



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Orr, MN at 9:00 AM on Tuesday, December 4, 2018, timber belonging to the State of Minnesota. All tracts were offered at the Orr American Legion in Orr, 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
TOWER AREA

9:00 AM on December 4, 2018
Orr American Legion in Orr, 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 4, 2019, at the following Area Headquarters: Tower Area.

TRACT B1

COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 137.0

Permit Number: B014071
Expiration Date: 05/31/2021

Purchased By:
Address:

UNSOLD

GL03, GL04, NESW, SENW, SWNW of Section 3 - Township 63, Range 18W.
GL01, GL02, GL03, NWSE, SENE, SENW, SWNE of Section 4 - Township 63, Range 18W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULP & BOLTS	760.00	Cd	14.73	11,194.80	14.73	11,194.80
+ MIXED SPRUCE	PULPWOOD	260.00	Cd	9.50	2,470.00	9.50	2,470.00
BALSAM FIR	PULPWOOD	55.00	Cd	8.50	467.50	8.50	467.50
NORTHERN HARDWOODS	PULPWOOD	10.00	Cd	5.65	56.50	5.65	56.50
TREMBLING ASPEN	PULPWOOD	10.00	Cd	12.00	120.00	12.00	120.00
JACK PINE	PULPWOOD	5.00	Cd	4.50	22.50	4.50	22.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$14,331.30	BID TOTAL = \$	14,331.30
ADVANCE PAYMENT =	\$2,149.70		

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 1%; White Spruce 99%.
Northern Hardwoods Pulpwood includes: Paper Birch 70%; Red Maple 30%.

Mixed Product Description:

Norway Pine Pulp & Bolts includes: Bolts 66%; Pulpwood 34%.

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State (Cutting Block 1).
- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Block 2).
- Frozen ground access across state (Cutting Block 2).

Slash Disposal:

- Biomass harvest is not allowed on this permit (Cutting Block 1).

Sale Conditions:

- Access is across state land (Cutting Blocks 1 and 2).

Marketing Conditions:

cutting block one is harvestable in the summer; cutting block 2 is harvestable in winter only.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: -10%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -40% (2rd re offer and 1st thin pine)

Appraiser:

Christine Ann Martin

TRACT B2 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 98.0

Permit Number: B014072
Expiration Date: 05/31/2022

Purchased By: Packaging Corporation of America
Address: 400 Third Ave East, International Falls, MN 56649

SWSW of Section 25; NENW,NESW,NWNE,NWNW,NWSE,SENW,SWNE,SWNW of Section 36 - Township 63, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 46	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	2,680.00	Cd	25.20	67,536.00	36.79	98,597.20
WHITE SPRUCE	PULP & BOLTS	80.00	Cd	23.75	1,900.00	23.75	1,900.00
LOWLAND HARDWOODS	PULPWOOD	45.00	Cd	10.25	461.25	10.25	461.25
BALSAM FIR	PULPWOOD	35.00	Cd	17.85	624.75	17.85	624.75

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$70,522.00
ADVANCE PAYMENT = \$10,578.30
BID TOTAL = \$ 101,583.20

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

ANY LISTED SPECIES BIOMASS 1,590.00 Tons 1.00 1,590.00

Mixed Species Description:

Lowland Hardwoods Pulpwood includes: Ash 67%; Paper Birch 22%; Red Maple 11%.

Mixed Product Description:

White Spruce Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.

Season of Operations:

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

Sale Conditions:

- Access is across County and state land.

Marketing Conditions:

Asp avg. dbh 12" and 6-7 sticks. There is 2% Balm of Gilead in the aspen volume. Increased 5% due to cords/acre

Price Adjustments:

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

Appraiser:

Terry R. Bergstrom

TRACT B3

COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 78.9

Permit Number: B014073
Expiration Date: 05/31/2021

Purchased By:
Address:

UNSOLD

NESW,NWSW,SENW,SWNW of Section 5; SENE of Section 6 - Township 64, Range 18W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	690.00	Cd	20.40	14,076.00	20.40	14,076.00
+ MIXED SPRUCE	PULP & BOLTS	425.00	Cd	19.45	8,266.25	19.45	8,266.25
+ PINE SPECIES	PULP & BOLTS	135.00	Cd	21.55	2,909.25	21.55	2,909.25
NORTHERN HARDWOODS	PULPWOOD	115.00	Cd	9.70	1,115.50	9.70	1,115.50
BALSAM FIR	PULPWOOD	16.00	Cd	14.45	231.20	14.45	231.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$26,598.20	BID TOTAL = \$ 26,598.20
				ADVANCE PAYMENT =		\$3,989.73	

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

ANY LISTED SPECIES BIOMASS 635.00 Tons 1.00 635.00

Mixed Species Description:

- Aspen Species Pulpwood includes: Largetooth Aspen 1%; Trembling Aspen 99%.
- Mixed Spruce Pulp & Bolts includes: Black Spruce 80%; White Spruce 20%.
- Northern Hardwoods Pulpwood includes: Paper Birch 59%; Red Maple 41%.
- Pine Species Pulp & Bolts includes: Jack Pine 28%; Norway Pine 5%; White Pine 67%.

Mixed Product Description:

- Mixed Spruce Pulp & Bolts includes: Bolts 32%; Pulpwood 68%.
- Pine Species Pulp & Bolts includes: Bolts 36%; Pulpwood 46%; Sawtimber (Softwood Only) 18%.

Season of Operations:

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

Sale Conditions:

- Access is across County, Private and State land.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.
- Permission to cross County land will be obtained by the State.

Marketing Conditions:

- Sale may be accessed from the north off of the Crane Lake Road.
- Sale may be accessed from the south through the North Ban Lake Spur.

Price has been reduced 15% due to stand density and road building.

90% of sale is located on dry ground but summer access is very limited due to the fact that most of sale is surrounded by low ground.

Price Adjustments:

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

Appraiser:

Andrew J. Erickson

(Appraisal ID 14232-0; Cutting Block ID 16619-0)

TRACT B4

COUNTY: ST. LOUIS

AREA: TOWER AREA

ACRES: 131.0

Permit Number: B014074
Expiration Date: 05/31/2021

Purchased By:
Address:

UNSOLD

NWSW,SWSW of Section 2; NENE of Section 10; NENW,NWNW of Section 11; SESE,SESW,SWSE,SWSW of Section 3 - Township 68, Range 20W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	893.00	Cd	19.04	17,002.72	19.04	17,002.72
+ NORWAY PINE	PULP & BOLTS	410.00	Cd	22.08	9,052.80	22.08	9,052.80
+ WHITE PINE	PULP & BOLTS	311.00	Cd	17.20	5,349.20	17.20	5,349.20
BALSAM FIR	PULPWOOD	147.00	Cd	13.60	1,999.20	13.60	1,999.20
NORTHERN HARDWOODS	PULPWOOD	122.00	Cd	7.84	956.48	7.84	956.48
JACK PINE	PULPWOOD	105.00	Cd	7.20	756.00	7.20	756.00
MIXED SPRUCE	PULPWOOD	91.00	Cd	15.20	1,383.20	15.20	1,383.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$36,499.60	BID TOTAL = \$	36,499.60
				ADVANCE PAYMENT =	\$5,474.94		

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

ANY LISTED SPECIES BIOMASS 1,058.00 Tons 1.00 1,058.00

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 5%; Trembling Aspen 95%.
Mixed Spruce Pulpwood includes: Black Spruce 23%; White Spruce 77%.
Northern Hardwoods Pulpwood includes: Ash 68%; Paper Birch 16%; Red Maple 16%.

Mixed Product Description:

Norway Pine Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.
White Pine Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.

Season of Operations:

- Frozen ground access across state and industry land.

Sale Conditions:

- Access is across State and industry land.

Marketing Conditions:

Parts of sale area are very rough terrain and limited access due to rock ledges and spruce/cedar lowlands.
Reserve trees are marked with yellow paint.

Price Adjustments:

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

Appraiser:

Edward A. Schoon

TRACT B5 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 190.3

Permit Number: B014075
Expiration Date: 05/31/2022

Purchased By: Packaging Corporation of America
Address: 400 Third Ave East, International Falls, MN 56649

GL03,NESE,NESW,NWSE of Section 7 - Township 68, Range 20W.
NENE,NWNE of Section 13; SESE,SWSE of Section 12 - Township 68, Range 21W.
NWSE,SWNE of Section 12 - Township 68, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 21	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	2,500.00	Cd	27.25	68,125.00	32.97	82,425.00
+ MIXED SPRUCE	PULP & BOLTS	1,280.00	Cd	34.27	43,865.60	41.47	53,081.60
BALSAM FIR	PULPWOOD	400.00	Cd	19.55	7,820.00	19.55	7,820.00
NORTHERN HARDWOODS	PULPWOOD	130.00	Cd	12.02	1,562.60	12.02	1,562.60

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$121,373.20
ADVANCE PAYMENT = \$18,205.98
BID TOTAL = \$ 144,889.20

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

ANY LISTED SPECIES BIOMASS 1,960.00 Tons 1.15 2,254.00

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 8%; Largetooth Aspen 3%; Trembling Aspen 90%.
Mixed Spruce Pulp & Bolts includes: Black Spruce 2%; White Spruce 98%.
Northern Hardwoods Pulpwood includes: Ash 30%; Paper Birch 67%; Red Maple 4%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 90%; Pulpwood 10%.

Season of Operations:

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

Sale Conditions:

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

Marketing Conditions:

Sale is about 1 1/2 miles off Highway 53 down the Ash River Trail. Access for this sale is excellent, with minimum need to build roads as the Voyager Snowmobile Trail splits cutting block 1, and the Arrowhead Snowmobile Trail splits cutting block 2. Most of this sale has a good chance of being harvested during late summer and early fall as long as conditions are very dry. There are areas of advanced regeneration to be worked around, especially in cutting block 1 where timber can be left to protect regeneration.

Price Adjustments:

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

Appraiser:

Timothy D. St Aubin

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

TOWER AREA - ORR FIELD STATION

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 4, 2018

- SUMMARY SHEET -

12/04/2018 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/04/2018

TOWER AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	WHITE SPRUCE	80.00	Cd	23.75	1,900.00
	MIXED SPRUCE	1,280.00	Cd	41.47	53,081.60
PULPWOOD	LOWLAND HARDWOODS	45.00	Cd	10.25	461.25
	ASPEN SPECIES	2,500.00	Cd	32.97	82,425.00
	TREMBLING ASPEN	2,680.00	Cd	36.79	98,597.20
	NORTHERN HARDWOODS	130.00	Cd	12.02	1,562.60
	BALSAM FIR	435.00	Cd	19.41	8,444.75
BIOMASS	ANY LISTED SPECIES (optional)	3,550.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 7,150.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 191,895.20
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 246,472.40
TOTAL ACRES SOLD: 288.3
SOLD TRACT NUMBERS: 2, 5
TOTAL NUMBER OF TRACTS SOLD: 2

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	PINE SPECIES	135.00	Cd	21.55	2,909.25
	WHITE PINE	311.00	Cd	17.20	5,349.20
	NORWAY PINE	1,170.00	Cd	17.31	20,247.60
	MIXED SPRUCE	425.00	Cd	19.45	8,266.25
PULPWOOD	ASPEN SPECIES	1,583.00	Cd	19.63	31,078.72
	TREMBLING ASPEN	10.00	Cd	12.00	120.00
	NORTHERN HARDWOODS	247.00	Cd	8.62	2,128.48
	JACK PINE	110.00	Cd	7.08	778.50
	BALSAM FIR	218.00	Cd	12.38	2,697.90
	MIXED SPRUCE	351.00	Cd	10.98	3,853.20
BIOMASS	ANY LISTED SPECIES (optional)	1,693.00	Tons	1.00	1,693.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 4,560.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 77,429.10
TOTAL ACRES UNSOLD: 346.9
UNSOLD TRACT NUMBERS: 1, 3, 4
TOTAL NUMBER OF TRACTS UNSOLD: 3