



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 Wednesday, December 11, 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 December 11, 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 December 11, 2020, at the following Area Headquarters: Deer River Area.

TRACT B1 COUNTY: ITASCA AREA: DEER RIVER AREA ACRES: 179.0

Permit Number: B014420
 Expiration Date: 05/31/2023

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

NWSE,SESE,SESW,SWSE of Section 25; NENE,NENW,NWNE of Section 36 - Township 146, Range 25W.
 NENW,NWNE,NWSE,SWNE,SWSE of Section 36 - Township 146, Range 25W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	4,449.00	Cd	17.85	79,414.65	17.85	79,414.65
+ PAPER BIRCH	PULP & BOLTS	217.00	Cd	12.60	2,734.20	12.60	2,734.20
+ BALSAM FIR	PULP & BOLTS	118.00	Cd	16.38	1,932.84	16.38	1,932.84
BASSWOOD	PULP & BOLTS	14.00	Cd	8.82	123.48	8.82	123.48
NORTHERN HARDWOODS	PULPWOOD	12.00	Cd	10.50	126.00	10.50	126.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$84,331.17
 ADVANCE PAYMENT = \$12,649.68
 BID TOTAL = \$ 84,331.17

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

ANY LISTED SPECIES BIOMASS 3,247.00 Tons 0.65 2,110.55

Mixed Species Description:

Northern Hardwoods Pulpwood includes: Red Maple 60%; Sugar Maple 40%.

Mixed Product Description:

Balsam Fir Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
 Basswood Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
 Paper Birch Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.

Cutting and Felling:

- Multiple cutting block sale, see individual cutting blocks for specifications (Cutting Block 1).

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State (Cutting Block 2).
 - Majority of sale is accessible during dry conditions (Cutting Blocks 1 and 2).

Landings Roads and Trails:

- Culverts may be needed in 2 areas if harvested during non-frozen conditions (Cutting Blocks 1 and 2).

Sale Conditions:

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

Marketing Conditions:

Prices increased 5% for above average cords per acre.

Access is off of Baumgarner Road, which runs north off of Co Rd 19.

Price Adjustments:

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

Appraiser:

Joshua Matthew Tomlin

(Appraisal ID 15088-0; Cutting Block ID 17587-0, 17590-0)

TRACT B2

COUNTY: ITASCA

AREA: DEER RIVER AREA

ACRES: 505.6

Permit Number: B014421
Expiration Date: 05/31/2024

Purchased By:
Address:

CANCELED

GL02, GL03, GL04, SESW of Section 30; GL01, GL02, GL03, NENW, NESW, NWNE, NWSE, SENW, SESW, SWNE of Section 31 - Township 149, Range 28W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	PULP & BOLTS	6,424.00	Cd	11.73	75,353.52	11.73	75,353.52
+ BLACK SPRUCE	PULP & BOLTS	3,632.00	Cd	23.00	83,536.00	23.00	83,536.00
BALSAM FIR	PULP & BOLTS	600.00	Cd	20.24	12,144.00	20.24	12,144.00
PAPER BIRCH	PULP & BOLTS	505.00	Cd	14.95	7,549.75	14.95	7,549.75
ASH	PULP & BOLTS	370.00	Cd	12.59	4,658.30	12.59	4,658.30
ASPEN SPECIES	PULP & BOLTS	345.00	Cd	16.51	5,695.95	16.51	5,695.95
WHITE SPRUCE	PULP & BOLTS	70.00	Cd	23.46	1,642.20	23.46	1,642.20
BASSWOOD	PULP & BOLTS	50.00	Cd	11.67	583.50	11.67	583.50
RED MAPLE	PULP & BOLTS	3.00	Cd	14.38	43.14	14.38	43.14

+ BID SPECIES

* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$191,206.36 BID TOTAL = \$ 191,206.36
ADVANCE PAYMENT = \$28,680.95

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

ANY LISTED SPECIES BIOMASS 3,780.00 Tons 0.65 2,457.00

Mixed Species Description:

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

Mixed Product Description:

- Ash Pulp & Bolts includes: Bolts 55%; Pulpwood 45%.
- Aspen Species Pulp & Bolts includes: Bolts 15%; Pulpwood 85%.
- Balsam Fir Pulp & Bolts includes: Bolts 45%; Pulpwood 55%.
- Basswood Pulp & Bolts includes: Bolts 45%; Pulpwood 55%.
- Black Spruce Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.
- Paper Birch Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.
- Red Maple Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.
- Tamarack Pulp & Bolts includes: Bolts 70%; Pulpwood 30%.
- White Spruce Pulp & Bolts includes: Bolts 55%; Pulpwood 45%.

Marketing Conditions:

Sale is located 0.5 miles West of intersection of Itasca County Road 131 and Hoaglund Road. Access to all timber volume is via 3 miles of woods road. 1.9 miles will require a very light brushing, and 1.1 miles will require mature timber clearing. Sale consists of 422.6 acres of lowland clearcut at 24.5 cords per acre, 77.7 acres of upland clearcut at 22.8 cords per acre, and 8.5 acres of white spruce thinning at 11 cords per acre. All timber is sound except for 10% of the basswood and 10% of the balm of Gilead. All of upland clearcut, all of white spruce thinning, and 50 acres of lowland clearcut could be harvested in the summer, hauling in the summer is unlikely however. Prices adjusted +10% for excellent access and +5% for good stand density. Expiration 5/31/2024.

Price Adjustments:

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

Appraiser:

Trevor Alan Adams

(Appraisal ID 14876-2; Cutting Block ID 17334-4)

TRACT B3

COUNTY: KOOCHICHING

AREA: DEER RIVER AREA

ACRES: 302.5

Permit Number: B014422
Expiration Date: 05/31/2023

Purchased By:
Address:

UNSOLD

GL01, GL02, NESE, NESW, NWSE, SENE, SESW, SWNE, SWSE, SWSW of Section 5; NWNE of Section 8;
GL02, GL03, GL04, SENW, SWNW of Section 4 - Township 152, Range 28W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASH	PULP & BOLTS	4,700.00	Cd	11.40	53,580.00	11.40	53,580.00
ASPEN SPECIES	PULP & BOLTS	190.00	Cd	16.37	3,110.30	16.37	3,110.30
BALSAM FIR	PULP & BOLTS	40.00	Cd	17.20	688.00	17.20	688.00
WHITE CEDAR	PULP & BOLTS	25.00	Cd	7.60	190.00	7.60	190.00
PAPER BIRCH	PULP & BOLTS	10.00	Cd	14.00	140.00	14.00	140.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL =	\$57,708.30	BID TOTAL = \$	57,708.30
ADVANCE PAYMENT =	\$8,656.25		

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

ANY LISTED SPECIES	BIOMASS	2,844.00 Tons	0.65	1,848.60
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Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 21%; Trembling Aspen 79%.

Mixed Product Description:

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

Season of Operations:

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

Site, Soil and Water Protection:

- Stream RMZ is a designated reserve area. Stream is 2.5' wide and 1' deep. Two crossings of stream will be allowed if they are needed. Acceptable crossings include: ice bridge, culvert, matting, or using slashings to temporary fill stream crossing. All crossing materials must be removed upon harvest completion or prior to spring breakup.

Sale Conditions:

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

Marketing Conditions:

Sale is located 1.3 miles North of the termination of Koochiching County Road 150. Access to all timber volume is via 2.6 miles of woods road. 1 mile will require no brushing, 1.2 miles will require light brushing, 0.2 miles will require moderate brushing, and 0.2 miles will require mature timber clearing. Sale contains 8.7 acres of upland clearcut at 13.1 cords per acre, 185.3 acres of ash thinning at 17.1 cords per acre, and 108.7 acres of ash removal at 15.5 cords per acre. 90% of ash and cedar are sound. A summer harvest or hauling is quite unlikely. Prices adjusted +5% for good access and -5% for fair stand density.

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

(Appraisal ID 14873-0; Cutting Block ID 17330-0)

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: December 11, 2019

- SUMMARY SHEET -

12/11/2019 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/11/2019

DEER RIVER AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	PAPER BIRCH	217.00	Cd	12.60	2,734.20
	BASSWOOD	14.00	Cd	8.82	123.48
	BALSAM FIR	118.00	Cd	16.38	1,932.84
PULPWOOD	TREMBLING ASPEN	4,449.00	Cd	17.85	79,414.65
	NORTHERN HARDWOODS	12.00	Cd	10.50	126.00
BIOMASS	ANY LISTED SPECIES (optional)	3,247.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 4,810.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 84,331.17
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 84,331.17
TOTAL ACRES SOLD: 179.0
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	4,700.00	Cd	11.40	53,580.00
	ASPEN SPECIES	190.00	Cd	16.37	3,110.30
	PAPER BIRCH	10.00	Cd	14.00	140.00
	BALSAM FIR	40.00	Cd	17.20	688.00
	WHITE CEDAR	25.00	Cd	7.60	190.00
BIOMASS	ANY LISTED SPECIES (optional)	2,844.00	Tons	0.65	1,848.60

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 4,965.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 57,708.30
TOTAL ACRES UNSOLD: 302.5
UNSOLD TRACT NUMBER: 3
TOTAL NUMBER OF TRACTS UNSOLD: 1

SUMMARY FOR CANCELED TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	ASH	370.00	Cd	12.59	4,658.30
	ASPEN SPECIES	345.00	Cd	16.51	5,695.95
	PAPER BIRCH	505.00	Cd	14.95	7,549.75
	RED MAPLE	3.00	Cd	14.38	43.14
	BASSWOOD	50.00	Cd	11.67	583.50
	WHITE SPRUCE	70.00	Cd	23.46	1,642.20
	BALSAM FIR	600.00	Cd	20.24	12,144.00
	BLACK SPRUCE	3,632.00	Cd	23.00	83,536.00
	TAMARACK	6,424.00	Cd	11.73	75,353.52
BIOMASS	ANY LISTED SPECIES (optional)	3,780.00	Tons	0.65	2,457.00

TOTAL CANCELED TRACTS CONVERTED TO CORDS: 11,999.00
CANCELED TRACT NUMBER: 2
TOTAL NUMBER OF TRACTS CANCELED: 1