

July 2006

AVAILABILITY OF STATE SCHOOL LAND

This memorandum provides information regarding the availability of state school land for the Department of Corrections and Rehabilitation facility needs. According to information received from the Land Department, there is a plot of land that could be available, known as the east Bismarck tract. This tract is approximately 602 acres and is located northeast of the current State Penitentiary and east of the Bismarck Expressway. The tract has a natural floodway for drainage that breaks the tract into three sections. The northwest section has been determined suitable for commercial development, the northeast section for residential development, and the south section for residential or commercial development.

The entire tract was appraised at \$3.8 million in October 2005 by Dakota Appraisal and Consulting. In December 2005 the drainage area, consisting of approximately 93 acres, was appraised at \$7,500 per acre by the Burleigh County Board of Appraisers. In March 2006 the northeast and south sections were appraised at \$15,000 per acre by the Burleigh County Board of Appraisers. The northeast section has approximately 338.5 acres (\$5,077,500) and the south section has approximately 130 acres (\$1,950,000).

According to representatives of the Land Department, the intended use of the land must be considered when selling only a portion of the tract as it could have an impact on the value of the remaining sections.