

MONTANA HISTORIC PRESERVATION GRANT PROGRAM

PROGRAM BUDGET COMPARISON

Figure 45 compares the 2023 biennium appropriated budget to the 2025 biennium appropriated budget by type of expenditure and source of funding.

Figure 45

Program Comparison -Montana Historic Preservation Grant Program				
Budget Item	Budget 2023 Biennium	Budget 2025 Biennium	Biennium Change	Biennium % Change
Number of Grants	26	44	18	69.2%
Grants Cost	<u>Appropriated</u> 5,490,121	<u>Appropriated</u> 11,368,044	5,877,923	107.1%
Total Costs	\$5,490,121	\$11,368,044	\$5,877,923	107.1%
State Special	5,490,121	11,368,044	5,877,923	107.1%
Total Funds	\$5,490,121	\$11,368,044	\$5,877,923	107.1%

PROGRAM DISCUSSION

The Montana Historic Preservation Grant (MHPG) Program, administered by the Department of Commerce (DOC) and codified in Section 22-3-1305, MCA, provides competitive grants to historical societies, history museums, and other public or private entities for the preservation of Montana’s history and historic sites. MHPG project grants are available on a competitive basis and are submitted to the DOC on a biennial basis. Eligible applicants include, but are not limited to a person, association, or representative of a governing unit.

SUMMARY OF LEGISLATIVE ACTION

The 68th Legislature passed HB 12, increasing the appropriation and the number of grants that would be funded. As introduced, the appropriation in HB 12 funded 29 out of the 48 projects included. The legislature made several changes, allowing the resulting full list of projects in HB 12 to be funded. Changes included:

- Eliminating six grant recommendations
 - One grant in Glendive
 - One grant in Virginia City
 - One grant in Lewistown
 - One grant in Red Lodge
 - One grant in Townsend
 - One grant in Thompson Falls
- Reducing 13 grant awards
- Adding two new projects: a grant for the Blackfoot Spiritual & Heritage Center and a grant for the Walkerville Community Market

The legislature added the following clarifications to the requirements of the program:

- Projects funded must provide a significant portion of the facility that must be open to public access and use. Projects that confer only a private benefit are not eligible

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- Additional grant criteria to be considered include the degree of local contribution to the project and the anticipated public benefit such as the extent the site or building will be open to the public and the degree of immediate facility use after project completion
- Grant recipients must enter into a definitive, binding contract with a qualified contractor to construct the project prior to September 30 of the even-numbered year proceeding the next regularly scheduled legislative session. If the grant recipient does not meet this deadline, funding will be reverted to the historical grant program account and available for appropriation for the next biennium's grants
- A grant recipient can request one 2-year extension if they fail to meet the September 30 deadline, but only under one of the following conditions:
 - The project was damaged in a fire or by another form of casualty
 - The grant recipient failed to find a qualified contractor to construct the project and diligently pursued all reasonable avenues to find a qualified contractor
- Any cost overruns for projects are the responsibility of the grant recipient; no supplemental grant funding will be provided

There were three projects authorized during the 2021 Legislative Session that, for various reasons, were unable to meet start-up requirements to receive grant funding. The 68th Legislature amended the 2021 Session law to remove those projects and make that funding available for additional grants in HB 12. It's possible that the grant recipients may re-apply for grant funding in the future when they're able to meet the start-up requirements.

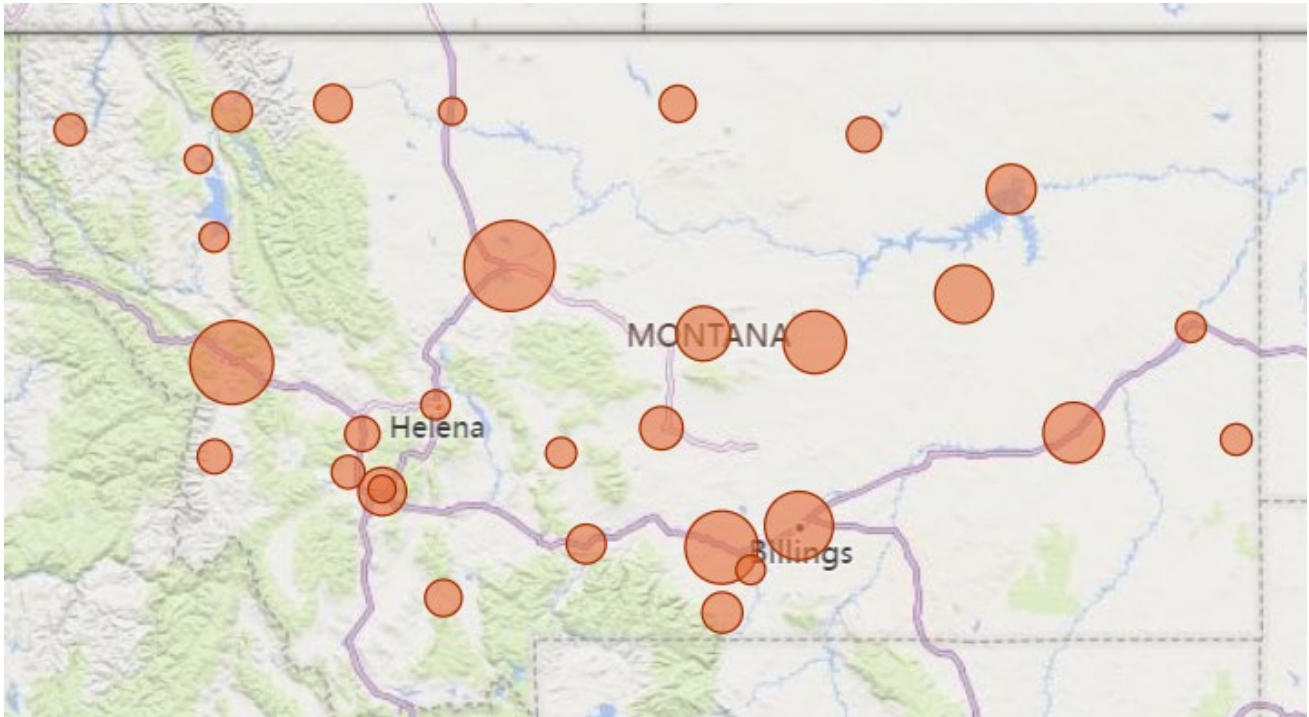
The projects and grant funding removed were:

- The People's Center in Pablo, Confederated Salish and Kootenai Tribes - \$50,600
- O'Fallon Historical Museum in Baker, Fallon County - \$298,657
- Blaine County Museum in Chinook, Blaine County Museum - \$60,240

Figure 46 shows a map of the HB 7 projects that were authorized; the funding, denoted by the size of the marker in the map, includes both state and matching funds. Figure 47 on the following pages provides a complete listing of the grants authorized by the 68th Legislature.

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Figure 46



MONTANA HISTORIC PRESERVATION GRANT PROGRAM

Figure 47

Montana Historic Preservation Grant Program (MHPG) HB 12 - 2025 Biennium					
Rank	Project/Project Description	Project Type	Total Project Cost	Grants Authorized	Cumulative Total
1	Harlowton Roundhouse Repair the exterior walls, windows, and doors to insulate the historic Milwaukee Road's Harlowton Roundhouse	Historic Site	865,000	375,000	375,000
2	Fort Peck Theatre Updated heating, cooling, and ventilation to be able to keep the 1934 Fort Peck Theatre open year round rather than just seasonally	Historic Site	1,047,945	500,000	875,000
3	Baker State Bank Building Replacing the roof on the Baker State Bank Building	Historic Site	195,000	160,000	1,035,000
4	Petroleum County Courthouse Rehabilitation and adaptive reuse of the Petroleum County Courthouse to create four apartments and five office spaces on the underutilized second floor of the courthouse	Historic Site	1,650,000	498,720	1,533,720
5	Milligan Building Restoration of the windows, doors, ceiling, floors, and façade, and rebuilding of the storefront in a historically accurate manner for the Milligan Building in Miles City	Historic Site	13,200,000	500,000	2,033,720
6	Ringling Church Installing a new roof and listing on the National Register of Historic Places for the Ringling Church in Ringling	Historic Site	170,128	141,773	2,175,493
7	National Museum of Forest Service History Installation of security and fire suppression systems, climate control, and storage in the repository for the 50,000 items in the collections at the Conservation Legacy Center	History Museum	12,600,000	300,000	2,475,493
8	Historic Teslow Grain Elevator Completing structural reinforcement to the foundation and wooden walls, installing exterior insulation, adding 2 additional floors and code complaint stairs as part of a larger commercial reuse of the historic grain elevator	Historic Site	665,102	392,277	2,867,770
8	A.D. Whitcomb Garage Upgrade of the electrical system for code compliance, plaster wall repair and painting, window and exterior door replacement	History Museum, Historic Site	170,458	136,366	3,004,136
10	Have Beneath the Streets Removing and replacing the sidewalk, interior wall, lighting, security system, and handicap stairlift in the vaulted sidewalk to reopen a portion of Have Beneath the Streets	History Museum	447,172	359,672	3,363,808
11	Hockaday Museum of Art Replacing the heating and duct system in a 1904 former Carnegie library operating in downtown Kalispell as an art museum that offers youth and adult educational programming, classes, and tour	Historic Site	50,000	31,000	3,394,808
11	Historical Museum at Fort Missoula Updating the security system, installing climate control system, constructing access for collections movement and processing, and exterior restoration to transform Building T 203 at Fort Missoula into an appropriate space for museum collections storage	History Museum	340,684	175,200	3,570,008
13	Shelby Town Hall Installation of historically accurate windows on the old Shelby Town Hall	Historic Site	7,000	5,600	3,575,608
14	Coggswell-Taylor House Stabilizing and repairing the foundation, floors, walls, and roof along with rehabilitating and installing basic utilities within the Coggswell Taylor House in Virginia City	Historic Site	261,562	141,250	3,716,858
15	Rocky Mountain Building Restoration of the façade, including replacing windows, on the Rocky Mountain Building in Great Falls	Historic Site	1,162,487	400,000	4,116,858
15	The History Museum Installation of HVAC and exterior wall insulation, electrical upgrades, flooring reinforcement, and a "visible vault" with additional storage for the collections at the History Museum in Great Falls	History Museum	425,000	340,000	4,456,858
15	Copper Village Museum and Arts Center Expansion of the fire suppression and alarm system into the first, second and attic floors of the old Anaconda City Hall owned and operated by Copper Village Museum and Arts Center	History Museum, Historic Site	282,000	235,000	4,691,858
18	Historic Hotel Libby Reroof of the Historic Hotel Libby to allow all additional renovation projects to move forward with the ultimate goal of opening as a fully functional hotel for the community of Libby	Historic Site	217,074	173,659	4,865,517
18	Old Roosevelt School Window repair and replacement at the Old Roosevelt School in Red Lodge	Historic Site	459,473	367,578	5,233,095
20	Kelly Block Building Replacing the roof framing, reroofing the roof, rehabilitating the original penthouse, and installing two fire stairs for code compliance in the Kelly Block in Uptown Butte	Historic Site	8,500,000	500,000	5,733,095

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Figure 47 Continued

Rank	Project/Project Description	Project Type	Total Project Cost	Grants Authorized	Cummulative Total
20	Montana Club HVAC system upgrades and ADA compliant restrooms	Historic Site	112,766	90,040	5,823,135
20	Charles Krug House Replace the windows in the 1907 Charles Krug House, which currently operates as a 25 room Airbnb, business and office space location in Glendive	Historic Site	175,000	116,000	5,939,135
23	Edwards & McLellan Block Restoration of the historic cornice, installation of energy efficient and code compliant storefront windows, foundation stabilization	Historic Site	359,390	221,590	6,160,725
25	Hickman House Structural stabilization and preservation of the long vacant and deteriorated residential structure	Historic Site	234,073	161,201	6,321,926
25	Paris Gibson Square Museum of Art Bat exclusion, clean up, and exterior window repainting of the Paris Gibson Square Museum of Art housed in the former Central High building in Great Falls built in 1896	Historic Site	368,129	300,979	6,622,905
25	Billings Depot Refinishing of exterior doors, repairs to sidewalks, roof, and floors, restoration of the Historic Post Building at the Billings Depot	Historic Site	518,000	414,400	7,037,305
28	Babcock Theatre Rehabilitation of the historic marquee, replacement of the sidewalk/basement vault and exterior doors, and installation of historically accurate non slip tiles in the outer entry floor of the Babcock Theater in Billings	Historic Site	301,000	236,000	7,273,305
29	Wheeler Cabin Repairing the roof, upgrading plumbing and electrical, installing bathrooms, parking, and accessible paths, regrading the sides of the structure, repairing the foundation, sill logs, doors, windows, balcony, and exterior of the Wheeler Property in Glacier National Park	Historic Site	610,305	493,200	7,766,505
29	Blackfeet Tribe Blackfoot Spiritual & Heritage Center	History Museum/ Historic Site		500,000	8,266,505
30	Stillwater County Installation of an exterior addition to the Stillwater County Courthouse that will include ADA compliant access and restrooms to all four floors	Historic Site	2,125,200	500,000	8,766,505
30	Waite House Complete renovation at the 1909 Waite House in Lewistown	Historic Site	1,030,000	270,000	9,036,505
33	Billings Preservation Society - Moss Mansion Heating System Replacement for the Moss Mansion to prevent irreparable damage to the building envelope of the visible tourist attraction for Billings	History Museum/ Historic Site	700,000	500,000	9,536,505
34	Homeward, Inc. - Oulette Place Repainting and repairing exterior brick, repairing and replacing windows, refinishing original wood doors, and installing security cameras in the Ouellette Place in Lewistown	Historic Site	359,200	100,000	9,636,505
34	Homeward, Inc. - Acme Historic Hotel Roof and chimney caps replacement, the exterior brick surfaces repointing, chillers replacement, entry way flooring replacement, and the addition of security cameras for safety	Historic Site	401,600	100,000	9,736,505
36	Great Falls Civic Center Replacement of ceiling tiles and restoration of the ceiling; upgraded theater seating to meet current best practice and improve ADA accessibility	Historic Site	1,086,567	250,000	9,986,505
37	Miles City Convent Keepers Community Center Replacement of the structurally failing elements of the elevated porch on the north entrance of the Miles City Convent Keepers Community Center	Historic Site	150,313	119,688	10,106,193
38	Homeward, Inc. - Lenox Flats Building Chiller replacement, roof replacement, masonry repointing, repainting wooden trim and architectural elements, window repair, interior common area flooring and fire panel replacement, and security camera installation	Historic Site	370,630	100,000	10,206,193
38	Miles City Elks Lodge #537 Replace windowpanes and preserve historic leaded transom windows, replace the unusable furnace on the 3rd floor with two high efficiency furnaces, replace damaged plumbing, and replace fuse boxes with electrical code complaint breaker	Historic Site	250,000	200,000	10,406,193

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Figure 47 Continued

Rank	Project/Project Description	Project Type	Total Project Cost	Grants Authorized	Cummulative Total
40	Daly Mansion Repairs to plaster walls, replacement of wallpaper, and bringing the rooms back to their original condition of the 1910 structure	Historic Site	333,000	100,000	10,506,193
40	Garfield County Museum Construction of a new museum facility for the Garfield County Museum that will accommodate year round operation	History Museum	1,440,000	400,000	10,906,193
43	Deer Lodge City Hall Restoration of the building columns, clock tower, mantel, and lintels; brick repointing; repair and replacement of cracked and nonfunctioning windows; completion of a Preliminary Architectural Report	Historic Site	355,500	283,500	11,189,693
45	Joliet Town Hall and Courthouse Replacement of the ceiling, electrical, plumbing, insulation, interior walls, windows, flooring, and an ADA compliant restroom in the Joliet Town Hall	Historic Site	100,000	83,000	11,272,693
47	Miracle of America Museum Reconstruct historic 1930s barn damaged by fire.	History Museum	116,204	70,351	11,343,044
49	Walkerville Community Market	Historic Site		25,000	11,368,044
Total MHPG Grants			\$54,212,962	\$11,368,044	

FUNDING

The historic preservation grants account funds appropriations for MHPG projects authorized by the legislature. The account receives revenues as established in 15-68-820, MCA, the accommodations sales tax. The account will receive the following:

- Until December 30, 2024, 5.0% in the account established in 22-3-1307, MCA for historic preservation grants
- Starting January 1, 2025, 6.0% in the account established in 22-3-1307, MCA for historic preservation grants

The allowable uses of the historic preservation account, as provided in 22-3-1307, MCA, “may be used only for historic preservation grants to be administered by the department of commerce.” Unlike many of the other grant programs of the LRP budget, administrative costs are not funded through the grants account. Figure 48 shows the projected balance of the historic preservation grants state special fund for the 2025 biennium. The fund is expected to begin the 2025 biennium with a fund balance of \$3.0 million. This includes the reversion of funding for the three projects that were struck from 2021 Session law due to not meeting start-up conditions. Total revenue deposited into the account in the 2025 biennium is projected to be \$8.4 million. This includes the 1.0% increase beginning January 1, 2025.

Figure 48

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Montana Historic Preservation Grants - 2025 Biennium					
Account - 02217					
	FY 2022 Actual	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	2025 Bien. Projected
Estimated Beginning Fund Balance	\$1,784,169	\$4,126,100	\$2,608,108	(\$4,518,675)	\$3,017,605
2021 Session Projects Removed			<u>409,497</u>		
			3,017,605		
Revenue Projections ¹					
Accommodation Sales Tax	3,263,645	3,408,265	3,831,765	4,531,381	8,363,146
Expenditures					
Prior Biennium	355,602	2,202	0	0	0
2025 Biennium Grants	566,066	4,924,055	11,368,044	0	11,368,044
Fund Balance Adjustment	<u>46</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures/Appropriations	921,714	4,926,258	11,368,044	0	11,368,044
Ending Fund Balance	\$4,126,100	\$2,608,108	(\$4,518,675)	\$12,706	\$12,706
HJ 2					

Total appropriations from the account for projects authorized are \$11.4 million. The resulting balance at the end of the 2025 biennium is projected to be approximately \$13,000.

EXECUTIVE BUDGET COMPARISON

Figure 49 provides the legislative changes from the executive budget proposal.

Figure 49

Executive Budget Comparison - Montana Historic Preservation Grant Program				
Budget Item	Budget	Budget	Change	% Change
	2025 Biennium	2025 Biennium		
Number of Grants	29	44	15	51.7%
Grants Cost	<u>Proposed</u> \$8,501,314	<u>Appropriated</u> \$11,368,044	\$2,866,730	33.7%
Total Costs	\$8,501,314	\$11,368,044	\$2,866,730	33.7%
State Special	8,501,314	11,368,044	2,866,730	33.7%
Total Funds	\$8,501,314	\$11,368,044	\$2,866,730	33.7%

As shown in Figure 49, the legislature appropriated an MHPG budget that was \$2.9 million, or 33.7%, higher than the executive proposal, and the number of MHPG grant awards was increased by 15. The executive proposal was for an appropriation amount of \$8.5 million to fund 29 projects out of the 48 projects that were included for authorization in HB 12. The legislature made several changes including removing 6 projects, reducing funding authorized for 13 projects, and adding 2 projects. The appropriation amount was increased to \$11.4 million, which fully funded the list of projects authorized.

OTHER LEGISLATION

The 68th Legislature enacted the following legislation that impacts the MHPG:

- Coordination language was included in HB 5 that reduced the grant funding authorized for one of the MHPG projects, the Harlowton Roundhouse, by \$25,000 and also added authorization for a new project,

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the Walkerville Community Market, for \$25,000. This change provided authorization for the projects but did not impact the appropriation amount in HB 12 since the reduction equaled the amount for the new project

- HB 795 provided exemption for the Department of Commerce from review for infrastructure projects or planning under the Montana Environmental Policy Act (MEPA). As part of the application process, grant recipients have been required to conduct an environmental review; this legislation will change that requirement for the application process