



MONTANA DEPARTMENT OF NATURAL  
RESOURCES AND CONSERVATION

Cabin Site Lease

## BIDDING INSTRUCTIONS

### GENERAL BIDDING INFORMATION

Cabin site leases are issued by competitive bidding through a sealed bid process. All available cabin site leases are posted online on the Department website at [www.dnrc.mt.gov/cabinsiteleasing](http://www.dnrc.mt.gov/cabinsiteleasing). The Department will accept bids for cabin leases through the indicated Closing Date on each listing. New bidding cycles typically open 45-60 days after the end of each Closing Date. There are 3-4 bidding cycles per calendar year.

### FINDING PROPERTIES ON THE DNRC WEBSITE

The cabin site leasing webpage, [www.dnrc.mt.gov/cabinsiteleasing](http://www.dnrc.mt.gov/cabinsiteleasing), has general information on cabin site leasing, and a button the middle of the page that links to the bidding webpage:

- Lots Available for Lease -

On the bidding webpage, all available statewide cabin leases are listed. To filter by a specific neighborhood or lake, click the dropdown at the top labeled "Sort by neighborhood".

### UNDERSTANDING THE BID LISTING

Each listing includes general lease information, along with links to property documents and the bid application:



**Lease #: 3052863**

Neighborhood: Rogers Lake  
Description: LOT 31, ROGERS  
LAKE  
Acreage: 1.231  
Closing Date: 09/01/2018

**Minimum Bid:  
\$4920.00**

Bid Rate 4.000% of land value  
[Property Documents](#)

[Download Application](#)

The **Closing Date** is the last day that bids will be received for the lease lot. If this date has passed, then the bid cycle has closed and the lease may or may not be available in the next bid cycle.

The **Minimum Bid** amount is the **Bid Rate** multiplied by the most recent Department of Revenue value for the lease land. It represents the base rent for the annual lease fee for the land. If there are improvements upon the lease site, they must be purchased separately; improvements are not included in the bid amount. The **Bid Rate** for all leases starts at 6.5% and may be incrementally reduced as low as 3.5% based on bidding activity and neighborhood vacancy rates.

The [Property Documents](#) link will open a new page that includes a bid cover page, map, survey, and any other pictures of the site. If there are improvements upon the lease site, details on the improvements, and any available Bill of Sale would be found here too. Lastly, the [Download Application](#) button will open the Bid Form and W-9 that must be submitted for a bid to be considered.

## HOW TO BID

Your bid is your sealed envelope with the bid documents and payments enclosed. To be a qualified bid:

- The bid envelope must be sealed and marked as “Sealed Bid for Lease # (xxxxxxx)”
- Your sealed bid must be received by the Department by 5:00pm on the bid closing date.
- The following must be included within the sealed bid:
  1. **Bid Form:** Fill out the bid form and sign before a notary.
  2. **Application Fee:** A \$25 application fee, paid via cashier’s check or personal check. This fee is non-refundable.
  3. **Bid Deposit:** A 10% bid deposit paid via cashier’s check. The bid deposit represents 10% of the amount bid.
  4. **W-9 Form:** This form is necessary for the State to refund your deposit if you are not the highest bidder.

Sealed bids are not opened by any Department staff until the bid period closes. You may contact the Department at any time to inquire how many bids have been received for any lease, but bid amounts are unknown and will therefore not be available to release until the bids are opened upon the bid closing date. You may also supplement a submitted bid at any time up until the bid closing time, by submitting an additional sealed enveloped marked as “Supplemental Sealed Bid for Lease # \_\_\_\_\_”.

## AFTER THE BID PERIOD CLOSES

Department staff will contact all bidders on the first business day following the bid closing date. The successful bidders will be offered a lease. Unsuccessful bidders will be refunded their bid deposit.

**To finalize the lease:** The bidder must execute the lease contract, including payment of the balance due for the prorated rent, within 60 days of the bid close date. If the highest bidder fails to execute the lease within 60 days, they forfeit their bid deposit, and the Department may rebid the lease or award the lease to the next highest bidder.

### **Transferring Improvements (when applicable):**

**If improvements are owned by the former lessee,** the successful bidder must compensate the former lessee for the improvements. The cost will be the most recent Department of Revenue value for the improvements. The successful bidder will work directly with the improvements owner to transfer ownership of the improvements. A buy-sell agreement must be signed within 30 days of the bid closing

date, and the sale of the improvements must close within 60 days of the bid closing date. Lessee must provide evidence that the transfer has occurred.

**If improvements are owned by the State**, the Bill of Sale will be included within the [Property Documents](#) link and will include the required price for the improvements. Successful bidder will be required to sign and submit payment for the amount shown on the Bill of Sale at the same time as Lease signature and invoice payment. The Department will record the Bill of Sale and file a Realty Transfer Certificate with Department of Revenue, and the improvements will then be owned by the new Lessee. Lessee will be responsible for any taxes assessed on the improvements. Department will provide the original Bill of Sale to Lessee after recordation.

**Rent Payment:** The balance due upon lease signature will be the amount bid, prorated through the end of February, less the bid deposit. For example, if a bid amount was \$4,290 and the lease started on June 1, the following factors would be used to calculate the balance due: A cost of \$11.75342 per day (\$4290/365), for 273 days (from June 1 through February 28), minus the 10% bid deposit of \$429. The amount due would be:

$$(\$11.75342 \times 273) - \$429 = \underline{\$2,779.68}$$

The next invoice for the lease will be mailed to the Lessee in January, and due on March 1, and will be for the amount bid + 2%. The next invoice in this example will be \$4,290 x 1.02 = **\$4,375.80**

Each year thereafter, for the first 15 years of the lease, the lease fee will increase annually by 2%. The exact rent amounts for each year will be provided within a table in the lease document.

**A note on refunds:** If a bidder is not the high bidder, they may choose to have their bid deposit refunded immediately, or to have the Department hold their refund in the event their bid becomes the successful bid due to the high bidder failing to execute a lease.