



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY

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

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**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 3, 2019, timber belonging to the State of Minnesota. All tracts were offered at the Orr Community Center (Old 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 3, 2019  
Orr Community Center (Old 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 3, 2020, at the following Area Headquarters: Tower Area.

**TRACT B1** COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 203.5

Permit Number: B014415  
Expiration Date: 05/31/2022

Purchased By: Mike Nielsen Logging  
Address: 1979 Sotlich Road, Ely, MN 55731

NENE,NENW,NESE,NWNE,NWNW,SENE,SENW,SWNE,SWNW of Section 20; SENE of Section 19 -  
Township 59, Range 12W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 85	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	4,800.00	Cd	16.35	78,480.00	30.25	145,200.00
PAPER BIRCH	PULPWOOD	280.00	Cd	9.50	2,660.00	9.50	2,660.00
BALSAM FIR	PULPWOOD	100.00	Cd	13.30	1,330.00	13.30	1,330.00
TREMBLING ASPEN	PULPWOOD	75.00	Cd	16.15	1,211.25	16.15	1,211.25
TAMARACK	PULPWOOD	40.00	Cd	5.70	228.00	5.70	228.00
JACK PINE	PULPWOOD	5.00	Cd	6.65	33.25	6.65	33.25

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$83,942.50  
ADVANCE PAYMENT = \$12,591.38  
BID TOTAL = \$ 150,662.50

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

ANY LISTED SPECIES BIOMASS 2,945.00 Tons 0.65 1,914.25

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 95%; White Spruce 5%.

**Mixed Product Description:**

Mixed Spruce Pulp & Bolts includes: Bolts 15%; Pulpwood 85%.

**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.

**Sale Conditions:**

- Access is across USFS and State land.
- A USFS road use permit must be obtained by permittee.

**Marketing Conditions:**

Sale is located approximately 16 miles south of Babbitt or 18 miles northeast of Hoyt Lakes off of forest road 113.  
Access will require freezing down of approximately 1 mile of existing winter trail.

**Price Adjustments:**

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

**Appraiser:**

Keith Flood

**TRACT B2** COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 151.3

Permit Number: B014416  
Expiration Date: 05/31/2023

Purchased By: Mike Nielsen Logging  
Address: 1979 Sotlich Road, Ely, MN 55731

NENW,NESW,NWNE,NWNW,NWSE,NWSW,SENW,SWNE,SWNW of Section 36 - Township 60, Range 12W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 52	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ JACK PINE	PULP & BOLTS	1,100.00	Cd	17.01	18,711.00	25.86	28,446.00
+ MIXED SPRUCE	PULP & BOLTS	850.00	Cd	15.12	12,852.00	22.98	19,533.00
+ TREMBLING ASPEN	PULPWOOD	560.00	Cd	15.30	8,568.00	23.26	13,025.60
+ BALSAM FIR	PULPWOOD	355.00	Cd	12.60	4,473.00	19.15	6,798.25
NORTHERN HARDWOODS	PULPWOOD	200.00	Cd	9.00	1,800.00	9.00	1,800.00
TAMARACK	PULPWOOD	175.00	Cd	5.40	945.00	5.40	945.00
NORWAY PINE	PULP & BOLTS	60.00	Cd	17.55	1,053.00	17.55	1,053.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$48,402.00	BID TOTAL = \$	71,600.85
				ADVANCE PAYMENT =	\$7,260.30		

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

ANY LISTED SPECIES BIOMASS 1,600.00 Tons 0.65 1,040.00

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 95%; White Spruce 5%.  
Northern Hardwoods Pulpwood includes: Paper Birch 99%; Red Maple 1%.

**Mixed Product Description:**

Jack Pine Pulp & Bolts includes: Bolts 70%; Pulpwood 30%.  
Mixed Spruce Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.  
Norway Pine Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across USFS and State land.  
- A USFS road use permit must be obtained by permittee.

**Marketing Conditions:**

Sale is approximately 3.5 miles south of Babbitt on Forest Road 112.

**Price Adjustments:**

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

**Appraiser:**

Keith Flood

**TRACT B3** COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 93.9

Permit Number: B014417  
 Expiration Date: 05/31/2023

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

NESE,NWNE,NWSE,SENE,SESE,SWNE,SWSE of Section 16 - Township 67, Range 18W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	2,910.00	Cd	18.70	54,417.00	18.70	54,417.00
+ MIXED SPRUCE	PULP & BOLTS	335.00	Cd	22.00	7,370.00	22.00	7,370.00
ASH	PULPWOOD	275.00	Cd	6.60	1,815.00	6.60	1,815.00
WHITE PINE	WOODSRUN MIXED PRODUCTS	195.00	Cd	28.55	5,567.25	28.55	5,567.25
BALM OF GILEAD	PULPWOOD	175.00	Cd	15.40	2,695.00	15.40	2,695.00
NORTHERN HARDWOODS	PULPWOOD	133.00	Cd	11.00	1,463.00	11.00	1,463.00
BALSAM FIR	PULPWOOD	105.00	Cd	15.40	1,617.00	15.40	1,617.00
NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	33.00	Cd	56.10	1,851.30	56.10	1,851.30

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$76,795.55  
 ADVANCE PAYMENT = \$11,519.33  
 BID TOTAL = \$ 76,795.55

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

ANY LISTED SPECIES BIOMASS 2,876.00 Tons 0.65 1,869.40

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 18%; White Spruce 82%.  
 Northern Hardwoods Pulpwood includes: Paper Birch 73%; Red Maple 27%.

**Mixed Product Description:**

Mixed Spruce Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.  
 Norway Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 33%; Pulpwood 5%; Sawtimber (Softwood Only) 62%.  
 White Pine Woodsrun Mixed Products includes: Bolts 30%; Pulpwood 31%; Sawtimber (Softwood Only) 39%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across USFS and state land.  
 - Permission to cross USFS land must be obtained by permittee.

**Marketing Conditions:**

Sale has good access off of snowmobile trail.  
 Price increased 10% due to volume.  
 White Pine appraised as woodsrun mixed products due to quality.

Appraised by Cassandra DeMillo and Andrew Erickson

**Price Adjustments:**

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

Other Price Factor: 0%

**Appraiser:**

Cassandra DeMillo

(Appraisal ID 15162-0; Cutting Block ID 17658-0)

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**TRACT B4** COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 101.0

Permit Number: B014418  
Expiration Date: 05/31/2022

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

GL01, GL02 of Section 4; GL04 of Section 3 - Township 67, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	2,790.00	Cd	18.20	50,778.00	18.20	50,778.00
ASH	PULP & BOLTS	100.00	Cd	8.10	810.00	8.10	810.00
NORTHERN HARDWOODS	PULPWOOD	85.00	Cd	11.00	935.00	11.00	935.00
BALSAM FIR	PULPWOOD	50.00	Cd	15.40	770.00	15.40	770.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$53,293.00	BID TOTAL = \$	53,293.00
				ADVANCE PAYMENT =	\$7,993.95		

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

ANY LISTED SPECIES BIOMASS 1,481.00 Tons 0.65 962.65

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 15%; Largetooth Aspen 1%; Trembling Aspen 84%.  
Northern Hardwoods Pulpwood includes: Paper Birch 95%; Red Maple 5%.

**Mixed Product Description:**

Ash Pulp & Bolts includes: Bolts 15%; Pulpwood 85%.

**Season of Operations:**

- Conduct felling and skidding on frozen soil conditions only, except with written permission from State.

**Sale Conditions:**

- Access is across state land.
- Approval to use USFS roads will need to be obtained by the permittee.

**Marketing Conditions:**

- Accessible from Kohler Pit Grade, and USFS Road 621.
- USFS road 621 and 621F will need approval prior to use, and improvements done on them before operations can begin.
- Summer hauling is possible if roads are well maintained.
- Small amount of largetooth aspen mixed in with the trembling aspen.

**Price Adjustments:**

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

**Appraiser:**

Andrew J. Broz

**TRACT B5** COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 151.1

Permit Number: B014419  
Expiration Date: 05/31/2022

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

SENE of Section 24 - Township 68, Range 21W.  
GL02, GL03, GL04, NESW, SENW, SESW, SWSE of Section 19; NENW of Section 30 - Township 68, Range 20W.  
GL02, GL03, GL04 of Section 19; GL01, GL02 of Section 30 - Township 68, Range 20W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	3,500.00	Cd	20.91	73,185.00	20.91	73,185.00
ASH	PULP & BOLTS	755.00	Cd	9.60	7,248.00	9.60	7,248.00
BALSAM FIR	PULPWOOD	230.00	Cd	17.50	4,025.00	17.50	4,025.00
WHITE SPRUCE	PULP & BOLTS	160.00	Cd	25.16	4,025.60	25.16	4,025.60
PAPER BIRCH	PULPWOOD	60.00	Cd	12.50	750.00	12.50	750.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$89,233.60      BID TOTAL = \$ 89,233.60  
 ADVANCE PAYMENT = \$13,385.04

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

ANY LISTED SPECIES BIOMASS 2,250.00 Tons 0.65 1,462.50

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 9%; Largetooth Aspen 4%; Trembling Aspen 86%.

**Mixed Product Description:**

Ash Pulp & Bolts includes: Bolts 19%; Pulpwood 81%.

White Spruce Pulp & Bolts includes: Bolts 52%; Pulpwood 48%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across state land (Cutting Block 1).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Block 1).

**Marketing Conditions:**

Sale is located around and across from the DNR Kabetogama field station, right off of highway 53. Access is excellent with very minimum need for road building. Cutting block 1 has a good chance of being harvested in the summer/fall during very dry conditions. The aspen/balsam unit (CB 1) can provide access into the ash stand (CB 2), and there is a ¼+ acre landing close to Hwy. 53 in the unit that can be used to store timber from the sale for spring and summer hauling. The east side of the spruce row thin can also provide access into the ash stand, and would negate the need of an ice/snow bridge to cross the intermittent stream. Spruce row thin is more of a small clearcut with the width of rows being between 30 to 50 feet wide. Intent is to open up old windrows (not to be operated on) where there is advanced regeneration of spruce and cedar. An Avenza map or shape files of the sale can be provided.

**Price Adjustments:**

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



**Appraiser:**

Timothy D. St Aubin

(Appraisal ID 15224-0; Cutting Block ID 17707-0, 17706-0)

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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 3, 2019

- SUMMARY SHEET -

12/03/2019 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/05/2019

TOWER AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	855.00	Cd	9.42	8,058.00
	NORWAY PINE	60.00	Cd	17.55	1,053.00
	JACK PINE	1,100.00	Cd	25.86	28,446.00
	WHITE SPRUCE	160.00	Cd	25.16	4,025.60
	MIXED SPRUCE	5,985.00	Cd	28.76	172,103.00
WOODSRUN MIXED PRODUCTS	WHITE PINE	195.00	Cd	28.55	5,567.25
PULPWOOD	ASH	275.00	Cd	6.60	1,815.00
	ASPEN SPECIES	6,290.00	Cd	19.71	123,963.00
	TREMBLING ASPEN	3,545.00	Cd	19.37	68,653.85
	PAPER BIRCH	340.00	Cd	10.03	3,410.00
	BALM OF GILEAD	175.00	Cd	15.40	2,695.00
	NORTHERN HARDWOODS	418.00	Cd	10.04	4,198.00
	JACK PINE	5.00	Cd	6.65	33.25
	BALSAM FIR	840.00	Cd	17.31	14,540.25
	TAMARACK	215.00	Cd	5.46	1,173.00
BIOMASS	ANY LISTED SPECIES (optional)	11,152.00	Tons	-	0.00
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	33.00	Cd	56.10	1,851.30
<b>TOTAL SOLD TRACTS CONVERTED TO CORDS:</b>		20,491.00			
<b>TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:</b>		\$ 351,666.65			
<b>TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:</b>		\$ 441,585.50			
<b>TOTAL ACRES SOLD:</b>		700.8			
<b>TOTAL NUMBER OF TRACTS SOLD:</b>		5			