



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Bigfork, MN at 9:00 AM on Tuesday, June 4, 2019, timber belonging to the State of Minnesota. All tracts were offered at the Bigfork town hall in Bigfork, 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
DEER RIVER AREA

9:00 AM on June 4, 2019
Bigfork town hall in Bigfork, 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 4, 2020, at the following Area Headquarters: Deer River Area.

TRACT B1 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 320.7

Permit Number: B014238
Expiration Date: 05/31/2022

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

GL06 of Section 30; GL01,NENW of Section 31 - Township 60, Range 25W.
NENE,NESE,NWNE,SENE,SWNE of Section 36 - Township 60, Range 26W.
NENE,NENW,NESE,NESW,NWNE,NWNW,SENE,SESW,SWNE,SWNW of Section 36 - Township 60, Range 26W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 96	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	4,310.00	Cd	18.00	77,580.00	35.28	152,056.80
+ NORWAY PINE	PULP & BOLTS	1,275.00	Cd	12.45	15,873.75	24.40	31,110.00
+ JACK PINE	PULPWOOD	970.00	Cd	8.10	7,857.00	15.88	15,403.60
PAPER BIRCH	PULPWOOD	165.00	Cd	9.90	1,633.50	9.90	1,633.50
BALSAM FIR	PULP & BOLTS	15.00	Cd	18.00	270.00	18.00	270.00
WHITE SPRUCE	PULP & BOLTS	15.00	Cd	19.26	288.90	19.26	288.90

+ BID SPECIES * SOLD ON APPRAISED VOLUME
 APPRAISED TOTAL = \$103,503.15 BID TOTAL = \$ 200,762.80
 ADVANCE PAYMENT = \$15,525.47

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

ANY LISTED SPECIES BIOMASS 1,938.00 Tons 1.00 1,938.00

Mixed Product Description:

Balsam Fir Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.
 Norway Pine Pulp & Bolts includes: Bolts 28%; Pulpwood 72%.
 White Spruce Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

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).

Sale Conditions:

- Access is across State and USFS land (Cutting Block 1).
- Access is across State, county, and USFS land (Cutting Block 2).
- Permission to cross county land must be obtained by permittee (Cutting Block 2).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Blocks 1 and 2).

Marketing Conditions:

Sale is located 1 mile east of the intersection of Burns Lake Road and Cad Lake Road on a forest access road.
 Due to the complexity of this sale, operator must work closely with sale administrator to ensure all prescriptions are met.
 A small percentage of pine in Block 2 are large with an average DBH of 17".
 Pine price reduced 25% due to first entry thinning.

Price Adjustments:

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

Appraiser:

Thomas R. Heffernan

(Appraisal ID 14879-0; Cutting Block ID 17345-0, 17347-0)

TRACT B2

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 138.5

Permit Number: B014239
Expiration Date: 05/31/2022

Purchased By:
Address:

CANCELED

NENE of Section 12; NESW,NWSE,SESE,SWNE,SWSE of Section 1 - Township 151, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	PULP & BOLTS	1,470.00	Cd	8.58	12,612.60	8.58	12,612.60
+ BLACK SPRUCE	PULP & BOLTS	1,175.00	Cd	22.33	26,237.75	22.33	26,237.75
ASPEN SPECIES	PULP & BOLTS	295.00	Cd	21.01	6,197.95	21.01	6,197.95
ASH	PULP & BOLTS	160.00	Cd	10.34	1,654.40	10.34	1,654.40
BALSAM FIR	PULP & BOLTS	20.00	Cd	17.60	352.00	17.60	352.00
RED MAPLE	PULP & BOLTS	20.00	Cd	16.72	334.40	16.72	334.40
PAPER BIRCH	PULP & BOLTS	15.00	Cd	16.06	240.90	16.06	240.90
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$47,630.00	BID TOTAL = \$	47,630.00
				ADVANCE PAYMENT =	\$7,144.50		

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

ANY LISTED SPECIES BIOMASS 1,238.00 Tons 1.00 1,238.00

Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 30%; Trembling Aspen 70%.

Mixed Product Description:

- Ash Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.
- Aspen Species Pulp & Bolts includes: Bolts 70%; Pulpwood 30%.
- Balsam Fir Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
- Black Spruce Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.
- Paper Birch Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.
- Red Maple Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.
- Tamarack Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.

Marketing Conditions:

Sale is located 2 miles NW of termination of Koochiching County Road 50. Access to all timber volume is via 2.7 miles of woods road. 2.2 miles is though upland and will require very little brushing. 0.5 miles is through lowland and will require no brushing. Sale contains 16.5 acres upland clearcut at 29.5 cords per acre and 121.1 acres of lowland clearcut at 21.8 cords per acre. Upland clearcut could be harvested in summer and hauled in summer as long as industrial forestry land is used as access. Lowland clearcut can not be harvested in summer but could be hauled in summer as long as industrial forestry land is used as access.

Price Adjustments:

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

Appraiser:

Trevor Alan Adams

TRACT B3

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 264.0

Permit Number: B014240
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

GL04 of Section 19; GL01, GL02, GL03, NENW, NWNE, SENW, SWNE of Section 30 - Township 152, Range 26W.
SESE of Section 24; NENE, SENE of Section 25 - Township 152, Range 27W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	PULP & BOLTS	2,325.00	Cd	18.76	43,617.00	18.76	43,617.00
+ TAMARACK	PULP & BOLTS	1,000.00	Cd	5.56	5,560.00	5.56	5,560.00
PAPER BIRCH	PULP & BOLTS	95.00	Cd	13.87	1,317.65	13.87	1,317.65
BALSAM FIR	PULP & BOLTS	50.00	Cd	15.20	760.00	15.20	760.00
WHITE CEDAR	PULPWOOD	5.00	Cd	5.70	28.50	5.70	28.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$51,283.15	BID TOTAL = \$	51,283.15
ADVANCE PAYMENT =	<u>\$7,692.47</u>		

Mixed Product Description:

Balsam Fir Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
 Black Spruce Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.
 Paper Birch Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.
 Tamarack Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.

Marketing Conditions:

Permit is located on Utility Road 377 approximately 2.5 miles northeast of County Road 25.
 20% of tamarack volume is affected by eastern larch beetle or windthrow. The affected trees are concentrated in the NW portion of the harvest area.

Price Adjustments:

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

Appraiser:

Lori Ann Barrow

TRACT B4

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 209.9

Permit Number: B014241
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

NENW,NWNE,NWNW of Section 12; SESE,SESW,SWSE of Section 2; NENE of Section 10;
NENW,NWNE,NWNW,SWNE of Section 11 - Township 152, Range 29W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASH	PULP & BOLTS	4,410.00	Cd	10.45	46,084.50	10.45	46,084.50
WHITE CEDAR	PULP & BOLTS	615.00	Cd	8.74	5,375.10	8.74	5,375.10
ASPEN SPECIES	PULP & BOLTS	345.00	Cd	18.66	6,437.70	18.66	6,437.70
AMERICAN ELM	PULPWOOD	35.00	Cd	6.65	232.75	6.65	232.75
BALSAM FIR	PULP & BOLTS	35.00	Cd	15.20	532.00	15.20	532.00
PAPER BIRCH	PULP & BOLTS	12.00	Cd	13.87	166.44	13.87	166.44

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$58,828.49 BID TOTAL = \$ 58,828.49
ADVANCE PAYMENT = \$8,824.27

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

ANY LISTED SPECIES BIOMASS 2,882.00 Tons 1.00 2,882.00

Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 12%; Trembling Aspen 88%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.
Aspen Species Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.
Balsam Fir Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
Paper Birch Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.
White Cedar Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

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 and county land.
- Permission to cross county land must be obtained by permittee.

Marketing Conditions:

Sale is located 3.4 miles West of the beginning of the Flowing Well State Forestry Road. Access to all timber volume is via 3.4 miles of the Flowing Well State Forestry Road and 2.9 miles of woods road. Of the woods road: 2.1 miles will require very little brushing, 0.3 miles will require moderate brushing, and 0.5 miles will require mature timber clearing. Sale contains 113.7 acres of ash removal at 34.8 cords per acre, 65.3 acres of ash thinning at 14.0 cords per acre, and 18.7 acres of upland clearcut at 18.7 cords per acre. Operating constraints (high density of reserve species) only exist in the ash removal portion of the sale. Ash is short but stout and very few Ash were found to be hollow. Some ash on the fringes of the ash removal area have partly dead crowns. 10% of bolt size cedar were found to be hollow. All cedar bolts cruised were sounded with a hammer to eliminate hollow bolts. A summer harvest or hauling are quite unlikely.

Price Adjustments:

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

Appraiser:

Trevor Alan Adams

(Appraisal ID 14877-0; Cutting Block ID 17337-0)

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

DEER RIVER 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 4, 2019

- SUMMARY SHEET -

06/04/2019 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 06/05/2019

DEER RIVER AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	NORWAY PINE	1,275.00	Cd	24.40	31,110.00
	WHITE SPRUCE	15.00	Cd	19.26	288.90
	BALSAM FIR	15.00	Cd	18.00	270.00
PULPWOOD	TREMBLING ASPEN	4,310.00	Cd	35.28	152,056.80
	PAPER BIRCH	165.00	Cd	9.90	1,633.50
	JACK PINE	970.00	Cd	15.88	15,403.60
BIOMASS	ANY LISTED SPECIES (optional)	1,938.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 6,750.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 103,503.15
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 200,762.80
TOTAL ACRES SOLD: 320.7
SOLD TRACT NUMBER: 1
TOTAL NUMBER OF TRACTS SOLD: 1

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	ASH	4,410.00	Cd	10.45	46,084.50
	ASPEN SPECIES	345.00	Cd	18.66	6,437.70
	PAPER BIRCH	107.00	Cd	13.87	1,484.09
	BALSAM FIR	85.00	Cd	15.20	1,292.00
	BLACK SPRUCE	2,325.00	Cd	18.76	43,617.00
	TAMARACK	1,000.00	Cd	5.56	5,560.00
	WHITE CEDAR	615.00	Cd	8.74	5,375.10
PULPWOOD	AMERICAN ELM	35.00	Cd	6.65	232.75
	WHITE CEDAR	5.00	Cd	5.70	28.50
BIOMASS	ANY LISTED SPECIES (optional)	2,882.00	Tons	1.00	2,882.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 8,927.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 110,111.64
TOTAL ACRES UNSOLD: 473.9
UNSOLD TRACT NUMBERS: 3, 4
TOTAL NUMBER OF TRACTS UNSOLD: 2

SUMMARY FOR CANCELED TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	ASH	160.00	Cd	10.34	1,654.40
	ASPEN SPECIES	295.00	Cd	21.01	6,197.95
	PAPER BIRCH	15.00	Cd	16.06	240.90
	RED MAPLE	20.00	Cd	16.72	334.40
	BALSAM FIR	20.00	Cd	17.60	352.00
	BLACK SPRUCE	1,175.00	Cd	22.33	26,237.75
	TAMARACK	1,470.00	Cd	8.58	12,612.60
BIOMASS	ANY LISTED SPECIES (optional)	1,238.00	Tons	1.00	1,238.00

TOTAL CANCELED TRACTS CONVERTED TO CORDS: 3,155.00
CANCELED TRACT NUMBER: 2
TOTAL NUMBER OF TRACTS CANCELED: 1

