

The Montana Department of Corrections
Biennial Report on Heritage Properties
2014 – 2016

Report to the Montana Preservation Review Board

Report prepared by:
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Montana Correctional Enterprises
A division of
The Montana Department of Corrections

Executive Summary

The Department of Corrections presents the second biennial report, February 2016, to the Montana Preservation Review Board as required by 22-3-424(4), MCA: "an act requiring state agencies and the Montana University System to biennially report to the Preservation Review Board on the status and maintenance needs of agency heritage properties."

This statute outlines five reporting requirements state agencies must include in their report to the Preservation Board:

- A. A list of heritage properties managed by the agencies as those properties have been identified pursuant to this section
- B. The status and condition of each heritage property
- C. The stewardship efforts in which the agencies have engaged to maintain each heritage property and the cost of those activities
- D. A prioritized list of the maintenance needs for the properties
- E. A record of the agencies compliance with subsections 22-3-424(1) and (2)

The Department of Corrections has one identified heritage properties, one of which is a heritage district. In addition one more historic district was added by Jefferson County during the biennium.

A. A list of the heritage properties managed by the agencies as those properties have been identified pursuant to 22-3-424 (4), MCA

- **24PW0373** – Old Montana Territorial Prison, Deer Lodge, MT
- **24JF1991** – Montana State Training School Historic District buildings #23, Old Laundry, #24, Laundry, #44 Power House and #69 Garage and structure #71, Bridge

In addition, the Department has identified that are believed to be eligible to be included on the National Register of Historic Places

- **Montana Correctional Enterprise Ranch 2 Stone Barn** – Dempsey Creek Road, Deer Lodge, MT
- **Conley Lake House and Lodge** – Conley Lake Road, Deer Lodge, MT

B. The status and condition of each heritage property

- **Old Montana Territorial Prison** – The status and condition of this property is between fair and good. The building is continually monitored for needed repairs and ongoing maintenance. The property is part of the Old Prison Complex which was leased to the Powell County Museum and Arts Foundation (Heritage Property Lessee) in 1994. (See Attachment A)

- **Montana State Training School Historic District** – The status and condition of these buildings and the bridge structure are between fair and good condition. The Laundry Building is currently utilized by Riverside Youth Correctional Facility for storage. The other buildings have not been used for several years. Each building will be evaluated for maintenance needs in fiscal year 2016. The bridge structure

C. The stewardship efforts in which the agencies have engaged to maintain each heritage property and cost of those activities

DOC has not directly been involved with stewardship efforts of the Old Montana Territorial Prison, as the Heritage Property Lessee has the full responsibility of repair and maintenance as outlined in section 5 of Attachment A.

The Montana State Training School District was listed during the past two years. The buildings have not been evaluated to date by the Department of Corrections.

D. A prioritized list of the maintenance needs for the properties

The Heritage Property Lessee maintains a prioritized list of maintenance and repair needs for the Old Montana Territorial Prison. If this list is needed, it can be provided.

There is no priority list for the Montana State Training School District at this point, as we have just recently found that we are responsible for a portion of the buildings and the bridge structure in the district.

E. A record of the agencies' compliance with subsections 22-3-424 (1) and (2)

DOC does not maintain control of the repair and maintenance of the property. It is unknown whether the Lessee has conferred with the Montana Historical Society regarding this property, pursuant to the above statutes.

LEASE

This lease made and entered into this 11th day of January, 1995, by and between the MONTANA DEPARTMENT OF CORRECTIONS & HUMAN SERVICES, an Executive Branch Agency of the State of Montana, hereinafter referred to as the "LESSOR" and THE POWELL COUNTY MUSEUM AND ARTS FOUNDATION, of Deer Lodge, MT., a non-profit corporation, hereinafter referred to as the "LESSEE".

WHEREAS, in accordance with the directive of Chapter 480, Session Laws of 1993, the Department of Corrections and Human Services is to transfer, lease and let its interest in the MONTANA TERRITORIAL PRISON, commonly known as the Old Montana State Prison, to the Powell County Museum and Arts Foundation; and,

WHEREAS, the Powell County Museum and Arts Foundation has maintained the old Montana State Prison as a museum and regional tourist attraction and has expended substantial sums of money for the operation, development and maintenance of the prison complex, all of which have benefited the State of Montana; and

WHEREAS, the continued operation of the Old Montana State Prison as a museum by the Powell County Museum and Arts Foundation will fulfill a substantial governmental purpose;

The Lessor for and in consideration of the rentals to be paid and covenants to be kept and performed by the Lessee, its administrators, successors and assigns, hereby leases to the Lessee the following described premises for operation as a museum. This lease is subject to the terms, conditions, restrictions and provisions set forth herein.

IT IS MUTUALLY UNDERSTOOD, AGREED AND COVENANTED BY AND BETWEEN THE PARTIES TO THIS LEASE AS FOLLOWS:

1. LEASED PREMISES: The property is described as follows:
 - a. All buildings comprising of the Montana State Prison which constitutes blocks 52, 53, 62, 63, 66 and 67 of the original townsite of the City of Deer Lodge, all situated in the Northwest 1/4, Section 4, Township 6 North of the official plat thereof on file at the Powell County Courthouse.
 - b. Building No. HS-16, Store and Commissary, MSP #8-A, [store/butcher shop/deputy warden's residence] located in Block 65; Township of Deer Lodge, Lot 3, the W 1/2 of the SE 1/4 Section 4, Township 6N, excluding the garage, MSP #7-A, and
 - c. [1] Building No. HS-15, Root Cellar, MSP #9-A
[2] Building NO. HS-14, Boiler Room/Creamery, MSP #10-A

[3] Building NO. HS-13, Central Warehouse Complex, MSP #12-A, and

[4] Building No. HS-12, Old Guard's Quarters, MSP #14-A. [Offices/Guards/dormitory] All of the above located in Block 68, Township of Deer Lodge; the NW 1/4 of Section 4 Township 6N, Powell County, Montana.

[5] Building HS-17, MSP #6-A, the old women's prison/training center.

- d. But excluding [1] Building No. HS-18, Warden's residence, [2] Building No. HS-19, MSP #5-A, Shed and Greenhouse [3] Building NO. HS-20, Warden's garage [4] and the garage on the NE corner of building HS-16 . described above, which garage exits into alley running north and south between Main Street and 4th Street.

As shown and described in the attached site plan consisting of two (2) pages and made a part of this lease.

- 2. TERM OF LEASE AGREEMENT: The Lessor allows the Lessee to have and to hold the said premises for a term of Ninety-Nine (99) years beginning on the 11th day of JANUARY, 1995, up to and including the 10th day of JANUARY, 2094. Renewal or extension of this term is not allowed unless authorized by state law.

3. RENTAL: Beginning MARCH 1ST, 19 95
and payable March 1 of each year thereafter the Lessee shall
pay to the Lessor an annual rental of Twelve dollars
(\$12.00).

The rentals discussed herein are subject to change if
so directed by the Legislature through statutory direction.

4. USE OF PREMISES: The premises shall be used by the Lessee
solely for the purpose of a public museum, museum storage &
display and related museum functions [for this purpose any
business that provides retail sales, restaurant services or
other services normally provided to tourists shall be a
related museum function]and agrees not to permit said
premises to be used for any immoral or illegal purposes or
for any purpose more hazardous than the use herein intended.
If any part of the premises under this lease are used or
allowed or permitted to be used for any purpose contrary to
the laws of this State or the United States, such unlawful
use shall in the discretion of the Lessor constitute
sufficient reason for the cancellation of this lease.

Lessee will comply with all applicable laws, rules, and
regulations or ordinances of all municipal, county, state
and federal authorities in effect at the date of this lease,
or which may, from time to time, be adopted, pertaining to
the use of the premises.

The Lessee will at its own expenses supply any apparatus, appliance, or materials needed for the use of the premises. Lessee is prohibited from using the premises or any portion thereof for the disposal of any toxic, hazardous, or deleterious substances or materials.

All garbage, trash, debris and other refuse is to be disposed of off-site properly in accordance with local, state and/or federal laws, rules, regulations or ordinances.

All hiring by Lessee for the performance of any activity conducted pursuant to this lease must be on the basis of merit and qualifications. Lessee may not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, mental status, physical or mental handicap, or national origin in performing any activities pursuant to this lease.

All public facilities provided pursuant to this lease must comply with the requirements of the American with Disabilities Act, 42 U.S.C. 12101 et seq., and implementing rules and regulations. The responsibility for compliance with the requirements of the Americans with Disabilities Act for that portion of the premises occupied by the Montana Law Enforcement Museum shall be that of the Montana Law Enforcement Museum Association and not of the Powell County Museum and Arts Foundation.

5. MAINTENANCE & REPAIRS: Lessee agrees to take good care of the premises and to keep the premises in a clean, orderly and safe condition at all times during the term of this lease. The Lessee is responsible, at its own expense, for all necessary repairs to the premises, including, but not limited to maintaining the premises in a clean, sanitary and safe manner, including all buildings, equipment, appliances, furniture and fixtures therein and shall peaceably surrender the same upon expiration or termination of this agreement in as good a condition as received, ordinary wear and tear accepted, and free of all Lessee's personal property, trash and debris.

Lessee agrees to maintain the plumbing for public restrooms and electrical wiring in public access areas and will be responsible for repairs required due to damage caused by its negligence and/or that of its employees, agents, visitors, invitees or others authorized to access or use the premises.

All repairs and improvements must be done in compliance with the Montana Antiquities Act.

Upon expiration or termination of this lease, Lessee will quit and surrender the said premises in as good of condition as the reasonable use and ordinary wear and tear thereof will permit, provided however, the Lessee shall not be liable for any damage, or required to make any

replacement or repairs except as may be required by the Lessee's neglect or misuse of said premises.

6. IMPROVEMENTS, ALTERATIONS OR MODIFICATIONS: The Lessee shall have the right to place such improvements on the leased premises as are reasonable taking into consideration the purpose for which the premises are leased and the requirements of the Montana Antiquities Act. Lessor will consult with the State Historical Preservation Office as necessary to insure compliance with the Act and to perform reviews required by this section. A workplan of proposed improvements containing such information as the Lessor may require, including the estimated cost and character of the improvements, shall be submitted annually on January 30th to Lessor for review and prior approval. Response to the workplan will be made within 45 days of receipt of the annual report. The workplan shall include all proposed improvements the lessee intends to undertake during the upcoming year. Maintenance items may be performed without prior approval.

Emergency work necessary to address damage by fire, flood or other unforeseen disaster will be reviewed on an immediate basis. Upon notification by the Lessee of the nature of the proposed work, response will be made within ten (10) working days.

The Historic Structures Report prepared by James McDonald, architect, will be reviewed every ten years by the

Lessor in consultation with the State Historical Preservation Office and the Lessee for necessity for updating. Lessee agrees to contract with a qualified historic structures architect to prepare an update at Lessee's expense.

7. UTILITIES: The Lessee agrees to pay all charges for heat, water, electricity, telephone, and maintenance services on the premises. The Lessee, at its sole expense, shall determine the availability of, and shall cause to be installed in, on and about the leased premises, all facilities necessary to supply thereto all water, sewer, gas, electricity, telephone and other like services required in Lessee's operations hereunder. Lessee agrees to pay all connection or acreage assessments or charges levied by any public utility, agency, or municipality with respect to their services. Notwithstanding the foregoing, Lessee shall not enter into any contract or agreement with any city, county or other governmental agency or body or public utility with reference to sewer lines or connections, water lines or connections or street improvements relating to the leased premises, without the prior written consent of the Lessor, which consent shall not reasonably be withheld.
8. TAXES: For purposes of determining whether the property is subject to tax, the property shall be considered owned by

the state and used for a public purpose consistent with the use of state property, and 15-24-1203, MCA, shall not apply.

The Lessee shall pay all taxes, special assessments, levies, fees and other government charges of every kind or nature that may be levied by any and all federal, state, county, municipality, and any other taxing or assessing authority upon the leased premises and any property owned by the lessee on or about the leased premises during the term of this lease. Payment shall be made in a timely manner so as to avoid any delinquency of taxes, special assessments, levies, fees and other governmental charges. Lessee shall cause all taxes imposed upon all privately owned property situated in, on or about the premises, to be levied or assessed separately from said leased premises and not as a lien thereunder.

9. INSURANCE: The Lessee agrees to secure and maintain adequate fire, casualty and liability insurance in the amount of \$200,000 on the leased property to be used to either repair the building(s) or to reimburse the lessor for the loss.

The Lessee must obtain and maintain general liability insurance for all its activities upon the premises which lists the Lessee and the State as co-insured. The minimum coverage shall be in the amount of \$1,000,000 combined single limit per occurrence and \$1,000,000 aggregate single

limit per occurrence. Lessor reserves the right to require additional or different insurance coverage based upon a review every five years of the experience and nature of the use of the premises. Lessee shall hold Lessor harmless for any loss to contents and property of the Lessee not covered by insurance maintained by Lessee on such contents and property.

The Lessee must provide the Lessor with proof of said insurance coverages by October 15 annually.

10. LESSEE LIABILITY: This lease is made upon the express condition that the lessee shall assume all liability for any injury, property damage or loss by any persons and for any injury, property damage or loss to any employee or property of lessee, its agents or employees, or third persons, or to the lessee, from any cause or causes whatsoever while in or about the said premises or any parts thereof during the term of this lease or occasioned by the occupancy for use of the said premises or any activity carried on by the lessee in connection therewith. Lessor indemnifies and holds Lessee harmless with respect to any or all claims, suits, actions, liabilities, and costs of any kind, including attorney's fees, arising from Lessor's negligence or willful misconduct in the performance of this agreement. Lessee indemnifies and holds Lessor and its employees and agents harmless with respect to any and all claims, suits, actions, liabilities,

and costs of any kind, including attorney's fees, arising from Lessee's negligence or willful misconduct in the performance of any of Lessee's activities under this agreement.

11. ASSIGNMENT, SUBLEASE, RENTALS: If all rentals due have been paid and the terms of the lease have not been violated, the lease may be assigned; however, no assignment shall be binding on the State unless the assignment is filed with the State and approved by the Lessor.

The Lessee shall have the right to sublease or rent portions of the premises to another party provided that the purpose of any sublease or rental is in compliance with the use of the premises allowed by Section 4. Any sublease or rental inconsistent with Section 4 shall not be effective unless agreed to and approved by Lessor.

12. DEFAULT: If default shall be made by the Lessee in the payment or rent or in the performance of the conditions of covenants of this lease, the Lessor shall have the right to re-enter said premises and remove Lessee and all other persons and materials therefrom and shall have the option of canceling this lease, provided that such rights of re-entry and cancellation may be exercised by the Lessor only in the event that the breach or other default of the Lessee shall have continued for 90 days after written notice thereof of the Lessor's intention to cancel has been furnished to the Lessee.

Lessee shall not, however, be held in default if its failure to perform in accordance with the terms of this lease results from strikes, riots, governmental intervention, acts of God or other causes beyond its control. All notices required to be given hereunder by either party shall be in writing and sent by mail addressed to the Lessor at the Department of Corrections & Human Services, 1539 11th Avenue, Helena, Montana 59620 or the Lessee at 1106 Main Street, Deer Lodge, Montana 59722.

13. ACCESS: The Lessor or its authorized representative may from time to time, at any reasonable hour, enter upon and inspect the premises, or any portion thereof or improvement thereon to ascertain compliance with this lease, but without obligation to do so or liability thereof. In addition, representatives of the State Historical Society of the State of Montana shall at all reasonable times have the right to enter into and upon the premises for the purpose of carrying out the duties assigned the Historical Society by the State Antiquities Act, under Section 22-3-4 MCA.
14. CANCELLATION: The Lessor shall have the power and authority in its discretion to cancel this lease for any of the following causes: a) for using the land and premises for other purposes than those specifically authorized by the lease, b) loss by Lessee of its non-profit corporate

status, c) cessation of the use of the premises for the purpose for which it was intended as set forth by this lease, d) failure to comply with any of the provisions of this agreement, and e) for any other reasonable cause which in the judgement of the Lessor makes the cancellation of the lease necessary in order to do justice to all parties concerned and to protect the interest of the State.

Provided, however, this cancellation shall not be effective unless such cause is considered a default, a 90-day default notice is sent, and the Lessee has an opportunity to cure the default as set forth in section 12. Such cancellation shall not entitle the Lessee to any refund for rentals paid or exemptions from the payment of any rents, penalties or other compensation due the State for prior use of the premises.

15. RESERVATIONS: The State reserves all rights and interests to the premises under lease other than those specifically granted by this lease. These reservations include but are not limited to the following:
- a) Minerals - All coal, oil, gas and other minerals and all deposits of stone, gravel, sand, gems, and other non-mineral valuable for building, mining, or other commercial purposes. The Lessee shall not open any mine or quarry or work or dig any of the mineral or non-minerals mentioned above from any mine or any quarry, pit or diggings situated

on the said premises, whether such mine, quarry, pit or diggings was open at the date of this lease or not.

b) Montana Law Enforcement Museum, Inc.. Pursuant to the directive of Chapter 480, Session Laws of 1993, all rights under the lease agreement between Powell County Museum & Arts Foundation and Montana Law Enforcement Museum, Inc., dated December 14, 1989, shall be guaranteed.

c) Additional Reservations - The State reserves a right-of-way to the United States over the land above described for ditches, canals, tunnels, telephone and telegraph, and powerlines now constructed, or to be constructed by the United States Government in the furtherance of the reclamation of arid lands.

16. MODIFICATIONS OR AMENDMENTS: This agreement may not be modified or amended unless agreed upon in writing by both parties.

17. HAZARDOUS OR DELETERIOUS SUBSTANCES: The parties acknowledge that the leased premises may contain hazardous or deleterious substances, including but not limited to asbestos, and that an inspection for asbestos containing building materials was conducted July 24, 1992, by Hazard Control, Inc. Billings, Montana, under Certification Number ViiKU86260-31 and MTA0095.

18. EXTENT: All covenants and agreements herein set forth between the parties hereto shall extend to and bind their successors, assigns and legal representatives.

IN WITNESS WHEREOF the parties have executed this lease agreement and affixed their seals as of the day and year first above written.

LESSEE:

POWELL COUNTY MUSEUM & ARTS FOUNDATION

BY Dick Bauman

Title: President

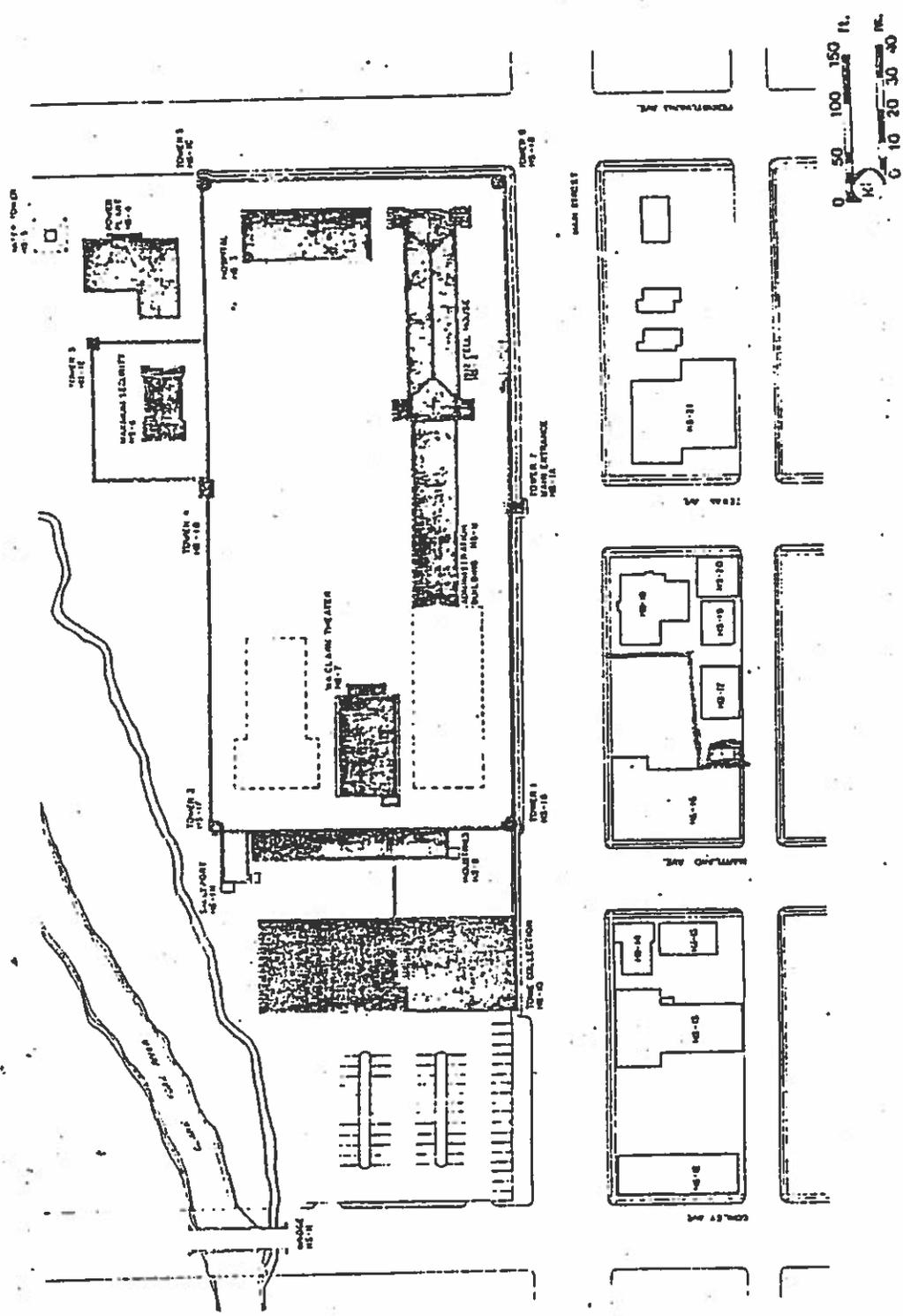
LESSOR:

STATE OF MONTANA
DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

Rick Day
Rick Day, Director

Reviewed for Legal content by:

Dave Ohler
Dave Ohler, Attorney at Law



PLAN OLD MONTANA STATE PRISON

Existing Prison Site Plan.

EXHIBIT

AGREEMENT

This agreement by and between the State of Montana, Department of Corrections and Human Services, and the City of Deer Lodge provides as follows:

That on January 11, 1995, the State of Montana, Department of Corrections and Human Services, and the Powell County Museum and Arts Foundation entered into a lease agreement regarding the Montana Territorial Prison, commonly known as the Old Montana State Prison.

That there is an existing lease dated November 1, 1983, pertaining to the same premises by and between the Montana Department of Institutions, predecessor to the Department of Corrections and Human Services, and the City of Deer Lodge.

THEREFORE, it is mutually understood and agreed by and between the parties that the November 1, 1983, lease is cancelled in its entirety.

STATE OF MONTANA
DEPARTMENT OF CORRECTIONS & HUMAN SERVICES
(successor in interest to Department of Institutions)



RICK DAY, Director

Date: 3-16-95

CITY OF DEER LODGE
By: 

Date: 3-30-95

Reviewed for Legal content by: 

Lois Adams, Legal Counsel
Department of Corrections &
Human Services

Date: 3-7-95

Attachment B

1. Montana Correctional Enterprise Ranch 2 Stone Barn

This building was built in 1910 to be utilized as stock and feed storage for the Ranch 2 location of the Prison Ranch. The building is 37' x 93' x 25' high with of



3,441 total square feet. The building has stone exterior walls and a plank and dirt floor. Electricity and plumbing were added to the building.

The replacement cost of the building in 1973 was \$49,983. This is when it was documented as an asset by the State Appraiser. The status of the building is satisfactory and the condition is excellent. Montana

Correctional Enterprises Agriculture Director maintains the infrastructure of the building and it still utilized for agricultural purposes by the Montana Correctional Enterprise (MCE) Ranch.

On a scale of 1–5, the Ranch 2 stone barn is ranked 5 on the preservation priority scale.

2. Conley Lake House and Lodge

The **Conley Lake House** and **Lodge**, sitting on the beautiful setting of Conley Lake, are a large part of the history of the Community of Deer Lodge.



Prior to the State Prison moving to the present location, the Lake and Lodge were utilized by the community for functions such as wedding receptions, family reunions and birthday parties. The lake was stocked with fish and there were docks on the south end for swimming and fishing purposes. After the prison moved to the current location the only public

access that continued was the use of the lodge and lake for the Elk's Lodge

"Hooded on Fishing" annual outings. The Elks discontinued use of the lodge due to a bat infestation.

The **Conley Lake House** was built in approximately 1920 to be utilized as staff



living quarters. The building is 46' x 46' with a 9' covered porch and a $\frac{3}{4}$ basement. The house is masonry and frame with cedar shingles and wood floors. It was remodeled in 1961 to a duplex. The house was utilized for staff living quarters until approximately 1995. It was then used for training classes with two rooms maintained for travelling nurses and doctors. At the current

time, the house is not in use. A power pole supplying utilities to the house fell over approximately five years ago.

The replacement cost of the building in 1973 was \$72,900. This is when it was documented as an asset by the State Appraiser. The status of the building is endangered.



On a scale of 1 – 5, the Conley Lake House is ranked 3 on the preservation priority scale.

The **Conley Lake Lodge**, was originally called the recreation hall. It is believed to be built in approximately 1920, at the same time as the Conley Lake House.



The building is 25 x 69, with a 10 x 14 non log attachment, that was built later than the original building. The Lodge is log and frame with cedar shakes for roofing. There is a fireplace on the north end used to heat the building and there is also propane.

According to 1973 records, the lodge was re-chinked in 1972.

The replacement cost of the building in 1973 was \$23,880. This is when