

Commercial Leasing

Trust land properties that are currently available for commercial development are posted online at: www.dnrc.mt.gov/leasing.

The DNRC uses a Request for Proposal (RFP) process for issuing commercial leases on Trust Land. Interested parties are encouraged to contact DNRC regarding available properties or any Trust Lands they may be interested in leasing.

Examples of Businesses Developed on Montana Trust Land:



MORE INFORMATION AND CONTACTS:

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www.dnrc.mt.gov/leasing



Trust Lands in Montana



COMMERCIAL LEASING PROGRAM



Funding Public Education in
Montana

Why Does Montana Lease-Out Trust Lands?

The Montana Department of Natural Resources and Conservation (DNRC) manages nearly 5.2 million surface acres of the State of Montana's trust land resources. DNRC is responsible for producing revenue for trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land. Trust beneficiaries include public education institutions, such as K-12 schools and universities, which receive trust revenue to support education.

The DNRC produces revenue on the land through a variety of programs including timber and forestry activity; agriculture and grazing leasing; minerals, oil and gas leasing; recreational use permitting; residential cabin site leasing; and leasing for commercial development. They also issue easements and conduct land sales, acquisitions, and exchanges to either generate income, or improve the income generating capacity of the trust land.



Why Do Developers Lease Trust Lands?

- **Frees Up Capital** — A ground lease significantly reduces the developer's front-end costs because there is no need to finance the acquisition of the land. The developer has more capital available for building and construction.
- **Tax Deductible** — All rent payments made under a ground lease can be deducted as a business operating expense by the lessee.
- **Subletting and Transferability** — The ground lease allows for subleasing the land, and is transferable if the developer wishes to sell their improvements.
- **Location** — Many commercial lots on trust land are located within the city limits of growing communities such as Bozeman, Missoula, Billings, Kalispell, Miles City, and Belgrade.
- **Schools** — Your lease fee on Montana's trust land goes to support funding education and other institutions in Montana.



What is the Commercial Leasing Process?

- DNRC uses the Request for Proposal (RFP) Process.
- The RFP is advertised in the local newspaper, online, and through an email notice to interested parties.
- Proponents have the opportunity to ask questions and seek clarification on the RFP requirements.
- Proposals must include project and development specifications and also proposed compensation to the trust (lease fee).
- The minimum lease fee is provided in the RFP, and is based on a percentage of the appraised market value of the land.
- Proposals will be scored against criteria provided in the RFP to determine the successful proponent.
- Leases are typically issued within 90 days of awarding the proposal.
- Lease options are allowed for further due diligence prior to lease execution.

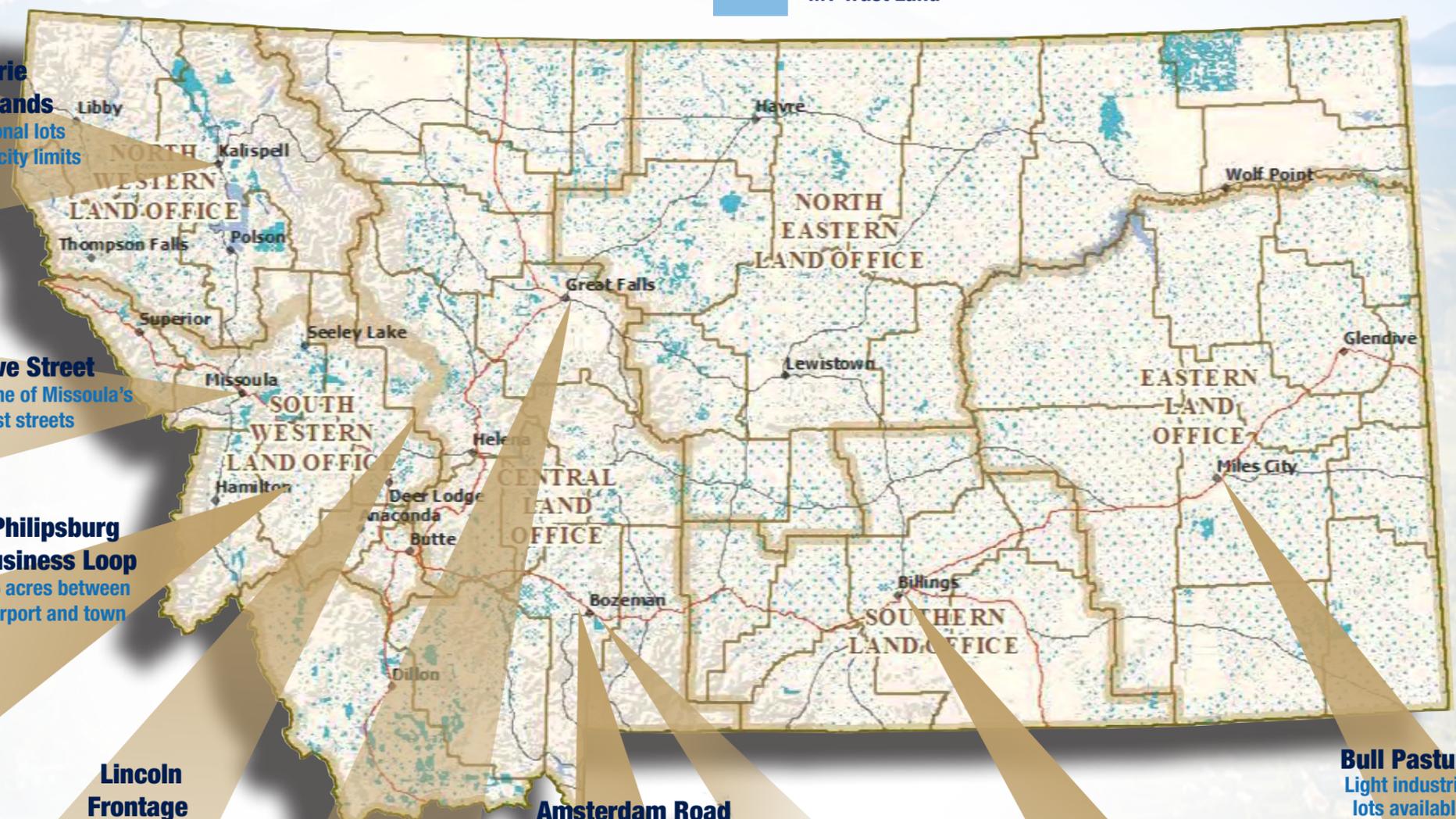
Lease Execution

- A commercial lease can be issued for up 99 years. This can be done through shorter terms with renewals.
- Development can begin on the lease site upon lease execution and payment of the first year's lease fee.

Available TRUST LANDS Properties

 =MT Trust Land

Communications Sites
Locations available statewide



Spring Prairie Commercial Lands
Retail and professional lots available in Kalispell city limits



Reserve Street
3 acres on one of Missoula's busiest streets



Solar and Wind Sites
Locations available statewide



Philipsburg Business Loop
56 acres between airport and town



Lincoln Frontage
Acreage with Hwy. 200 frontage next to Sculpture Park



Fox Farm
80 Acres adjacent to city limits with Missouri River Frontage



Amsterdam Road
Large acreage at Belgrade Interchange with amazing traffic counts



North Park
150 acres in Bozeman - partially under lease option



Skyview Ridge
Lots adjacent to schools and high density residential



Bull Pasture
Light industrial lots available now from 7 to 14 acres

