

LAND BOARD AGENDA ITEM
December 19, 2005

**SET MINIMUM BID AMOUNT FOR MADISON VALLEY LAND BANKING PARCEL
SALE # 222**

Background:

In June 2005, the Board approved this high value isolated parcel (Sale # 222) to continue through the Land Banking sales evaluation process. Since then, a cultural resource inventory and two appraisals have been conducted. A second appraisal was conducted at the request of the lessee. The DNRC staff appraiser reviewed the second appraisal, and revised the estimate of value based on additional comparable sales provided by the independent appraiser. The DNRC appraiser did not find current market evidence to support a discount to the parcel value due to lack of access.

Completion of the appraisals by the DNRC staff appraiser and the independent appraiser allows DNRC to recommend to the Board a minimum bid amount, and provides the basis for the Board to set the minimum bid amount below which value the parcel may not be sold (Section 77-2-323, MCA).

The parcel will be sold at public auction, and the minimum bid provides a foundation from which the auction can proceed. Due to the desirability of real estate in the Madison Valley, this parcel will be advertised within Montana and to selected national markets. We expect this will provide a pool of bidders which may produce a sale price higher than the minimum bid.

Setting the minimum bid amount for this parcel allows DNRC to notify the lessee, licensee, beneficiary, surrounding landowners, and agencies required by rule (FWP, MDT, and DEQ) that the parcel will be offered for sale at the minimum bid amount. Subsequent to this notification, DNRC can begin advertising the parcels for sale via local and regional newspapers, and contacting land trusts, real estate agents and/or developers where appropriate, etc.

Public Involvement:

DNRC will continue to update its land banking website to provide the public with the most current information on the sale status of nominated parcel. The public may contact DNRC or the Land Board in writing or verbally with future comments.

Agency Recommendation:

The DNRC original appraisal and the independent appraisal were within an acceptable range of value difference (5% to 10%). Based on appraised values, the Director recommends the minimum bid amount as follows:

Recommended Minimum Bid Amount						
Sale Number	County	Acres	DNRC Appraisal	Second Appraisal	DNRC Revised Value	Recommended Minimum Bid
#222	Madison	479.08	\$2019.00/acre	\$1850/acre	\$1932/ac	\$1850/acre