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MONTANA HISTORY CENTER
Adaptive Re-use of the Capitol Hill Mall
(New Home For Montana Historical Society)

SENATE PROPOSE AND CLAIMS
EXHIBIT NO. 11
DATE 4-5-05
BY HB 540

Why is this a great project?

1. MHS has a critical need for expanded and better quality space to meet its mandates.
2. Re-adaptive use of this 250,000 square-foot space is much cheaper than building a new building. Savings are estimated to be greater than \$20 million.
3. The property is 13 acres with adequate parking (700 spaces) for RVs, school and tour buses, and visitors. (Any on-state-campus proposal would require a parking garage at \$6 million.)
4. The existing structure is 250,000 square feet, all on one level, which will meet the Society's 50 to 100 year goals.
5. The location is ideal since it adjoins the north end of the current state campus, the direction the current growth is going, while being only a "five-minute walk" from the State Capitol steps.
6. The traffic flow is ideal. All cars that exit at the Helena south exit off of I-15 must pass this property to visit Helena both coming and going on Prospect/11th Avenues. The property has 2,000 feet of street frontage.
7. Because the property is all on one level, improvements and remodeling for Historical Society purposes can be done in phases without interrupting service.

Why now?

The property is for sale, has been offered to the state for a limited time frame, which expires June, 2005 (asking price \$10 million).

What is the cost versus new construction?

The estimated cost of acquisition is \$10,000,000, and remodel of the Capitol Hill Mall is \$31,445,000 -- compared to \$63,000,000 for new construction.

Is there an opportunity for private fundraising and matching funds?

Yes -- \$20,000,000 can likely be raised from the private sector, and the Montana History Foundation is willing to take the lead to accomplish this. Fundraising of this magnitude takes a solid commitment from the state, a defined property and comprehensive plans regarding architecture and engineering.

How would the state share be funded?

The state share could be secured in a state bonding bill or by direct appropriation. The Historical Society is a statewide agency that serves every county and all Montana's citizens. Better care of the collections, more space to exhibit, consolidation of all four currently leased Society facilities, better research space for state and private records/materials, larger space for education and interpretation, etc., will benefit the whole state.

How will the anticipated higher operating costs of a newly remodeled facility be addressed?

There are several factors which will help offset operations:

1. The 225 North Roberts building, ideally located immediately adjacent to the Capitol, will be available for other state entities to occupy at a lower cost.
2. Attendance will increase generating more fee revenue. (The Buffalo Bill Museum in Cody, Wyoming is a model for this type of increase in tourism.)
3. It will be possible to lease out some space for several years, which will generate revenue.
4. Current funds the Society pays for renting three facilities equals \$330,000, which can be redirected to offset operations expenses.

Are there any other alternatives as viable as the Capitol Hill Mall?

There are no options which are as good or better. All alternatives have problems associated with them which make them less viable than the Capitol Hill Mall alternative. For example:

1. Build a new facility elsewhere: The cost is almost \$22 million more, assuming comparable property can be obtained.
2. Add onto existing structure:
 - a. There is little room on campus for this without displacing even more parking.
 - b. Raising private funds for an addition to a state-owned building in the heart of the state campus would be almost impossible.
 - c. The disturbance to the collection during renovation of the existing structure would be considerable, and the museum and research center would have to be closed for two to three years, which would have considerable negative impacts on operations.
3. Pick up other existing buildings in Helena such as the Federal Reserve Bank :
 - a. This would fragment the Society even more than it is now. Currently MHS occupies four buildings. If this site were added, this would be five separate sites, which make public service more difficult and increase costs of security and management.
 - b. We need at least 200,000 square feet of space with room for long-term growth (the mall has 250,000 square feet). Even with the addition of the Federal Reserve Bank, this space goal would not nearly be met, and there would again be little or no long-term expansion capability.
4. Live with what we have

Currently we have inadequate storage, exhibit areas, research areas, auditorium space, education space, quarantine and preparation space, meeting space, merchandising space, parking, expansion opportunity, etc. We are bulging at the seams, and something must be done. Our mandate is to preserve all state records, care for, interpret and collect representative examples of Montana history through art and artifacts, and interpret our history through education. The existing facility is so inadequate that soon we will be unable to meet our statutory requirements.

Conclusion:

This is a rare opportunity, and we must act now.