



**Colorado  
Legislative  
Council  
Staff**

Room 029 State Capitol, Denver  
(303) 866-3521 • FAX: 866-3855 • TDD: 866-3472  
[leg.colorado.gov/lcs](http://leg.colorado.gov/lcs)  
E-mail: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

**M E M O R A N D U M**

February 28, 2018

**TO:** Capital Development Committee  
**FROM:** Kori Donaldson, Principal Research Analyst, 303-866-4976  
**SUBJECT:** Funding for Maintenance at Governor's Mansion

**Summary**

This memorandum responds to your request for more information about rental operations and outstanding controlled maintenance need at the Governor's mansion. These questions were asked in reference to two items pending committee action, including: (1) a request to recommend a transfer of \$150,000 State Historical Fund for upgrades to the exterior of the mansion; and (2) potential committee legislation LLS 18-1051, which creates the Governor's Mansion Maintenance Fund.

**Current Year Funding**

For FY 2017-18, there was a direct appropriation of \$220,000 cash funds to the Governor's Office for activities at the mansion. The source of cash funds is rental fees for events using mansion facilities. The appropriation pays costs associated with rental operations, including personnel and catering expenses. Under current law, the amount collected from rental activities in any given year is limited by the amount of the total appropriation in the annual Long Bill. This is an ongoing appropriation. A review of the amount listed in the Long Bill for the last five fiscal years shows that the appropriation increased from \$200,000 to \$220,000 cash funds in FY 2016-17.

An additional \$1.0 million General Fund was appropriated in FY 2017-18 through the Long Bill to the maintenance and historical renovation line in the Department of Personnel and Administration (DPA). The appropriation begins exterior repairs to the Governor's residence, including repairs to the building façade and gutters, downspouts, and storm water lines. The scope of work was identified as the most critical in a recent historic structures assessment commissioned by DPA. Funding for maintenance and historical renovation on behalf of the mansion was first requested for FY 2017-18.

## Events at the Mansion

DPA reports that there are between 130 and 140 events held each year at the mansion, of which about 110 are revenue generating. There is a two-tiered rental rate structure. Nonprofit organizations and government agencies are charged half the booking rate charged to corporate or other private users. DPA states that the rental rates were last set in spring 2011. Rate information can be found at: <https://tinyurl.com/y74gfb4u>. Event staff at the mansion estimate that as much as \$275,000 could be collected from rental fees annually under the current rate structure. The staff does not anticipate that additional events can be accommodated. As a point of comparison, a rate sheet from the Grant Humphreys Mansion — which is operated by History Colorado — can be found at: <https://tinyurl.com/yd44x84m>. The rates at the Grant Humphreys Mansion are higher overall and include a smaller discount for nonprofit organizations and state agencies.

## Proposed Funding

For FY 2018-19, there are three requests associated with funding operations and maintenance at the Governor's mansion, including:

- (1) \$220,000 cash funds of anticipated rental income to pay the cost of rental operations;
- (2) \$150,000 State Historical Fund for controlled maintenance of the building exterior; and
- (3) \$1,000,000 General Fund for additional controlled maintenance of the building exterior.

Item #1 in the list above is recommended for funding through the operating budget by Joint Budget Committee (JBC) staff. Should the bill under consideration by the Capital Development Committee (CDC) for introduction as committee legislation (LLS 18-1051) be adopted, the Governor's Office will likely increase the amount collected from rental income by as much as \$50,000 in the first year. It is likely that the collections will increase over this amount if and when the event staff at the mansion adopt a higher rental rate structure. If the additional earnings are modest, they most likely will be spent on small maintenance projects and to refurbish finishes in the event space. Moneys collected above and beyond the minor maintenance needs may be spent for controlled maintenance. However, the draft bill under consideration would require CDC review for spending of this nature. Typically, controlled maintenance projects cost more than \$15,000 and less than \$2.0 million.

Item #2 in the list above was briefly presented to the CDC for consideration at the committee's February 5 meeting. The \$150,000 would be spent to restore windows and storm windows at the mansion. The funding will only be made available if the requested amount is transferred from the State Historical Fund to DPA through legislation.

Item #3 in the list above is recommended for funding through the operating budget by JBC staff. DPA confirms that the scope of work planned for the \$1.0 million is above and beyond the \$150,000 requested from State Historical Fund. The \$1.0 million appropriation would largely pay the costs associated with replacing the roof on the mansion and rebuilding a brick wall adjacent to the Visitor Center.

## **Outstanding Controlled Maintenance Need**

The outstanding controlled maintenance need for the mansion was identified through a 2014 facilities assessment conducted as part of the Capitol Complex Master Plan. There are five identified projects that are not addressed through the FY 2017-18 appropriation or the funding requested for FY 2018-19. The projects are listed below and include an estimated construction cost.

- (1) Replace electric panel boards and wiring (\$723,794);
- (2) Repair site drainage problems (\$1,725,966);
- (3) Tuck point brick and major masonry repair (\$1,119,534);
- (4) Rehabilitate remaining perimeter site wall/fence (\$448,000); and
- (5) Replace landscape lighting (\$357,840).

The cost estimates shown in the list above do not include ancillary expenses such as professional services, code review, or a contingency budget. Legislative Council Staff estimates the total cost to complete all five projects is \$5.2 million, including any potential ancillary costs.