



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING AREA:  
TWO HARBORS AREA

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**STATUS: COMPLETED**  
**INTERMEDIATE AUCTION - SALE #2**  
**ORAL BID**

Notice is hereby given that I offered for sale at public auction in Silver Bay, MN at 9:45 AM on Friday, February 7, 2025, timber belonging to the State of Minnesota. All tracts were offered at the Tettegouche State Park Visitor Center in Silver Bay, MN.

All of the timber offered was SFI and FSC certified.

The following pages list the lands upon which the timber was located, the estimated quantities of timber offered, the appraised prices, and the bid prices.

Minnesota DNR is Certified to the Sustainable Forestry Initiative® and/or the Forest Stewardship Council®.  
For information on our certificates go to [mndnr.gov/forestry/certification/certificates.html](https://mndnr.gov/forestry/certification/certificates.html)



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY  
INTERMEDIATE AUCTION  
ORAL BID TIMBER SALE  
TWO HARBORS AREA

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9:45 AM on February 7, 2025  
Tettegouche State Park Visitor Center in Silver Bay, MN

**TERMS OF SALE**

- This auction sale will be held according to Minnesota Statutes Sections 90.101 and 90.14. Timber shall be offered and sold by the same unit of measure as it was appraised. Sale shall be made to whoever bids the highest price for all timber species advertised for bidding on each tract. Bidding over the appraised price shall be by increments of one (1) percent or more. The percent bid up will be added to the appraised price of each species indicated as a bid species by a plus symbol (+) on the Notice of Sale. Any or all bids may be rejected and sales canceled for good and sufficient reasons.

**REGISTRATION AND ELIGIBLE BIDDERS**

- Interested persons must be registered at least four (4) business days prior to the auction by submitting an *Annual Timber Sales Purchaser Registration* form. No bid will be accepted from anyone having a delinquent timber sale account or trespass account or a willful timber trespass with any public agency in Minnesota, or from anyone who does not qualify as a Responsible Bidder as defined in Minnesota Statutes § 90.01 (12), or from anyone who has been debarred for cause by any public agency [M.S. § 90.041 (11)]. Purchase is limited to registered persons or companies with 30 or fewer employees. No bidder may purchase more than twenty-five (25) percent of the tracts offered on the first round of bidding. Purchases or attempts to purchase tracts beyond the twenty-five (25) percent limit will result in the forfeiture of the down payment and loss of the tract.

**DOWN PAYMENT**

- Purchasers of timber must pay a down payment of fifteen (15) percent of the appraised value of the timber at the time the purchaser's bid is approved. The down payment will be kept on deposit by the State and applied against any billings for timber. The purchaser may elect to have the down payment refunded if they post security for one hundred (100) percent of the bid price of the timber (see Security Required). If the purchaser does not sign the permit document within 45 days of sale, the down payment will forfeit to the State. A permit signature extension of 10 business days may be granted, provided the purchaser pays a \$200 penalty.

**BID GUARANTEE**

- For any bid increase in excess of \$10,000 of the appraised price, a bid guarantee equal to fifteen (15) percent of the total bid price of the timber less the down payment amount is required at the time the permit is signed. If the bid guarantee is not submitted with the signed permit, the permit cancels, and the down payment forfeits to the State. If the permit holder fails to execute an effective permit, the bid guarantee payment forfeits to the State.

**PURCHASER AND LOGGER QUALIFICATIONS AND OPERATIONS REQUIREMENTS**

- The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the general industry safety standards for logging (e.g., LogSafe) adopted by the Commissioner of Labor and Industry and provide proof of compliance with these standards. The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the State of Minnesota mandatory insurance requirements before harvest operations begin. A *Certification of Compliance with the Minnesota Workers' Compensation Law* form must be submitted each year. Before the start of harvest operations, the purchaser must certify that a designated foreperson, who will be supervising active logging operations, has a current certificate of completion from a logger education program (e.g., MLEP or FISTA) approved by the Commissioner of Natural Resources.

**SECURITY REQUIRED**

- The purchaser must furnish security equal to the total bid value of the permit, LESS the amount paid as a down payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, Letter of Credit, certified check, cashier's check, personal check, money order, or by signing a Cutting Block Payment Agreement for individual cutting blocks, at least one business day prior to the start of any permit operations. If the purchaser elects to receive a refund of the down payment and bid guarantee, they must furnish security in a form described above, for one hundred (100) percent of the total bid value of the timber purchased. If the deferred cash payment for cutting blocks is selected, the down payment and bid guarantee WILL NOT be refunded. If the purchaser elects to secure a permit by prepayment of cutting block(s), they must make a written request on a form provided by the state. No harvesting is permitted until proper security has been furnished to and approved by the Commissioner of Natural Resources or his agent.

**PERMIT TERMS**

- A permit to harvest and remove the timber from state lands will be issued to the purchaser. NO permit shall be issued to anyone other than the purchaser in whose name the bid was made. All timber purchased on the permit must be harvested prior to the permit expiration date. All permits provide for the continuous identification of timber from the time of cutting until delivery to the consumer. Failure to continuously identify the timber as specified in the permit shall constitute trespass. Also, please note all harvest specifications on each tract being sold. Only one Regular Extension is permitted for exceptional circumstances. An annual interest rate of 5 percent may be charged on a regular extension for the period of the extension.

**UNSOLD TRACTS**

- On the next regular business day (8:00 AM - 4:30 PM, Monday - Friday, except holidays) after the date of the auction sale, unsold tracts may be available for over-the-counter purchase at the appraised price for a period of no more than one year. Unless canceled for reoffer at an earlier date, unsold tracts will be available until February 7, 2026, at the following Area Headquarters: Two Harbors Area. Beginning 30 days after the auction date, an unsold intermediate auction tract may be purchased by any registered responsible bidder, i.e., purchase is no longer limited to businesses with 30 or fewer employees.



**Appraiser:**

Brian Patrick Schiller

(Appraisal ID 19925-0; Cutting Block ID 23001-0)

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**TRACT X2**

**COUNTY: LAKE**

**AREA: TWO HARBORS AREA**

**ACRES: 23.9**

Permit Number: X019723  
Expiration Date: 05/31/2029

Purchased By:  
Address:

# UNSOLD

GL01,NENE,SENE,SWNE of Section 12; GL09,GL10 of Section 1 - Township 57, Range 11W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	270.00	Cd	10.53	2,843.10	10.53	2,843.10
+ TAMARACK	PULP & BOLTS	50.00	Cd	4.88	244.00	4.88	244.00
+ BID SPECIES      * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$3,087.10	BID TOTAL = \$ 3,087.10
				ADVANCE PAYMENT =		\$463.07	

**Optional Timber (may be purchased with an Added Timber Agreement):**

ANY LISTED SPECIES    BIOMASS                      305.00 Tons                      0.65                      198.25

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 60%; White Spruce 40%.

**Mixed Product Description:**

Mixed Spruce Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

Tamarack Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

**Cutting and Felling:**

- Fell all live black spruce equal to or greater than 5 feet tall.

**Season of Operations:**

- Conduct Sale operations on frozen soil conditions only, except with written permission from State.

**Sale Conditions:**

- Access is across State land.
- Access crosses Public Waters. A Permit is not required if using a snow / ice bridge.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.

**Marketing Conditions:**

Sale is located 29.8 miles North of Two Harbors, adjacent to Upland Lake. Most of the harvest area is lowland. Spruce bolts are mostly in white spruce stand. Sale is affected by spruce budworm and dwarf mistletoe. White spruce stand has approximately 12 cds/ac of standing dead spruce that has been added to biomass volume, if not being utilized it may be cut and piled for access to timber. Access may include .1 mile of new construction with merchantable timber, .5 mile new construction without timber, and .25 mile old winter road. Spruce and tamarack received -35% Lake County discount.

**Price Adjustments:**

- Road Construction Costs: -10%
- Haul Distance to Nearest Mill: -15%
- Stand Density: -10%
- Operational Constraints: 0%
- Other Price Factor: -35% (Lake County)

**Appraiser:**

Brian Patrick Schiller

TRACT X3

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 103.1

Permit Number: X019724  
Expiration Date: 05/31/2029

Purchased By:  
Address:

# UNSOLD

NESW,NWSW,SENW,SWNE,SWNW,SWSW of Section 4 - Township 58, Range 9W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	1,400.00	Cd	12.52	17,528.00	12.52	17,528.00
+ BALSAM FIR	PULP & BOLTS	400.00	Cd	9.77	3,908.00	9.77	3,908.00
+ TREMBLING ASPEN	PULPWOOD	60.00	Cd	19.95	1,197.00	19.95	1,197.00
ASH	PULP & BOLTS	20.00	Cd	8.40	168.00	8.40	168.00
+ BID SPECIES      * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$22,801.00	BID TOTAL = \$	22,801.00
				ADVANCE PAYMENT =	\$3,420.15		

**Optional Timber (may be purchased with an Added Timber Agreement):**

ANY LISTED SPECIES    BIOMASS                      1,072.00 Tons                      0.65                      696.80

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 41%; White Spruce 59%.

**Mixed Product Description:**

Ash Pulp & Bolts includes: Bolts 77%; Pulpwood 23%.  
Balsam Fir Pulp & Bolts includes: Bolts 59%; Pulpwood 41%.  
Mixed Spruce Pulp & Bolts includes: Bolts 57%; Pulpwood 43%.

**Season of Operations:**

- Conduct sale operations on frozen soil conditions only, except with written permission from State.

**Sale Conditions:**

- Access is across state land.

**Marketing Conditions:**

Sale is located along the Stony Grade, access is direct. Based on field visit in December 2023 100% is affected by SBW. All standing dead Balsam Fir and Spruce has been appraised as biomass. Shallow soils and slow drainage has relegated operations to frozen conditions only, and the Black Ash is only accessible by freezing a swamp.

Price Adjustments apply to aspen and NP. All other species have -35% Lake County discount applied.

**Price Adjustments:**

Road Construction Costs: +10%  
Haul Distance to Nearest Mill: 0%  
Stand Density: -5%  
Operational Constraints: 0%  
Other Price Factor: -35% (Lake County discount)

**Appraiser:**

Glenn N. Ristow

**TRACT X4**

**COUNTY: COOK**

**AREA: TWO HARBORS AREA**

**ACRES: 92.5**

Permit Number: X019725  
Expiration Date: 05/31/2028

Purchased By:  
Address:

# UNSOLD

NENW,SENW of Section 33 - Township 64, Range 4E.  
SENW,SWNW of Section 33 - Township 64, Range 4E.  
NWSE,SESE,SWSE of Section 28 - Township 64, Range 4E.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	1,360.00	Cd	6.80	9,248.00	6.80	9,248.00
+ TREMBLING ASPEN	PULP & BOLTS	300.00	Cd	16.15	4,845.00	16.15	4,845.00
	BALSAM FIR	85.00	Cd	1.75	148.75	1.75	148.75
+ JACK PINE	PULP & BOLTS	85.00	Cd	18.70	1,589.50	18.70	1,589.50

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$15,831.25      BID TOTAL = \$ 15,831.25  
ADVANCE PAYMENT = \$2,374.69

**Optional Timber (may be purchased with an Added Timber Agreement):**

ANY LISTED SPECIES      BIOMASS      930.00 Tons      0.65      604.50

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 14%; White Spruce 86%.

**Mixed Product Description:**

Jack Pine Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.  
Mixed Spruce Pulp & Bolts includes: Bolts 58%; Pulpwood 42%.  
Trembling Aspen Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.

**Season of Operations:**

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, and 3).

**Sale Conditions:**

- Access is across State land (Cutting Blocks 1, 2, and 3).

**Marketing Conditions:**

Final harvest of spruce budworm affected stands that are located approximately 3 miles down the Otter Lake SFR. Spruce budworm has affected 75-100% of the spruce and balsam fir on the sale. Sale operations during late summer of an average year should be possible, early summer entry may require a drier than average year. Price adjustments apply to aspen and pine. All other species have -65% Cook County discount applied.

**Price Adjustments:**

Road Construction Costs: +5%  
Haul Distance to Nearest Mill: -15%  
Stand Density: -5%  
Operational Constraints: 0%  
Other Price Factor: -65% (Cook County discount)

**Appraiser:**

Jason A. Bushmaker

Harvest specifications and additional information about each tract may be obtained upon request from the following  
DNR Area Forestry Office:

TWO HARBORS AREA

The right is reserved to reject any and all bids.

For the Commissioner  
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

By: \_\_\_\_\_  
Authorized Signature  
Division Of Forestry  
Dated: February 7, 2025



- SUMMARY SHEET -

02/07/2025 INTERMEDIATE AUCTION - SALE #2

COMPLETED - DATA AS OF 02/26/2025

TWO HARBORS AREA

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	ASH	20.00	Cd	8.40	168.00
	ASPEN SPECIES	15.00	Cd	16.12	241.80
	TREMBLING ASPEN	300.00	Cd	16.15	4,845.00
	JACK PINE	85.00	Cd	18.70	1,589.50
	BALSAM FIR	440.00	Cd	9.33	4,104.40
	TAMARACK	50.00	Cd	4.88	244.00
	MIXED SPRUCE	3,200.00	Cd	9.94	31,807.00
PULPWOOD	TREMBLING ASPEN	60.00	Cd	19.95	1,197.00
	PAPER BIRCH	20.00	Cd	6.50	130.00
	BALSAM FIR	85.00	Cd	1.75	148.75
BIOMASS	ANY LISTED SPECIES (optional)	2,507.00	Tons	0.65	1,629.55

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 4,275.00  
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 44,475.45  
TOTAL ACRES UNSOLD: 232.7  
TOTAL NUMBER OF TRACTS UNSOLD: 4