



MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

Commercial Leasing Process

BACKGROUND:

A request for proposal (RFP) process is required per 77-1-904, MCA, for the Department of Natural Resources and Conservation (DNRC, or Department) to lease trust land for a commercial purpose. Factors considered by the Department when choosing to initiate the RFP process may include but are not limited to: highest and best use of the land, probability of developer response and subsequent lease, current market conditions, project priority status, the Department's Real Estate Management Plan, any local, state or federal regulations that effect the ability to develop the land, zoning, decisions made by the Land Board, and analysis of other real estate management programs.

GENERAL PROCESS:

1. Property identified for commercial lease development.
 - a. Department identifies property OR;
 - b. Proponent driven – Proponent typically delivers a letter of interest to the DNRC.
2. Feasibility research.
3. Project work, if necessary; if property requires local government review such as rezoning, annexation, or subdivision prior to leasing, the subject property becomes a "Project", it will also require:
 - a. DNRC project identification team approval
 - b. 60-day notice for any Conservation Interest
 - c. Notification to the Land Board of new "Project"
4. Land valuation: Minimum lease fees are based on a percentage of the land value.
5. Request for proposal (RFP); 90 days for initial release, and 30 days for any re-posting within two years.
 - a. Notice/Marketing; at a minimum:
 - i. RFP is posted on department webpage.
 - ii. Email is sent to interested parties.
 - iii. Legal ad is posted in local paper.
 - b. Questions and site tours
 - i. Site tour may be conducted with interested parties.
 - ii. Questions and answers, or modifications to the RFP are made part of the RFP as an amendment. All interested parties are notified of any amendment.
6. Proposal evaluation: Any and all proposals received by the deadline provided in the RFP will be analyzed by the DNRC Proposal Evaluation Committee (PEC) to determine if the proposal is responsive or nonresponsive. Proposals that do not follow the instructions in the RFP or are incomplete will be deemed nonresponsive, and consequently will not be evaluated further. Proposals received after the deadline will not be scored.
 - a. Evaluation criteria is included within the RFP.
 - b. Evaluation committee members score each proposal individually.
 - c. Final consensus score determined by PEC members.
7. If Option to Lease is planned:
 - a. Land Board vote* to grant authority on issuance of a lease through the Option.

- b. Issue option to lease and secure option fee; Optionee will have exclusive rights to enter into a lease during the option period, contingent upon MEPA** and the record of decision.
 - c. As part of the land reclassification process, conduct MEPA** analysis for **proposed lease activity** during the option period, prior to executing a lease.
 - d. If not done prior to issuance of the Option, Land Board to vote* to grant authority on issuance of the Lease.
8. If Lease is Planned (no Option)
- a. Conduct MEPA** for proposed lease activity.
 - b. Land Board to vote* to grant authority on issuance of the Lease.
 - c. Issue lease and secure annual lease fee.

** Land Board approval is required for any new commercial lease with a fee over \$50,000 per year.*

*** In some instances, the required MEPA analysis was conducted prior to the issuance of an RFP. For example, Section 36 in Kalispell was analyzed for future residential, park, professional and commercial land uses in a 2001 FEIS.*