



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, November 30, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Minnesota Discovery Center (Ironworld) in Chisholm, 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.



The resource management of the Minnesota DNR's state forests and wildlife management areas meets the objectives of the SFI® program (Certificate No. 6Y921-S1) 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 November 30, 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 November 30, 2018, at the following Area Headquarters: Hibbing Area.

TRACT B1 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 22.9

Permit Number: B013748
 Expiration Date: 05/31/2021

Purchased By: Greg Cook Logging Inc.
 Address: 35367 Cty Rd 237, Bigfork, MN 56628

NESE,NESW,NWSE,SESW,SWSE of Section 16 - Township 55, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 6	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	580.00	Cd	60.96	35,356.80	64.62	37,479.60
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	25.00	Cd	13.68	342.00	13.68	342.00
TREMBLING ASPEN	WOODSRUN CORDWOOD	15.00	Cd	30.30	454.50	30.30	454.50
WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	8.00	Cd	29.14	233.12	29.14	233.12
BALSAM FIR	WOODSRUN CORDWOOD	3.00	Cd	16.62	49.86	16.62	49.86
ANY LISTED SPECIES	BIOMASS	268.00	Tons	1.00	268.00	1.00	268.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$36,704.28
 ADVANCE PAYMENT = \$5,505.64
 BID TOTAL = \$ 38,827.08

Mixed Species Description:

Northern Hardwoods Woodsrun Cordwood includes: Paper Birch 84%; Red Maple 12%; Sugar Maple 4%.

Mixed Product Description:

Norway Pine Woodsrun Mixed Products includes: Bolts 23%; Pulpwood 10%; Sawtimber 67%.
 White Spruce Woodsrun Mixed Products includes: Bolts 50%; Pulpwood 50%.

Cutting and Felling:

- Reserve all red oak, white pine and white cedar.
- Broadcast, full tree skidding required across entire site to kill brush and scarify site for regeneration.

Season of Operations:

- Conduct sale operations on dry, snow free soil conditions only, except with written permission from State.
- The following restrictions apply to cut pine greater than 3 inch diameter: December 1 to May 31: Pine cut in this period must be hauled or destroyed by June 1. June 1 to August 31: Pine cut in this period must be hauled or destroyed within 3 weeks. September 1 to November 30: No special restrictions for pine cut in this period.

Sale Conditions:

- Access is across Itasca County and State land.
- Permission to cross Itasca County land must be obtained by permittee.

Marketing Conditions:

Average DBH and sticks: Norway pine 19" - 9 sticks, aspen 12" - 5-6 sticks, birch 8" - 4 sticks, maple 6" - 3 sticks.

Good dry summer access to all blocks.

Price Adjustments:

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

Appraiser:

Robb D. Maki

TRACT B2

COUNTY: ST. LOUIS

AREA: HIBBING AREA

ACRES: 60.7

Permit Number: B013749
 Expiration Date: 05/31/2020

Purchased By: Douglas Hustad Logging Inc.
Address: 4566 W Raymond Rd, Gilbert, MN 55741

NENE,NWNE,SENE,SWNE of Section 36 - Township 57, Range 14W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 62	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	975.00	Cd	26.35	25,691.25	42.69	41,622.75
+ JACK PINE	WOODSRUN MIXED PRODUCTS	125.00	Cd	16.58	2,072.50	26.86	3,357.50
	SPRUCE-BALSAM	83.00	Cd	14.45	1,199.35	14.45	1,199.35
	PAPER BIRCH	32.00	Cd	11.90	380.80	11.90	380.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$29,343.90
 ADVANCE PAYMENT = \$4,401.59
 BID TOTAL = \$ 46,560.40

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

ANY LISTED SPECIES BIOMASS 558.00 Tons 1.00 558.00

Mixed Species Description:

Spruce-Balsam Woodsrun Cordwood includes: Balsam Fir 30%; Black Spruce 40%; White Spruce 30%.

Mixed Product Description:

Jack Pine Woodsrun Mixed Products includes: Bolts 25%; Pulpwood 75%.

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 3/4 of a mile north of Hwy 16 on Camp 26 Rd, which is good dry summer road.

Aspen ave. = 10" DBH and 6 sticks, 1% includes Balm of Gilead

Jack Pine ave = 14" DBH and 6 sticks with 25% bolts

Price Adjustments:

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

Appraiser:

Stacy J. Troumbly

TRACT B3

COUNTY: ITASCA

AREA: HIBBING AREA

ACRES: 6.9

Permit Number: B013750
Expiration Date: 05/31/2020

Purchased By: Scheff Logging & Trucking Inc.
Address: 48985 State Hwy 38, Marcell, MN 56657

SENE of Section 32 - Township 59, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	150.00	Cd	41.28	6,192.00	41.28	6,192.00
+ MIXED SPRUCE	WOODSRUN CORDWOOD	65.00	Cd	16.62	1,080.30	16.62	1,080.30
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	25.00	Cd	30.30	757.50	30.30	757.50
TAMARACK	WOODSRUN CORDWOOD	10.00	Cd	7.82	78.20	7.82	78.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$8,108.00	BID TOTAL = \$ 8,108.00
				ADVANCE PAYMENT =		\$1,216.20	

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

ANY LISTED SPECIES BIOMASS 110.00 Tons 1.00 110.00

Mixed Species Description:

Mixed Spruce Woodsrun Cordwood includes: Black Spruce 99%; White Spruce 1%.
Pine Species Woodsrun Mixed Products includes: Jack Pine 67%; Norway Pine 33%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 67%; Pulpwood 20%; Sawtimber 13%.

Cutting and Felling:

- Harvest merchantable jack pine, Norway pine, aspen, black spruce, white spruce and tamarack.
- Fell all live black spruce equal to or greater than 5 feet tall.

Season of Operations:

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

Sale Conditions:

- Access is across State land.

Marketing Conditions:

Average DBH & sticks: Jack pine 12" - 6-7 sticks, Norway pine 12" -7 sticks, black spruce 7" - 4 sticks, aspen 10" -6 sticks.

Good dry summer access off Wolf lake trail.

Price Adjustments:

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

Appraiser:

Robb D. Maki

TRACT B4 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 68.7

Permit Number: B013751
 Expiration Date: 05/31/2021

Purchased By: Greg Cook Logging Inc.
 Address: 35367 Cty Rd 237, Bigfork, MN 56628

GL03, GL04, SENW, SWNW of Section 4 - Township 61, Range 23W.
 SESW, SWSW of Section 33; NESE, SESE of Section 32 - Township 62, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 50	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	2,285.00	Cd	28.99	66,242.15	43.49	99,374.65
+ BALSAM FIR	WOODSRUN CORDWOOD	405.00	Cd	15.90	6,439.50	23.85	9,659.25
NORTHERN HARDWOODS	WOODSRUN CORDWOOD	280.00	Cd	13.02	3,645.60	13.02	3,645.60
MIXED SPRUCE	WOODSRUN MIXED PRODUCTS	90.00	Cd	19.45	1,750.50	19.45	1,750.50
PINE SPECIES	WOODSRUN MIXED PRODUCTS	55.00	Cd	30.95	1,702.25	30.95	1,702.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$79,780.00	BID TOTAL = \$	116,132.25
				ADVANCE PAYMENT =	\$11,967.00		

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

ANY LISTED SPECIES BIOMASS 1,423.00 Tons 1.00 1,423.00

Mixed Species Description:

Mixed Spruce Woodsrun Mixed Products includes: Black Spruce 28%; White Spruce 72%.
 Northern Hardwoods Woodsrun Cordwood includes: Ash 2%; Paper Birch 80%; Red Maple 18%.
 Pine Species Woodsrun Mixed Products includes: Jack Pine 27%; Norway Pine 73%.

Mixed Product Description:

Mixed Spruce Woodsrun Mixed Products includes: Bolts 20%; Pulpwood 80%.
 Pine Species Woodsrun Mixed Products includes: Bolts 65%; Pulpwood 35%.

Season of Operations:

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

Sale Conditions:

- Dry summer access across State land.

Marketing Conditions:

Several blocks with access from directly adjacent to State Hwy #1 to 3/4 mile off hwy, on which may need 1/8 mile gravel and shaping for summer hauling.

Approximately 60% of sale that has normal dry summer chance.

Aspen averages 7-8 sticks; 12" DBH

Price Adjustments:

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

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: November 30, 2017

- SUMMARY SHEET -

11/30/2017 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/04/2017

HIBBING AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
WOODSRUN MIXED PRODUCTS	PINE SPECIES	205.00	Cd	38.51	7,894.25
	NORWAY PINE	580.00	Cd	64.62	37,479.60
	JACK PINE	125.00	Cd	26.86	3,357.50
	WHITE SPRUCE	8.00	Cd	29.14	233.12
	MIXED SPRUCE	90.00	Cd	19.45	1,750.50
WOODSRUN CORDWOOD	TREMBLING ASPEN	3,300.00	Cd	43.09	142,209.40
	PAPER BIRCH	32.00	Cd	11.90	380.80
	NORTHERN HARDWOODS	305.00	Cd	13.07	3,987.60
	SPRUCE-BALSAM	83.00	Cd	14.45	1,199.35
	BALSAM FIR	408.00	Cd	23.80	9,709.11
	TAMARACK	10.00	Cd	7.82	78.20
	MIXED SPRUCE	65.00	Cd	16.62	1,080.30
BIOMASS	ANY LISTED SPECIES (<i>optional</i>)	2,091.00	Tons	-	0.00
	ANY LISTED SPECIES	268.00	Tons	1.00	268.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		5,211.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 153,936.18			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 209,627.73			
TOTAL ACRES SOLD:		159.2			
TOTAL NUMBER OF TRACTS SOLD:		4			