

RESTORATION OF STONEWALL HALL

Montana's Oldest Surviving Territorial Capitol Building



MHPG Application

February 2024



Restoration of Stonewall Hall

Application Eligibility Screening Checklist

1. Is the applicant an eligible person, association, or governmental unit?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
2. Is the applicant a resident or registered business in the State of Montana?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
3. Is the project for a historical society or history museum?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
4. Is your project a historic site/building as defined by being listed on National, State, or Local Historic Registry, contributes to a historic district, or more than 50 years old and has documented significance to the history of a Montana community or region?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
5. Is your project a private residence only? Projects that confer only a private benefit and not open to the public are ineligible.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
6. Will the site/museum be open immediately after project completion?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
7. Does the project address Internal or external “brick-and-mortar” improvements, infrastructure, building renovation, maintenance, building code issues; climate control, or fire protection?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
8. What is the total project budget?	\$ <u>1,298,422</u>
9. What is the total project match?	\$ <u>798,422</u>
10. Completed <i>Environmental Review Process</i> demonstrating compliance with the Montana Environmental Policy Act, Title 75, Chapter 1, MCA.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

MHPG Application Section I.

1. **Applicant:** Montana Heritage Commission

2. **Property Owner (if different from applicant):** _____

3. **Authorized Representative of Applicant:** Elijah Allen Title: Executive Director

Address: 300 W Wallace Street City: Virginia City Zip Code: 59755

Phone: 406-843-5247 E-mail: eallen@mt.gov

4. **Primary Contact:** (same as above) Title: _____

Address: _____ City: _____ Zip Code: _____

Phone: _____ E-mail: _____

5. **Project Type:** Please select one type under the appropriate eligible project type

Historic Site Historical Society History Museum:

<p>6. Grant Funding Request Information</p> <p>Amount Requested: \$ <u>500,000</u></p> <p>Total Amount of Match: \$ <u>798,422</u></p> <p>Total Project Cost: \$ <u>1,298,422</u></p>	<p>7. Project Address</p> <p>Physical Address: <u>220 West Wallace Street</u></p> <p>City: <u>Virginia City</u></p>
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8. Funding Sources – Total funding sources must match with total project costs. If the funding “pending” you must demonstrate that it will be secured by contract date.

Source	Type of Funds	Amount	Status of Commitment (Confirmed or Pending) (provide documentation i.e., letters of support, financials...)	Rates and Terms (if applicable)
Montana Historic Preservation Grant (MHPG)	Grant	500,000	Pending	Phase 2 Work
Montana Heritage Commission FY2025-27	Agency Funds	749,672	Confirmed	Phase 2 Work
Foundation for Montana History	Private Donors	48,750	Expended on Phase 2 Planning Mar 2023-Feb 2024	Project Architecture/ Engineering Mar 2023-Feb 2024

9. Brief Description (60 words or less) of current project and proposed solution or activity to be completed [59]

Restoration of Stonewall Hall is an ambitious project to rescue one of Montana's most significant public buildings. In 2023-24, Phase 1 stabilized the foundation and exterior walls. This project will complete Phase 2: final stabilization and restoration of the handsome 1860s-era stone façade while also addressing interior elements essential for public interpretation and educational programs at this major anchor within the Virginia City National Historic Landmark.

a. Background and project (please provide narrative response):

Background: In 1997, the State of Montana purchased and saved over 250 buildings and a vast collection of Americana artifacts in Virginia City and nearby Nevada City, and established the Montana Heritage Commission (MHC) to manage these town sites as irreplaceable historical and educational public assets. The MHC launched a formidable campaign to stabilize and preserve resources, interpret the history and sustainably protect all for decades to come.

The site of the largest gold strike in the Rocky Mountains in 1863, Virginia City was the most productive placer gold district outside of California and Alaska. It miraculously survives today as the Virginia City National Historic Landmark (NHL), a pivotal townsite during the era of gold mining and Territorial expansion in the American West. With 237 primary buildings and an exceptional level of integrity, it is the most intact mid-19th century placer gold mining town remaining in the nation. Of all the buildings in the Virginia City townsite, Stonewall Hall is perhaps the most significant as the site of Montana's earliest Territorial Legislative meetings.

Project: Stonewall Hall sits at the center of the NHL, on Virginia City's main street. Once a dignified masonry building where some of the most important and contentious early Territorial meetings were held, it is now vacant, severely deteriorated, and has been at risk for decades. In 1914 the building was converted into an auto garage; the stately stone façade was replaced with an unsightly garage door, and brick and glass storefront. No longer in use by the later 1950s, the building was purchased by Bovey Restorations, used for storage, then sold to private owners in the 1990s. For at least half a century it has been vacant and slowly declining; in 2020 the exceedingly fragile building was a public hazard, condemned by the City.

Restoration of Stonewall Hall: In 2022 Governor Gianforte and the Montana Land Board approved the acquisition of Stonewall Hall by the State of Montana. Their visionary leadership made it possible to save this building which is a centerpiece in Virginia City history and one of the very oldest Territorial Capitols west of the Mississippi River. To ensure success, from 2022-23 Governor Gianforte joined with the MHC and the Foundation for Montana History to spearhead the critical funding needed to immediately stabilize the building. *Restoration of Stonewall Hall* is being completed in three phases, as described here.

Phase 1: From 2022-23, over \$1.3 Million was raised to save Stonewall Hall. The effort began with intensive architectural and engineering assessment in 2022 indicating that extensive stabilization was needed to shore up the foundation, masonry walls and interior. Plans were

drawn which guided the removal and storage of all salvageable historic character-defining elements prior to stabilization work, including original windows, doors, stairway, ceiling panels, woodwork and finishes. Stabilization of the failing foundation and crumbling stone and brick walls was then carried out during the building season of 2023 including masonry repairs, seismic bracing, and the removal of the failed roof and non-original front façade.

b. Description of proposed solution (please provide narrative response):

Phase 2: Now, with the support of the Montana Legislature and MHPG funds, our proposed project will take in the critical follow-up scope of work – restore the façade with seismically-stable, historically accurate stonework; cap the building with a solid roof; initiate interior repairs to reestablish the integrity of this landmark building and enable educational use of the interior spaces; and create a viewing entrance to share the building and its history with the public. These improvements comply with life safety-seismic-ADA requirements and will return Stonewall Hall to interpretive and educational use immediately upon completion.

Restoration is the level of preservation most appropriate to this signature building, which had been severely deteriorated and compromised over time. Greatest care has been given to its accurate restoration, especially that of the primary facade by returning it back to its original configuration, all while making the building safe from a seismic and public safety perspective.

Interior repairs will be based upon historic evidence and original elements remaining in the building. At the completion of this MHPG-supported phase of the project we will install interpretive displays and open Stonewall Hall to public viewing at the first floor level in keeping with the “open-air” museum concept that offers the visiting public a view of this frozen in time town. It will also serve as a unique educational tool for schools, tradespeople, universities, and those interested in preservation about historic building methods – by examining the building’s unusual horse- and pig-hair plaster, stenciling, masonry, Territorial-era wallpaper, traditional window construction, and much more. This all sets the stage for a last phase to fully rehabilitate the interior to serve as the major interpretive/ convention center within Virginia City, via the MHC’s historic building lease and rental program.

10. Certification to Submit:

The undersigned authorized representative hereby certifies that (a) the information set forth in this application is correct to the best of their knowledge; (b) they have received, read, and understood these guidelines and agrees to comply with all requirements; (c) the elected officials of the local government have formally authorized the submittal of this application, as applicable; (d) they have the authority to act on behalf of the applicant in submitting this application, and (e) agrees to comply with all applicable state or federal laws and statutes associated with carrying out the project.

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Signature	Date	Printed Name and Title	
Montana Department of Commerce 2024	5	Elijah Allen, Executive Director Montana Historic Preservation Grant Program Application and Guidelines	

MHPG Application Section II.

Statutory criteria below are associated with a maximum number of points per criterion question. To earn the maximum points, reviewers will consider the “Level” at which each question was answered. You may reference associated documents to answer questions but answers that narrate the associated documents content will score higher than those who just reference documents such as a “see Revitalization plan.”

STATUTORY CRITERIA - A

up to 100 in Possible Points

The degree to which a project supports economic stimulus or economic activity, including job creation and work creation for Montana contractors and service workers.

- I. Describe how your project will have an IMMEDIATE ECONOMIC IMPACT for project related job creation for Montana Contractors, service workers, and other related jobs after completion.

The active preservation of historic buildings is widely recognized as an activity that generates more impact to local and state economies than the dollars invested. While Montana has not had a study of the economic impacts of historic preservation, the National Trust for Historic Preservation and Brookings Institute have many publications on this topic.

From Donovan Rypkema’s *Economic Impacts of Historic Preservation*, to the Brookings Institute’s study on *Economics and Historic Preservation*, the cumulative results from all states and studies are consistent. In analyzing “The Economics of Preservation in Local or Regional Economies,” the Brookings Institute’s Randall Mason looked at the impacts that historic preservation activities have on the economy of a particular region. Reviewing a significant number of these studies that have been undertaken across the U.S., they concluded that “historic preservation yields significant benefits to the economy.” (Mason, p. 7) And because these economic stimulators are direct and local, they bring immediate economic benefits to the local economy, which in turn benefits the state through taxes and increased economic vibrancy.

- a. How many jobs will this project create?

Job Creation Impact Stonewall Hall		
Complete Phase 2 Exterior Restoration	Cost	Workers Employed
Professional Services:	\$ 48,750	3 architect/engineers
Reinforce & Restore Facade	\$613,702	4 masons
Entrances: drainage, grading, etc	\$ 25,934	2 masons
Roofing & Gutters	\$ 52,000	4 preservation carpenters
Restore Doors & Windows	\$ 65,000	2 preservation carpenters
Framing	\$117,820	4 carpenters
Electric	\$ 9,575	1 electrician
Sitework	\$ 15,000	1 earthwork contractor
Misc Requirements	\$ 35,155	4 contractors
TOTAL JOB SUPPORTING COSTS	\$1,202,293	
Contingency	\$ 96,129	
TOTAL BUDGET	\$1,298,422	
25 skilled workers employed, the equivalent of 12-14 FTE for one year (calculation below)		

The estimated total budget of \$1,298,422, includes \$1,202,293 of brick & mortar construction costs; \$48,750 professional services, with \$96,129 (10%) reserved for contingencies. The MHC will provide \$749,672 cash match toward project construction costs and since March 1 has already expended \$48,750 for professional services. The industry standard for the rehabilitation of older properties estimates labor costs at 60% (\$682,293) of the construction budget with materials at roughly 40% (\$520,000). Per the Project Budget, subtracting for material and supply costs, construction work of the Project will generate over \$680,000 of employment opportunities for Montana building contractors and consultants. By these calculations, Restoration of Stonewall Hall will support 12-14 FTEs for one year, in the highly skilled field of rehabilitation work.

Our match for the requested \$500,000 is a very strong \$798,422, or roughly 3:2. We also expended over \$1,000,000 during Phase 1 2023 stabilization work. However, to simplify our MHPG project request, we did not include all those match calculations in our budget.

b. What types of jobs?

The economic benefits for this project include: the impact of job creation for skilled, higher paying workers in the building trades, including preservation carpenters, traditional masons, restoration experts, an earthwork contractor, professional services from historic architects and engineers, and workers in the local building supply industry who will manufacture and supply materials such as specialty-milled lumber, locally-quarried stone, hand-mixed mortars and plasters, and antique window glass to the project.

2. Describe the spillover benefits from project activities.

Historic preservation and restoration carpentry has strong residual impact in communities large and small, that also filters up to the State level. This includes purchase of locally-sourced building materials, patronage of local businesses by workers, and bolstered tourism once the project is completed. These activities generate incomes with a multiplier effect on local business, property values, and neighboring owners that also are often inspired to improve their properties. The results are generally powerful and long-lasting.

Added to these important local and regional benefits, the Montana Heritage Commission and its management of Virginia City holds an anchoring role in the local economy of Madison County. The MHC's task to preserve the outstanding resources within Virginia and Nevada City rests on the platform of tourism as the cornerstone of the regional economy. As the 2014 Virginia City Growth Policy noted, tourism is "the primary economic base for Virginia City in recent decades... Most residents rate tourism as being very important to the local economy." (VC Growth Policy, 2014 p. 26)

The growth policy attributes marketing by the Montana Heritage Commission for the increase of tourism and strengthening of the local economy, and for increasing the number of jobs and residents significantly during the summer months.

The degree to which the project activity can demonstrate the **PURPOSE AND NEED**. This includes the relevancy of whether the project activity provides features that establish or enhance climate control, or fire protection for museums or address infrastructure, maintenance, or building code issues for museums, historical societies, or historic sites.



Figures 1-5. Stonewall Hall and unstable structural elements prior to 2023 stabilization work

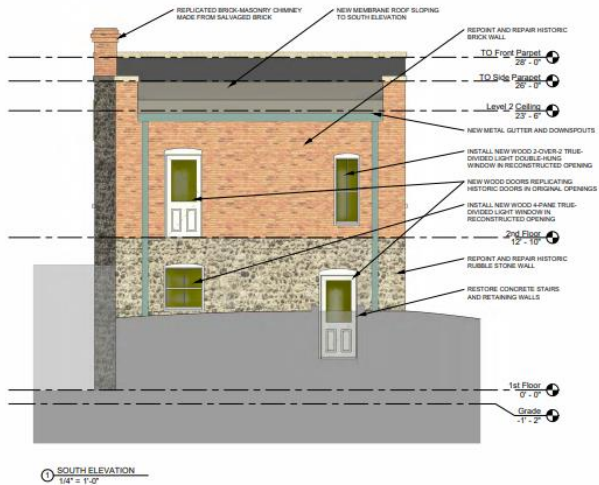


I. Describe the current use and condition of the historic resource.

Prior to 2022, Stonewall Hall was the most deteriorated and threatened building in Virginia City (see figures 1-5) having sat vacant and deteriorating for many decades before the MHC accepted the deed to the building in 2022. By then, the building had been suffering long-standing moisture issues, lack of maintenance and progressive deterioration for half a century, leaving failing masonry, holes in the roof, walls collapsing and the entire structure unstable and in serious need of repairs. It was unsafe to enter the building or to venture upstairs to the second floor in its unstable condition. In response to this progressively worsening situation, in 2020 the City condemned the structure and ran hazard tape along the sidewalk to keep loose masonry from falling on pedestrians. A heavy snowstorm could easily have imploded the building.

An emergency structural study in 2017 determined the desperate need to stabilize the masonry and repair the roof, as the threat of building collapse was imminent. Following acquisition by the State and the MHC, \$1.3 Million in private donations was raised and expended to stabilize this large, hazardous building.

Today Stonewall Hall is no longer on the verge of collapse. Architectural and structural plans were drawn, the foundations and walls have been stabilized by installing an internal bracing system, and the non-original, seismically unstable front façade was removed and awaits restoration. The failed roof was also removed to expedite bracing and stabilization and to prepare for roof replacement. The building is currently a vacant construction site.



Figures 6-7 Salvaged architectural components salvaged during 2023 Phase 1 stabilization

2. Describe the deficiency the proposed project will address and how this has impacted the historic resource including the duration of time the deficiency has existed.

Fortunately, despite the decades of neglect, Stonewall Hall remained standing and once the MHC acquired the building, Phase 1 stabilized and saved the building and made the streetscape safe. Additionally, there were many historical elements dating to the early Territorial period still in situ. Diligent efforts were made to salvage and preserve as many as possible, reserving them to be restored and to guide replacement in-kind of those elements that were missing or too badly damaged.

A number of deficiencies remain which must be addressed to enable public use. Many involve added structural elements to comply with current seismic codes. These include:

- Seismically-reinforced concrete CMU front wall
- Restoration of the primary limestone façade
- Restoration of doors and windows
- Installation of a new roof
- Secure coping along the parapets
- Reestablish entrances and sidewalks

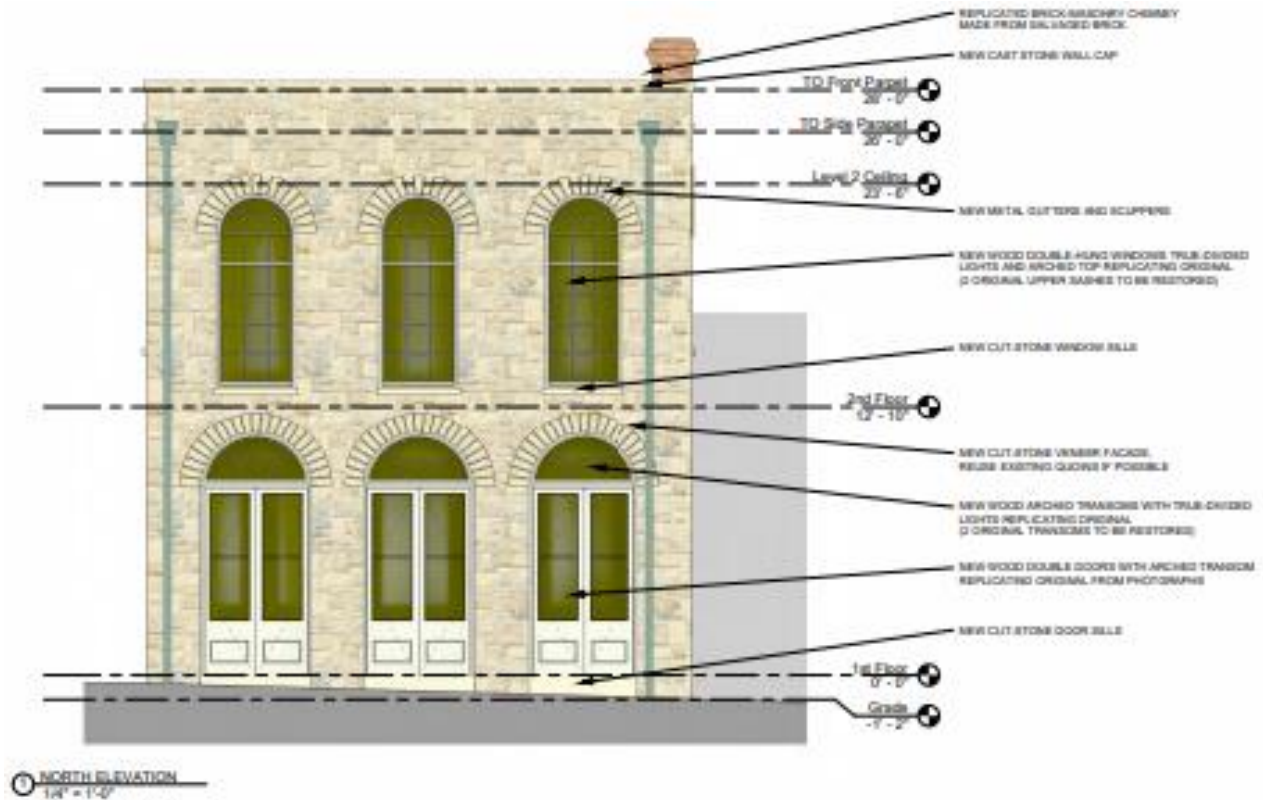
Once the reinforced CMU wall is completed, the scope of work for requested MHPG funds is the careful restoration of the limestone façade, including all doors and windows.

Matching funds will be used for the other aspects of Phase 2 which will completely weatherproof the building via the new roof and front wall. Together these will enable bringing the structure up to seismic code and retention of highly significant elements of the design, and to bring the project to a state of preservation that will enable the building to be shared with the public for interpretive and educational purposes.

3. Describe how the proposed project will address the identified deficiency including why MHPG funding will enable proper completion of the resource.

As described below, over the course of an 18 month construction period, major building deficiencies will be eliminated as Stonewall Hall is restored in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties and applicable local, county and state building regulations. Ample historic photos and site evidence exist to guide a historically-sensitive restoration of the building.

This project will address remaining structural deficiencies including restoring the front façade, the last exterior repairs including a new roof, and interior scope at the front of the building to share its history to enable limited public use. MHPG funding will support the historically accurate restoration of the façade of this building, which was lost a century ago when the building became an auto garage in 1914. It is essential to the restoration of this landmark building to protect its integrity and historic significance by returning it to its original design. This is the scope of work that MHPG funds are needed to complete.



Façade and front wall: As depicted in historic images ca. 1864-1890, (See figure above and Attachment 1), the building’s original stone façade had three round-arched openings on the first floor and three similar window openings above those on the second floor. The reinforcing wall for this elevation will be constructed of structural 12” concrete CMU block to meet current seismic codes. To then restore this façade, it will be faced with 6” cut limestone locally sourced from the original quarry and nearby Madison County lime deposits to ensure integrity of design and materials in the restoration effort.



Fenestration: This will include three wood sash windows and three sets of wood-frame double doors rebuilt with artisan craftsmanship following the original design of the building front. Two window units that were removed when the façade was altered in 1914 have survived and will be repaired and reinstalled along with newly crafted windows with in-kind materials of identical design and appearance. In addition, period photographs depict the three pairs of wood and glass doors aligned symmetrically to access the first floor spaces. These doors will be rebuilt guided by visual historic evidence and aspects of period carpentry observed throughout Virginia City.



New roof: By 2022, the old roof on Stonewall Hall had completely failed and no longer protected the structure. It was removed in 2023 and a beam bracing system installed that reinforces the masonry walls. Framing for the roof to support a new roof structure and covering it with new roofing will reestablish the roof system in Phase 2.

Secure coping along the parapets: During Phase 1 the cracked and collapsing side walls were repaired, repointed and completed. To protect these exposed fieldstone walls, the parapets must be capped. Metal coping designed to match historic patterns and seal the stone from moisture migration will be installed on the east, west and south parapets.

Reestablish entrances and sidewalks: During Phase 1 it was necessary to remove the adjacent sidewalk and boardwalk along the foundation. Replacing these pedestrian walkways and adding ADA compliant stone thresholds for building access will enable public use of Stonewall Hall for the first time in decades.

Once this major scope of work is completed, special attention will be given to add exhibits that interpret the history of the building and its impressive 19th century construction. A plexiglass viewing panel will span the doorway similar to those in other buildings throughout Virginia City, looking in to interpretive panels and artifacts about the building, its restoration and the role of Stonewall Hall in the governance of the Montana Territory.

The project is guided by cultural resource professionals who have prepared detailed plans based on investigations and documentation of the building, its deficiencies and the commitment to restore character-defining features throughout the restoration, in consultation with the MHC preservation crew, contractors, and the Montana SHPO,

Please refer to attached Stonewall Hall construction documents (Attachment 5) for additional information.

4. Describe the financial need for MHPG grant funds to complete the project.

For over 25 years, the MHC has methodically invested its limited budget to protect the historic resources of Virginia City and Nevada City and improve the overall heritage tourism experience.

Saving Stonewall Hall in its ruined condition has been a costly proposition from the outset. It was thanks in large measure to the leadership of Governor Gianforte that the acquisition by the State of Montana and the private fundraising effort by the Foundation for Montana History and Montana Heritage Commission succeeded in raising \$1.3 Million to date. Stonewall Hall owes its rescue to the visionary commitment of the Governor, these dedicated partners, and the Montana Land Board.

When the State of Montana agreed to accept ownership of Stonewall Hall, it was added to the inventory of 270 State-owned properties in historic Virginia and Nevada Cities, and

Reeder's Ally – heritage buildings, structures, and over a million artifacts for which the State holds ownership and provides stewardship. The MHC has done a yeoman's job of raising public and private funds, through grants, donations, fees, and state operating funds, enabling the restoration of dozens of historic properties to make them accessible to the public. When fully open, Stonewall Hall will house meetings and gatherings, provide a facelift to the community, and produce long-term returns on the investment.

Specialized construction and material costs have increased in recent years. To complete the project and open the building to public use, more funding must be raised. Funds from MHPG are critical to complete the rescue effort for this building; the funds requested will provide roughly 20% of the total cost of its full restoration. It is in the spirit of true public-private partnership for the State to share the cost and the effort to bring Stonewall Hall back from its ruined condition. Private donors and foundations have given much to this effort, and MHPG funds invested will meet three basic principles: available funds, historic significance and income producing potential. When completed, we will celebrate its heritage and allow this tremendous historic resource to inspire pride among the community, the MHC and the entire State of Montana for decades to come.

5. Describe how the proposed project was selected and prioritized in relation to plans to preserve and maintain the historic resource.



This project is our top preservation priority for Stonewall Hall as it is the essential next step in phased plans by the architects and engineers to complete its restoration and protect the building. Further, as an agency dedicated to sharing the heritage of early Montana with the public, the completion of this project will enable the building to open for interpretative open air museum viewing, the central visitor experience that Virginia City is known for. Completion of this will also make it possible to go further and refurbish the interior for convention and short-term rental use.

STATUTORY CRITERIA - C

up to 100 in Possible Points

The degree to which timing of the project can be completed without delay, including access to matching funds and approval of permits, if needed.

- I. Describe the organization's capacity and ability to complete the proposed project within the proposed timeline.

The ambitious *Restoration of Stonewall Hall* project is well underway, since during Phase 1 plans were drafted by an experienced historic architectural and structural engineering team, a qualified restoration contractor was secured, and required archaeological monitoring completed. With the first stabilization scopes of work completed in 2023, Phase 2 will be set to begin upon award of the contract. We have a team in place with the

ability to proceed directly – architects, engineers, historians, construction contractors, etc. This team approach, in consultation with the Montana SHPO, has enabled the successful completion of dozens of challenging MHC restoration projects since our inception in 1997.

2. Describe the status and availability of all matching funds needed to complete the proposed project.

The Montana Heritage Commission partnered with the Foundation for Montana History to raise \$1.3 million to launch Phase 1 Structural Stabilization. Execution of Phase 2 will be made possible with MHPG funds and 160% match confirmed by MHC, from architectural/engineering work already performed and additional match from agency funds.

3. Describe how receipt of MHPG funding will enable the ability to leverage additional funding such as grants, loans, and Historic Tax Credits.

Fundraising to date for this project has been impressive. With our committed funding partners, MHC will build on the excitement of project accomplishments to date, and seek to augment agency funds already budgeted with aggregated private donations. As MHPG funding helps us to close in on project completion, additional fundraising will seek to push the very last repairs for interior systems through to the finish line.

4. Describe any potential timeline considerations that are related to permits, environmental considerations, or related to complete the proposed project.

None. There will be no delays. We have plans in hand, and a design team and contractors on board. Together we completed an ambitious scope of Phase 1 stabilization work in 2023-24. When MHPG grant funds are awarded for this shovel-ready project we will be fully prepared to start immediately on the final urgently needed exterior repairs and restoration activities to open the building for public interpretation and educational use.

STATUTORY CRITERIA - D

up to 300 in Possible Points

The degree to which the project activity contributes historic or heritage value related to the state of Montana.

- I. Describe the historical context and significance of the historic resource associated with the proposed project including:
 - Heritage value related to the state of Montana

Stonewall Hall was completed to much fanfare in December 1864. Located in the heart of then-booming Virginia City, the ground floor originally housed a bank and the upscale Stonewall House Saloon while the second floor was reserved for the Men’s Lyceum Club - a members-only reading room. Soon thereafter the upstairs too became a saloon, and together, these two large well-appointed saloons enabled the Stonewall building to serve as an events center and public assembly hall for the community.



Stonewall Hall was home to the 8th Montana Territorial Legislature meetings in 1874.

With large meeting spaces in short supply, the second floor of Stonewall Hall served as a de facto public building, housing various legislative proceedings from 1865-67, and again from 1870-74, thereby earning its significance as “Montana’s Oldest Surviving Territorial Capitol Building.”

In the 150 years since, Stonewall Hall has become a rare heritage resource reflecting the early period of Western territorial expansion. It retains many original components that were never altered. Its open interior plan is adorned by hand-crafted woodwork, vestiges of hand-painted stenciling, period wall finishes, linen and tin ceilings. Set in historic Virginia City, with its utilitarian fieldstone exterior now repaired, once its limestone façade is restored, it will be a showplace that takes visitors back to Montana’s goldrush period Montana.

There are no older Territorial government buildings remaining in Montana, and in the Western region, it is among the very oldest still standing. The significance of the building and the story of how the State and many citizens saved will long serve as an inspiration and legacy for future generations.

- Value of the resource to the local community



Governor Greg Gianforte and First Lady Suzanne, Elijah Allen Executive Director MHC, Senator Jim Keane, and members of the Lafever family who gifted Stonewall Hall to the State of Montana.

Stonewall Hall is a major building located squarely at the center of the Virginia City business district, a cornerstone of the National Historic Landmark district which has defined the town and its economy for six decades. The community has demonstrated overwhelming support for rescuing Stonewall Hall, from Virginia City Mayor Justin Gatewood to the Montana Land Board and Governor Gianforte.

- Relevant designations or listings

Stonewall Hall is a character-defining building located within the Virginia City National Historic Landmark. As a contributing building within this exceptionally historic district, it has enjoyed National Historic Landmark status for over 60 years, since 1962. There is no higher honor for historic properties in America than to be a National Historic Landmark. In addition, the Advisory Council on Historic Preservation recognizes Virginia City as one of Montana’s most popular heritage tourism destinations. The Town has also been designated a Certified Local Government by the National Park Service.

2. Describe how the proposed project will sustain the character defining features and integrity of the historic resource.

Following relocation of the capital to Helena in 1875, the economic and social pace in Virginia City slowed drastically, and large spaces, like the second floor of Stonewall Hall, were converted to simple storage. By the early 1880s, many of these commercial spaces were abandoned and several wooden structures, especially along Jackson Street, were demolished. Those that remain are critical to the NHL district, and Stonewall Hall, once restored, will again reflect the permanence and status of Virginia City during its reign as the capital of Montana Territory.

3. Describe how the proposed project will help promote and interpret the heritage value of the historic resource for the public.

Upon completion of this project, Stonewall Hall will take its place among the dozens of buildings comprising MHC interpretive exhibits, that promote and interpret the heritage of our state. Story boards, artifact cases, changing exhibits and more will be on display for the visiting public, and workshops to study that history, the turbulent Territorial history of Montana and the artisan qualities of Stonewall Hall are planned following this project.

4. Describe how the proposed project will adhere to the appropriate Secretary of the Interior's Standards for the Treatment of Historic Properties.

Stonewall Hall stands in the heart of Virginia City's commercial district along busy Wallace and Jackson Streets. Its prominent two-story massing with wide double doors and transoms, and tall double hung windows within arched openings, was a classic design choice for commercial buildings of this era. Over the years, while the side walls and foundation remained as original, the front façade was badly remodeled. While the openings remained on the second floor they were altered, first floor openings were replaced with an unsightly storefront and garage door and the façade was clad with brick.

Our project will restore the façade back to its original configuration, based upon historic photographs and carefully drawn plans by an experienced historic architect. Her work conforms to the Secretary of the Interior's Standards and will restore a tremendous amount of integrity of design, feeling and materials to the primary façade of this most important building.

The degree to which the applicant demonstrates successful track record or experience of the organization directing the project or similarly related projects.

1. Describe the organizational capacity and experience with similar projects of all project partners.

In 1997, the Montana Legislature created the Montana Heritage Commission to manage the State’s newly-acquired historic properties and collections within Virginia and Nevada City. As stewards of roughly 150 properties in Virginia City and 70 more in Nevada City the MHC has a long-standing preservation division and has carried out the stabilization and preservation of dozens of buildings. The guiding ethic has been to preserve these heritage resources to the highest standards while making them accessible and useful to the public. Within the NHL, the Stonewall Hall property is a most significant holding and has been on the greater community’s watch list for decades. The MHC has demonstrated time and again its ability to preserve even the most challenging buildings. In 2022-24, the rescue of Stonewall Hall succeeded in stabilizing the building, and with additional funding, we will complete the needed repairs and restore this exceptional building.

2. Please identify the entity that will administer the grant.

The Montana Heritage Commission will administer the grant.

3. Describe your organization’s most recent project, specifically identifying:

- any significant barriers or impediments and how your organization overcame them;
- any project delays; and
- any changes to the budget

The main focus of MHC’s recent preservation efforts have centered on Stonewall Hall. Once we acquired this building there was urgency in carrying out all the necessary repairs and restoration work to save it and place it back into service. The building in its ruinous condition presented many more challenges than most preservation projects. Yet our track record to date speaks for itself. We conducted vigorous fundraising to get us over the hurdle of cost factors; we rapidly assembled a highly-professional team to address the urgency to plan immediate stabilization of the property; we deployed a skilled construction/masonry team to remove the public safety hazard posed by the building.

Ongoing challenges in this period of inflation and shortage of skilled workers have presented their own challenges. Still we succeeded in stabilizing efforts to date, and our request for Phase 2 funds will carry us the rest of the way to public use.

Prior to our Stonewall Hall project, MHC’s completed renovations of the Harding House, Thomas Meagher Cabin and Village Pump Information Center, representing over a million dollars in expenditures. Reconstructed at the site of a defunct gas station, the Village Pump Information Center project alone cost over \$500,000 with complex environmental

requirements, diverse funding sources (federal, state, earned revenues), and many partners including MHC staff, preservation specialists and independent contractors. All projects were managed in-house and completed on time. This is a reflection of the capabilities of our agency to successfully carry out projects in a range of settings.

4. If available, please provide a copy of your organization’s most recent audit or financial documents. Please discuss if there were any unresolved audit or financial issues.

We have attached our most recent legislative audit, 18SP-19, a follow-up to 16P-05, as well as the MHC budget for the current biennium. The findings of these performance audits were positive, and we are working to address suggestions for improvement.

STATUTORY CRITERIA - F	up to 225 in Possible Points
-------------------------------	-------------------------------------

The degree to which the project has ONGOING ECONOMIC BENEFIT to the state as a result of project completion.

- I. Describe the ongoing economic impact (for example, on the local economy or tourism) of the proposed project to the local, regional, and Montana as a result of project completion.

Local Economy & Tourism: The MHC commissioned an Economic Impact Study by Circle Analytics in 2017. Based upon Montana Office of Tourism formulas and traffic counts, the report observed that Virginia City and Nevada City hold a prominent position as an economic driver in the state and in the region.

The sister towns of Virginia and Nevada City are Montana’s number one state-owned attraction with an estimated 582,304 visitors in 2017 alone. That year’s analysis projected that 66% of those visitors (384,321) arrived from outside the market area, with half of those out-of-area visitors (192,160) spending at least one night in a hotel, and additional nights lodging for some visitors were a certainty.

This visitation has risen dramatically to over 1,000,000 visitors annually, a multiplying effect as reflected in the Summary of Economic Impacts by the MHC over the first 30 years of the commission’s existence, highly impressive:

“The analysis shows that the combined impacts of the Montana Heritage Commission exceed \$74.6 million and include its annual operations, visitor spending for the year 2017 and improvements made by the Commission since 1997. Of these impacts, the majority of \$45.3 million are retained in the local county. The combined activities and related programs benefited a total of 1,226 jobs in the local economy and of these, 993 of the job benefits are ongoing.”

The Montana Institute for Tourism Recreation Research (ITRR) tracks travel and spending by visitors for every county annually. Tourism fuels the economy of Madison county, and its annual level of non-resident spending in 2018 stood at 89,751,000. ITRR stated then “This 89.8 million in local spending directly supports \$68.8 million of economic activity in the region,

and supports an additional \$24.9 million of economic activity, indirectly.” For the most recent year reported 2022, that figure had risen substantially, to \$160,417,000.

In recent years, the MHC initiated a program to restore vacant buildings in their inventory and place them in active rental use. This has been highly successful and led to stabilization and restoration of such buildings as the Bonanza Inn, the Harding House, Thomas Meagher House, and rooms at the Fairweather Inn and in Nevada City. Guests are hosted during the Mid-May – mid Sept tourism season. Saving and reviving Stonewall Hall provides a major venue to anchor all of these heritage tourism venues in Virginia City and will be a primary asset in the economy of the entire region.

2. Describe how your project relates to community goals and previous or concurrent planning efforts (downtown revitalization plan, growth policy, historic preservation plan, economic development strategy, etc.).

The Town of Virginia City has the benefit of the presence of the MHC as well as participating in the Montana Main Street program, and is a Certified Local Government for Historic Preservation with the Montana State Historic Preservation Office. All of these programs reinforce the historic qualities of Virginia City, through their planning and commitment to preserving this remarkable “frozen in time” community.

The Virginia City Growth Policy, 2014 laid out the community vision for town planning efforts. “In order to broaden economic opportunities, the residents of Virginia City wish to encourage development sensitive to Virginia City’s continuing commitment to historic preservation and maintenance of its small-town quality of life.” It notes “The tourism industry is responsible for creating numerous full-time and part-time local positions with the State of Montana through the MT Heritage Commission,” and that “the future prosperity and vitality of the community are linked to local regional tourism.” Further, it outlines these policies and goals:

Policy 2. Continue to Build on the Successes of the Historic Preservation Program

Policy 3. Encourage Economic Development

Under Historic/Cultural Preservation, the following goals and objectives were stated:

Goal: That the growth policy will “encourage the preservation, protection and interpretation of those historic and cultural resources that define the unique character and quality of Virginia City and the surrounding environs.”

Objectives

- A. Protect and promote the investment of all Montanans in Virginia City by protecting and promoting the state-owned historic buildings and the vendor-occupied facilities.
- B. Encourage development in a pattern that will respect natural resources and historic values of the Town of Virginia City and their contribution to the economic base including tourism.

A 2022 update to the Growth Plan, notes that “As Montana’s oldest incorporated community, Virginia City is a remarkable combination of commercial architecture of the mid-19th century and a surrounding landscape that has been relatively undisturbed since the end of the mining era in 1942... preserving the historic character of the Town is a top priority for Virginia City.”

3. Please describe your long-term vision for the historic resource and explain how this project fits into organizational plans (strategic, interpretive, business, outreach, etc.).

The vision for this building is to open it in two stages: first, upon completion of this project we will open the building for interpretive viewing by the public so that it can immediately have a public benefit and enable the visitors and tourists to learn about the history of one of Montana's most outstanding buildings. Outreach for visitors is a primary focus of MHC, every year we draw hundreds of thousands of travelers through our corner of southwest Montana.

Next, we will fully refurbish the interior, in a long-term vision for Stonewall Hall to serve as an events center and public assembly hall for the community and visiting groups. This fits squarely with its original use during the period of its highest significance, and also falls under the MHC's strategic plans to return historic buildings to active, rather than passive use; thus sharing history while bringing a strong return on investment to the State through building and concessions rentals and fees. When created the MHC was charged to contribute back to the local and state economy. We are doing so through boosting visitation, building lease agreements, support for concessions, increasing gate fees and developing short-term rentals. All of which in turn revitalize the local economy and increase the tax base.

The Stonewall Hall project directly supports the goals expressed in the MHC's current Strategic Plan, 2020 Financial Report, and Business Plan (2021-26), especially the importance of improving existing facilities and construct needed tourism infrastructure.

MHC Mission: "Serve as stewards in managing, developing, and operating Heritage Commission properties by preserving, stabilizing, rehabilitating, interpreting and exhibiting buildings and artifacts; overseeing and encouraging profitable commercial enterprises while creating and maintaining credible relationships with all stakeholders and partners, and protecting these historic resources for the educational benefit and enjoyment of all."

Infrastructure Development: The Montana Heritage Commission regularly commits a majority portion of its \$2.0+ million annual operating budget to preserving and maintaining the historic resources under their care with an emphasis on improving historic interpretation experiences, creating revenue generating business locations, and expanding local lodging capacity. The MHC has also been successful in receiving special project-based allocations from the State legislature to implement long-range planning goals to construct new, or expanded, visitor service and lodging facilities. (MHC FY2022 Financial Report).

Restoration of Stonewall Hall as a conference center based in a landmark heritage site support the goals outlined in the MHC's current Five-Year Business Plan (2021-26), "efforts to keep people in town longer and overnight, in particular, are likely the best ways to strengthen our brand", the Project represents a milestone - a major investment in the development of a high-quality, year-round lodging and meeting space facility. Our 5 year goal is to be able to accommodate 500 people a night for weddings, family reunions, music festivals and social gatherings. (MHC Business Plan 2021-26)

- a. Will this project decrease your operating costs, and, if applicable, how will those savings be reinvested?

No, our operating costs will not decrease by completing the restoration of Stonewall Hall and placing it into a use that benefits the public. Rather, when full occupancy is achieved, adding a major venue to our portfolio is anticipated to increase revenues substantially. These dollars will be reinvested into preservation and agency budgets, along with revenues from other income-generating properties managed by MHC. These activities have important and lasting benefits for the community and the State due to increased activity and use of the property.

STATUTORY CRITERIA - G

up to 100 in Possible Points

The degree to which the project shows local contribution (ie monies & letters of support).

Describe your community's commitment to the project by showing various levels of local contribution.

- a. What degree of local cash has been committed?

The MHC, is owner of this property. As a state agency we have budgeted funds for preservation of buildings and are directing FY 2025-27 biennial funds to this project. Our commitment is to fully provide the match. In addition, ongoing fundraising will continue and we anticipate to supplement those funds and address the very last interior repairs needed.

- b. If this is a phased project, please describe funds expended through previous phases.

This is a phased project. During Phase 1, as mentioned, \$1.3 Million in private dollars were raised thanks to Governor Gianforte's interest and support for this endeavor, and with the partnership of the Foundation for Montana History, who assisted with fundraising and served as our fiscal sponsor for the donated funds.



Governor Gianforte, Members of MHC and Stonewall Fundraising Team at the Aug 2022 Ribbon Cutting

In addition, the LaFever family who owned the property freely gifted this heritage building and the Dudley Building next door to the State. These gifts from private foundations, citizens and the Lafever family were made in the spirit of saving Stonewall Hall. The funds were expended on the various assessment, planning, monitoring and stabilization tasks described above for Phase 1.

- c. What local organizations support the project?

We are grateful to have a tremendous level of public support, beginning with the local community and rising to the state level. This is evidenced by

leadership of Governor Gianforte and the Montana State Land Board's decision to accept this fragile building, and the Gianforte Foundation's first gift toward its restoration, followed by over \$1Million in private donations raised with assistance of the Foundation for Montana History.

Restoration of Stonewall Hall in the heart of Virginia City has strong support throughout the community. Those long concerned about the fate of this building include the Town Council of Virginia City, Virginia City Historic Preservation Program, Virginia City Preservation Alliance, the Foundation for Montana History, Montana SHPO and Preserve Montana. They all understand the importance of restoring this building which was gravely at risk, and the goal of opening one of Montana's most significant heritage properties to the public. This will be a great service to the community and preserve the well-being of the Virginia City NHL.

STATUTORY CRITERIA - H

up to 100 in Possible Points

The degree to which the applicant demonstrates anticipated public benefit, including the extent the site or building will be open to the public and the degree of immediate facility use after project completion.

Describe the projects anticipated public benefit.

- a. Detail exactly when the facility will be open to the public after project completion.

Once all Phase 2 work is completed in late 2026, MHC will install interpretive cases, signage, and virtual tour content and open the building in the Spring of 2027 to the public. This will greatly add to the breadth of interpretation currently on view in other Virginia City buildings and enhance the visitor experience in Montana's leading State-owned tourism attraction.

- b. What is the public benefit of the project?

It is hard to overstate the importance of saving Stonewall Hall as Montana's oldest remaining Territorial Capitol, and its status as one of the oldest Territorial Capitols west of the Mississippi River. There is inherent public benefit in the retention and interpretation of this most significant heritage site; it is a primary anchor and contributor to the Virginia City NHL and a rarity across the Western U.S. Indeed, the loss of this highly visible and historic building would be an irreparable loss to the heritage values of the community and leave a huge hole in the center of the townsite.

The planned role for Stonewall Hall as an interpretive heritage site will share Virginia City history widely and provide a primary focus for MHC tourism programming within the NHL.

- c. What proportion of the building will be open to the public?

Stonewall Hall is now owned by the State of Montana on behalf of the citizens of our state. Completion of this phase of the work will make the building safe for interpretation to the public, with MHC sharing its history for the benefit and enjoyment of the over 1 Million visitors who travel through Virginia City every year. The first floor will house new exhibits for interpretation and study by restoration experts and preservation enthusiasts. Fully reopening the building will occur in a final Phase 3 effort.

d. What efforts will be made to make the building accessible to the public?

As described previously, our project will result in a stable building staged with high quality exhibits on history and preservation open daily throughout the tourist season, May through September. And as required by law, all design and construction work on this major project is being executed in compliance with ADA accessibility standards.

The final phase to completely finish out the second floor and all interior repairs and mechanical systems can then be completed. This will result in a fully-functional conference and gathering space that can be used by any and all parties – public and private, educational and recreational, small groups and large gatherings from conferences to workshops and community meetings, to reunions and weddings.

Table A.

Project Budget

Please adjust the budget rows and columns to accurately reflect the use of MHPG and matching MHPG funding that will contribute to the completion of project activities. It is highly recommended that service and or project costs are acquired through bids or cost estimates and those documents be attached to the application.

Stonewall Hall: Phase 2 Stabilization & Façade Restoration					
Task		Source: MHPG	Source: MHC	Source: FMH	TOTAL
Requirements			\$ 35,155		\$ 35,155
Dumpster, toilet, lifts, locates					
Electrical			\$ 9,575		\$ 9,575
Masonry: E,W, N walls , metal coping on parapet			\$ 205,802		\$ 205,802
Masonry: Stone Façade Restoration		\$ 407,900			\$ 407,900
Framing			\$ 117,820		\$ 117,820
Entrance Finishes			\$ 25,934		\$ 25,934
Equip, gravel, labor, thresholds, sidewalks					
Roofing			\$ 42,000		\$ 42,000
Gutters			\$ 10,000		\$ 10,000
Window & Door Restoration		\$ 92,100			\$ 92,100
Landscaping			\$ 15,000		\$ 15,000
Construction Sub Total			\$ 461,286		\$ 961,286
Professional Services				\$ 48,750	\$ 48,750
Site Management 5% & GC 15%			\$ 192,257		\$ 192,257
Subtotal					\$ 1,202,293
10% Contingency			\$ 96,129		\$ 96,129
Total		\$ 500,000	\$ 749,672	\$ 48,750	\$ 1,298,422

Table B.
Implementation Schedule

TASK	MONTH / YEAR
ADMINISTRATION MILESTONES	
Grant Awarded	May 2025
Professional Services (Procured during Phase I)	
Finalize Plans & Drawings for Phase 2	June 2025
ACTIVITY MILESTONES	
Procurement Process for Construction	June 2025
Select Contractors	July 2025
Construction (Year 1) Exterior Walls, Framing & Seismic Reinforcement, Replace Roof & Parapet Coping	Aug 2025-Nov 2025
Construction (Year 2) Restore Stone Façade, Windows & Doors, Sidewalks & Boardwalks, Interpretive Installations	Jan – Aug 2026
Project Closeout	Oct 2026
Other: Install Interpretive Displays	Jan-Apr 2027
VC Season Opens, Celebrate Stonewall Hall Restoration & Exhibits	May 2027

SUPPORTING DOCUMENTS

Attachment 1	Historic Photographs & Maps
Attachment 2	Letters of Support
Attachment 3	MEPA Documentation
Attachment 4	MHC Biennial Report & Legislative Audit
Attachment 5	Stonewall Hall Restoration Plans

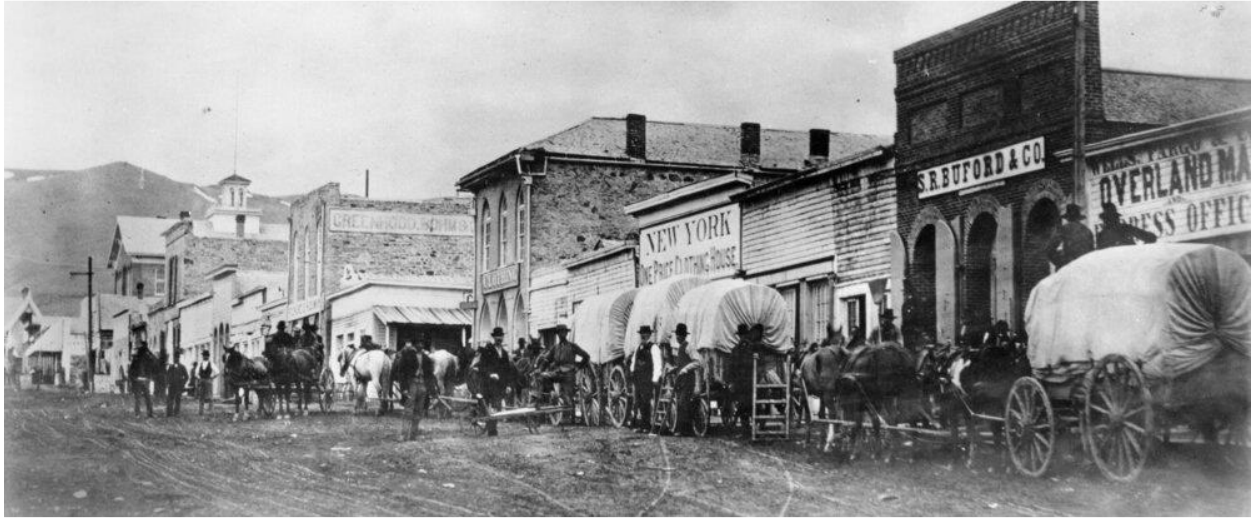
Attachment I

Historic Photographs & Maps



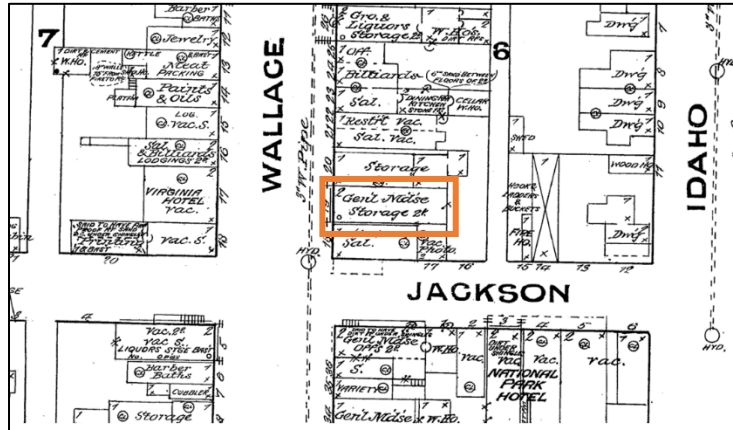
Figure 6 – Stonewall Hall during R. O. Hickman occupation 1882-1895 and adjacent Pony Saloon. Unknown date. (<https://www.savemontanahistory.com>)



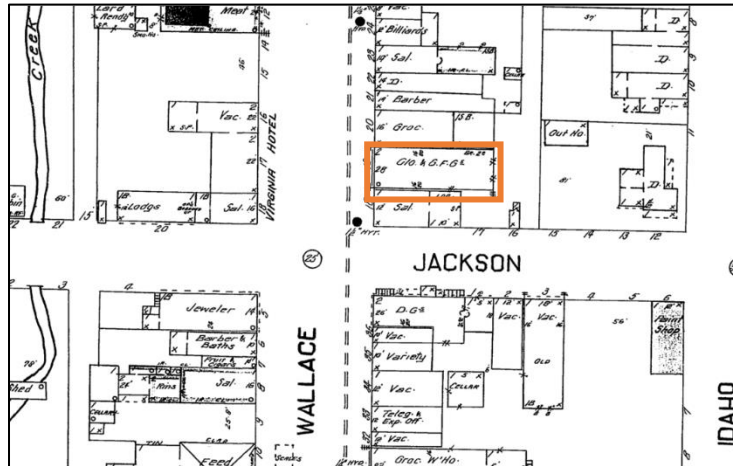


Sanborn Maps

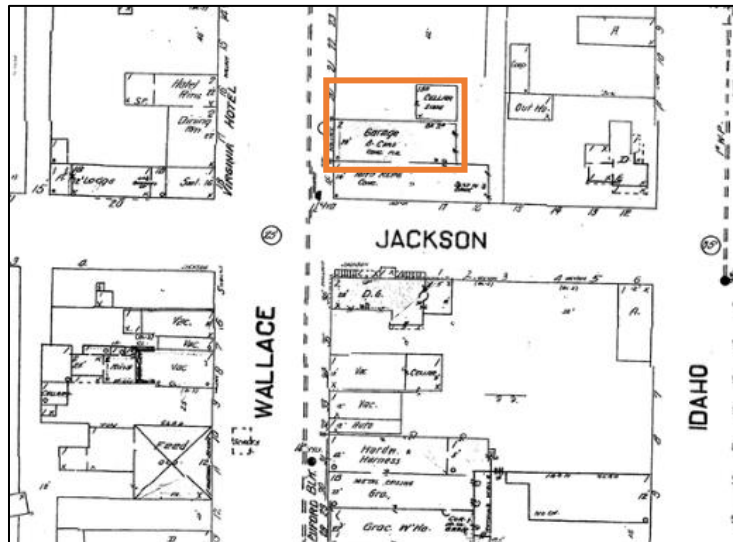
1884:



1907:



1922



Attachment 2

Letters of Support

Attachment 3

**MEPA documentation with Resolution and
Environmental Review Form**

APPENDIX C

MHPG Environmental Review

The Montana Historic Preservation Grant (MHPG) Program is a state action subject to the Montana Environmental Policy Act (MEPA). All applicants must follow the environmental review process to determine a finding level, discuss the project and finding level at a public meeting, and make a final determination.

Applicants must submit a complete environmental review record with the MHPG application. A complete environmental review record must include:

- Environmental Review Form (See Appendix C-1),
- Resolution to Accept Determination,
- Documentation of public process including meeting minutes,
- Supporting environmental documentation and;
- Environmental Review Checklist (See Appendix C-2 on the Division's website) *
 - *If an environmental assessment is required.

More information on MEPA and the applicable environmental review process can be found on the Division's website and sample MEPA forms can be found on the Division's website as well.

For detailed information on MEPA, see *A Guide to the Montana Environmental Policy Act*, or *A Citizen's Guide to Public Participation in Environmental Decision Making* at:

<https://leg.mt.gov/committees/interim/past-interim-committees/2017-2018/eqc/montana-environmental-policy-act/>

Appendix C-1 Environmental Review Form

Please answer the following as they apply to your proposed project:

1. **Alternatives:** Describe reasonable alternatives to the project.

No Action: Allow Stonewall Hall to continue to decline, and do not prevent its eventual collapse. Under this alternative, the property would remain an open structure, condemned and fenced off for public safety, and remain as a blight on the town's main thoroughfare.

Demolition: Demolish this vacant building. This would have the detrimental effect of removing a primary contributing building within the National Historic Landmark and result in a vacant lot in the central core of the historic Virginia City community.

Replacement: Demolish this building and replace it with new construction. A new building would not be in character with the surrounding National Historic Landmark, and the loss of heritage values would be irreparable. Removal and replacement of Stonewall Hall would not be in compliance with local preservation and design ordinances passed by the City.

2. **Mitigation:** Identify any enforceable measures necessary to reduce any impacts to an insignificant level.

The current design for this project has taken into account the historical design of the building, the current preservation ordinances and the guidelines for MEPA. The project meets the criteria for categorical exemption from further environmental review, for the reasons discussed below. Accordingly, no environmental impacts are anticipated and no measures are needed to reduce environmental impacts during the execution of this project.

3. **Is an EA or Environmental Impact Statement (EIS) required?** Describe whether an EA or EIS is required and explain in detail why or why not.

No further environmental assessment is required. This project is categorically exempt from further need for environmental review according to the following MEPA criteria:

- Projects that involve only minor repairs or rehabilitation to an existing facility, including functional replacement of an existing facility or facility components;
- Projects where the footprint of the proposed structures, pipelines, or other infrastructure would be substantially unchanged from existing conditions, and there is no increase in the population served by the facility;

4. **Public Involvement:** Describe the process followed to involve the public in the proposed project and its potential environmental impacts. Identify the public meetings -- where and when -- the project was considered and discussed, and when the applicant approved the final environmental assessment.

The restoration of Stonewall Hall has been underway for the past two years, and thanks to numerous news reports, it has been well publicized. There is high public interest in the project.

On February 12, Project Architect Patricia Jacobs, Architecture TRIO, presented the Restoration of Stonewall Hall project to members of the Virginia City Preservation Alliance, at their 6:00 meeting.

On February 22, the MHC hosted a Public Meeting in the Virginia City Meeting Hall, at 304 Idaho Street, 4:00 p.m. to share information about the project and invite public comment. Legal notice was run in the newspaper of record, *The Madisonian*, on February 14 and 21, and an email invitation was sent to local government town officials, as well members of the interested community. Elijah Allen, MHC Executive Director, and the project architect/contractor team was present to present a power-point of the project to those attending. The meeting and project application were also placed on the Saving Stonewall Hall website and the application was also available from the Montana Heritage Commission to enable those unable to join the meeting in person to review the application and submit comments.

Minutes of the meeting were taken, they are included below. Following the meeting, and having received no substantive comments regarding the environmental impact of the project, the Montana Heritage Commission director and chair approved a resolution stating that the project meets the criteria for a categorical exemption from MEPA requirements for further environmental evaluation.

5. **Person(s) Responsible for Preparing:** Identify the person(s) responsible for preparation of this checklist.

Elijah Allen, Executive Director, Montana Heritage Commission

6. **Other Agencies:** List any state, local, or federal agencies that have over-lapping or additional jurisdiction or environmental review responsibility for the proposed action and the permits, licenses, and other authorizations required; and list any agencies or groups that were contacted or contributed information to this Environmental Assessment (EA).

N/A

Elijah Allen, Executive Director
(I) Authorized Representative, Title

February 24, 2024
Date



A Resolution to Accept the Determination that Exempt is Appropriate for the Montana Heritage Commission’s Stonewall Hall

WHEREAS, The Montana Heritage Commission has completed a review to identify potential environmental impacts to Stonewall Hall;

WHEREAS, The Montana Heritage Commission has held a public meeting to solicit public comments regarding the following: potential for causing a significant effect on the quality of the human environment; potential public controversy over the project’s possible effect on the quality of the human environment; and potential to affect sensitive environmental or cultural resource areas or endangered or threatened species and their critical habitats;

WHEREAS, No substantive public comment was received;

WHEREAS, The Montana Heritage Commission has determined that the restoration of Stonewall Hall will not significantly affect the quality of the human environment; a significant public controversy does not exist over the project’s potential effect on the quality of the human environment; and the project will not affect sensitive environmental or cultural resource areas or endangered or threatened species and their critical habitats.

NOW, THEREFORE, BE IT RESOLVED by the Montana Heritage Commission as follows:

The Montana Heritage Commission adopts the determination that Exempt for the project proposed to restore Stonewall Hall is appropriate in accordance with MEPA categorical exclusion regulations.

Passed and approved on this date of Feb 22, 2024

Signed: _____

Name: Elijah Allen

Title: Executive Director

Date: Feb 22, 2024

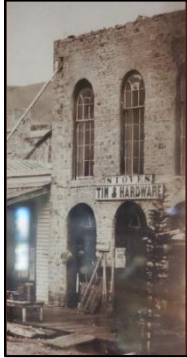
Attested: _____
Marilyn Ross, Chair, Montana Heritage Commission

MINUTES

To be added following public meetings

Supporting Environmental Documentation

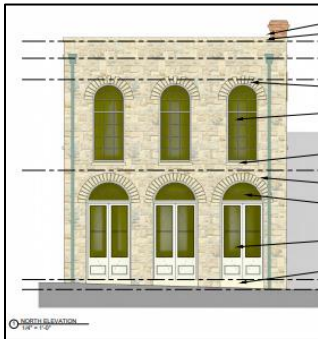
Restoration of Stonewall Hall



Stonewall Hall was constructed in 1864, and has been long been vacant. In 2022 the insensitive front façade was removed and the masonry walls repointed and repaired and structurally reinforced to stabilize the building and bring it up to seismic code. It is now in need of roof replacement, new framing and restoration of the front façade along with windows and doors, new coping on the parapet walls and thresholds to reestablish access into the building. Improvements planned will meet IEBC code standards and make the building safe for occupancy. This will enable the building to house historical displays and interpretation in keeping with the MHC’s “open-air” self-guided museum concept.

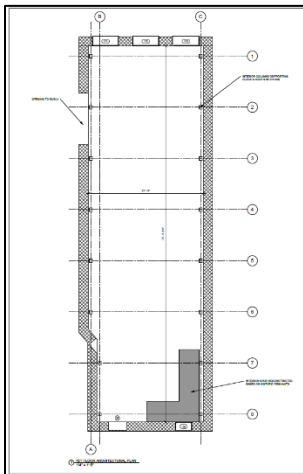
This project has been determined by the MHC to be categorically exempt from EA or EIS according to the following MEPA criteria:

- *Projects that involve only minor repairs or rehabilitation to an existing facility, including functional replacement of an existing facility or facility components;*



MHC Evaluation: The rehabilitation of the building involves repairs to the roof and rehabilitation of exterior walls in kind with the historic design and materials. In addition to restoring the limestone façade, historical components salvaged from the building will be reintroduced or recreated to match the originals. All are planned to occur within the building footprint, and are functional replacements of facility components. Improvements will be compliant with current IEBC codes, seismic codes and ADA regulations. As such, these improvements to the building meet the criteria for categorical exemption.

- *Projects where the footprint of the proposed structures, pipelines, or other infrastructure would be substantially unchanged from existing conditions, and there is no increase in the population served by the facility*



MHC Evaluation: Restoration of Stonewall Hall involves a project that stays within the footprint of the existing building, as demonstrated in the floor plan at the left. There are no infrastructure improvements planned that would introduce substantial changes to this property. Rather the project is planned to retain and restore the historic aspects of the building to functional use.

As for population increase, placing this building into seasonal use as a retail and visitor center does not involve housing or any improvement that would lead to an increase in the population of the community.

Attachment 4
MHC Legislative Audit &
2022-23 Biennial Report

LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:
Cindy Jorgenson
Joe Murray

MEMORANDUM

TO: Legislative Audit Committee Members
FROM: Sarah Carlson, Senior Performance Auditor
CC: Marilyn Ross, Chairperson, Montana Heritage Commission
Elijah Allen, Executive Director, Montana Heritage Commission
DATE: November 2018
RE: Performance Audit Follow-Up (18SP-19) of Montana Heritage Commission:
Managing Virginia City, Nevada City, and Reeder’s Alley Historic Properties
(orig. 16P-05)
ATTACHMENTS: Original Performance Audit Summary

Introduction

The *Montana Heritage Commission: Managing Virginia City, Nevada City, and Reeder’s Alley Historic Properties* (16P-05) report was issued to the Legislative Audit Committee in June 2017. The audit included three recommendations to the Montana Heritage Commission (MHC). We conducted follow-up work to assess implementation of the report recommendations. This memorandum summarizes the results of our follow-up work.

Overview

Our original audit found MHC manages its historic properties in a manner that both preserves the properties and encourages economic stability as required by law. However, our work identified opportunities for MHC to adopt a more business-oriented approach by engaging commissioners more fully, improving organizational planning processes, and gathering additional information. We made three recommendations related to these issues. Our follow-up work indicates one recommendation has been implemented and two are not implemented. MHC has implemented work to increase commissioner engagement, but follow-up work found MHC has more changes to make to its organizational planning and information gathering processes as recommended in the audit and has not made clear how they are going to continue and make the necessary changes.

Background

The buildings and artifacts making up the attractions in Virginia and Nevada Cities were purchased by the state for \$6.5 million in 1997. The purchase included 148 buildings, 160 acres of land near Alder Gulch in Madison County, and 1 million artifacts currently estimated at a value of nearly \$50 million. Virginia and Nevada Cities include displays depicting life in the 1860s, and MHC offers a variety of activities such as panning for gold or riding a tour train. Other venues such as historic lodging, live theater shows, gift and specialty shops, fine dining, and old-fashioned ice cream and candy shops are operated by concessionaires

Room 160 · State Capitol Building · P.O. Box 201705 · Helena, MT · 59620-1705
Phone (406) 444-3122 · FAX (406) 444-9784 · E-Mail lad@mt.gov
<http://leg.mt.gov/audit>

in buildings owned by MHC. Other stores and eateries are owned and operated by private owners. Some businesses are open year-round, but most are open only in the summer months. MHC properties expanded in 2000 with the addition of Reeder's Alley, including the Pioneer Cabin, in Helena. This location is also a mix of public and private ownership, with concessionaires running businesses out of the historic buildings. To manage the properties, the legislature also established the Montana Heritage Commission in 1997, tasking it with hiring staff and running day-to-day operations. MHC is responsible for managing its properties in a manner that protects the properties and encourages economic stability. This 14-member commission sets the direction of the MHC, with staff responsible for carrying it out. The details are largely at the discretion of an executive director hired by MHC to implement work related to MHC priorities. Membership of the commission is detailed in state law and includes three state agency directors, two members appointed by legislative leadership, and nine members with various historical and tourism-related experience appointed by the governor.

Audit Follow-up Results

Our follow-up work included traveling to Virginia City and attending the most recent MHC commission meeting. We reviewed newly developed commissioner's job description and other governance documents distributed to commissioners and interviewed the executive director and commission members. We also reviewed the organization's most recent meeting notes, as well as strategic and business plans. The following sections summarize information relating to follow-up work and the implementation status of recommendations.

RECOMMENDATION #1

We recommend the Montana Heritage Commission improve commission engagement by:

- A. Developing a commissioner's job description.
- B. Developing a specific packet of governance materials for distribution to each new commissioner, such as Montana Heritage Commission most recent by-laws, strategic plan, business plan, and commissioner's job description.
- C. Developing and implementing a training plan for all commission members.

Implementation Status – Implemented

Best practices of organizations managing historic sites indicate an oversight body such as the commission should clearly understand its responsibilities and receive information to fulfill those responsibilities. Our audit work found that some commission members were not able to provide their expertise or impartial evaluation to the commission's work because they had a limited understanding of their role as a commissioner. To provide oversight, commissioners needed to know their role more clearly, so our first recommendation focused on improving commissioner engagement by developing a commissioner member job description, distributing MHC governance materials to all commissioners, and providing training for all commissioners related to their MHC duties. We found this recommendation has been implemented. Our review of commission meeting notes and interviews with commissioners and staff indicate a commissioner's job description has been developed and was reviewed and approved by the commission in December 2017. The job description highlights areas for which commissioners are responsible, including budgetary oversight and policy consideration. Also, governance packets are provided to each new commissioner as part of initial orientation and all commissioners receive updated materials each June. The packet contains the organization's most recent by-laws, strategic plan, and the commissioner's job description. It also includes state law and administrative rules related to MHC, and the Montana Appointee Handbook, produced by the governor's office. Interviews with a commissioner and MHC staff describe the packets as helping ensure commissioners have the information they need to fully participate

on the commission. In addition, two training sessions, organized by the Montana State University Local Government Center, were held for commissioners prior to the convening of the December 2017 and March 2018 commission meetings. MHC staff stated at least one training session per year will continue to be planned for commissioners. The next training session is anticipated to be held in December 2018.

RECOMMENDATION #2

We recommend the Montana Heritage Commission expand its information collection practice to include:

- A. Identifying and documenting assumptions and other background data used to develop business plans, and
- B. Gathering demographic and other detailed data regarding visitors, their activities at the historic properties, and using this data for future resource allocation planning.

Implementation Status – Not Implemented

This recommendation relates to MHC's need to expand its information collection activities. Audit work found MHC was not documenting the underlying assumptions upon which its business plan is based. By not doing this, MHC cannot be certain it has accurately assessed the success of items in the plan. In addition, we found the organization was not collecting data about visitors and their preferences regarding historic properties and other attractions. This is essential information needed to determine future resource allocation. Overall, we found MHC performed some work related to this recommendation, but this work has stalled with limited progress. Our review of the most recent business plans and interviews regarding visitor data collection indicates there has been few changes to these processes. The most recent version of the MHC business plan incorporated projected cost estimates and anticipated revenues of their business ideas, but MHC staff indicated the underlying assumptions upon which the estimates are based are still not currently being documented nor included in the plan. Further discussion with the staff determined it is their intention to implement all recommendations but have not yet done so because of a lack of knowledge regarding how to proceed with implementing this recommendation fully. However, there is no indication how the organization plans to do this. Additionally, our follow-up work found that MHC is currently using the same informal data collection approach found in the audit: pen and paper. However, MHC staff reports that there are plans to update data collection process via touchscreen kiosk systems in several locations. This new method is intended to save time in collecting visitor demographic information during the peak summer tourist season. In addition, the electronic interface is anticipated to better incentivize visitors to voluntarily provide their information. However, it was not clear from interviewing staff how the newly acquired data will ultimately be used or the timeline for implementing this change.

RECOMMENDATION #3

We recommend the Montana Heritage Commission strengthen its organizational planning processes by expanding its:

- A. Business plans to include a timeline for completion, an evaluation of resources needed, and an assessment of staff time required for each proposed project.
- B. Strategic plans to include an assessment of current resources, and a strategic analysis indicating how those resources will be distributed among activities identified in the plan.

Implementation Status – Not Implemented

This recommendation relates to MHC's need to plan in a more business-like fashion by estimating how many resources new projects proposed in MHC business plans would need, and how those needs intersect with the goals of the strategic plan. We found MHC began work on this recommendation, but work has

also stalled due to a lack of knowledge in how to proceed in getting it fully implemented. The most recent version of the MHC business plan incorporates projected cost estimates and anticipated revenues of business ideas. However, when reviewing the most recent MHC strategic plan completed September 2018, we found limited changes have been made when compared to the 2016 strategic plan reviewed during the audit, and none related to the resources needed to reach strategic goals. While MHC indicated they intend to implement this recommendation, we do not know how this will be accomplished because they could not provide evidence on how they would do this or an estimated timeline for completion.

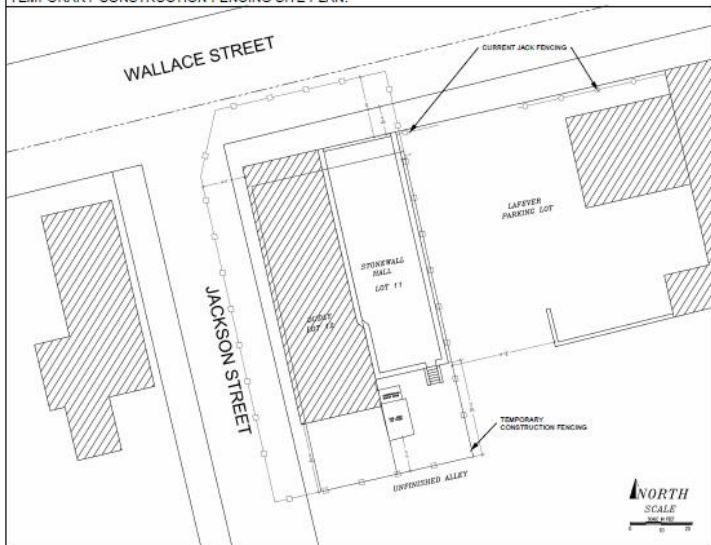
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Attachment 5
Stonewall Hall Restoration Plans (2023)

PROJECT LOCATION:



TEMPORARY CONSTRUCTION FENCING SITE PLAN:



STONEWALL HALL REHABILITATION & RECONSTRUCTION

VIRGINIA CITY, MT
SPRING 2023



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HISTORIC
REVIEW**

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STONEWALL HALL, NORTH ELEVATION



STONEWALL HALL, EAST ELEVATION



STONEWALL HALL, SOUTH ELEVATION



STONEWALL HALL, WEST ELEVATION. DUDLEY IN FOREGROUND



SHED, EAST ELEVATION



SHED, NORTH ELEVATION



SHED, SOUTH ELEVATION



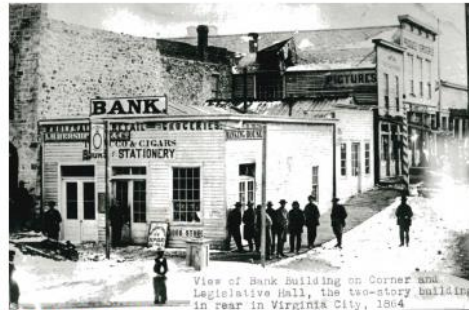
REAR (SOUTH) ENTRY



BETWEEN SHED AND STONEWALL HALL



HISTORIC PHOTO, CIRCA 1896



HISTORIC PHOTO, 1864

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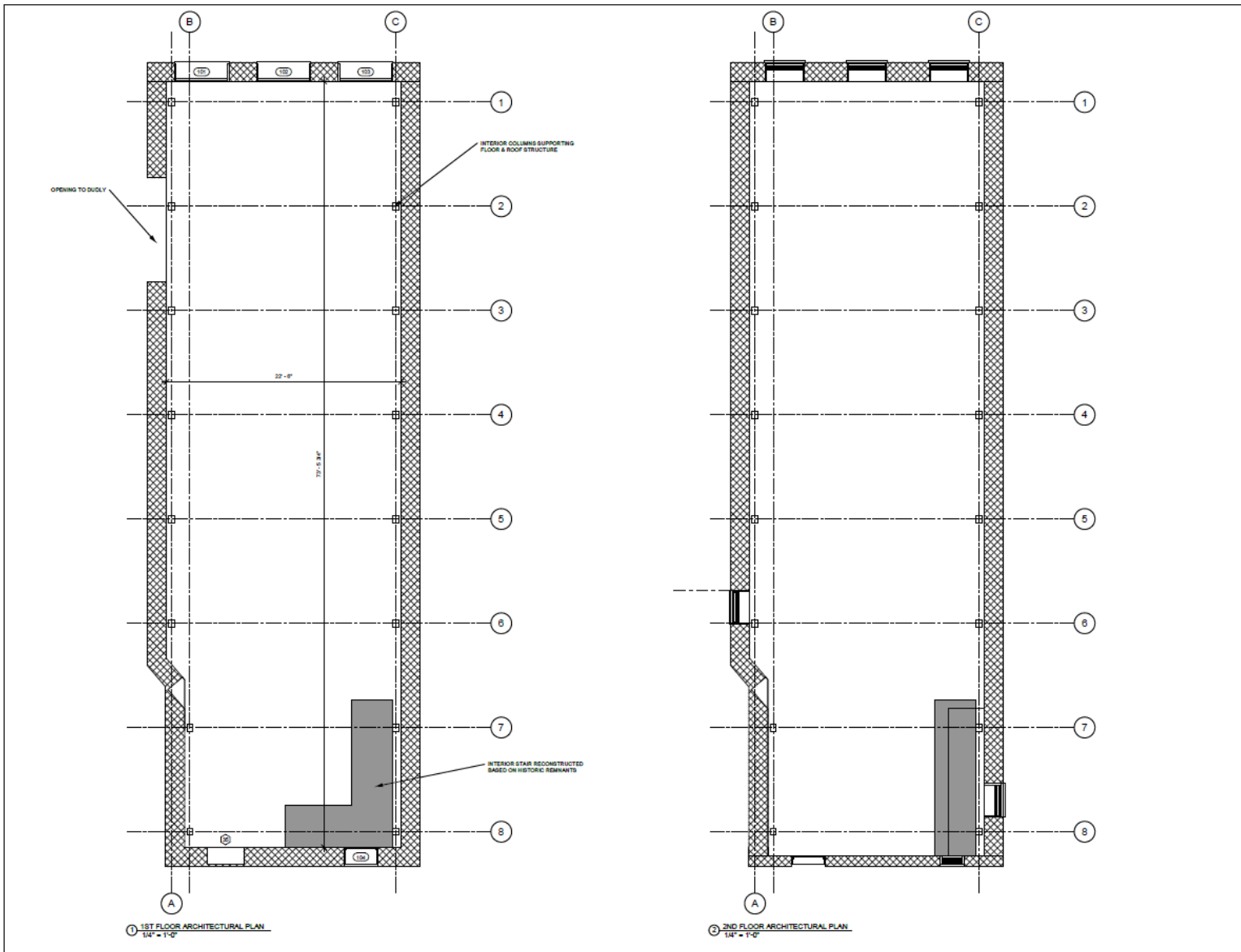
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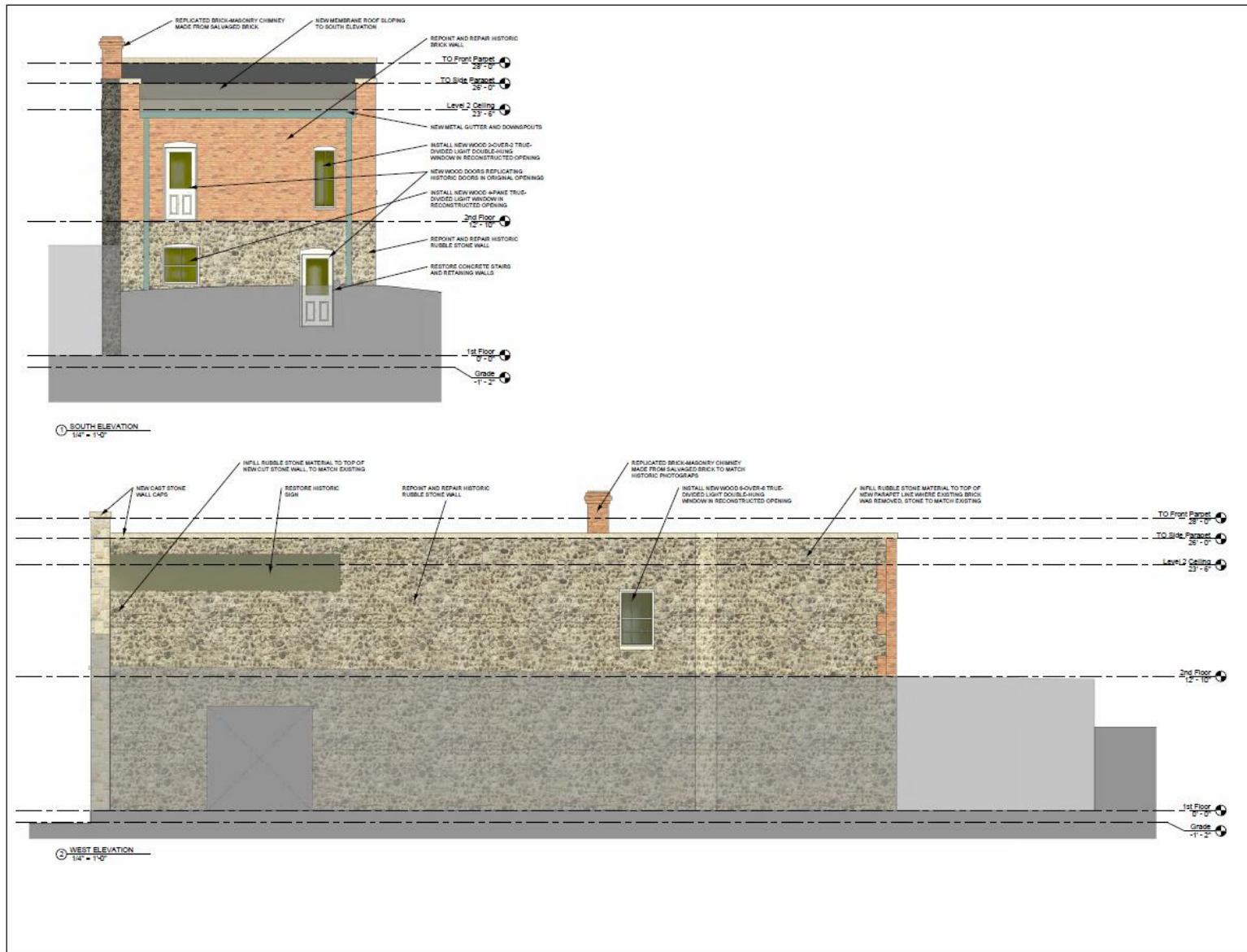
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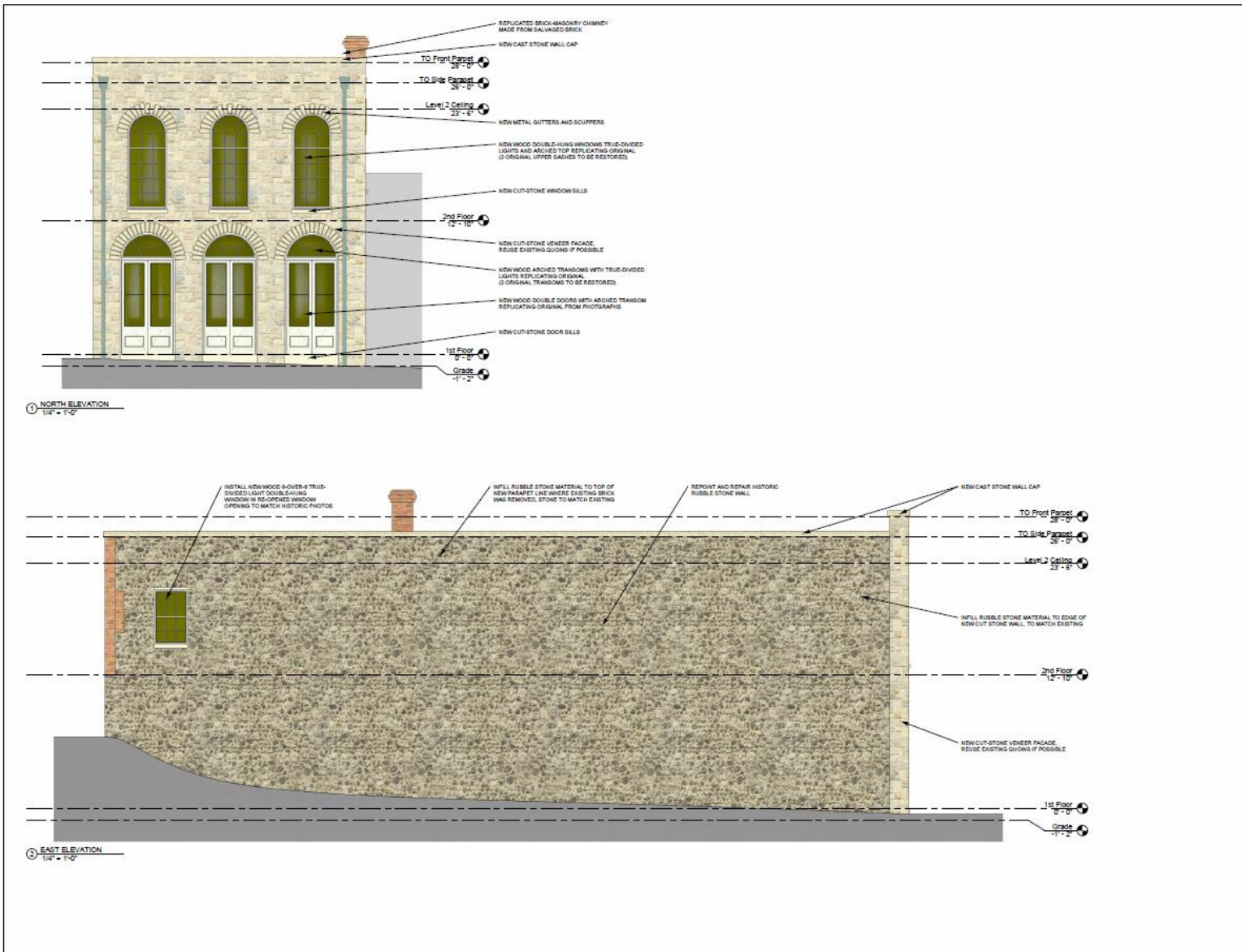
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SOUTH AND WEST ELEVATIONS

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NORTH AND EAST ELEVATIONS

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