



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Chisholm, MN at 9:00 AM on Thursday, June 1, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Minnesota Discovery Center (Ironworld) in Chisholm, MN.

Some of the timber offered was certified by SFI or FSC or both. See the certification notes in the descriptions for the individual tracts for details.

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.



The resource management of the Minnesota DNR's state forests and wildlife management areas meets the objectives of the SFI ® program (Certificate No. NSF-SFI-FM-6Y921) and the principles of the FSC ® certification standard (Certificate No. SCS-FM/COC-00088N).

FSC
100%



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
REGULAR AUCTION
ORAL BID TIMBER SALE
HIBBING AREA

9:00 AM on June 1, 2017

Minnesota Discovery Center (Ironworld) in Chisholm, 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 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 June 1, 2018, at the following Area Headquarters: Hibbing Area.

TRACT B1 COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 164.0

Permit Number: B013620
Expiration Date: 05/31/2019

Purchased By: J & A Logging Inc.
Address: 28275 State Hwy 1, Effie, MN 56639

GL01,NESE,NESW,NWSE,SENE,SENW,SWNE of Section 4; GL04,NESW,NWSW,SWNW of Section 3 -
Township 57, Range 20W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	2,535.00	Cd	23.72	60,130.20	23.72	60,130.20
BALSAM FIR	WOODSRUN CORDWOOD	65.00	Cd	13.01	845.65	13.01	845.65
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$60,975.85	BID TOTAL = \$ 60,975.85
				ADVANCE PAYMENT =		\$9,146.38	

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

ANY LISTED SPECIES BIOMASS 1,476.00 Tons 1.00 1,476.00

Cutting and Felling:

- Full tree skidding required.

Season of Operations:

- Conduct sale operations on very dry/frozen soil conditions only, except with written permission from State.
- Frozen ground access across IRRRB land, unless road work is done.

Landings Roads and Trails:

- Recreation trail may not be used as access.
- Haul roads must be reshaped following harvest.

Sale Conditions:

- New roads would need to be built for possible summer operations.

Marketing Conditions:

Aspen averages 11" DBH; 5 sticks
Aspen contains 1% Balm of Gilead
Wood originating from IRRRB lands is not SFI/FSC certified.
Base price reduced due to low stand density.
2 year term requested by IRRRB.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: -10%
Operational Constraints: 0%
Other Price Factor: 0%

Certification Note:

The timber on this tract is from non-certified land.

Appraiser:

Jeff J. Sirjord

TRACT B2

COUNTY: ST. LOUIS

AREA: HIBBING AREA

ACRES: 44.7

Permit Number: B013621
Expiration Date: 05/31/2020

Purchased By: UPM - Blandin Paper
Address: 115 First Street SW, Grand Rapids, MN 55744

GL01 of Section 7 - Township 60, Range 20W.
SESE,SWSE of Section 1; NENE,SENE of Section 12 - Township 60, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 232	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN CORDWOOD	1,190.00	Cd	15.90	18,921.00	52.79	62,820.10
TAMARACK	WOODSRUN CORDWOOD	35.00	Cd	7.48	261.80	7.48	261.80
BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	15.90	79.50	15.90	79.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$19,262.30	BID TOTAL = \$	63,161.40
ADVANCE PAYMENT =	<u>\$2,889.35</u>		

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.
- Frozen ground access across state land.

Slash Disposal:

- Biomass harvest is not allowed on this permit.

Marketing Conditions:

Black Spruce averages 4 sticks; 7" DBH

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: +10%
Operational Constraints: 0%
Other Price Factor: 0%

Certification Note:

The timber on this tract is SFI and FSC certified.

Appraiser:

Jeff J. Sirjord

TRACT B3 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 37.7

Permit Number: B013622
Expiration Date: 05/31/2020

Purchased By: Potlatch Land & Lumber, LLC
Address: 50518 County Rd 45, Bemidji, MN 56601

NWSW,SESW,SWSW of Section 2; NESE,NWSE,SENE,SWNE of Section 3 - Township 60, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	1,425.00	Cd	63.54	90,544.50	63.54	90,544.50
BALSAM FIR	WOODSRUN CORDWOOD	20.00	Cd	16.62	332.40	16.62	332.40
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	15.00	Cd	25.32	379.80	25.32	379.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$91,256.70	BID TOTAL = \$	91,256.70
				ADVANCE PAYMENT =	\$13,688.51		

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

ANY LISTED SPECIES BIOMASS 752.00 Tons 1.00 752.00

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 30%; Trembling Aspen 70%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 5%; Sawtimber 70%.

Cutting and Felling:

- Broadcast, full tree skidding required across entire site to kill hazel brush and scarify the site for regeneration.

Season of Operations:

- Conduct sale operations on dry/ snow free soil conditions only, except with written permission from State.

Landings Roads and Trails:

- Recreation trail may be used as access.

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Red Pine: 17" DBH 9 Sticks

Red Pine contains less than 1% Jack Pine

Price Adjustments:

Road Construction Costs: +5%
Haul Distance to Nearest Mill: 0%
Stand Density: +10%
Operational Constraints: 0%
Other Price Factor: 0%

Certification Note:

The timber on this tract is SFI and FSC certified.

Appraiser:

Andrew E. Carlson

TRACT B4 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 96.4
 Permit Number: B013623
 Expiration Date: 05/31/2020

Purchased By: Boise White Paper LLC
 Address: 400 3rd Ave E, International Falls, MN 56649

NENE,NESW,SENE,SWNE of Section 15; NWSW,SWNW of Section 14 - Township 61, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 22	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	1,950.00	Cd	26.35	51,382.50	32.15	62,692.50
+ BALSAM FIR	WOODSRUN MIXED PRODUCTS	170.00	Cd	16.66	2,832.20	20.33	3,456.10
+ MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	155.00	Cd	20.10	3,115.50	24.52	3,800.60
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	60.00	Cd	11.63	697.80	11.63	697.80
TAMARACK	WOODSRUN CORDWOOD	5.00	Cd	6.80	34.00	6.80	34.00
JACK PINE	WOODSRUN MIXED PRODUCTS	3.00	Cd	18.02	54.06	18.02	54.06

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$58,116.06
 ADVANCE PAYMENT = \$8,717.41
 BID TOTAL = \$ 70,735.06

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

ANY LISTED SPECIES BIOMASS 1,110.00 Tons 1.00 1,110.00

Mixed Species Description:

Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 60%; White Spruce 40%.
 Northern Hardwoods Woodsrun Cordwood includes: Ash 8%; Paper Birch 75%; Red Maple 17%.

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.
 Jack Pine Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.
 Mixed Spruce Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- Frozen ground access across State and Potlatch land.

Sale Conditions:

- Permission to cross Potlatch land must be obtained by permittee.
- Main sale block is 1/8 mile off Hwy #22 on existing woods road, second block is 1 mile off Hwy #22 on existing woods road.

Marketing Conditions:

Aspen- avg 5-7 sticks, 12-14" dbh, less than 1% balm gilead
 Balsam Fir- avg 3-5 sticks, 8-10" dbh
 Spruce- avg 4-7 sticks, 8-16" dbh

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%
 Stand Density: 0%
 Operational Constraints: 0%
 Other Price Factor: 0%

Certification Note:

The timber on this tract is SFI and FSC certified.

Appraiser:

Jonathon T. Splinter

(Appraisal ID 12971-0; Cutting Block ID 15177-0)

TRACT B5 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 30.6

Permit Number: B013624
Expiration Date: 05/31/2020

Purchased By: Boise White Paper LLC
Address: 400 3rd Ave E, International Falls, MN 56649

NENW,NWNW,SENW,SWNW of Section 11 - Township 61, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 30	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	1,210.00	Cd	28.99	35,077.90	37.69	45,604.90
BLACK SPRUCE	WOODSRUN CORDWOOD	115.00	Cd	15.90	1,828.50	15.90	1,828.50
+ JACK PINE	WOODSRUN MIXED PRODUCTS	95.00	Cd	35.72	3,393.40	46.44	4,411.80
RED MAPLE	WOODSRUN CORDWOOD	5.00	Cd	13.09	65.45	13.09	65.45
TAMARACK	WOODSRUN CORDWOOD	5.00	Cd	7.48	37.40	7.48	37.40
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$40,402.65	BID TOTAL = \$	51,948.05
				ADVANCE PAYMENT =	\$6,060.40		

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

ANY LISTED SPECIES BIOMASS 651.00 Tons 1.00 651.00

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 80%; Pulpwood 20%.

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.
- Frozen ground access across state land.

Landings Roads and Trails:

- Road right of way crossing approval from county may be required.

Marketing Conditions:

Aspen averages 7-8 sticks; 13" DBH

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: +10%
Operational Constraints: 0%
Other Price Factor: 0%

Certification Note:

The timber on this tract is SFI and FSC certified.

Appraiser:

Jeff J. Sirjord

TRACT B6 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 31.6
 Permit Number: B013625
 Expiration Date: 05/31/2020

Purchased By: Bell Timber Inc.
Address: 4 Berger Avenue, Barron, WI 54812

NESE,SENE of Section 11 - Township 61, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 15	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	1,815.00	Cd	54.45	98,826.75	62.62	113,655.30
BALSAM FIR	WOODSRUN CORDWOOD	5.00	Cd	16.62	83.10	16.62	83.10
PAPER BIRCH	WOODSRUN CORDWOOD	5.00	Cd	13.69	68.45	13.69	68.45
TREMBLING ASPEN	WOODSRUN CORDWOOD	5.00	Cd	30.30	151.50	30.30	151.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$99,129.80	BID TOTAL = \$ 113,958.35	
				ADVANCE PAYMENT =	\$14,869.47		

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

ANY LISTED SPECIES BIOMASS 947.00 Tons 1.00 947.00

Mixed Species Description:

Pine Species Woodsrun Mixed Products includes: Jack Pine 1%; Norway Pine 99%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 55%; Pulpwood 5%; Sawtimber 40%.

Cutting and Felling:

- Broadcast, full tree skidding required across entire site to kill brush and scarify site for regeneration.

Season of Operations:

- No sale operations allowed between 5:00 PM to 8:00 AM , without written permission from State.
- Conduct sale operations on dry snow free soil conditions only, except with written permission from State.

Sale Conditions:

- Excellent summer access across state land.

Marketing Conditions:

Norway Pine averages 9 sticks; 14" DBH

Terrain varies from level to slightly steep.

Hours of operation restricted due to harvest being adjacent to Thistledeew Correctional Facility.

Price Adjustments:

- Road Construction Costs: +10%
- Haul Distance to Nearest Mill: 0%
- Stand Density: +10%
- Operational Constraints: -5%
- Other Price Factor: 0%

Certification Note:

The timber on this tract is SFI and FSC certified.

Appraiser:

Jeff J. Sirjord

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

HIBBING 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: June 1, 2017

- SUMMARY SHEET -

06/01/2017 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/27/2017

HIBBING AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	PINE SPECIES	1,815.00	Cd	62.62	113,655.30
	NORWAY PINE	1,425.00	Cd	63.54	90,544.50
	JACK PINE	98.00	Cd	45.57	4,465.86
	BALSAM FIR	170.00	Cd	20.33	3,456.10
	MIXED SPRUCE	155.00	Cd	24.52	3,800.60
WOODSRUN CORDWOOD	TREMBLING ASPEN	5,700.00	Cd	29.58	168,579.10
	PAPER BIRCH	5.00	Cd	13.69	68.45
	NORTHERN HARDWOODS	75.00	Cd	14.37	1,077.60
	RED MAPLE	5.00	Cd	13.09	65.45
	BALSAM FIR	95.00	Cd	14.11	1,340.65
	BLACK SPRUCE	1,305.00	Cd	49.54	64,648.60
	TAMARACK	45.00	Cd	7.40	333.20
BIOMASS	ANY LISTED SPECIES (optional)	4,936.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 10,893.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 369,143.36
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 452,035.41
TOTAL ACRES SOLD: 405.0
TOTAL NUMBER OF TRACTS SOLD: 6