

CAPITOL COMPLEX MASTER PLAN AND HISTORICAL SOCIETY MUSEUM BUILDING UPDATES

A Report Prepared for the
Legislative Finance Committee

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INTRODUCTION

This report will provide the Legislative Finance Committee (LFC) with background information concerning two, recently publicized, Long-Range Building Program (LRBP) projects, the Capitol Complex Master Plan and the Historical Society Museum Building. Personnel from the Department of Administration, Division of Architecture and Engineering (A&E) will be available at the October 9, 2007 LFC meeting to provide detailed information and answer any questions about the projects.

CAPITOL COMPLEX MASTER PLAN

The 60th Legislature appropriated funds totaling \$650,000 for a project titled “Campus Master Planning” in HB 4, of the May 2007 Special Session. A portion of the appropriation, an amount of \$250,000, would enable Department of Administration (DOA) to prepare a new Capitol Complex Master Plan. The current plan has not been updated since 1972. DOA is statutorily required to maintain a capitol complex master plan per 2-17-805, MCA, which reads:

(1) With advice from the council [Capital Complex Advisory Council], the department of administration shall establish and maintain a long-range master plan for the orderly development of the capitol complex.

The proposed plan was presented to the Capital Complex Advisory Council on September 12, and the council is taking public commentary on the plan through October 12, 2007. After the public comment period is over, the council will provide DOA with their advice on the plan, per the statutory requirement.

The new plan was developed with 10 and 20 year completion components. The 10 year plan proposes the locations for the construction of three new buildings, a parking garage, and the development of several parking areas. The 59th Legislature approved funding and authority for one of the buildings included in the plan, the Historical Society Museum building. The 20 year plan suggests that the Scott Hart building, FWP building, and part of Mitchell building may need to be replaced, in acknowledgement of the buildings life expectancy and the deteriorating condition of the current structures. The 20 year plan also displays the space availability for an addition to the current Historical Museum building, one new building, and another parking structure. Both plans propose general landscape upgrades, the creation of a more pedestrian friendly environment, and a green boarder to demark the boundaries of the capitol complex.

If future legislatures determine that the need exists for new state space and approve portions of the recommendation, there will be a fiscal impact to the state related to the new plan. While the plan displays the locations of several new buildings, which could be constructed during the next two decades, it does not detail the size, style, or use of the new buildings. Instead the plan only provides recommendations of where new structures might be located if new space is approved at a future date. Because the plan does not outline the building specifications, it is impossible to quantify the future fiscal impact.

DOA is statutorily required to establish and maintain a long-range master plan with the advice of the Capitol Complex Advisory Council. Statute does not require administrative or legislative approval of the plan. As such, the development and approval of the plan is strictly the role of the DOA. Should the LFC have any concerns about the Capitol Complex Master Plan, as presented at the October 9 LFC meeting by the A&E Division, the LFC may opt to direct the committee’s comments, in the form of a letter, to the Capitol Complex Advisory Council prior to the end of the commentary period, October 12, 2007. The Council will be meeting again to provide advice on the Capitol Complex Master Plan on October 17, 2007.

NEW HISTORICAL SOCIETY MUSEUM BUILDING (HERITAGE CENTER)

The new Capitol Complex Master Plan recommends a location for the new Historical Society Museum Building, now named the “Heritage Center”. The new building was approved by the 59th Legislature in both HB 5 and HB 540, and the project was titled “Montana Historical Society Building” in both bills. HB 5 provided the authority for the expenditure of \$30 million in donations and HB 540 provided an appropriation of \$7.5 million in bond proceeds, a total of \$37.5 million, for the “new building”. The new Historical Society building project was not included in the original LRBP project recommendations as requested by the executive to the 59th Legislature. Instead, the new building project was added to the LRBP by the legislature after public testimony concerning the project.

Testimony for Historical Society Building project, during the Long-Range Planning Subcommittee (LRP) hearings of the 59th Legislature, became highly publicized when representatives of the Montana Historical Society announced that an opportunity existed to enter into negotiations for the purchase of the Helena Capital Hills Mall for the location of the new museum. The 59th Legislature provided \$7.5 million of bond proceeds, or state funding, for the new Historical Society Building. Implicitly, the funds were provided to allow negotiations for the mall to proceed in earnest, yet formally, the bond proceeds were simply made available for the new museum building. Consequently, there is no requirement for the Historical Society Museum Building to be constructed at the Capital Hills Mall location.

Following public testimony suggesting that the mall structures contained health and life safety problems, legislative members of the 59th LRP subcommittee insisted that A&E thoroughly investigate the mall and properties, prior to entering into serious negotiations for purchase of the property. A&E agreed to the requirement (“due diligence” surveys are always required in the state purchase of structures and lands). Per request and requirement, the due diligence surveys were conducted on the mall. After receiving the results of the due diligence surveys and consulting with the administration, the decision was made not to pursue the purchase of the mall with the intent of placing the Heritage Center at that location. According to A&E, the current buildings of the Capital Hills Mall would not provide an adequate structure for the Heritage Center and the recommended funding would not be sufficient to construct the new building, estimated to cost \$64.5 million. Consequently, if the Heritage Center were to be located at the mall, the project would have to be revisited by the legislature for increases in the project funding.

At this time, both A&E and the consultants who designed the Capitol Complex Master Plan believe the best location for the Heritage Center is at the corner of 6th Street and Roberts, in the Helena Capitol Complex. The new building project could be constructed at the location at a cost that is within the current budget, as established by the 59th Legislature. Determining the location of the Heritage Center is essential to Historical Society in order to allow the fund raising efforts to begin. Actual construction of the Heritage Center will not begin until all of the donated construction funds are raised.

A&E staff will be available at the October 9th meeting of the LFC to discuss the plans, to date, for the Heritage Center and to answer any questions the committee may have in regards to the project.