to transition to a modern “resident-centered” care delivery model, with facilities that provide a home-like environment for residents. Because of this, the Health System has worked with stakeholders to develop a holistic system-wide plan to modernize the veteran’s homes’ facilities and operational model. Management has begun implementing this plan, which will continue over the next five years.

As a key element of this long-term plan, the Governor signed legislation in Spring 2017, creating a Michigan Veterans Facility Authority, an entity that will assume oversight responsibilities of the newly constructed facilities, and eventually the existing Homes.

- a. **New Construction:** Recognizing these challenges, the Michigan Veterans Affairs Agency formed a Veterans Long-Term Care Workgroup in the summer of 2016, which included members of the legislature, community leaders, long-term care industry experts, and others, to assist in mapping the way forward for Michigan veterans’ long-term care needs. The workgroup’s recommendation included the creation of an independent health care authority and seeking CMS certification.

Their recommendation also included a phased plan to replace the skilled nursing beds in the State’s two existing facilities (618 in Grand Rapids, 184 in Marquette), by gradually constructing smaller, Community Living Center-compliant homes in areas of need throughout the state. The

first phase in their recommended plan was the construction of two new facilities one in Grand Rapids and a second in southeast Michigan to replace the outdated institutional facility in Grand Rapids. Subsequent phases will replace the existing beds with additional facilities located near veteran population centers throughout the State, including Marquette.

The following progress has been made with respect to the construction of two new facilities, one in Grand Rapids and one in Southeast Michigan.

- December 2016: State of Michigan approved funding to construct two new veteran homes; one in Grand Rapids on the current site of the existing Grand Rapids Home for Veterans, and one in southeast Michigan, in or near the Detroit area, to accommodate the significant need and population of veterans in this region.
 - April 2017: State of Michigan submitted application to USDVA construction grant program requesting FY18 funding for construction of two new homes.
 - April 2018: Michigan was selected for USDVA new build grants for Grand Rapids and Southeast Michigan.
 - August 2018: The USDVA conditionally approved the State of Michigan for FY18 State Home Construction Grant funding for the proposed projects in Grand Rapids and Southeast Michigan, pending submission of final grant documentation no later than March 19, 2019.
- b. CMS Certification: D.J. Jacobetti Home for Veterans. Although construction of a new facility in Marquette is not anticipated to occur in the next five years, plans to modernize operations at the facility are underway, including efforts to become CMS certified.

Efforts to adjust operations and update the facility in a manner that would facilitate CMS certification began during FY 2017 and the home received FY18 one-time supplemental funding to make several critical physical plant changes and ongoing supplemental funding to add additional staff required for CMS certification.

The home applied for certification of the 26 bed Memory Care Unit in June 2018 and was certified effective September 30, 2018. The home plans to apply to certify an additional 55 beds no later than April 1.

- c. Operational Adjustments: Resident-Centered Care. At both facilities, operational changes that facilitate the provision of resident-centered care are underway. Because the legislature supports the recommendation to replace the existing facility in Grand Rapids (in large part due to the significant investments needed for capital maintenance and with

making the physical plant changes necessary to permit CMS certification), changes at Grand Rapids do not currently include any capital investments, other than those necessary to ensure the continued safety of residents and ability to provide quality care to those residents. At DJJHV, requests do include capital investments needed for both CMS certification and improved quality of care. Both facilities are engaged in modernizing the operational approach, including implementation of updated policies and procedures and increased training for staff.

Facility Assessment & Implementation Plan – Grand Rapids Home for Veterans

I. Age, Use and Physical Condition

- a. Overview. The Grand Rapids Home for Veterans has been providing long-term nursing care for eligible veterans and their dependents at its current location since 1886. We currently provide nursing care at various levels in two resident nursing care buildings:

- 1) Mann Building (built in 1988) - 121,383 sq. ft.
- 2) McLeish Building (built in 1975) - 164,972 sq. ft.

They are all block/concrete/steel/column construction with brick exterior and joined end-to-end on the first floor by breezeway. The facility is institutional in design, which makes providing a home like setting difficult to achieve.

Other buildings and structures on grounds:

- 3) Rankin Building (built in 1946) - 54,200 sq. ft. Building to be part of demolition for new Home to be constructed.
- 4) NCO Club/Clothing Room building, built in 1906, is wood frame construction with stucco exterior (4,900 sq. ft.)
- 5) Public toilet building, built in 1978, is block construction with brick exterior (400 sq. ft.) Part of demolition project for new Home to be constructed.
- 6) Maintenance building, built in 1979, is block construction with brick exterior (10,800 sq. ft.)
- 7) Power Plant, built in 1956, is block construction with brick exterior (13,941 sq. ft.)

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- 8) Poppy Room/Storage building built in 1975 is metal frame building with metal sheeting exterior (2,000 sq. ft.) Part of demolition project for new Home to be constructed.
- 9) Old Ice House building, built in 1885, is poured concrete construction (1,700 sq. ft.)
- 10) Grounds building, built in 1974, is metal frame with metal sheeting exterior (2,000 sq. ft.)
- 11) Band shell structure, built in 1976, is wood frame construction with asphalt shingle exterior (2,000 sq. ft.) Part of demolition project for new Home to be constructed.
- 12) Greenhouse, built in 1967, is aluminum frame with glass construction (2,000 sq. ft.)
- 13) Large tractor garage, built in 1950, is cement block construction (1,089 sq. ft.) Part of demolition project for new Home to be constructed.
- 14) Cemetery storage building, built in 1885, is block construction (110 sq. ft.)
- 15) Cooling tower structure, built in 2015, is steel and aluminum construction (110 sq. ft.)
- 16) Cannon shelter, built in 1982, is wood frame construction (1,000 sq. ft.)
- 17) Picnic shelter, built in 1983, is wood frame construction (430 sq. ft.) Part of demolition project for new Home to be constructed.
- 18) Storage building, built in 1998, is metal frame construction with metal sheeting (2,400 sq. ft.)
- 19) Nature trail gazebo, built in 2000, is wood frame construction (675 sq. ft.)
- 20) Grotto Park Healing Garden gazebo built in 2008 is wood frame construction (576 sq. ft.)
- 21) Grotto Park Healing Garden pavilion, built in 2008, is wood frame construction (952 sq. ft.)
- 22) Potting Shed, built in 2013, is wood frame construction (432 sq. ft.)

The total gross square footage of all buildings and structures is 388,070 sq. ft. Of this, over 60,120 square feet as noted above will be demolished for the construction of the new Home.

The entire campus occupies a tract of land of approximately 89 acres.

A registered veteran's cemetery occupies approximately 11½ acres on the north end of the grounds. There is approximately 7 wooded acres on the south end of the campus that is the site of a nature trail for member recreation. To the east (rear) of the buildings, we provide parking for 334 employees and members. To the west (front) of the facility, we provide parking for 111 visitors and volunteers. The grounds are cared for by the Grounds Department and accessible to all members.

b. Power Plant

The Power Plant provides heat, domestic hot water, air conditioning and emergency power for all facilities on the grounds, with exceptions as follows:

- No air conditioning to the maintenance building (except the offices, conference room and break area, served by stand-alone unit).
- No air conditioning is provided to the greenhouse.
- No air conditioning provided to the grounds building.
- No air conditioning, heat or water provided to the storage building.
- No air conditioning or water provided to the large tractor garage
- No air conditioning provided to the poppy room/storage building- air conditioning provided to poppy room with stand-alone unit.
- No air conditioning provided to the public toilet building.
- No air conditioning provided to the NCO Club/Clothing Room building (air conditioning provided to NCO Club side by a stand-alone unit).
- No air conditioning, heat or hot water provided to the cemetery storage building.

c. Building Utilization

At the end of September 2017, the nursing facility(ies) were occupied at approximately 78% of operational capacity, while the domiciliary was occupied at approximately 27% of authorized capacity. The buildings are aging and member rooms, physical therapy areas, member recreational areas, hallways, and shower rooms are in need of remodeling

throughout all buildings. The kitchen and dining areas are in need of remodeling. There is a general shortage of space for equipment storage, housekeeping and general storage that are all supportive to nursing care. Nurse stations in the 40-year old McLeish Building are not constructed to be HIPPA compliant and need remodeling to adjust for more recent regulations affecting health care institutions. Some equipment used for nursing care and food preparation are aged and in need of replacement.

d. Mandated Facility Standards for Program Implementation

- 1) U.S. Department of Veterans Affairs under Nursing Home Care Standards for State Veterans Homes for all aspects of clinical care food standards and life/safety standards.
- 2) Michigan Department of Licensing and Regulation, Bureau of Fire Services for all applicable NFPA standards and OSHA/MIOSHA General Industry Standards.
- 3) Life Safety Codes are enforced by the State Fire Marshall.

e. Functionality of Existing Structures and Space Allocation

- 1) Skilled nursing care - 164,683 sq. ft.
- 2) Domiciliary care – 13,988 sq. ft.
- 3) Nursing administration & clinics - 2,009 sq. ft.
- 4) Social services - 1,893 sq. ft.
- 5) Activity/Recreational therapy - 9,143 sq. ft.
- 6) Physical therapy - 2,235 sq. ft.
- 7) Occupational therapy - 990 sq. ft.
- 8) Nutritional services - 11,493 sq. ft.
- 9) Pharmacy - 1,241 sq. ft.
- 10) Medical supplies - 1,838 sq. ft.
- 11) Housekeeping/linen services - 6,525 sq. ft.
- 12) Plant operations - 44,625 sq. ft.
- 13) General administrative - 7,268 sq. ft.
- 14) Employee lounge/locker/toilet areas - 4,691 sq. ft.

Rankin Building: The Rankin Building is the oldest of the structures, constructed in 1946. It previously provided three stories of resident care, the first level for nursing care and the second and third level domiciliary care. It contains terrazzo flooring, ceramic tile walls and centrally located bathing systems. Exterior brick needs tuck and pointing and sealing. The overall roof has exhausted its warranty, is 25 years old, and in need of replacement. The HVAC system is over 30 years old and, while operable, is outdated and inefficient; with an estimated cost of \$750,000 to replace. The windows are 25 years old and will

need replacement in the next four years. The elevators are in poor condition. The building has had no electrical enhancements in 25 years. Although the electrical meets code, if there was any major renovation work, the electric in the building upgrading would have to be done including additional electrical outlets and additional lighting fixtures. At almost 70 years old, the building is no longer appropriate for nursing home care relative to community standards. The building is naturally dark, the hallways are narrow, the bathrooms and resident rooms are aged.

Because of the condition of the Rankin Building, the management and physical plant teams determined that the building was no longer suitable for use to provide residential medical care. Additionally, because of the cost associated with addressing many of the necessary infrastructure updates (roof, windows, HVAC, electrical enhancements), the physical plant team recommended the building for demolition. In conjunction with DTMB, a demolition assessment has been performed on the building and \$800,000 in one-time infrastructure investment funding has been provided toward the demolition. After demolition, the former site of the Rankin building will be used as part of the site for the proposed new construction (discussed in more detail on pg. 17).

McLeish Building: The McLeish Building was constructed in 1975 and some member rooms and hallways have undergone renovation. The building contains three resident floors and a first floor that houses clinical areas, administrative offices and a cafeteria. The current floor lay out includes 42 resident rooms per floor; two associated nurses' stations with medication rooms; two associated centralized bathing areas with all necessary plumbing fixtures and patient bathing equipment; several associated offices and connecting hallways; two central dining rooms with small pantry areas. Old wood and countertops are prevalent in the building, constructed in the early to mid-1970s. The exterior brick is in good condition and a tuck and point was completed in 2001. The building contains several roof systems. The roof over the resident building was replaced in 1991 and is still in working condition but would need to be replaced in the next 3 to 5 years. The kitchen roof was replaced in 2003 and is in good condition. Another part of the roof covering the resident courtyard section, and major social gathering areas was replaced in 2008 and is in good condition. The HVAC is in good condition; however, it is a pneumatic system. This is 30-year-old technology. Overall temperatures are appropriately monitored but controlling individual separate member rooms cannot be accomplished with this technology. The windows were replaced in 2014 and rooms and dining areas now meet the VA requirement for glazing and light entry. The elevators are original to the structure, and modernization has only been done to the motors and controls. The vendor has strongly recommended needed upgrades totaling \$1.26M. The interior of the elevator cars consists of original equipment. The electrical system meets code, although as resident rooms are being renovated, more outlets are being added. New emergency generator was installed the summer of 2015 and can supply enough backup power to maintain 100% services in the building.

Mann Building: The Mann building was constructed in 1988. It houses residents on three floors, with 36 resident rooms on each floor. The building is in overall good condition with all exterior components including rooms. The roof, windows and exterior brick are currently in satisfactory shape. The roof was replaced in 2008 and is in good condition. The utility systems are in good condition. The core infrastructure of the HVAC system is good and operates properly. However, the Direct Digital Control (DDC) system controls for individual rooms needs replacement as it is first version technology from 1988. Interior rooms are a maintenance issue with the aging of the building, and the rooms do not conform to current day communal nursing home living standards. A new Emergency Generator was installed the summer of 2015 and can supply enough backup power to maintain 100% services in the building.

f. Estimated Replacement Value of Existing Facilities

Based on State of Michigan OFM Property Accounting Ledger Report for Fiscal Year ending 9/30/2018: Historic Cost is \$41,829,596 and the Book Value is \$8,617,083.20.

The costs of construction for a new modern facility on the current site of GRHV, and a new facility in SE Michigan, have been allocated funding from the state Capital Outlay process, and are awaiting a final grant award of federal money toward the projects.

g. Utility System Condition

A new domestic hot water plate and frame instantaneous hot water system with back up was installed in 2012. This is in new and excellent condition.

There are two chillers serving the Home's cooling system. One 425-ton chiller was installed in 2014 and is in good condition. This chiller replaced a chiller that became inoperable in August 2013. Prior to this chiller failing, both chillers were running 100% at peak months. The second chiller was installed in the summer of 2015. The old cooling tower was dismantled, and two smaller, more efficient cooling towers were installed in the spring/summer 2015 to assist with the cooling of the facility.

There are three boilers that serve the entire facility providing redundancy in service and range in age from 25 years to 8 years. The boilers are high pressure steam boilers. They are serviced annually to manufacturer and equipment code standards. The condition of the boilers is good.

Much of the utility infrastructure from the power plant to the resident buildings is housed in an underground tunnel system where it is protected from the elements. Steam piping and hot water piping is all heavily insulated for efficiency. Some of the piping over the

years has been repaired due to faulty welds or fittings breaking. Piping is 25 to 40 years old. Some of this infrastructure will be eliminated when the demolition occurs for the new build.

The electrical system has had periodic upgrades, is up to current state and federal code. Conduits that take the wiring from the power plant to the buildings are all in underground areas. Much of this is 25 to 40 years old. It is buried, and its current true condition is unknown. Four generators serve the home with stand-by emergency power. The original was installed in 1973 and is a 12- cylinder Caterpillar diesel with 565kw. It currently only supplies code-required emergency power in resident building including exit signage, site lighting, emergency lighting and boiler power. The home underwent a project that added three generators to the system in 2015. The generators are located adjacent to the structures. Two of those service the Mann and McLeish buildings. The third powers the power plant cooling system for cooling in all buildings They are powered by diesel fuel supplied in self-contained tanks attached to the generator.

Rankin Building: This building will be eliminated once demolition occurs to make room for the new build. The HVAC is a rectangular duct system, low velocity with fan coil units located in all patient rooms. This is an inefficient system relative to modern standards. The heating system is a radiant two-pipe system. The water system is galvanized mains and risers with copper supply to all fixtures. The sewage system throughout the building is cast iron, is aged and susceptible to cracking, rusting and breaking. The electrical system is all copper conductors run in conduit throughout the building. In 2001, a project was done to fully sprinkle and provide fire suppression services to the entire building.

McLeish Building: The HVAC is a rectangular duct system, low velocity with original fan coil units located in all patient rooms. This is an inefficient system relative to more modern standards. The air handling units are a duct system and are not designed for today's standards of atmospheric comfort. Most of the heating and cooling controls in the building are pneumatic. Heating is hot water radiant, one pipe mono-flow tee system. The water system is galvanized mains and risers with copper supply to all fixtures. The galvanized nature of the water system creates a maintenance issue because they rust out and pieces are replaced as they fail with modern piping. The sewage system throughout the building is cast iron, aged and susceptible to cracking, rusting and breaking. The electrical system is all copper conductors run in conduit throughout the building. The fire alarm system, including the ceiling smoke detectors, pull stations, door closers and all annunciating equipment is Seimans. Duct detectors are all wired to the alarm system. In 2009, the building became fully suppressed with a new fire sprinkling system.

Mann Building: The HVAC is divided into two parts. Each side is served by separate supply air, return air and make-up air fans. The duct work system is round, high velocity.

The heating system in the building is a hot water radiant, two-pipe system. The water system is galvanized mains and risers with copper supply to all fixtures. The sewage system throughout the building is cast iron. The electrical system is all copper conductors run in conduit throughout the building. The entire building is sprinkled with a charged wet type system. The fire alarm system, including the ceiling smoke detectors, duct smoke detectors, pull stations, door closers and all annunciating equipment is Seimans. It is tied to a central alarm system in the McLeish Building.

h. Facility Infrastructure Condition

Roads and parking lots are all asphalt and in good condition. A project to complete restoration and improvement of the onsite parking lots and roads around the facility was completed in early fall 2017.

Approximately 14,000 sq. ft. of concrete sidewalk is 20+ years old and needs replacing. Only spot repairs have been made to take care of sagging and frost heaving sections during this time.

The GRHV has two bridges on its property. One connects the cemetery on the north end of the grounds to the rest of the agency grounds. In July 2012 a bridge inspection by Michigan Department of Transportation Bridge Inspection team was conducted. Based on their report, the bridge was in immediate need of replacement. Vehicular traffic was immediately restricted on this bridge. A new bridge was installed in summer/fall of 2016. The second bridge is constructed of wood, concrete and covered with sod. It is located over Lambertson Creek at the lower pond floor gate. The most recent inspection of this structure occurred in July 2000 and revealed what appears to be some deterioration of the wood structure underneath. We have since restricted traffic over this bridge to exclude motor vehicles except grounds care equipment.

A new front entrance and canopy was completed in fall 2013. The canopy is a steel and tensile structure and is 5,700 square feet in size. There is 3,500 square feet of heated sidewalk underneath the structure. It is in excellent condition.

New windows have been installed in the McLeish building as part of the overall remodeling of the structure. The project replaced 422 windows of varying sizes and configurations. The window installation was completed in October 2014.

i. Adequacy of Existing Utilities and Infrastructure System

The Direct Digital Control system that controls the heating and cooling in the Mann Building is original to the 1988 structure. Due to its age 80% of the valves must be manually adjusted to achieve the desired temperatures. Desired temperatures are reached,

but to attain this is manual and time consuming. This is a software-based system that contains parts that are no longer available on the market. The pneumatic control heating and cooling system in the McLeish Building is workable, but of old-fashioned design and very manual. The McLeish Building is a one-pipe mono-flow tee system as opposed to a two-pipe system, which would have been more efficient in heating the space. The McLeish building was constructed in 1973- 1975 during the energy crisis when there was a perceived benefit to saving money by putting in a one-pipe system.

The home is serviced by substations of the local utility company. If the home loses its primary electrical source from the utility, within five seconds the utility transfers the home to the secondary source and the home is under full power. The overall condition of the underground electric, given its age, is unknown. The boiler system in is good working order. The generator system is up to date with 3 new gensets large enough to carry full 100% of the building loads and supply cooling from the chiller systems

j. Energy Audit

A general basic energy assessment was most recently completed in March 2012.

k. Assessment of Existing Land

The current site is approximately 89 acres and appears adequate to support the additional construction of a new facility, while potentially tying in with the current supporting road structures if required, to allow access to existing maintenance buildings, etc. The State Veterans Cemetery occupies 11½ acres of this site and contains around 5,300+ graves. The current projection is that it has approximately six to eight years of space left for burials. It is probable that a columbarium structure will have to be erected in the near future for cremains to extend the active use of the cemetery. The roads in the cemetery need replacement and are in fair to poor condition. The landscaping in the cemetery is old and needs consistent maintenance attention and possibly irrigation.

A workgroup established by the MVAA Director researched and looked at possible expansion for the cemetery. Columbarium style buildings was the focus and the group will submit this information to the home's Board of Managers and Michigan Veterans Facility Authority Board for their review.

II. Implementation Plan

a. Itemized List of Major Projects/Estimated Cost

In December 2016, the Legislature approved a capital outlay bill that authorized and provided state-match funding for the construction of a new facility in Grand Rapids and a

new facility in Southeast Michigan. Assuming plans for new construction move forward, there are several capital investments, specifically infrastructure investments for items that require life cycle replacement, that it would not make sense to pursue proactively. For that reason, GRHV management is currently limiting capital outlay requests to:

- investments that are critical to ensure the continued provision of safe and quality care to residents until the new facility is open (Category 1)
- investments that are necessary and the need for investment is not eliminated by the planned new construction (Category 2)

It is essential to note that if the State does not move forward with the construction of a replacement facility in Grand Rapids, there are several capital investments that will be necessary for continued operations of the existing facilities. This includes many items that have reached or will reach the end of their remaining life cycle and will need immediate replacement to avoid an emergency replacement project. It also includes projects that would be necessary to get the existing facilities in line with current industry practices and standards.

A workgroup was established by the Director of the Michigan Veterans Affairs Agency to study and make recommendations of possible future uses of the campus. The workgroup had representation from both boards, staff, Veterans, and local interested individuals. This workgroup will be making recommendations to the Board of Managers and the Michigan Veterans Facility Authority Board which will likely include consideration of providing Adult Day Care, Behavioral Health Services and other areas. If the responsible governing boards, the Health System and the Executive Leadership of the State proceed with any recommendations it is likely there will be Capital Outlay requirements to make modifications to the existing buildings to accommodate these services. USDVA Matching Grants will be pursued wherever possible to reduce the total required State of Michigan investments.

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Scenario 1: Capital Outlay Investments - New Construction Plan Moves Forward

FY19 Supplemental:

Item	Description	Cost
Essential Elevator Repairs (Category 1)	<p>Three of the elevators in Mann and McLeish are in poor condition and have 0 years remaining in their lifecycle. These repairs must be made to avoid an emergency situation during the years of construction while these buildings will continue to be home to our Veterans. It is likely also these buildings will remain in use for many years for Veteran programming and elevator service will be required. A workgroup was established by the Director of the Michigan Veterans Affairs Agency to determine future uses of the campus. This workgroup will be making recommendations to the Boards including Adult Day Care and Behavioral Health Services.</p> <ul style="list-style-type: none"> • Mann Freight Elevator \$203,000 • McLeish Traction Elevators \$495,000 • McLeish Kitchen Hydro Elevators \$71,500 	\$769,500

Item	Description	Cost
Hobart Dish Machine (Category 1)	<p>The Hobart Dish Machine is beyond its remaining lifecycle. If it ceases working, it will require the use of disposables for all service: trays, mugs, cups, bowls, plates, flatware, etc. This is an extraordinary expense that is not budgeted for. Given the high likelihood that replacement of this item will be necessary prior to the opening of a new facility, it is recommended that it be replaced proactively, rather than waiting until an emergency request is necessary. If possible, a smaller machine will be purchased to reduce cost while meeting the needs of the current population.</p> <ul style="list-style-type: none"> - Hobart Dish Machine (\$75 - \$100k) 	\$100,000 max

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FY20 – Capital Outlay Request

Item	Description	Cost
Mann Building HVAC Control System Upgrade (Category 2)	Replace current and failing system. The system controls temperatures in resident rooms and other clinical areas of building. It is a computer-based system and currently many functions make it difficult to control and must be done manually.	\$1.7M Potential VA Grant for \$1.02M

Possible Capital Outlay Emergency Investment Requests

Item	Description	Cost
Large Kitchen Appliance Replacement	<p>Several the large kitchen appliances at GRHV are currently operating well outside expected life cycle with multiple efforts undertaken to extend life cycle to the extent possible. It is extremely likely that these appliances will fail within the next 12 – 18 months, requiring an emergency replacement request.</p> <ul style="list-style-type: none"> - Combi Oven x 2 (\$21 - \$31k each) - Hobart 6-Door Walk Through Refrigerator (\$5.5 - \$8.5k) - Tilt Griddle (\$2.5 – \$3k) - Lowerator Tray Dispenser (\$2 - \$2.2k) - Blodgett Convection Ovens x 2 (\$24 - \$30k each) 	\$135,000

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Capital Outlay Investments – Continued Use of Campus as a Nursing Facility

5-Year Investments Needed - \$4,159,200

Item	Description	Cost
Mann Freight Elevator	Poor Condition; 0 years remaining in lifecycle	\$203,000
McLeish Traction Elevators	Poor Condition; 0 years remaining in lifecycle	\$495,000
McLeish Kitchen Hydro Elevators	Poor Condition; 0 years remaining in lifecycle	\$71,500
Mann Traction Elevators	Fair Condition; 0-5 years remaining in lifecycle	\$130,000
Mann Brick Exterior Tuck-Point Repair	Fair Condition; 0-5 years remaining in lifecycle	\$100,000
Digital Temperature Control System	Life safety project	\$2,200,000
Snoezelen Room/Sensory Rooms on units	Alignment with industry standards, improved quality of care & services	\$18,700
Vinyl Rail Protections	Life safety project	\$176,000
Wi-Fi Routers & Repeaters (Administrative & Business Services)	Improved business processes, efficiencies	\$40,000
Fiber Optic Cable/Cat6A (IT upgrades)	Improved business processes, efficiencies; alignment with industry standards, improved quality of care & services	\$100,000
Main Dining Remodel	Alignment with industry standards, improved quality of care & services	\$220,000
Kitchen Operation – Large Appliances	Poor – Fair Condition; 0 – 5 years remaining life cycle	\$405,000

b. Impact.

The movement forward with constructing new facilities and moving to an authority model of governance affords many advantages, as discussed in detail in the Veterans Long-Term Care Workgroup’s recommendations. This includes modernizing and improving the care provided to our veterans, the eventual elimination of a structural deficit, creating a model of financial sustainability, and reducing the assessed need to spend millions of dollars in capital needs for required facility renovations if the new homes are not constructed.

The new facilities will provide a home-like setting affording more dignity and quality of life to the Michigan veterans who live here and rely on the State of Michigan for their medical care and quality of life. The federal Omnibus Budget Reconciliation Act (OBRA) of 1987 amended the Medicaid program requirements for nursing homes and OBRA (425CFR483.70[d]) specifies that member rooms must be designed and equipped for adequate care, comfort, and privacy of the resident. Shared bathrooms are not allowed for new CMS certification as of November 2016. The current program structure does not allow for adequate privacy for veterans and their families and it does not provide a home-like environment.

Lastly, the investment(s) in new facilities and a new form of governance proposes an opportunity to the Legislature, Executive Office, and citizens of the State of Michigan to make a positive impact on the future of how the State cares for the men and women who have worn our nation's cloth.

The prioritization of GRHV capital needs, assuming the ongoing construction of (2) new homes, will be driven by individual project and its immediate need for health & welfare, and operations & cost, versus the ability to create intermittent solutions that prevent significant investments. In summary, the requested stabilization costs for capital outlay for GRHV will be utilized to maintain operations and remain within compliance, limiting investment to absolute need, while two additional facilities are being constructed.

As the boards make decisions as to the continued use of the existing buildings on the campus, capital outlay requirements over the next 5 years for required modifications will be developed.

c. Operational Savings

The proposed plan requires significant "up-front" investments with savings to be realized over time. It is estimated if a new facility is not constructed, the home could require millions of dollars in renovations, equipment replacements and repairs, and other capital-type costs due to the poor condition of the facility and the need to maintain and/or return to compliance with appropriate regulations and standards. The CMS certification is not an option in the existing buildings due to the physical plant limitations. This will require continued significant reliance on General Funds. Similarly, the construction and change of governance affords the opportunity to create a system of homes, in regions where they are needed, in line with the common standards of long-term care, while creating the ability and flexibility to develop and establish a model of financial sustainability and growth.

Facility Assessment & Implementation Plan - D.J. Jacobetti Home for Veterans

I. Age, Usage and Physical Condition

The home is operated as a long-term care facility and the buildings along with the parking lots encompass 90% of the available land. The original building was constructed in 1954 and has undergone additions in 1965, 1967, and 1988. The latest construction in 1988 was a 50-bed addition and this wing has an independent heating system and a shared chilled water-cooling system (updated 2012). The home is constructed of masonry and brick veneer walls with interior plaster finishes. Except for the 1988 50-bed addition, ceramic tiles are installed up to 48 inches above finished floors in public areas. The roof has an average of 6 inches of insulation except over the Chapel.

a. Building Utilization

The home typically maintains a skilled nursing occupancy rate of approximately 95%.

b. Mandated Facility Standards

- 1) U.S. Department of Veterans Affairs under Nursing Home Care Standards for State Veterans Homes for all aspects of clinical care, food standards, and life/safety standards.
- 2) Michigan Department of Licensing and Regulation, Bureau of Fire Services for all applicable NFPA standards, Life Safety Code, and OSHA and MIOSHA General Industry Standards.
- 3) Life Safety Codes are enforced by the State Fire Marshall.
- 4) Additionally, the home is pursuing Centers for Medicare & Medicaid Services (CMS) certification and is thus making changes to be in compliance with the requirements of CMS and the conditions of participation.

c. Functionality of Existing Structures/Space Allocation to Program Areas Served

Approximately 560 sq. ft. per member.

d. Estimated Replacement Value

Based on State of Michigan OFM Property Accounting Ledger Report for Fiscal Year ending 9/30/2018: Historic Cost is \$12,718,769.20 and the Book Value is \$4,802,422.22.

e. Assessment of Utilities System

All resident areas of the home are air-conditioned. Some staff and utility areas are not air conditioned. The electrical system was updated in 2006 with the installation of a new emergency generator, transfer switch and replacement of many power panels and feeders. In addition, corridor lighting was upgraded to meet NFPA Life Safety Code. An automated fire suppression sprinkler system was installed in 2006, providing coverage to the entire building. Previously, only hazardous areas and a portion of the nursing units were sprinkled. A large portion of the plumbing system in the oldest part of the building has been replaced; however, additional upgrades will be required. Due to deterioration of the system, some repairs are needed on an on-going basis as the waste and vent piping disintegrates. The heating system was upgraded in 1998 and is in fair condition. All emergency re-tubing was completed in 2017.

f. Assessment of Infrastructure

Much of the roofing has been updated and is in good condition, with the most recent upgrade occurring in 2015 on our Part F wing. The amount of parking available is barely adequate currently due to an increasing number of volunteers, visitors and families at the home each day. We no longer can use parking in an adjacent abandoned parking lot (non-State owned), as the building is being renovated for low cost housing.

g. Adequacy of Utilities and Infrastructure Systems to Current and 5-Year needs

The plumbing system is adequate but requires ongoing repairs. The roofs are currently adequate. The parking is in good condition, although expansion is needed.

h. Assessment of Existing Land; Capacity for Future Development; Acquisition needs

Existing land is adequate for current operations, but additional structure, land, or solutions will need to be developed to ensure enough parking is available for members, employees, and visitors.

II. Implementation Plan

a. Major Projects in Priority Order/Estimated Costs

FY19 Supplemental \$560,000

Item	Description	Cost
Expand Rear Parking	Add additional rear parking for volunteers and staff.	\$200,000
Security System Upgrades		\$360,000

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	Necessary to ensure compliance with CMS requirements; ensure quality care for residents	
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FY2020 – \$330,000

Item	Description	Cost
Renovation of Physical Therapy Area	As the home pursues and achieves CMS certification, the rehabilitation operations and structure will change drastically from current operations. Additionally, the current space is outdated and requires upgrade. Necessary to ensure compliance with CMS requirements (person-centered care); ensure quality care for residents consistent with LTC industry standards	\$225,000
Water Heater Replacement with Recirculating lines	Tie both water mains together with-in building to create redundancy in the event of water loss and replace end of line water heater.	\$105,000

FY 2021 – \$2,000,000

Item	Description	Cost
Replace Chiller	Replace end of life-cycle chiller.	\$500,000
Air Handler Replacement	Replace end of life-cycle air handling unit.	\$100,000
Parking Lot Restoration	Replace infrastructure of main parking lots and install new asphalt.	\$800,000
On-Unit Dining	CMS requires person-centered care, and the creation of a home-like environment to the extent possible. The home is modifying its food service structure to bring on-unit dining to members of the home. The next stage of this process (following 2 North on-unit dining project) is the creation of on-unit dining on the 1 South unit. Necessary to ensure compliance with CMS requirements (person-centered care); ensure quality care for residents consistent with LTC industry standards.	\$150,000
Courtyard Construction	Construction of member centered green space to enhance the lives of the veterans while provide sensory stimulation.	\$450,000

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FY 2022 – \$1,000,000

Item	Description	Cost
Elevator Replacements	Existing elevators have been in place likely since 1981 or prior, and parts are almost obsolete. Entire system requires replacement/upgrade.	\$1,000,000

b. Impact of Addressing Structural Repairs Immediately vs. Over the Next Five Years

Based on the home’s needs and priorities, we have scheduled our requests in priority order. The impacts of not addressing the issues are significant, resulting in either required emergency repair efforts being required, the failure of the home to meet Life Safety Code standards, or the failure to meet CMS requirements.

Renovations and upgrades are as important for current veterans (24% are WWII era) as they will be for future veterans and completing the renovations as soon as feasible is the prudent action in our efforts to provide long-term care for our nation’s heroes.

c. Rate of Return/Savings Generated by Capital Outlay

Maintaining modern and up-to-date physical plant and living environment allows us to maximize our nursing census, which in turn, maximizes federal and restricted revenues, reducing the State portion of the cost of operating the home. Additionally, the achievement of CMS certification will place the home under a financial model (from the potential applicant or resident’s perspective) more closely aligned with every other private and not-for-profit nursing home in existence in the region (Medicare funding, Medicaid funding, etc.). As such, the home needs to create an inviting and home-like atmosphere, which includes a high-quality physical environment, to attract and retain potential qualified applicants to ensure the continuity of revenue for sustained operations.