

# MINNESOTA DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

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

# STATUS: COMPLETED REGULAR AUCTION - SALE #1 ORAL BID

Notice is hereby given that I offered for sale at public auction in Silver Bay, MN at 9:30 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 DEPARTMENT OF NATURAL RESOURCES DIVISION OF FORESTRY

REGULAR AUCTION
ORAL BID TIMBER SALE
TWO HARBORS AREA

# 9:30 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 the responsible bidder who bids the highest price for all timber species advertised for bidding on each tract. Bidding above 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 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)].

#### **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'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.

TRACT B1 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 72.3

Permit Number: B016228 Expiration Date: 05/31/2028

Purchased By:
Address:

SENW,SWNW of Section 36 - Township 55, Range 11W. NESE,NWSE of Section 36 - Township 55, Range 11W.

SPECIES		PRODUCT	VOLUME	UNIT	APPRAISED UNIT PRICE \$ VALUE		BID: UNIT PRICE	\$ VALUE
+	ASPEN SPECIES	PULP & BOLTS	820.00	Cd	20.87	17,113.40	20.87	17,113.40
	NORTHERN HARDWOODS	PULPWOOD	80.00	Cd	5.85	468.00	5.85	468.00
	BALSAM FIR	PULPWOOD	26.00	Cd	3.25	84.50	3.25	84.50
	WHITE SPRUCE	PULP & BOLTS	15.00	Cd	11.22	168.30	11.22	168.30
+	BID SPECIES * SOL	D ON APPRAISED VOLUME			SED TOTAL = PAYMENT =	\$17,834.20 \$2,675.13	BID TOTA	L = \$ 17,834.20

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

ANY LISTED SPECIES BIOMASS 560.00 Tons 0.65 364.00

# **Mixed Species Description:**

Aspen Species Pulp & Bolts includes: Balm of Gilead 1%; Trembling Aspen 99%.

Northern Hardwoods Pulpwood includes: Ash 25%; Paper Birch 6%; Red Maple 29%; Sugar Maple 41%.

#### **Mixed Product Description:**

Aspen Species Pulp & Bolts includes: Bolts 37%; Pulpwood 63%. White Spruce Pulp & Bolts includes: Bolts 63%; Pulpwood 37%.

#### **Season of Operations:**

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

# **Sale Conditions:**

- Access is across state land (Cutting Block 2).
- Access is across state and private land (Cutting Block 1).
- Permission to cross private land must be obtained by permittee (Cutting Block 1).

# **Marketing Conditions:**

If only one highway access point is desired, operator will need private landowner permission and frozen conditions to cross the corner at the section 36 centerpoint.

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

# **Price Adjustments:**

Road Construction Costs: +10% Haul Distance to Nearest Mill: +10%

Stand Density: -10%

Operational Constraints: 0%

Other Price Factor: -35% (Lake County Discount)

# Appraiser:

Karen L. Updegraff

TRACT B2 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 181.3

Permit Number: B016229 Expiration Date: 05/31/2028

Purchased By: Tibbetts Trucking

Address: 6389 Lax Lake Rd, Finland, MN 55603

GL02, NENE, NESE, NESW, NWNE, NWSE, SENE, SENW, SESE, SWNE, SWNW, SWSE of Section 9 - Township

57, Range 8W.

	or, rungo ovv.							
				APPR	APPRAISED		BID %: 0	
					UNIT		UNIT	
S	SPECIES	PRODUCT	VOLUME	UNIT	PRICE	\$ VALUE	PRICE	\$ VALUE
+	ASPEN SPECIES	PULP & BOLTS	1,743.00	Cd	19.92	34,720.56	19.92	34,720.56
+	WHITE SPRUCE	PULP & BOLTS	594.00	Cd	10.18	6,046.92	10.18	6,046.92
+	BALSAM FIR	PULP & BOLTS	514.00	Cd	4.91	2,523.74	4.91	2,523.74
	PAPER BIRCH	PULPWOOD	238.00	Cd	6.50	1,547.00	6.50	1,547.00
+	NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	52.00	Cd	55.65	2,893.80	55.65	2,893.80
+	- BID SPECIES * S	OLD ON APPRAISED VOLUME		APPRAIS	SED TOTAL =	\$47,732.02	BID TOTA	L = \$ 47,732.02
			A	DVANCE	PAYMENT =	\$7,159.80		
Oı	ptional Timber ( <i>ma</i>	y be purchased with an Adde	d Timber Agr	eement	t):			
	MAPLE SPECIES	PULPWOOD	110.00	Cd	6.50	715.00		

1,506.00 Tons

0.65

978.90

# **Mixed Species Description:**

ANY LISTED SPECIES

Aspen Species Pulp & Bolts includes: Balm of Gilead 1%; Trembling Aspen 99%.

Maple Species Pulpwood includes: Red Maple 98%; Sugar Maple 2%.

**BIOMASS** 

#### **Mixed Product Description:**

Aspen Species Pulp & Bolts includes: Bolts 27%; Pulpwood 73%. Balsam Fir Pulp & Bolts includes: Bolts 15%; Pulpwood 85%.

Norway Pine Woodsrun Sawtimber (Softwood only) includes: Pulpwood 35%; Sawtimber (Softwood Only) 65%.

White Spruce Pulp & Bolts includes: Bolts 37%; Pulpwood 63%.

# **Season of Operations:**

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

#### Sale Conditions:

- Access is across State land.

# **Marketing Conditions:**

This sale is located approximately 7 miles down the Heffelfinger SFR from Finland. Area is impacted by spruce budworm, sale is cruised to harvest live balsam and spruce trees based on field visit in June 2024.

Sale area has some drainages and low areas on the north side of Heffelfinger SFR, it would take improvements on skid trails to harvest during non-frozen soil conditions. Sale area on the south side of Heffelfinger SFR has potential for late summer non-frozen soil conditions harvesting.

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

# **Price Adjustments:**

Road Construction Costs: +5% Haul Distance to Nearest Mill: +5%

Stand Density: -5%

Operational Constraints: 0%

Other Price Factor: -35% (Lake County Discount)

# Appraiser:

Jason A. Bushmaker

(Appraisal ID 19701-0; Cutting Block ID 22792-0)

TRACT B3 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 42.0

Permit Number: B016230 Expiration Date: 05/31/2028

Purchased By:
Address:

NWSW,SESW,SWSW of Section 35 - Township 58, Range 8W.

SPECIES	PRODUCT	VOLUME	<u>UNIT</u>	APPR UNIT PRICE	\$ VALUE	BID: UNIT PRICE	\$ VALUE	
+ NORWAY PINE	PULP & BOLTS	543.00	Cd	18.00	9,774.00	18.00	9,774.00	
ASPEN SPECIES	PULP & BOLTS	7.00	Cd	14.03	98.21	14.03	98.21	
+ BID SPECIES * SOLD C	ON APPRAISED VOLUME			ED TOTAL = PAYMENT =	\$9,872.21 \$1,480.83	BID TOTA	L = \$ 9,872.21	
Optional Timber (may be purchased with an Added Timber Agreement):								
ANY LISTED SPECIES	BIOMASS	228.00	Tons	0.65	148.20			

#### **Mixed Species Description:**

Aspen Species Pulp & Bolts includes: Balm of Gilead 10%; Trembling Aspen 90%.

#### **Mixed Product Description:**

Aspen Species Pulp & Bolts includes: Bolts 59%; Pulpwood 41%. Norway Pine Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.

# **Marketing Conditions:**

Sale is located approximately 4.75 miles north of Finland, MN on Hwy 1. Access is down the Moose Run Grant-In-Aid Trail and would require two temporary bridges for summer access.

If choosing to access from private to south on Crown Creek Rd (Private Road), permittee will need permission from several landowners for approximately 1 mile. New road must be built through approximately 700 feet of private land. The private bridge on Crown Creek Rd is unknown for load limit and may require a temporary bridge for crossing.

# **Price Adjustments:**

Road Construction Costs: 0% Haul Distance to Nearest Mill: 0%

Stand Density: 0%

Operational Constraints: 0% Other Price Factor: -25%

#### Appraiser:

Jason A. Bushmaker

(Appraisal ID 19865-1; Cutting Block ID 22841-4)

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

#### TWO HARBORS AREA

SUMMARY FOR SOLD TRACTS									
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE				
PULP & BOLTS	ASPEN SPECIES	1,743.00	Cd	19.92	34,720.56				
	WHITE SPRUCE	594.00	Cd	10.18	6,046.92				
	BALSAM FIR	514.00	Cd	4.91	2,523.74				
PULPWOOD	PAPER BIRCH	238.00	Cd	6.50	1,547.00				
	MAPLE SPECIES (optional)	110.00	Cd	-	0.00				
BIOMASS	ANY LISTED SPECIES (optional)	1,506.00	Tons	-	0.00				
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	52.00	Cd	55.65	2,893.80				

TOTAL SOLD TRACTS CONVERTED TO CORDS: 3,251.00

TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$47,732.02

TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$47,732.02

TOTAL ACRES SOLD: 181.3

SOLD TRACT NUMBER: 2

TOTAL NUMBER OF TRACTS SOLD: 1

SUMMARY FOR <u>UNSOLD</u> TRACTS									
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE				
PULP & BOLTS	ASPEN SPECIES WHITE SPRUCE	820.00 15.00	_	20.87 11.22	17,113.40 168.30				
PULPWOOD	NORTHERN HARDWOODS BALSAM FIR	80.00 26.00	_	5.85 3.25	468.00 84.50				
BIOMASS	ANY LISTED SPECIES (optional)	560.00	Tons	0.65	364.00				

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 941.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 17,834.20
TOTAL ACRES UNSOLD: 72.3
UNSOLD TRACT NUMBER: 1
TOTAL NUMBER OF TRACTS UNSOLD: 1

SUMMARY FOR CANCELED TRACTS									
				APPRAISED					
		TOTAL		AVERAGE	APPRAISED				
PRODUCT	SPECIES	VOLUME	UNIT	UNIT PRICE	\$ VALUE				
PULP & BOLTS	ASPEN SPECIES	7.00	Cd	14.03	98.21				
	NORWAY PINE	543.00	Cd	18.00	9,774.00				
BIOMASS	ANY LISTED SPECIES (optional)	228.00	Tons	0.65	148.20				

TOTAL CANCELED TRACTS CONVERTED TO CORDS: 550.00
CANCELED TRACT NUMBER: 3
TOTAL NUMBER OF TRACTS CANCELED: 1