

POLICY ANALYSIS SERIES

ISSUES RELATED TO STATE HOSPITALS / NO. 1

MINNESOTA STATE HOSPITAL FACILITIES AND ALTERNATIVE USE

I. INTRODUCTION

The 1984 Legislature directed the State Planning Agency to conduct a study of state hospitals. A portion of this study was to address "alternative use of state hospital facilities made available by program closures" (Laws of Minnesota, Chapter 654, Section 19, Subdivision 4:6).

The purpose of this report is to summarize information which will aid in determining future disposition, conversion, or consolidation decisions by examining each state hospital individually and in relation to the others.

II. METHODOLOGY

The main sources of information for this analysis were compiled from the American Appraisal Company reports (June 30, 1983) and the Department of Administration, Division of State Building Construction Physical facilities survey (December, 1982). Information on current disposition of land and buildings was received from the Department of Administration, State Real Estate Division and the Department of Human Services, Residential Facilities Division. A preliminary report was prepared and mailed to the chief executive officer of each state hospital during September 1984 for verification and updating. Corrections are included in this report.

In addition, several other agencies contributed information: the Legislative Audit Commission; State Demographer's Office; Department of Revenue, Sales/Ratio Division; Department of Energy and Economic Development; Minnesota Housing Finance Agency; State Planning Agency; and the Department of Finance.

For information on possible alternative uses for large special purpose facilities, a literature search and review was conducted, appraisals and reports on the Rochester and Hastings closures were reviewed, and a national survey was conducted. Finally, ideas and suggestions were received from citizens, employees, and county and city representatives during the town meetings.

The physical condition of each building at each state hospital, and plumbing and electrical conditions in general were determined by the Department of Administration, Division of State Building Construction and compiled in the Physical facilities survey. In 1982 the division conducted a complete evaluation of all eight hospitals, and of each building within the hospitals. The ratings were determined through a comparative analysis by evaluating the following components: mechanical system, exterior and interior surfaces, physical appearance, plumbing and electrical condition, maintenance, energy conservation system and life safety and compliance with requirements for people with handicaps. These ratings were provided by Taber from the Department of Administration (1984):

RATINGS:

Good to Excellent: Interior and exterior are in relatively good condition, relatively new, or recently repaired or replaced. Electrical and plumbing systems with this rating meet code and are relatively modern. Needs little or no repair.

Fair to Good or Good: Requires little or no repair.

Fair: Currently meets code and is in operating order. May need some upgrading.

Adequate: May require repairs or replacements. Functional and meets code. Adequate rating was used only for electrical and plumbing systems.

Fair to Poor or Poor: In need of extensive repairs or replacements. May not meet code. When applied to electrical and plumbing systems, rating may mean obsolete original system.

The remainder of this report is divided into the following sections: Physical condition ratings of main buildings; state hospitals in contrast; consolidation; former state hospital property leased or sold; national survey on alternative uses; disposition laws; and summary.

PHYSICAL FACILITIES DESCRIPTION

The general summary in this section allows the reader to compare the size, physical condition, and special features of each hospital. Also, individual summaries cover general information on each state hospital, such as real estate information, zoning codes, and county or city appraisal, and a more detailed description of the physical condition of each hospital.

III. PHYSICAL CONDITION RATINGS OF MAIN BUILDINGS

Figures 1 and 2 and Table 1 present, in summary form, the physical condition of each state hospital.

The main buildings were individually rated by the Department of Administration, Division of State Building Construction in December 1982 according to the ratings defined in the Methodology section. The percentages in Figures 1 and 2 and in Table 1 were derived by adding together the buildings in each category (fair to poor, good, etc.) at each state hospital. Only main buildings (both occupied and vacant) were rated, that is, buildings which are utilized by residents/patients and employees. Smaller structures and garages were not rated.

According to Table 1, Brainerd and St. Peter have the highest percentage of main buildings in good to excellent or excellent condition. Moose Lake and Willmar have the highest percentage of buildings in the second classification: fair to good and good, and no buildings rated fair to poor or poor. Cambridge has the highest percentage of buildings rated in fair condition, but 55% (the newer buildings) are in the top two ratings.

Figure 2 shows the percentage of buildings at each hospital rated in fair to poor or poor condition. Anoka has the most buildings in this condition with 47% of the buildings listed in this category. Faribault is the next highest with 25% of the older buildings. Fergus Falls has a relatively low percentage of buildings listed in fair to poor or poor condition; yet when the lowest two classifications are combined, 37% of the buildings at Fergus Falls fall into these categories. Fergus Falls and Anoka have the largest number of buildings which are more than seventy years old.

FIGURE 1
PHYSICAL CONDITION RATINGS
OF MAIN BUILDINGS

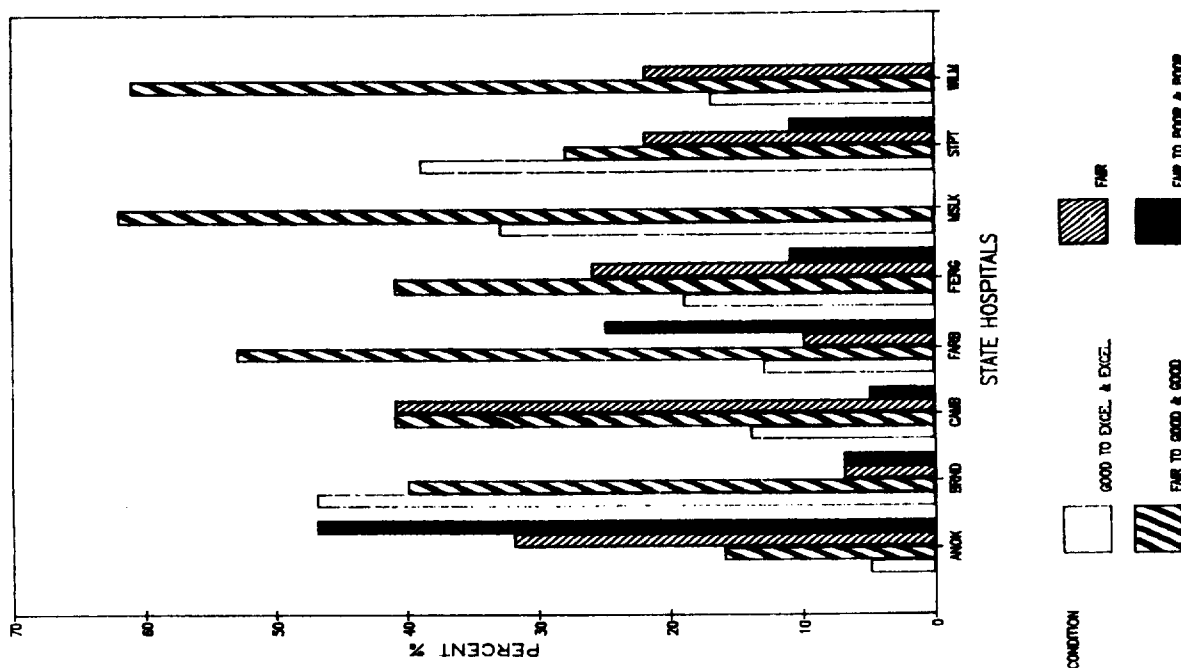


FIGURE 2
BUILDINGS IN FAIR TO POOR OR POOR CONDITION
MAIN BUILDINGS

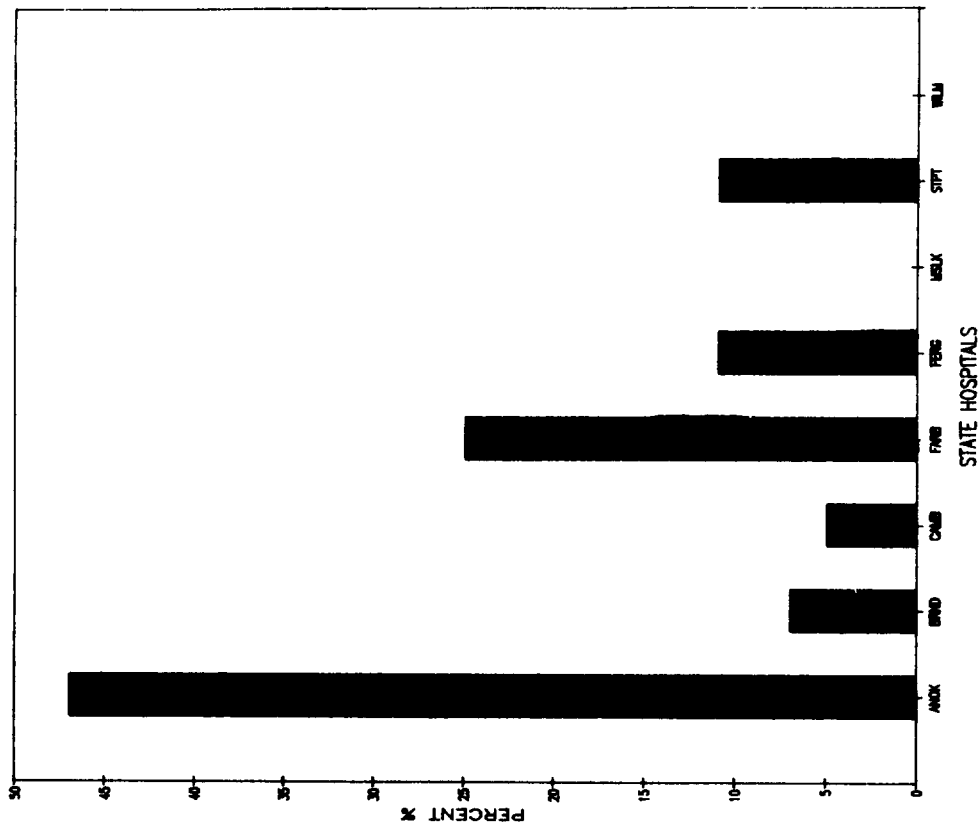


TABLE 1
PHYSICAL CONDITION RATINGS OF MAIN BUILDINGS - 1982

RATING:	Good-Excellent or Excellent	Fair-Good or Good	Fair	Fair-Poor or Poor
ANOKA				
% of Buildings	5%	16%	32%	47% ^a
% of SQ FT	22%	24%	26%	28%
BRAINERD				
% of Buildings	47%	40%	7%	7%
% of SQ FT	61%	24%	8%	8%
CAMBRIDGE				
% of Buildings	14%	41%	41%	5%
% of SQ FT	2%	24%	26%	1%
FARIBAULT				
% of Buildings	13%	53%	10%	25%
% of SQ FT	23%	48%	14%	16%
FERGUS FALLS				
% of Buildings	16%	44%	28%	12%
% of SQ FT	11%	44%	19%	26%
MOOSE LAKE				
% of Buildings	33%	62%	none	none
% of SQ FT	31%	69%	none	none
ST. PETER				
% of Buildings	39%	28%	22%	11%
% of SQ FT	53%	31%	8%	7%
WILLMAR				
% of Buildings	17%	61%	22%	none
% of SQ FT	26%	51%	20%	3%

Note: Percentages are based on number and square footage of main buildings (both occupied and vacant) in each classification.

Source: Compiled from information obtained through the State Of Minnesota, Department of Administration: Division of State Building Construction. (December, 1982). Physical facilities survey.

^aIncludes 2 cottages which have been identified for demolition. If these 2 were eliminated, the percentage would be 37%.

IV. STATE HOSPITALS IN CONTRAST

Table 2 presents information on several variables including: (1) years built; (2) property size; and (3) condition of buildings, plumbing, electrical and special features. Following Table 1 are detailed profiles on the condition and conversion possibilities for each hospital.

TABLE 2
STATE HOSPITALS--GENERAL SUMMARY

STATE HOSPITAL	BUILDINGS BUILT (Year) ^a	PROPERTY SIZE (Acres) ^b	CONDITION OF LANDSCAPE ^a	NUMBER OF BUILDINGS ^c	SQUARE FEET OF BUILDINGS ^c	GENERAL PHYSICAL CONDITION OF BUILDINGS ^a	PLUMBING CONDITION ^a	ELECTRICAL CONDITION ^a	SPECIAL FEATURES ^a
Anoka	1905 to 1921; 1930 to 1935; 1950 to 1964; and 1980	243.50	Generally well landscaped	22 plus 9 MCs	454,455	Poor to excellent; average = fair; needs much repair	Generally adequate; repairs needed	Generally fair to good; repairs needed; emergency generator	Swimming pool; gym; hospital facility; chapel; auditorium; tennis court; clinic; library; baseball field; nature trail
Brainerd	1958 to 1964	198.00	Good condition; 1978 beautification program	14 plus 7 MCs	698,178	Good to excellent	Good to excellent	Good to excellent; remodeled	Gym; bowling alley; tennis courts; regional laundry (for Ah Gwah Ching, Ferguson Falls, and Brainerd); hospital facility; chapel
Cambridge	1925 to 1935; 1946 to 1961; 1971; and 1981	245.00	Good condition; 1978 beautification program	26 plus 22 MCs	669,908	Fair to good	Adequate (partially upgraded)	Good; emergency generator; fluorescent fixtures; fire alarms	Warehouse; roof cellar; auditorium with balcony and projector booth; regional laundry (for Anoka, Moose Lake, and Willow River)
Faribault	1900 to 1937; 1947 to 1966; and 1974	760.00, 593.00 acres leased out	Good	52 plus 9 MCs	939,104	Old buildings: fair to good; new buildings: good to excellent	Adequate; some remodeling needed	Poor to excellent; new emergency generator; old and new	Gym-auditorium, hospital facility, chapel, canteen, greenhouse, work activity center, day camp, museum, regional laundry (for Minnesota Veterans home, Bishop Whipple Schools, Oak Terrace, Deaf School, Braille School, Rice County District 1 Hospital)

NOTE: MCs consist of covered patios, storage sheds, bandstands, small shelters, stadium houses, etc.

^a Division of State Building Construction. (1982, December). Physical Facilities Survey. St. Paul: Department of Administration.

^b Office of Legislative Auditor. (1984, July). Personal communication.

^c American Appraisal Company. (1983, June 30). Verification report and detailed property listings.

^d Total square footage includes all MCs but not tunnels.

TABLE 2
STATE HOSPITALS--GENERAL SUMMARY
(continued)

STATE HOSPITAL	BUILDINGS BUILT (Year) ^a	PROPERTY SIZE (Acres) ^b	CONDITION OF LANDSCAPE ^a	NUMBER OF BUILDINGS ^c	SQUARE FEET (SQ. FT.) OF BUILDINGS ^c	GENERAL PHYSICAL CONDITION OF BUILDINGS ^a	PLUMBING CONDITION ^a	ELECTRICAL CONDITION ^a	SPECIAL FEATURES ^a
Fergus Falls	1890 to 1923; 1930 to 1932; and 1950 to 1964	320.25, 164.00 acres leased as surplus farmland	Good	40 plus 14 MCs	867,010	Fair to good; exterior repairs needed	Good; re-modeled in 1960s	Fair; electric switch gear in marginal condition; emergency generator; fluorescent fixtures	Gym; greenhouse; hothouse; vocational rehabilitation building, medical clinic; stage, projection booth; lecture hall, and hospital facility
Moose Lake	1938, 1948 to 1954; 1960; and 1964	175.00	Good to excellent	23 plus 7 MCs	518,815	Good	Generally original; some re-modeling needed	Generally good; emergency generator 4160 volt service	Museum; clinics; chapel; library building; greenhouse; boat house; auditorium; and lake
St. Peter	1866; 1919 to 1927; 1937; 1949 to 1954; and 1960 to 1974	743.60, 220.00 acres leased out	Excellent	34 plus 8 MCs	740,332	Excellent; major building remodeling and re-placement dome	Good	Excellent; emergency generator; fluorescent fixtures	Clinics; swimming pool; gym, library; chapel; hospital facility; tennis courts; apartments; regional laundry (for St. Peter, Hoffman Center and county jail, museum, Center building is on register of historic places

NOTE: MCs consist of covered patios, storage sheds, bandstands, small shelters, stadium houses, etc.

^aDivision of State Building Construction. (1982, December). Physical Facilities Survey. St. Paul: Department of Administration.

^bOffice of Legislative Auditor. (1984, July). Personal communication.

^cAmerican Appraisal Company. (1983, June 30). Verification report and detailed property listings.

^dTotal square footage includes all MCs but not tunnels.

TABLE 2
STATE HOSPITALS--GENERAL SUMMARY
(continued)

STATE HOSPITAL	BUILDINGS BUILT (Year) ^a	PROPERTY SIZE (Acres) ^b	CONDITION OF LANDSCAPE ^a	NUMBER OF BUILDINGS ^c	SQUARE FEET (SQ. FT.) OF BUILDINGS ^c	GENERAL PHYSICAL CONDITION OF BUILDINGS ^a	PLUMBING CONDITION ^a	ELECTRICAL CONDITION ^a	SPECIAL FEATURES ^a
— Minnesota Security Hospital	1981	Included in St. Peter	Excellent	1	117,072	Excellent	Excellent	Excellent; emergency generator	High pressure sodium exterior security computerized building; automation and security system; lighting and paging system; security call system; fire alarm; security glass windows; fully air conditioned; meets all codes for life safety, handicapped, and energy
Willmar	1912 to 1935; and 1948 to 1970	158.00	Well-kept grounds; 1978 beautification program	39 plus 10 MCs	562,151	Good to excellent	Adequate; some up-graded; some remodeling needed	Good; up-graded	Greenhouse; swimming pool; gym; hospital facility; auditorium chapel; rehabilitation building; and trade and industrial shops
TOTAL		2,843.35		250 plus 85 MCs	5,567,025 ^d				

NOTE: MCs consist of covered patios, storage sheds, bandstands, small shelters, stadium houses, etc.

^aDivision of State Building Construction. (1982, December). Physical Facilities Survey. St. Paul: Department of Administration.

^bOffice of Legislative Auditor. (1984, July). Personal communication.

^cAmerican Appraisal Company. (1983, June 30). Verification report and detailed property listings.

^dTotal square footage includes all MCs but not tunnels.

ANOKA STATE HOSPITAL

Anoka State Hospital was first occupied in 1902 and was the fourth state hospital in Minnesota. Currently, there are 22 main structures and 9 MC's (small service structures) on 243.5 acres of land. Anoka has considerably less square footage than the other seven hospitals.

Of the 22 main buildings, 14 were constructed from 1905-1918. The chemical dependency unit was built in 1980. The general physical condition of the hospital was rated fair although repairs are needed throughout. Nine main buildings, which includes 3 vacant cottages that have been identified for demolition, are in poor or fair to poor physical condition, 6 main buildings are rated fair, 3 are rated fair to good or good, and only one is rated good to excellent or excellent.

The plumbing condition is generally adequate; however, some buildings have obsolete original plumbing. The electrical condition is poor to good. Walks and roads are generally in fair to good condition. The tunnel system is in need of extensive repair. Most buildings contain tempered fresh air ventilation systems and three have air or partial air-conditioning.

Currently, 7 of the buildings contain licensed beds; all 7 are accessible to handicapped people. Four of these patient buildings were constructed between 1912 and 1914, with the most recent remodeling occurring in 1980. Four buildings formerly used as residential facilities are vacant and in need of upgrading to meet code. Of these, Cottages 2 and 3 have been identified for demolition and a request has been submitted for a new residential facility. The fourth is identified as a nurses' dormitory. Renovation for the dormitory has been estimated at \$201,000 and would provide up to 49 additional beds. If it is determined that additional patient facilities are not needed, Anoka County has potential interest in leasing space at the hospital.

Anoka State Hospital has the highest overall percentage of its square footage which is vacant or used as storage (26%+) with 42% of the buildings containing some type of storage.

According to the Anoka County Assessor, there are 18 parcels to the Anoka State Hospital complex. Ninety-five percent of the property is zoned single family residence, and 5% is zoned multiple dwelling.

The north boundary is adjacent to Anoka High School. The west side is bordered by the Rum River. A railroad track borders part of the southern side. The Seventh Avenue business district is near the eastern boundary. Single family residence and industrial developments border the southeast.

Mixed zoning surrounds the hospital including commercial, light and heavy industrial, and multiple dwelling.

According to the county assessor, the 1980 estimated market value is \$745,200 for land and \$11,000,000 for buildings. However, this figure is speculative and is based on tax exempt property. Anoka State Hospital is located in the highest density area of the eight state hospitals.

BRAINERD STATE HOSPITAL

The first building on the Brainerd State Hospital campus was opened in 1958 making Brainerd the most recently constructed state hospital. By 1967 the campus was completed.

Brainerd has 16 main structures and 7 MC's (small service structures) on 198 acres of land. The general physical condition of the buildings is rated good to excellent with only one building rated poor to good.

Both the plumbing and electrical systems are rated good to excellent. Most buildings contain tempered fresh air ventilation. The infirmary and the deaf blind unit are air-conditioned. Landscaping, roads and walks are in good condition. The tunnel system is in excellent condition.

Of the 16 main buildings, 11 contain licensed beds. Nine buildings comply only partially with handicapped requirements. Most comply with life safety codes.

Overall Brainerd has the highest percentage (47%) of its main buildings rated good to excellent or excellent and a comparatively low percentage (7%) of square footage that is used for storage or vacant.

According to the county assessor and building inspector, Brainerd has a current zoning of "Public". Included in this code are parks and recreation areas, hospitals, churches, colleges, armories and similar structures.

Agricultural, rural residential, residential, and green space surround the hospital. The area south of the hospital is zoned com-

mercial. There has been a 1980 county assessed estimated market value of \$37,310,000 for buildings and land at Brainerd State Hospital. Again, this figure is speculative and based on tax exempt property.

In 1983, farmland in Crow Wing County sold for the lowest amount on an average compared to all other state hospital counties except Carlton (Moose Lake State Hospital). Commercial/industrial sites sold for the second highest amount among counties that have state hospitals.

CAMBRIDGE STATE HOSPITAL

Cambridge State Hospital was first occupied in 1925. The majority of buildings were constructed between 1925 and 1937. Since 1953 several large buildings have been constructed accounting for over half of the total square footage.

The campus has 26 main structures and 19 MC's (small service structures) for a total of 45 structures on 245 acres of land. The general physical condition of the buildings is rated fair to good or good with 82% (18) of the main buildings in fair, fair to good, or good condition. One building was rated fair to poor and three are rated excellent.

The plumbing is defined as adequate which by definition means meeting code. The electrical system is in good condition with a new emergency generator, new fluorescent fixtures, and fire alarms in all buildings. Landscaping is in good condition. Roads and walks have been repaired or resurfaced. The tunnel system is in fair condition.

Of the 26 main buildings, 11 are used directly as residential facilities. All residential buildings meet life safety codes but 6 do not meet handicapped requirements.

Cambridge has one building which is currently vacant, 2 buildings partially vacant, 16 buildings used for storage, and 4 additional buildings partially used for storage. Consolidation of building space is a possibility for the purpose of leasing or selling surplus space.

According to the City of Cambridge building inspector, the hospital is currently zoned professional/medical. The areas bordering the hospital contain mixed zoning codes: professional/medical, single family, family group residences, flood plain, and shore land.

The Isanti County Assessor has a 1980 estimated market value for the hospital of \$691,000 for land and \$26,970,000 for buildings for a total of \$27,661,000. Again, this figure is speculative and is based on tax exempt property.

As previously stated, underutilized space could be consolidated to allow for rental or sale of individual buildings. The county of Isanti and the city of Cambridge have expressed interest in leasing excess space.

FARIBAULT STATE HOSPITAL

The Faribault State Hospital was established in 1881 making it the second oldest state hospital in Minnesota. Faribault is the largest state hospital with 52 main structures and 9 MC's (small service structures) for a total of 61 structures on 760 acres of land of which 593 acres are leased out.

The general physical condition of the older buildings is fair to good. The newer group is good to excellent. Overall, of the main buildings for which information is available, 21 (53%) are rated fair to good or good, 14 (35%) are rated poor or fair to poor, 5 (12%) are rated good to excellent or excellent.

The plumbing condition is adequate. The electrical condition runs from poor to excellent, the older system (2400 Volt) is in poor condition and the new 13.8 KW system was installed in 1965 and is in excellent condition. An 1100 KW emergency generator and automatic transfer switch were recently installed. The 2 1/2 mile tunnel system is in fair to poor condition. Roads are in fair to poor condition and walks are in fair to excellent condition. Most patient buildings have tempered fresh air ventilation and some newer buildings have air conditioning.

The oldest existing building on the campus is the power plant, which was built in 1896. Currently, 15 buildings and a portion of the Medical Hospital are used directly as residential facilities. Three do not comply with handicapped requirements. All residential facilities comply with life safety codes. Seven of the residential buildings were constructed from 1917 to 1938 and the remaining 10 were constructed from 1947 to 1964.

One building is currently vacant but is used for storage and has not been declared surplus. Ten percent of the square footage at Faribault is used for storage and 37% of the buildings contain storage. Thus, consolidation with conversion, leasing, or sale of underutilized space should be considered.

According to the city building inspector, Faribault State Hospi-

tal is currently zoned high density residential. This code includes institutional, multiple family, community/residential care, dormitories, hospitals, and boarding care structures.

The hospital is surrounded by heavy industrial and open agricultural codes. The Straight River runs west of the hospital and a Nature Interpretive Center is on the east.

The city assessor has a 1980 estimated market value of \$7,520,245 for land and buildings. Although this figure is lower than the appraisals for the other hospitals it cannot be considered a true and current market value. The 1983 average selling price for farmland and commercial/industrial sites in Rice County is the third highest of counties that have state hospitals.

FERGUS FALLS STATE HOSPITAL

Fergus Falls State Hospital was first occupied in July 1890 and is the third oldest state hospital in Minnesota. Currently there are 40 main structures and 14 MC's (small service structures) on 320.25 acres of land of which 164 acres are leased out as surplus farmland.

The majority (24) of the main buildings were constructed from 1890 to 1923, 4 were constructed in the early 1930's, and 12 were constructed from 1950 to 1964. Overall, Fergus Falls has the largest number of buildings constructed prior to 1930.

The general physical condition of the hospital is rated fair to good with exterior wall repairs needed. Overall, the plumbing is in good condition. Electrical switchgear is in marginal condition and the distribution system is in fair condition. The emergency generator is a 480 KW unit in excellent condition. Walks are in good condition. Roads are in need of seal coating and resurfacing. Tunnels show some leakage during spring thaw. Fresh air ventilation systems are found in only 3 buildings. Only one floor of one patient building is air-conditioned.

Of the 27 buildings on which information was available, 10 buildings are rated poor, fair to poor, or fair. Eleven buildings are rated fair to good or good, and 5 buildings are rated good to excellent or excellent.

Currently, 11 buildings are used directly as residential facilities. Eight of these were constructed between 1890 and 1919. The other three were constructed from 1932 to 1950. Ten of these do not fully comply with handicapped requirements. By March 1985 all buildings will meet life safety codes.

Approximately 15%+ of the square footage is used for storage. Fergus Falls has four large buildings in which entire floors are vacant or nearly vacant. Consolidation of underutilized space should be considered to reduce expenses.

According to the city building inspector, the hospital is zoned residential/agricultural. A variety of zoning codes surrounds the hospital including heavy industrial, limited and service business and multiple family residence. The northern border is unzoned.

Since mixed zoning surrounds the campus, there is potential for a variety of alternative uses.

The city assessor has a 1980 estimated market value appraisal of \$21,880,300 for land and buildings.

MOOSE LAKE STATE HOSPITAL

Moose Lake State Hospital was first occupied in May 1938 making it the second most recent state hospital in Minnesota. Currently there are 23 main structures and 7 MC's (small service structures) on 175 acres of land.

Of the 23 main buildings, 13 were constructed in 1938 and the remaining 10 were constructed from 1949-1964. The general physical condition of the hospital is rated good. Plumbing in four of the buildings has been remodeled; the remaining plumbing is original. The 4160 volt electrical service and emergency generator are in good condition. Walks are generally in good condition; roads are in need of patching, sealcoating, and some blacktopping. The two story tunnel system is in good condition. Four buildings have fresh air ventilation systems and part of one residential building is air-conditioned.

Currently, 10 buildings are used directly as residential facilities. All residential facilities meet life safety codes and all but one meet handicapped requirements.

Overall, Moose Lake State Hospital is in comparatively good physical condition with no buildings listed as poor, fair to poor, or simply fair condition. Sixty-two percent of the buildings, for which information was available, are listed in fair to good or good condition. Thirty-three percent are listed in good to excellent or excellent condition. Twenty-one of the 23 main buildings were rated. In addition, Moose Lake has the lowest amount of square footage used for storage space (7%+) and no buildings which are vacant.

According to the Moose Lake City Clerk, the hospital is zoned governmental or open. The area surrounding the hospital is zoned park, light industrial and multiple dwelling.

The county assessor has a 1980 estimated market value for land and buildings of \$13,403,750.

Moose Lake State Hospital is in a low density agricultural setting. The 1983 farmland and industrial/commercial sales yielded a significantly lower return when compared to the other state hospital counties.

ST. PETER STATE HOSPITAL

St. Peter, built in 1866, was the first state hospital in the state of Minnesota. Within the last twenty years, however, the hospital has undergone a major renovation and replacement program. Consequently it has been transformed from the oldest to one of the newest state hospitals. For example, 7 of the 8 patient/resident buildings were constructed between 1960 and 1979, and 12 of the main buildings are in fair to good, good, good to excellent, or excellent condition and 4 are in fair condition. Two are in fair to poor condition.

Thirty-five main structures, including the new security hospital, and 8 MC's (small service structures) are located on 743.6 acres of land of which 220 acres are leased out. The physical condition is generally excellent, except for a few older buildings and garages.

The plumbing is in generally good condition. The electrical condition is generally excellent with a new emergency generator on both the regular campus and at the new security hospital. Fluorescent lights have been installed on much of the campus. Walks are generally in good condition; however, roadways and parking lots need patching and sealcoating. Seventy percent of the tunnel system is in good condition and 30% is in fair condition. Eight buildings are fully or partially air-conditioned.

Eight buildings are used directly as licensed bed facilities. All residential buildings meet life safety codes and all but 2 meet handicapped requirements.

Forty-eight percent of the buildings contain some storage space and overall square footage which is vacant or used for storage is 15%+. This figure includes the old security hospital which is scheduled for demolition. Since a total of 20 buildings contain some vacancies or storage space, consolidation of underutilized space should occur where possible.

According to the building inspector for the city of St. Peter, the hospital is currently zoned residential multiple dwelling, as is the area surrounding the hospital.

The county assessor has a 1980 estimated market value for land and buildings of \$18,768,400 not including the new security hospital which was constructed since the last appraisal.

The average 1983 selling price for farmland in Nicollet County (\$1,773 per acre) was the second highest among state hospital counties. The 1983 average selling price for commercial/industrial sites, however, was second lowest among state hospital counties.

MINNESOTA SECURITY HOSPITAL AT ST. PETER

The new Security Hospital at St. Peter was completed in 1982. It contains a high pressure sodium exterior lighting system, a computerized security call system, a paging system, a fire alarm system, security glass on the exterior side, and air-conditioning. The building is 121,000 square feet and is a masonry and steel structure. It contains its own emergency generator (as does the main hospital) and excellent plumbing, heating, and electrical systems. The general maintenance and physical condition were rated excellent (Dept. of Administration, 1982).

In FY 1984, the licensed bed capacity is 236, and the average daily population estimate is 225 (an increase of 36 from 1982).

The new Security Hospital at St. Peter is the only complete security building on any of the eight existing state hospital grounds. There are no other buildings comparable in size, physical condition, or age of structure which are capable of housing court-determined security persons, without major renovation costs.

WILLMAR STATE HOSPITAL

The Willmar State Hospital was established in 1907 and received its first patient in 1912 becoming the sixth state hospital in Minnesota. Currently there are 39 main structures and 10 MC's (small service structures) on 158 acres of land.

The majority (25) of the main buildings were constructed from 1912-1933 and are in good physical condition. The remainder were constructed from 1948-1979 and are in good to excellent condition.

Overall, the general physical condition of the hospital is rated good to excellent. No buildings are rated poor or poor to fair, 5 buildings are rated fair, and 18 buildings are rated fair to good, good, good to excellent or excellent.

The plumbing and electrical systems are in good condition. Mechanical ventilation systems are installed in new buildings only. Three buildings are air-conditioned. Roads need seal coating and walks are in good condition. Some leakage is evident in the tunnels, otherwise they are in fair condition.

Fifteen buildings are used directly as residential facilities. Nine of these do not fully comply with handicapped requirements although programs and activities are accessible to the handicapped. All buildings meet the life safety codes with new fire exits under construction. A fire alarm system connects all residential buildings to the Willmar Fire Department.

Approximately 8%+ of the hospital's square footage is used for storage or is vacant and only 27% of the buildings contain storage. Both figures are comparatively low.

According to the building inspector for the city of Willmar, the hospital is currently zoned governmental and institutional district. This code includes colleges, airports, state and county highways, hospitals, public works, waste treatment plants, and federal, state, county, and city lands.

Surrounding the hospital is agricultural land, heavy residential density, duplexes and single family homes and a lake. The Department of Transportation and Willmar Civic Center are located north of the hospital.

The city assessor has a 1980 estimated market value of \$14,920,000 for Willmar State Hospital land and buildings.

V. CONSOLIDATION

Table 3 shows the licensed bed capacity for each state hospital and the average number of licensed beds that were available in FY '84. In addition, the table shows an estimated cost of renovation of existing buildings at each state hospital and the resulting capacity.

TABLE 3
BED CAPACITY POSSIBILITIES

State Hospital	Average Daily Population FY '84	Licensed Bed Capacity	Average Available Beds FY '84	Estimated Cost of Renovation	Total Possible Available Beds ^a
Anoka	316 ^b	347	31 ^b	201,000 ^c	80
Brainerd	450	531	81	1,090,000	177 ^d
Cambridge	483	556	73	1,000,000	200
Faribault	712	845	133	1,800,000	368
Fergus Falls	469	561	92	2,700,000	180
Moose Lake	435	645	210	N.A.	
St. Peter ^e	379	438	59	N.A.	93
Willmar	552	644	92	N.A.	

Sources: Department of Human Services 1985-87 Biennial Budget for each state hospital; and phone interviews with each CEO or designated person with access to licensing documents (November, 1984).

^aAdditional capacity for licensed beds in current buildings (with the exception of Anoka) which could be added with remodeling plus the average available beds.

^bThese figures do not reflect the fact that Anoka State Hospital has currently been operating at or near full capacity.

^cIn addition to the renovation cost for an existing building, Anoka has proposed the construction of a mental illness unit for \$3,461,000 which would add 75 beds.

^dPossible additional bed space for Brainerd includes 46 beds in Building 8. Funds are available for remodeling but are being held by Department of Finance. These funds are not included in remodeling cost column for Brainerd.

^eThe Security Hospital is not included in these figures.

VI. FORMER STATE HOSPITAL PROPERTY LEASED OR SOLD

Table 4 shows the current use of state hospital property which has been leased or sold in the past eleven years. The following observations can be made from the table:

Thus far, most surplus building space has been leased to other state, county, local agencies, and school districts. Annual rent is minimal or non-existent (due to mutual benefits received), and may not be sufficient to cover maintenance and/or energy expenses.

Although former staff homes have been sold at several campuses, Fergus Falls has four staff homes which have been marketed, but not sold during the past six years.

St. Peter State Hospital has 220 acres of surplus land on campus (not noted on this table) which has been marketed for some time without a viable offer.

Although there is a considerable amount of surplus space and space used for storage on several campuses, surplus declarations have not been requested, other than those listed in Table 4.

TABLE 4
DISPOSITION OF SURPLUS STATE HOSPITAL PROPERTY
FROM JANUARY 1973 THROUGH AUGUST 1984

LOCATION OF SURPLUS STATE HOSPITAL PROPERTY	SPACE TYPE	SPACE AREA	ANNUAL RENT OR SELLING PRICE	LEASE EXPIRA- TION DATE OR DATE OF SALE	CURRENT USE OF PROPERTY
<u>ANOKA</u>					
<u>Leased Property:</u>					
• City of Anoka	Land	9,900 sq. ft.	\$ 100.00	09/30/84	Storage, Water and Light Department
• Independent School District No. 11	Land/Farm Buildings	74.0 acres	100.00	07/30/84	Vocational Education Pro- gram: Landscape Career Center
• City of Anoka	Land	7.0 acres plus 18,750 sq. ft.	Mutual Benefit	06/30/86	Playgrounds for Park and Recreation Department
TOTAL ANNUAL RENT			\$ 200.00		
<u>Transferred Property:</u>					
• Department of Na- tural Resources	Land	10.5 acres		05/01/80	Department of Natural Resources
<u>Sold Property:</u>					
• Staff House No. 1	House and Garage	2,767 sq. ft.	\$ 3,820.00	--	Residence
• Staff House No. 2	House and Garage	2,763 sq. ft.	3,650.00	--	Residence
• Staff House No. 3	House and Garage	3,036 sq. ft.	9,800.00	--	Residence
• Staff House No. 4	House and Garage	2,763 sq. ft.	4,130.00	--	Residence
• Staff House No. 5	House and Garage	2,799 sq. ft.	1,984.50	--	Residence
TOTAL SELLING PRICE			\$23,384.50		
<u>BRAINERD^a</u>					
<u>Leased Property:</u>					
• Building No. 4	Part of Building	5,000 sq. ft.	Mutual Benefit	--	Classrooms for Special Education
• Building No. 19	Part of Building	3,500 sq. ft.	Mutual Benefit	--	Classrooms for Special Education

TABLE 4
DISPOSITION OF SURPLUS STATE HOSPITAL PROPERTY
FROM JANUARY 1973 THROUGH AUGUST 1984
(continued)

LOCATION OF SURPLUS STATE HOSPITAL PROPERTY	SPACE TYPE	SPACE AREA	ANNUAL RENT OR SELLING PRICE	LEASE EXPIRA- TION DATE OR DATE OF SALE	CURRENT USE OF PROPERTY
<u>CAMBRIDGE</u>					
<u>Leased Property:</u>					
• Independent School District No. 911	Main Building, McBroom Hall		Mutual Benefit	09/04/83	Classrooms for Special Education for Retarded
• Private Day Care Center	Cottage No. 9	4,293.2 sq. ft.	In Process	In Process	Private Day Care
<u>Sold Property:</u>					
• Staff House No. 5W	Private Housing	2,799.0 sq. ft.	\$ 27,650.00	10/09/75	Residence
• Staff House No. 3N	Private Housing	2,484.0 sq. ft.	12,000.00	06/08/74	Residence
• Staff House No. 4E	Private Housing	1,200.0 sq. ft.	12,000.00	06/08/74	Residence
• Staff House No. 2C	Private Housing	2,000.0 sq. ft.	41,800.00	11/05/77	Residence
			13,690.00	11/01/78	Residence
			<u>\$ 95,140.00</u>		
<u>FARIBAULT</u>					
<u>Leased Property:</u>					
• City of Faribault	Land	536.0 acres	\$ 1 per term	05/31/98	Nature Interpretive Center
• Independent School District No. 656	Dakota Building/Pawnee Building		Mutual Benefit	07/15/83	Special Education Programs
• Farm Lease	Land	57.0 acres	3,099.00	12/31/84	Farming
			<u>\$ 4,000.00</u>		
<u>TOTAL ANNUAL RENT</u>					

TABLE 4
DISPOSITION OF SURPLUS STATE HOSPITAL PROPERTY
FROM JANUARY 1973 THROUGH AUGUST 1984
(continued)

LOCATION OF SURPLUS STATE HOSPITAL PROPERTY	SPACE TYPE	SPACE AREA	ANNUAL RENT OR SELLING PRICE	LEASE EXPIRA- TION DATE OR DATE OF SALE	CURRENT USE OF PROPERTY
F A R I B A U L T (cont.)					
Sold Property:					
• Staff House No. 71, Garage No. 72	Home	2,656 sq. ft.	\$ 27,200.00 ^b	--	Residence
• Staff House No. 73, Garage No. 74	Home	2,656 sq. ft.	26,300.00 ^b	--	Residence
• Staff House No. 75, Garage No. 76	Home	2,748 sq. ft.	34,000.00 ^b	--	Residence
• Garage No. 97		264 sq. ft.		--	Residence
• Staff House No. 98	Home	2,025 sq. ft.	34,750.00	04/21/76	Residence
• Garage No. 99		308 sq. ft.			No Information
• Staff House No. 100, Garage No. 101	Home	3,062 sq. ft.	30,150.00 ^b	04/21/76	Residence
• Staff House No. 102, Garage No. 103	Home	2,515 sq. ft.	25,200.00 ^b	04/21/76	Residence
• Superintendent's Residence No. 1	Home	8,362 sq. ft.	1.00 ^c	04/21/76	Razed
• Vacant Lot, Lot No. 5, Block 1		80' x 155'	4,600.00	04/21/76	No Information
• Vacant Lot, Lot No. 8, Block 1		89' x 155'	5,125.00	04/21/76	No Information
• Vacant Lot, Lot No. 9, Block 1		102' x 155'	7,100.00	04/21/76	No Information
TOTAL SELLING PRICE			\$ 194,426.00		

TABLE 4
DISPOSITION OF SURPLUS STATE HOSPITAL PROPERTY
FROM JANUARY 1973 THROUGH AUGUST 1984
(continued)

LOCATION OF SURPLUS STATE HOSPITAL PROPERTY	SPACE TYPE	SPACE AREA	ANNUAL RENT OR SELLING PRICE	LEASE EXPIRA- TION DATE OR DATE OF SALE	CURRENT USE OF PROPERTY
<u>FERGUS FALLS</u>					
<u>Leased Property:</u>					
• Ottertail Humane Society	Dairy Office, Calf Barn, Kennel, Pen		\$ 320.00	07/31/84	Humane Society Programs
• Ottertail Humane Society	Farm House		720.00	07/31/84	Humane Society Programs
• Independent School District No. 544	Building No. 21	14,334 sq. ft.	Mutual Benefit	09/30/83	Special Education
• Loomer	Building No. 23	12,713 sq. ft.	Mutual Benefit		
• Department of Health	Land	164.00 acres	16,841.00	12/31/84	Farming
	Building		<u>Transferred</u>		
			<u>\$ 17,881.00</u>		
<u>TOTAL ANNUAL RENT</u>					
<u>Sold Property:</u>					
• City of Fergus Falls	Acreage	7.83 acres	\$ 30,000.00	12/16/80	Road Construction
<u>Pending Property:</u>					
• Staff House No. 40	Private Home	2,352 sq. ft.		(as of 07/15/78)	Residence
• Staff House No. 46	Private Home	2,612 sq. ft.		(as of 07/15/78)	Residence
• Staff House No. 47	Private Home	3,171 sq. ft.		(as of 07/15/78)	Residence
• Staff House No. 48	Private Home	3,171 sq. ft.		(as of 07/15/78)	Residence
<u>MOOSE LAKE</u>					
<u>Transferred Property:</u>					
• Staff House No. 41		3,402 sq. ft.	Transferred		Transferred to Department of Natural Resources

TABLE 4
DISPOSITION OF SURPLUS STATE HOSPITAL PROPERTY
FROM JANUARY 1973 THROUGH AUGUST 1984
(continued)

LOCATION OF SURPLUS STATE HOSPITAL PROPERTY	SPACE TYPE	SPACE AREA	ANNUAL RENT OR SELLING PRICE	LEASE EXPIRA- TION DATE OR DATE OF SALE	CURRENT USE OF PROPERTY
<u>MOOSE LAKE^d</u>					
(cont.)					
Sold Property:					
• Staff House No. 40		3,402 sq. ft.	\$ 3,506.00	--	Residence
• Staff House No. 42		2,988 sq. ft.	31,200.00	--	Residence
• Staff House No. 43		2,988 sq. ft.	25,000.00 ^b	--	Residence
• Staff House No. 44		2,820 sq. ft.	20,500.00 ^b	1977	Residence
• Staff House No. 45		3,326 sq. ft.	30,250.00	1977	Residence
• Staff House No. 46		3,326 sq. ft.	28,000.00 ^b	1977	Residence
			<u>\$ 138,456.00</u>		
TOTAL SELLING PRICE					
<u>ST. PETER</u>					
Leased Property:					
• Brown/Nicollet Human Services	Building No. 35		\$ 4,800.00	03/31/84	Welfare, Public Health, Chemical Dependency, Corrections Programs
• Independent School District No. 508	Bartlett Hall	2,204 sq. ft. ^e	Mutual Benefit	06/30/85	Educational Services
• Brown/Nicollet Human Services	Tomlinson, Gluck Buildings Administration Building (Office)	533 sq. ft. ^e 511 sq. ft. ^f	Mutual Benefit 2,640.00	06/30/84	Social Service, Coordinating Services
• Robert Dutton	Land	220.00 acres	16,751.00	12/31/85	Farming
• L.V.R.P.	Building No. 23	16,072 sq. ft.	Mutual Benefit	--	Rehabilitation Program
• State Patrol	Half of Building No. 63	790 sq. ft.	Mutual Benefit	--	Office
			<u>\$ 24,191.00</u>		
TOTAL ANNUAL RENT					
Sold Property:					
• Building No. 88	Corn Crib	1,718 sq. ft.	\$ 410.00	No Information	No Information
• Building No. 46	Staff House	1,863 sq. ft.	420.00	No Information	No Information
• Building No. 85	Greenhouse	6,966 sq. ft.	425.00	No Information	No Information
• Building No. 42	Staff House	2,484 sq. ft.	13,900.00	No Information	No Information

TABLE 4
DISPOSITION OF SURPLUS STATE HOSPITAL PROPERTY
FROM JANUARY 1973 THROUGH AUGUST 1984
(continued)

LOCATION OF SURPLUS STATE HOSPITAL PROPERTY	SPACE TYPE	SPACE AREA	ANNUAL RENT OR SELLING PRICE	LEASE EXPIRATION DATE OR DATE OF SALE	CURRENT USE OF PROPERTY
ST. PETER					
Sold Property (cont.):					
• Building No. 43	Staff House	2,484 sq. ft.	\$ 12,500.00	--	Residence
• Building No. 44	Staff House	2,484 sq. ft.	11,200.00	--	Residence
• Building No. 45	Staff House	1,602 sq. ft.	6,200.00	--	Residence
• Building No. 40	Staff House	1,346 sq. ft.	14,000.00	--	Residence
• Acreage	Land	40.00 acres	36,000.00	1971	School District No. 508
• Acreage	Land	5.99 acres	100.00	01/14/81	Lutheran Church Cemetery
• Acreage	Land	54.26 acres	111,500.00	Unknown	City of St. Peter
TOTAL SELLING PRICE			\$ 206,655.00		
WILLMAR					
Transferred Property:					
• State Laboratory	Part of Building No. 4	100 sq. ft.		Continuous or 30-day notice	Gas Testing Laboratory
• State Patrol	Part of Building No. 2	300 sq. ft.		Continuous or 30-day notice	Sub-Station
Sold Property:					
• Staff House	Home	1,728 sq. ft.	\$ 2,155.00	1974	Private Residential Center
• Staff House	Home	1,728 sq. ft.	410.00	12/02/74	Private Residential Center
• Staff House	Home	2,600 sq. ft.	8,560.40	12/02/74	Private Residential Center
• Staff House R-3	Home	2,600 sq. ft.	10,450.00	11/06/78	Private Residential Center
• Staff House R-4	Home	2,900 sq. ft.	14,859.00	11/02/78	Private Residential Center
TOTAL SELLING PRICE			\$ 36,434.40		

SOURCES: Department of Administration, Real Estate, Marlo Hanson, Director; and Department of Public Welfare (now Department of Human Services), Residential Facilities Division, Jim Walker, Director

^aNo property was declared surplus and sold.

^bThis amount includes buildings and lot.

^cBuildings were sold at this amount and razed/destroyed.

^dNo property was leased in Moose Lake.

^eThis space was used for office space.

^fThis space was used for storage.

VII. NATIONAL SURVEY ON ALTERNATIVE USE OF STATE HOSPITAL FACILITIES

In order to determine alternative functions for entire facilities and vacated individual buildings within state hospital facilities, Developmental Disability Councils in all fifty states were sent a questionnaire in July of 1984.

Twenty-eight states either returned the questionnaire or phoned in their responses. It was soon discovered that disposition of surplus land and buildings is often the responsibility of several agencies within a state (e.g., the state hospital, state real estate division, Department of Mental Health, Department of Mental Retardation, building divisions, etc.). Additional questions concerning the size (square footage), leasing and sales agreements, and even current uses for vacated property would require extensive research beyond the scope of this study.

Project staff conducted an informal interview in an effort to gather as many ideas as possible on alternative use of state hospital facilities. The remaining states were contacted by phone and ultimately 43 states responded to the survey.

This section reports the response from this national survey. Information on entire facilities which have been, or are about to be, closed was obtained while the information on the number and current use of individual vacated buildings is general. In addition, the questionnaire did not specifically ask for vacated buildings which have been transferred to other state agencies or demolished and therefore, several states reported no surplus buildings when there may have been some.

Although the number or percentage of individual buildings used for specific purposes is unobtainable, this report will offer ideas and suggestions for possible alternative use of surplus land and buildings.

A. GENERAL FINDINGS

In all states surveyed, except Minnesota, the state initiates the process of declaring individual buildings surplus through regular inspections. In Minnesota, for the most part, Chief Executive Officers of the hospitals initiate the process or report surplus buildings, and the state handles the process thereafter.

Leasing agreements for entire facilities and individual buildings vary from state to state. Agreements range from a one-year lease to a ninety-nine year lease. When other state agencies assume occupancy, rental agreements range from free rent to paid rental (rental fees are either contributed to the

general fund or to the development of community services for the residents/patients previously served). Several states have initiated legislation which would require dedication of all revenue from the sale or lease of former state hospital facilities to community or state operated services for people previously served at the institutions.

Laws which govern the order of disposition of state property are common in the states. Surplus property must first be offered to the state agencies, then to counties, and last to the public. This is generally true whether the buildings are sold or leased, and whether it is an entire facility or an individual building. The one exception reported was in California where the property is offered for bids as soon as the surplus declaration is made. The current disposition laws of most states may account for the comparatively low number of private sales and leases.

Decreasing the size of the existing facilities is occurring across the nation. States reported renovation of buildings for lease or sale, subdivision of land, and demolition of buildings.

Demolition of buildings with resale of land was reported by many to be less costly than maintaining aging structures.

Conversion is also taking place. Multi-purpose facilities serving mentally retarded, mentally ill, and chemically dependent people are being converted to single purpose facilities. Consolidation of two or three separate hospitals and continuation of outpatient and/or county-operated services is another option currently utilized.

B. CLOSURE OF ENTIRE FACILITIES

Twenty-seven of the 43 states reported closure of entire hospitals and/or disposition of individual buildings on state hospital campuses. Specifically, 13 states reported the closure of entire state hospitals for a total of 31 closures (26 hospitals are currently closed and 5 are closing in the near future).

Of the 31 entire closures, the largest number (20 former state hospital campuses) have been (16) or are being (4) transferred to other state agencies. In addition, 5 have been sold, 3 are county-owned and operated, 2 have been demolished, and the status of 2 is undecided.

California, the only surveyed state to immediately offer surplus hospitals for bid (bypassing the surplus disposition

order found in most other states), has sold all 3 of its closed institutions: one to a religious group, one to a county mental health facility, and one to a college.

No entire facilities in the nation have been sold to private industry.

Over half have been converted from state hospitals to other institutions. The majority of institutions (16) continue to be state owned and operated.

C. CLOSURE OF INDIVIDUAL BUILDINGS

Twenty-seven states reported surplus buildings on state hospital sites. Individual buildings have been sold, leased, transferred, or demolished.

The disposition of surplus individual buildings also gives priority to state agencies, county, and private interests. The majority of buildings appear to be utilized by state and county agencies. State agencies are the most common users with a variety of correctional facilities appearing to utilize the most space. In addition, state health services, geriatric facilities and similar state services utilize space.

In some facilities, counties have acquired buildings for the care of short-term patients, independent living skill apartments, day treatment for mentally retarded people, day care centers, group homes for developmentally disabled people, county offices, etc.

Private groups are also renting buildings at state hospital facilities: churches, industry, commercial, and private social service agencies are among them. States have reported an increased interest in unoccupied buildings by private organizations.

D. CURRENT USES OF FORMER STATE HOSPITAL FACILITIES

The following list describes current alternative uses for entire state hospital facilities and for individual vacated buildings within a facility as reported by the 43 states responding to the survey.

Complete Facilities (31)

5 Sold

1 Federal Prison (Minnesota)	1 College (California)
1 Private Ctr. for Dev. Dis. (Ohio)	1 Religious Org. (Calif.)
1 Private Geriatric Apt. (Maryland)	

16 Transferred to Other State Agencies

7 Multi-Use (State, County, Fed.) 3 State VA Homes or Hosp.
5 State Prisons 1 State Admin. Offices

3 County Owned and Operated

1 County Detox. Center 1 County Devel. Dis. Ctr.
1 County Mental Health (Calif.)

2 Demolished

5 in Process of Closing

2 Scheduled to become Colleges 1 Undecided
1 Scheduled to become State Offices
1 Scheduled to become Geriatric Services

INDIVIDUAL BUILDINGS

Private Use: Leased or Sold

Canteens	Camps
Private Health Care Providers	Cultural Art Center
Industrial Park	Tree Farm
Thrift Store	Geriatric Facilities
Senior Citizen Centers	Little League
Language School	School District
Battered Women's Shelters	Indian Tribe Detox Center
Indian Tribe Daycare Center	Daycare Centers
Summer Camp for MR	Foster Grandparent Programs
Private Social Service Organizations	
Churches or Religious Organizations	
Individual Living Apartment for MR, MI	
Developmental Disabilities Group Homes	

Government Use

Sheriff's Office	State Prison
Adolescent Treatment	Orphanage
Outpatient Programs	Short Term Patient Care
Independent Living Apartments	Day Treatment for MR
State Penitentiary Trustee Housing	State Health Department
Geriatric Facilities	U.S. Post Office
State Dept. of Military Affairs	
Developmental Disability Group Homes	
Parks and Recreation (land use)	
State Vocational Rehabilitation Training	
Other State, County, and City Administrative Offices	
Technical, Vocational, Agricultural Colleges (3)	
Pre-Release Program for Department of Corrections	

VIII. DISPOSITION LAWS FOR SURPLUS PROPERTY

Currently in Minnesota, Chapter 94 of the Minnesota Statutes regulates the sale and disposition of surplus state-owned land. According to this law, the head of each department or agency certifies in writing to the Commissioner of Administration whether he or she has such state-owned land under his/her control which is surplus to the needs of the agency or department.

Following this written notice, the buildings and/or land must be disposed of in the proceeding order:

1. All state departments, agencies, and the University of Minnesota have four calendar weeks in which to acquire the property.
2. Within 60 days after the original notice that the land is no longer needed for state purposes, a survey and an appraisal are to be conducted if the value is estimated to be \$20,000 or more. Three or more appraisers, two of whom shall be residents of the county in which the land is situated, must be elicited.
3. Before offering property for public sale, such property must be offered to the city, county, town, school district, and other public bodies. These public bodies have four weeks in which to respond.
4. For four weeks following the third condition, and preceding a public sale, the commissioner of administration must publish notice of the pending sale.

This law and the conditions thereof are restated here for the purpose of relating the ways in which the law will determine alternative use of state hospital facilities. The law, in its present form, presents the following problems to this study of alternative use of state hospital facilities:

1. The State, followed by other public bodies, is entitled to first priority for utilization of state hospital facilities. Thus, all state and public agencies would have to be contacted to determine need. However, according to this law, the procedure cannot be started until the property is declared surplus.
2. In addition, appraisals cannot be conducted until a surplus declaration is made.
3. Once a surplus declaration is made, it is determined that no public body can utilize the facilities, and four months elapse, private parties can then bid on the property.

IX. SUMMARY

The major findings of this report on alternative use of state hospital facilities are as follows:

A. ALTERNATIVE USE CONSIDERATIONS

Specific alternative use decisions will require the active involvement of state, county, and local agencies, and state hospital communities if the economic impact on the community is to be significantly reduced.

During the town meetings in state hospital communities, alternative use suggestions were received for individual buildings and some county agencies expressed an interest in leasing individual buildings; however, no alternative use suggestions were discussed for entire facilities.

Until specific closure or consolidation decisions are made, communities are unlikely to consider alternative functions for the hospitals.

Chapter 94 laws require that private appraisals be conducted after state property has been declared surplus; yet private appraisals would be helpful in determining alternative uses for the facilities prior to an actual closure. This law also requires that state, county, and local governments receive three to four months in which to claim state property before it can be offered for private bids. This section of the law also limits an alternative use study.

Special purpose facilities, such as state hospitals, schools, etc., generally require three to four years for disposition.

Population density and distance from high density areas can determine the potential for alternate use. The hospitals located in the lowest density areas may be useful only as other institutional settings.

B. COST CONSIDERATIONS

Consideration should be given to demolition versus renovation of older buildings. For example, some hospitals currently have empty buildings which have been delicensed and decertified due to poor condition. These buildings continue to be minimally heated and maintained. Most of them are between 50 and 75 years old. If buildings are not demolished, surplus declarations should be initiated by the state in order that buildings can be leased or sold.

Currently, the chief executive officers in the state hospital system must request that a building be declared surplus. Present statutes allow consolidation of buildings and leasing or selling of individual buildings at state levels.

C. NATIONAL SURVEY FINDINGS

Generally speaking, other states reported that they do not save money by utilizing former state hospitals over renting or building other facilities. The reasons include condition, age, energy and renovation costs necessary to adapt the buildings.

Of the 31 hospital closures nation-wide, none have been purchased by private industry. One has been converted to geriatric apartments and one has been purchased by a religious organization.

Most former state hospitals in the nation have been converted to other types of institutions. Sixteen of them continue to be maintained by the state. All but five have been transferred to other government agencies.

Like Minnesota, all states surveyed, except California, have laws which give ownership priority to state, county, and local agencies before property is offered to the general public.

D. MINNESOTA STATE HOSPITALS: SPECIFIC FINDINGS

Anoka State Hospital and Fergus Falls State Hospital contain the highest percentage of patient/resident buildings which are 70 or more years old. Anoka and Fergus Falls also have the highest percentage of vacant and/or storage space. Fergus Falls is the second largest state hospital; Anoka is the smallest.

Brainerd and Moose Lake State Hospitals are the most recently constructed. Although St. Peter is the oldest hospital, most of the patient/resident buildings have been constructed in the last twenty years.

Moose Lake and Willmar State Hospitals contain no main buildings rated poor or fair to poor.

Faribault is the largest state hospital, both in square footage and number of buildings. Anoka is the smallest hospital in square footage whereas Brainerd has the fewest number of buildings.

Brainerd, Moose Lake, St. Peter and Willmar State Hospitals have the highest overall rating for physical condition of main buildings.

Currently, Faribault, Moose Lake and Willmar have the most excess capacity for additional licensed beds - with little or no renovation. See consolidation chart in Section V.

Anoka, Faribault, Fergus Falls, and Cambridge State Hospitals have the lowest overall rating for physical condition of main buildings. Forty-seven percent of the main buildings at Anoka are rated fair to poor or poor; seventy-nine percent fall into fair, fair to poor or poor condition. In Fergus Falls, while 11% of the main buildings are rated fair to poor or poor, this amounts to 26% of the hospital's square footage. Faribault contains a mixture of old and new buildings; 25% of the main buildings are rated fair to poor or poor, which amounts to 16% of the square footage. Forty-six percent of the main buildings at Cambridge are rated fair or fair to poor, although fifty-five percent (the newer buildings) are in excellent to fair to good physical condition. See Tables 1 and 2 and Figures 1 and 2 for detailed descriptions.

Several buildings within the state hospital system are vacant and/or deteriorated, whereas others are in good to excellent condition. Ratings in this report were determined through a comparative analysis conducted by the Department of Administration in December of 1982 and updated by individual CEOs. Before consolidation or future renovation occurs, a system-wide evaluation of buildings should be conducted. Buildings should be classified according to age, physical condition, code compliance and probable renovation expenditures. Buildings in the lowest classification should be evacuated and demolition should be considered. Discussions should occur with the Minnesota Historical Society regarding any buildings on the register.

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The 1984 Legislature mandated that a study and plan for Minnesota State Hospitals be prepared (Chapter 654, Section 19).

An Institutional Care and Economic Impact Planning Board was created composed of the following state agency heads: Sister Mary Madonna Ashton, Dept. of Health; Barbara Beerhalter, Dept. of Economic Security; Gus Donhowe, Dept. of Finance; Bill Gregg, Dept. of Veterans Affairs; Sandra Hale, Dept. of Administration; Leonard Levine, Dept. of Human Services; Orville Pung, Dept. of Corrections; David Reed, Dept. of Energy & Economic Development; Nina Rothchild, Dept. of Employee Relations; James Solem, Housing Finance Agency; and Tom Triplett, Chair, State Planning Agency.

Responsibility for the studies was given to the Developmental Disabilities Program/Council of the State Planning Agency.

Eight technical papers have been prepared to respond to the legislative requirements. This paper may be cited:

State Planning Agency. (1985, January). Policy Analysis Series Paper No. 1: Minnesota State Hospital facilities and alternative use. St. Paul, MN: Developmental Disabilities Program, State Planning Agency.

"Residents" refer to people with mental retardation who live in state hospitals.

"Patients" refer to people with mental illness and people with chemical dependency who receive services at the state hospitals.

Additional free copies of reports or information about this project can be received from:

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State Planning Agency
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