



MONTANA LEGISLATIVE BRANCH

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: February 20, 2008

TO: Members of the Legislative Finance Committee

FROM: Cathy Duncan, LRP Analyst

RE: Historical Society Museum Building (Heritage Center) Update (no presentation)

Since the October 9, 2007, report to the Legislative Finance Committee (LFC), entitled "Capitol Complex Master Plan and Historical Society Museum Building Updates", little progress has been made in determining the location of the museum building.

At the October 17 meeting of the Capitol Complex Advisory Council, council members took public testimony on the location of the new museum building. The council has no authority to provide recommendations to the Department of Administration related to the location of buildings on the capitol complex, but the council is charged with making recommendations related to the long-range master plan for the capitol complex. Because the potential purchase of the Helena Capital Hills mall property may have ramifications on the proposed capitol complex master plan, through the addition of land to the capitol complex proper, members pursued the issue. Following the testimony, members voted 4 to 2 in favor of the purchase of the mall site.

Two major deadlines related to the Heritage Center were established on January 31, 2008, and neither deadline was met. The first was a deadline that mall owners set for the state to sign the contract for the \$7 million property purchase. The second deadline, set by the Department of Administration (DOA) on November 19, 2007, required "mall site backers" to raise \$24 million for the museum building project. According to news reports, mall owners have stated that they could "extend some deadlines". No word has come from the DOA concerning the extension of the fundraising deadline.

At this time, no decisions have been made concerning the location of the new Heritage Center. Because the museum location stands in "limbo", approval of the capitol complex master plan has also been postponed. The LFD will provide more information to the committee as it becomes available.