



Rent Savings

Fiscal Impact (\$000s)	FY 2014	FY 2015	FY 2016	FY 2017
General Fund				
Expenditures	(100)	(100)	(100)	(100)
Revenues				
Net Fiscal Impact	(100)	(100)	(100)	(100)

Summary

This proposal reflects projected rent savings from closing one of the Minnesota Department of Health’s three metro-area facilities. Savings come from consolidating some staff into existing leased space and relocating some department operations to smaller, low-cost space.

Background

The Minnesota Department of Health (MDH) is in the process of closing its facility at Snelling Office Park (SOP) in St. Paul. MDH also occupies approximately 160,000 square feet of state-owned space in the Orville L. Freeman Building on the capitol campus and approximately 125,000 square feet of leased space in the privately owned Golden Rule Building in downtown St. Paul.

MDH first began leasing space at SOP in 1997 and by 2012 was leasing nearly 65,000 square feet of space at SOP to support three main functions:

- Office space for metro-area field teams in two MDH program areas;
- Operations space for department support services such as shipping/receiving, warehousing, and printing; and
- Conference center space for MDH programs and their partners

When the landlord declined to renew MDH’s lease beyond December 31, 2012, MDH began a process of relocating these functions to other metro-area locations. Metro-area field teams were co-located with their respective programs at the Freeman and Golden Rule Buildings. Support services are being relocated to new leased space near SOP and conference center reservations are currently being rescheduled for other public and private conference space while the department evaluates cost-effective options for meeting its conference room needs.

Proposal

This proposal reduces the MDH general fund appropriation by \$200,000 per biennium to reflect rent savings from closing the Snelling Office Park location.

For more information:

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