



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
ORAL BID

Notice is hereby given that I offered for sale at public auction in Carlton, MN at 9:00 AM on Thursday, December 14, 2017, timber belonging to the State of Minnesota. All tracts were offered at the Carlton County Land Department Building in Carlton, 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. 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
CLOQUET AREA

9:00 AM on December 14, 2017
Carlton County Land Department Building in Carlton, 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 December 14, 2018, at the following Area Headquarters: Cloquet Area.

TRACT B1

COUNTY: CARLTON

AREA: CLOQUET AREA

ACRES: 63.3

Permit Number: B013797
Expiration Date: 05/31/2021

Purchased By:
Address:

UNSOLD

SESW,SWSW of Section 24; NWNW of Section 25; NESE,SESE,SWSE of Section 23; NENE,NENW,NWNE of Section 26 - Township 46, Range 16W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID:	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASH	WOODSRUN CORDWOOD	240.00	Cd	2.13	511.20	2.13	511.20
+ ASPEN SPECIES	WOODSRUN CORDWOOD	140.00	Cd	26.40	3,696.00	26.40	3,696.00
	PAPER BIRCH	40.00	Cd	10.12	404.80	10.12	404.80

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$4,612.00 BID TOTAL = \$ 4,612.00
ADVANCE PAYMENT = \$691.80

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

+ ANY LISTED SPECIES	BIOMASS	318.00	Tons	0.85	270.30
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Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 5%; Trembling Aspen 95%.

Cutting and Felling:

- Harvest 1/3 of ash volume, all aspen, and all balm in ash harvest area. Remove 1/3 of ash volume by harvesting 30' wide strips and reserving 60' in between strips. Also, harvest all accessible aspen and balm from 30' strips. Harvest all merchantable aspen and birch in aspen harvest area.
- Reserve cedar, balsam fir, black spruce, yellow birch, maple, and elm. Very small amounts of cedar (less than 5 cords) may need to be cut in ash harvest strips. Any cut cedar must remain on site as coarse woody debris.

Season of Operations:

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

Slash Disposal:

- Biomass harvest is allowed on this permit. An Added Timber Agreement is required.

Landings Roads and Trails:

- No equipment travel is permitted outside of timber sale area except on approved access trails.
- If snowmobile trail is used for access, attempts will be made to retain four inches of snow on trail from Dec. 1 - March 31. The access road shares 1/2 mile with the snowmobile trail. Contact sale administrator 5 days prior to operations on recreational trail.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Average height and DBH of main species:

- Ash: 3-4 sticks, 8" (range of 7"-14")
- Aspen: 5-6 sticks, 12" (range 11"-16")
- Birch: 3-4 sticks, 8" (range 7-10")

Ash price has been reduced to biomass levels to encourage ash management.

Re-offer sale.

The ash harvest area includes scattered, small areas of non-merchantable ash. Non-merchantable ash stems in 30' harvest strips may be utilized for biomass. Price has been reduced on ash to reflect lower volume per acre.

Some portions of the aspen harvest area have steep terrain, purchaser is encouraged to inspect sale prior to bidding.

Price Adjustments:

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

Appraiser:

Craig David Ferguson

(Appraisal ID 12703-0; Cutting Block ID 14880-0)

TRACT B2

COUNTY: CARLTON

AREA: CLOQUET AREA

ACRES: 128.0

Permit Number: B013798
Expiration Date: 05/31/2020

Purchased By: Sappi Cloquet LLC
Address: 20 N. 22nd Street, Cloquet, MN 55720

NENE,NWNE,SWNE of Section 16 - Township 46, Range 17W.
NESE,NWSE,SENE of Section 16 - Township 46, Range 17W.
NENE,NESE,NWNE,NWSE,SENE,SWNE of Section 16 - Township 46, Range 17W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 36	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	WOODSRUN CORDWOOD	2,610.00	Cd	27.67	72,218.70	37.63	98,214.30
+ ASH	WOODSRUN CORDWOOD	285.00	Cd	8.93	2,545.05	12.14	3,459.90
+ RED MAPLE	WOODSRUN MIXED PRODUCTS	150.00	Cd	14.37	2,155.50	19.54	2,931.00
BALSAM FIR	WOODSRUN MIXED PRODUCTS	85.00	Cd	20.39	1,733.15	20.39	1,733.15

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$78,652.40 BID TOTAL = \$ 106,338.35
ADVANCE PAYMENT = \$11,797.86

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

ANY LISTED SPECIES BIOMASS 1,895.00 Tons 1.05 1,989.75

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 45%; Pulpwood 55%.
Red Maple Woodsrun Mixed Products includes: Bolts 35%; Pulpwood 65%.

Cutting and Felling:

- Harvest all aspen (contains <2% balm of gilead), red maple (contains trace amount of sugar maple), balsam fir and ash (Cutting Blocks 1, 2, and 3).
- Reserve all other species (Cutting Blocks 1, 2, and 3).

Season of Operations:

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

Slash Disposal:

- Biomass harvest is allowed on this permit. An Added Timber Agreement is required (Cutting Blocks 1, 2, and 3).

Site, Soil and Water Protection:

- In RMZ harvest down to 60 sqft BA, this is approximately 60%. It is suggested to harvest 30 feet and leave 20 feet perpendicular to the yellow line (Cutting Blocks 1, 2, and 3).

Sale Conditions:

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

Marketing Conditions:

Aspen: 9" Avg DBH and 4-5 sticks
Maple: 10" Avg DBH and 3-4 sticks
Balsam fir: 10" Avg DBH and 3-4 sticks
Ash: 7" Avg DBH and 2-3 sticks

Price Adjustments:

Road Construction Costs: +5%
Haul Distance to Nearest Mill: +10%

Stand Density: +5%

Operational Constraints: -10%

Other Price Factor: -5% (RMZ thinning)

Appraiser:

Joshua C. Muchow

(Appraisal ID 13301-0; Cutting Block ID 15546-0, 15540-0, 15543-0)

TRACT B3

COUNTY: ST. LOUIS

AREA: CLOQUET AREA

ACRES: 149.9

Permit Number: B013799
Expiration Date: 05/31/2021

Purchased By:
Address:

UNSOLD

GL07,NESE,SESE,SWSE of Section 6 - Township 51, Range 19W.
NESE,NESW,NWSE,NWSW,SENE,SESE,SWNE of Section 9; NENW,NWNW of Section 11;
SENW,SWNE,SWNW of Section 2; NENE,NWNE of Section 10 - Township 51, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID:	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	WOODSRUN CORDWOOD	2,570.00	Cd	14.45	37,136.50	14.45	37,136.50
+ TAMARACK	WOODSRUN MIXED PRODUCTS	440.00	Cd	6.99	3,075.60	6.99	3,075.60
+ ASPEN SPECIES	WOODSRUN CORDWOOD	215.00	Cd	25.96	5,581.40	25.96	5,581.40
BALSAM FIR	WOODSRUN MIXED PRODUCTS	50.00	Cd	16.00	800.00	16.00	800.00
PAPER BIRCH	WOODSRUN MIXED PRODUCTS	10.00	Cd	12.41	124.10	12.41	124.10

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$46,717.60
ADVANCE PAYMENT = \$7,007.64
BID TOTAL = \$ 46,717.60

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

ANY LISTED SPECIES BIOMASS 1,655.00 Tons 1.00 1,655.00

Mixed Species Description:

Aspen Species Woodsrun Cordwood includes: Balm of Gilead 10%; Trembling Aspen 90%.

Mixed Product Description:

Balsam Fir Woodsrun Mixed Products includes: Bolts 14%; Pulpwood 86%.
Paper Birch Woodsrun Mixed Products includes: Bolts 10%; Pulpwood 90%.
Tamarack Woodsrun Mixed Products includes: Bolts 0%; Pulpwood 95%; Sawtimber 5%.

Cutting and Felling:

- Harvest balsam 3 sticks and larger as well as all merchantable black spruce, tamarack and aspen species (Cutting Block 1).
- Harvest balsam 3 sticks and larger, yellow painted paper birch and all merchantable black spruce, tamarack and aspen species (Cutting Block 2).
- Multiple cutting block sale, see individual cutting blocks for specifications (Cutting Blocks 1 and 2).
- Reserve cedar, birch, white spruce, maple, pine, basswood and 1 large diameter aspen per acre, Also reserve all balsam less than 3 sticks wherever possible. Clumps of regen of the above species should be reserved as possible where they exist (Cutting Block 1).
- Reserve cedar, maple, white spruce, pine, basswood, 1 large diameter aspen per acre, and paper birch not marked with yellow paint. Also reserve all balsam less than 3 sticks wherever possible. Clumps of regen of the above species should be reserved as possible where they exist (Cutting Block 2).
- It is recommended that the feller operator get 1-2 weeks ahead or more on felling to aid in further freezing down the site to prepare the wetland soils for skidding and hauling by building more frost in the soil (Cutting Blocks 1 and 2).

Season of Operations:

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

Landings Roads and Trails:

- Road right of way crossing approval from Saint Louis County may be required (Cutting Blocks 1 and 2).

Sale Conditions:

- Access is across State land (Cutting Block 1).
- Access is across State, however better access may be possible across private land. If the private access route is desired, permission for private access must be obtained by the permittee to cross the private land (Cutting Block 2).

Marketing Conditions:

- Black spruce ranging 2-6 sticks averaging 3-4 sticks average dbh 8"
- Tamarack ranging 2-7 sticks averaging 4-5 sticks average dbh 9"
- Aspen averages 5-6 sticks average dbh 12"
- Balsam fir averages 3-5 sticks average dbh 9"
- Paper Birch averages 3-5 sticks average dbh 10"

4 year sale due to winter frozen ground access and operation in a lowland black spruce bog forest.

Every cutting area of this sale is accessible through state land, however for a few cutting areas better access may be possible across private land. If the private access route is desired, permission from the private landowner for this access must be obtained by the permittee. For questions about access options contact the appraiser at the number below.

- Cutting Block 1 = 2580 cords
- Cutting Block 2 = 705 cords

Appraiser Wes Habedank Floodwood Field Station 476-7022

Price Adjustments:

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

Appraiser:

Wesley J. Habedank

TRACT B4 COUNTY: ST. LOUIS AREA: CLOQUET AREA ACRES: 13.0

Permit Number: B013800
 Expiration Date: 05/31/2019

Purchased By: Rory T. Kick
 Address: 1319 McDavitt Rd, Zim, MN 55738

NESE,SESE of Section 16 - Township 53, Range 18W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	225.00	Cd	8.68	1,953.00	8.68	1,953.00
BALSAM FIR	WOODSRUN CORDWOOD	30.00	Cd	6.50	195.00	6.50	195.00
MIXED HARDWOODS	WOODSRUN CORDWOOD	10.00	Cd	8.61	86.10	8.61	86.10
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$2,234.10	BID TOTAL = \$	2,234.10
				ADVANCE PAYMENT =	\$335.12		

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

ANY LISTED SPECIES BIOMASS 110.00 Tons 0.45 49.50

Mixed Species Description:

Mixed Hardwoods Woodsrun Cordwood includes: Paper Birch 50%; Trembling Aspen 50%.

Mixed Product Description:

White Spruce Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 70%.

Cutting and Felling:

- Harvest all listed merchantable species to required top diameters.
- Reserve basswood, sugar maple, white cedar, yellow birch, pink painted trees and all other non listed species, this is approximately 8-10 trees per acre scattered.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- Summer harvest and access is unlikely and would require an extended dry period as there is a layer of clay that retains water.

Sale Conditions:

- Access is across state land.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.
- The sale will expire 5/31/2020 due to windstorm damage.

Marketing Conditions:

Sale access is located approximately 5.2 miles East of Meadowlands. There is an existing raised access road and skid trails within stand.
 Sale is considered a windstorm salvage, approximately 25% of the trees were affected in July 2017. Damage was mostly uproot, bent tops and some breakage.
 Sale area was last thinned in 2012.
 Soil conditions on site retain water for extended periods of time, it will likely require frozen ground conditions to operate.

White spruce avg DBH 12", 4 sticks

Contact Floodwood DNR Forest Tech Brian Schiller at 218-476-7023.

Price Adjustments:

Road Construction Costs: +5%
Haul Distance to Nearest Mill: +5%
Stand Density: -5%
Operational Constraints: -10%
Other Price Factor: -50% (Windstorm salvage)

Appraiser:

Brian Patrick Schiller

(Appraisal ID 13373-0; Cutting Block ID 15608-0)

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

CLOQUET 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: December 14, 2017

- SUMMARY SHEET -

12/14/2017 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 12/16/2017

CLOQUET AREA

SUMMARY FOR SOLD TRACTS

<u>PRODUCT</u>	<u>SPECIES</u>	<u>TOTAL VOLUME</u>	<u>UNIT</u>	<u>SOLD AVERAGE UNIT PRICE</u>	<u>TOTAL SOLD \$ VALUE</u>
WOODSRUN MIXED PRODUCTS	RED MAPLE	150.00	Cd	19.54	2,931.00
	WHITE SPRUCE	225.00	Cd	8.68	1,953.00
	BALSAM FIR	85.00	Cd	20.39	1,733.15
WOODSRUN CORDWOOD	ASH	285.00	Cd	12.14	3,459.90
	TREMBLING ASPEN	2,610.00	Cd	37.63	98,214.30
	BALSAM FIR	30.00	Cd	6.50	195.00
	MIXED HARDWOODS	10.00	Cd	8.61	86.10
BIOMASS	ANY LISTED SPECIES (optional)	2,005.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 3,395.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 80,886.50
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 108,572.45
TOTAL ACRES SOLD: 141.0
SOLD TRACT NUMBERS: 2, 4
TOTAL NUMBER OF TRACTS SOLD: 2

SUMMARY FOR UNSOLD TRACTS

<u>PRODUCT</u>	<u>SPECIES</u>	<u>TOTAL VOLUME</u>	<u>UNIT</u>	<u>APPRAISED AVERAGE UNIT PRICE</u>	<u>APPRAISED \$ VALUE</u>
WOODSRUN MIXED PRODUCTS	PAPER BIRCH	10.00	Cd	12.41	124.10
	BALSAM FIR	50.00	Cd	16.00	800.00
	TAMARACK	440.00	Cd	6.99	3,075.60
WOODSRUN CORDWOOD	ASH	240.00	Cd	2.13	511.20
	ASPEN SPECIES	355.00	Cd	26.13	9,277.40
	PAPER BIRCH	40.00	Cd	10.12	404.80
	BLACK SPRUCE	2,570.00	Cd	14.45	37,136.50
BIOMASS	ANY LISTED SPECIES (optional)	1,973.00	Tons	0.98	1,925.30

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 3,705.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 51,329.60
TOTAL ACRES UNSOLD: 213.2
UNSOLD TRACT NUMBERS: 1, 3
TOTAL NUMBER OF TRACTS UNSOLD: 2