

Commission Memorandum

REPORT TO: Honorable Mayor and City Commission

FROM: Chris A. Kukulski, City Manager

SUBJECT: *Additional materials for action item 4:*
Letter of Interest in Story Mansion from Exergy Integrated Systems

MEETING DATE: April 18, 2011

BACKGROUND:

At the time materials were submitted for the action item titled, "Agreement with the Friends of the Story, Inc." I was unaware of a letter of interest received from Exergy Integrated Systems to purchase the Story Mansion. I apologize for this oversight. Please see the attached correspondence from Exergy in addition to the materials formerly received on this item.

Attachment: Correspondence from Exergy Integrated Systems



April 1, 2011

Mr. Chris Kukulski
Bozeman City Manager
Bozeman, MT 59715

Re: Story Mansion Sale

Dear Mr. Kukulski:

The Exergy group of companies is interested in purchasing the Story Mansion. I have talked in some detail about the purchase with you, Andy Epple, former Bozeman City Planner and President of the Friends of the Story Mansion organization, Allison Bristor and Chris Saunders of City Planning Staff, as well as with Bob Rydell, Director of the Humanities Institute at Montana State University, and Michael Miles, Director-Emeritus of the Honors Program at MSU and at one time a member of the City's Story Mansion Advisory Task Force, and others. We have read the Conservation Easement Agreement for the Save America's Treasures Grant, the memorandum of understanding with the Friends of the Story Mansion, and the various zoning ordinances that apply to the area of Bozeman in which the Mansion is located.

Exergy is a major developer of renewable energy projects and technologies in different parts of the country. We are headquartered in Boise, Idaho, and maintain Montana offices in Helena, Great Falls, and Livingston. Our company officers have deep Montana roots and have worked hard to promote the educational and cultural life of its communities. Exergy is, among other such activities, the principal sponsor of the Helena Symphony. A program of the latest concert in our Exergy Masterwork Series is attached.

Exergy is also interested in the preservation of historic architecture. Our company headquarters in Boise occupy the top three floor of the Hoff Building, one of the most beautiful restored and historically significant Art Deco architectural works in the American West.

Although it has never been announced formally, it is our understanding that the Story Mansion can be purchased for \$392,000. We also understand that under the terms of the Conservation Easement, the first floor of the Mansion and

the surrounding grounds must be available to the public at least 12 days a year, and that under the terms of the applicable R-1 zoning, the 2nd and 3rd floors of the Mansion can only be leased to non-profit cultural and educational organizations.

As you well know, the 2nd and 3rd floors of the Mansion will require extensive restoration. Comma Q, a local architectural firm engaged by The Friends of the Story Mansion, estimated that it would take \$1,000,000 - \$1,500,000 to carry it out. We have not yet been able to confirm this estimate. In any case, the amount of restoration work required is considerable.

The Carriage House on the Mansion property will also require extensive work, in such a way that its unique beauty is restored and its spaces integrated with those of the Mansion and with the activities that will take place in both.

Proposal

We believe that the sale of the Story Mansion represents a great opportunity for Exergy and for the City of Bozeman, which could rest assured that the future of the Mansion would be in good hands. But various details concerning the sale have yet to be formalized, and although we have requested a meeting with them, we have not had the opportunity to sit down with Montana State University officials to discuss the possibility of its joining with other cultural non-profits in being an “anchor tenant” in the building. Under the circumstances, we are not in position to provide a firm “plan” for the use of the Mansion or to set out our terms and conditions for its purchase. Firmer guidelines from the City, and more extensive discussions with interested parties, including the Friends of the Story Mansion, would very much move this process forward.

Concept

But our basic concept is clear. Consistent with the Conservation Easement and Bozeman zoning ordinances, we want to join with MSU and local cultural non-profit organizations to establish a community center in the Mansion where the arts and humanities could be celebrated and explored. We would like to renovate the second floor so that it could house offices for these organizations, among which the MSU Institute for the Humanities, as well as create an apartment to be used by a housekeeper or visiting artists and faculty. In consultation with City staff

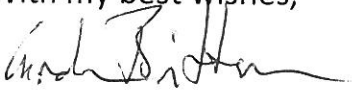
(particularly with regard to access issues), the third floor could be remodeled as an exhibition and/or meeting venue. What becomes of the Carriage House will be determined by the direction in which Mansion activities lead and an overall vision of the property.

Our business from the outset has been oriented to the importance of community values, and motivated by our belief that economic development and cultural appreciation are mutually reinforcing. Purchase of the Story Mansion would provide an ideal way for us to demonstrate this, and, we hope, serve as an example for other Montana communities to both preserve and animate their historical and cultural assets.

At this point, we would welcome an invitation from the City to hammer out a detailed proposal and move forward.

A company that has had great success in the renewable energy industry is perhaps best placed to renew the life of this great house and establish the basis for its sustainability.

With my best wishes,

A handwritten signature in black ink, appearing to read "Gordon Brittan", written in a cursive style.

Gordon Brittan

Director of New Product Development, Exergy Integrated Systems
Regents Professor of Philosophy (1973-present), Montana State University