



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
SEALED BID

Notice is hereby given that I offered for sale by sealed bid auction, timber belonging to the State of Minnesota. Bid forms were required to be submitted at the address listed on the bid form prior to 12:00 PM on Tuesday, June 2, 2020. All tracts were awarded at the Tower DNR Forestry Office at 1:30 PM on June 2, 2020. in Tower, 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
SEALED BID TIMBER SALE
TOWER AREA

**SEALED BIDS MUST BE RECEIVED PRIOR TO
12:00 PM on June 2, 2020**

**Bids will be awarded at the following location:
Tower DNR Forestry Office at 1:30 PM on June 2, 2020. in Tower, 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. Bids must be submitted on bid forms provided by the State, all bids must be submitted in one or more envelopes, the envelopes should be marked with the auction name. Bid forms may be obtained online at <https://www.dnr.state.mn.us/forestry/timbersales/calendar.html> or from the Forestry Area Office(s) listed above. Bids may be submitted by mail or in person at any time during regular business hours prior to the bid submission deadline (12:00 PM on June 2, 2020). 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)].

ADVANCE PAYMENT

- The advance payment of fifteen (15) percent of the appraised value of the timber is due within fourteen (14) days from the bid opening date. Advance payments will not be accepted with the bid. Failure to provide the advance payment within 14 days of the bid opening date will result in forfeiture of the permit and the purchaser will be held liable for the advance payment. The successful bidders's advance payment will be kept on deposit by the State and applied against any billings for timber.

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 an advance payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, 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 advance 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 advance 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 2, 2021, at the following Area Headquarters: Tower Area.

TRACT B1	COUNTY: ST. LOUIS	AREA: TOWER AREA	ACRES: 29.5
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Permit Number: B014587
 Expiration Date: 05/31/2023

Purchased By: Brad Horsmann Logging LLC
Address: 7832 Hwy 73, Angora, MN 55703

NESW,NWSE,SWNE,SWNW of Section 36 - Township 61, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 12	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	PULPWOOD	430.00	Cd	8.80	3,784.00	9.86	4,239.80
TAMARACK	PULPWOOD	35.00	Cd	3.30	115.50	3.30	115.50
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$3,899.50	BID TOTAL = \$ 4,355.30
				ADVANCE PAYMENT =		\$584.93	

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

ANY LISTED SPECIES	BIOMASS	335.00 Tons	0.65	217.75
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SOAV Option:

Sold on Appraised Volume (SOAV) option is available. If elected, Permittee must sign option agreement on date of permit purchase.

Season of Operations:

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

Sale Conditions:

- Access is across state or possible private land.
- Permission to cross private land must be obtained by permittee.

Marketing Conditions:

15% discount for building new approach due to boulders and steep access.

Price Adjustments:

- Road Construction Costs: -15%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -30% (reoffer)

Appraiser:

Terry R. Bergstrom

TRACT B2 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 70.3

Permit Number: B014588
Expiration Date: 05/31/2023

Purchased By: Schreffler Logging
Address: 1685 Hwy 1, Ely, MN 55731

NENW,NESW,NWNW,NWSW,SENW,SWNW of Section 36 - Township 63, Range 15W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 11	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	1,070.00	Cd	39.10	41,837.00	43.40	46,438.00
+ WHITE PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	575.00	Cd	31.45	18,083.75	34.91	20,073.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$59,920.75	BID TOTAL = \$ 66,511.25
				ADVANCE PAYMENT =		\$8,988.11	

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

ANY LISTED SPECIES BIOMASS 665.00 Tons 0.65 432.25

Mixed Product Description:

Norway Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 35%; Pulpwood 15%; Sawtimber (Softwood Only) 50%.
White Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 35%; Pulpwood 10%; Sawtimber (Softwood Only) 55%.

Season of Operations:

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

Sale Conditions:

- Access is across State land.

Marketing Conditions:

White pine regen will be protected across the sale area with harvest practices and skid trail placement implemented by TSA.
Price reduced 5% for changes in these operations.

Price Adjustments:

Road Construction Costs: +5%
Haul Distance to Nearest Mill: -15%
Stand Density: 0%
Operational Constraints: -5%
Other Price Factor: 0%

Appraiser:

Krista M. Starn

TRACT B3 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 60.5

Permit Number: B014589
 Expiration Date: 05/31/2023

Purchased By: Rutar Logging LLC.
 Address: 5601 River Road, Buyck, MN 55771

GL03 of Section 2 - Township 63, Range 18W.
 GL04 of Section 2 - Township 63, Range 18W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN MIXED PRODUCTS	525.00	Cd	17.25	9,056.25	17.25	9,056.25
+ BLACK SPRUCE	PULPWOOD	260.00	Cd	9.60	2,496.00	9.60	2,496.00
+ TREMBLING ASPEN	PULPWOOD	165.00	Cd	10.20	1,683.00	10.20	1,683.00
+ WHITE PINE	WOODSRUN MIXED PRODUCTS	115.00	Cd	16.10	1,851.50	16.10	1,851.50
JACK PINE	PULP & BOLTS	90.00	Cd	8.35	751.50	8.35	751.50
MIXED HARDWOODS	PULPWOOD	55.00	Cd	6.00	330.00	6.00	330.00
BALSAM FIR	PULPWOOD	15.00	Cd	8.40	126.00	8.40	126.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$16,294.25	BID TOTAL = \$	16,294.25
				ADVANCE PAYMENT =	\$2,444.14		

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

ANY LISTED SPECIES BIOMASS 485.00 Tons 0.65 315.25

Mixed Species Description:

Mixed Hardwoods Pulpwood includes: Paper Birch 36%; Red Maple 64%.

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 50%; Pulpwood 41%; Sawtimber (Softwood Only) 9%.
 Norway Pine Woodsrunk Mixed Products includes: Bolts 59%; Pulpwood 19%; Sawtimber (Softwood Only) 23%.
 White Pine Woodsrunk Mixed Products includes: Bolts 50%; Pulpwood 10%; Sawtimber (Softwood Only) 39%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Block 1).
- Full tree skidding recommended to scarify site for regeneration (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).

Sale Conditions:

- Access is across state, county, and possible industry land (Cutting Blocks 1 and 2).
- Permission to cross industry and county land must be obtained by permittee (Cutting Blocks 1 and 2).

Marketing Conditions:

Prices are reduced 40% due to winter road, terrain and reoffer.

Price Adjustments:

- Road Construction Costs: -15%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: -10%
- Other Price Factor: -15% (reoffer)

Appraiser:

Terry R. Bergstrom

(Appraisal ID 14926-0; Cutting Block ID 17395-0, 17391-0)

TRACT B4	COUNTY: ST. LOUIS	AREA: TOWER AREA	ACRES: 185.0
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Permit Number: B014590
 Expiration Date: 05/31/2023

Purchased By: Wagner Construction Inc.
Address: 3151 Highway 53, International Falls, MN 56649

SESE, SESW, SWSE of Section 23; SESW, SWSW of Section 25; NENW, NWNW of Section 36;
 NENE, NENW, NWNE, SESE of Section 26 - Township 64, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 147	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	8,280.00	Cd	18.70	154,836.00	46.19	382,453.20
BALSAM FIR	PULPWOOD	305.00	Cd	15.40	4,697.00	15.40	4,697.00
MIXED HARDWOODS	PULPWOOD	295.00	Cd	11.00	3,245.00	11.00	3,245.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$162,778.00 BID TOTAL = \$ 390,395.20
 ADVANCE PAYMENT = \$24,416.70

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

ANY LISTED SPECIES	BIOMASS	4,013.00 Tons	0.65	2,608.45
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Mixed Species Description:

Mixed Hardwoods Pulpwood includes: Paper Birch 45%; Red Maple 55%.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

White Spruce regeneration will be protected across the sale area with harvest practices and skid trail placement implemented by the TSA.

Soil is clay and typically late summer dry access is available. The sale is accessible from Smith road. The trails are in and usable.

Price Adjustments:

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

Appraiser:

Christine Ann Martin

TRACT B5 COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 22.3

Permit Number: B014591 Purchased Over-the-Counter Date: 06/15/2020
Expiration Date: 05/31/2023

Purchased By: Sunne Logging LLC
Address: 5762 Hwy 11, International Falls, MN 56649

GL01, GL02 of Section 3 - Township 67, Range 19W.
SWSE of Section 35 - Township 68, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	150.00	Cd	10.95	1,642.50	10.95	1,642.50
+ NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	150.00	Cd	23.00	3,450.00	23.00	3,450.00
+ WHITE PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	130.00	Cd	18.50	2,405.00	18.50	2,405.00
BALSAM FIR	PULPWOOD	75.00	Cd	9.10	682.50	9.10	682.50
PAPER BIRCH	PULPWOOD	30.00	Cd	6.50	195.00	6.50	195.00
MIXED SPRUCE	PULPWOOD	10.00	Cd	10.40	104.00	10.40	104.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$8,479.00 BID TOTAL = \$ 8,479.00
ADVANCE PAYMENT = \$1,271.85

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

ANY LISTED SPECIES BIOMASS 150.00 Tons 0.65 97.50

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 5%; Trembling Aspen 95%.
Mixed Spruce Pulpwood includes: Black Spruce 50%; White Spruce 50%.

Mixed Product Description:

Norway Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 25%; Pulpwood 25%; Sawtimber (Softwood Only) 50%.
White Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 25%; Pulpwood 25%; Sawtimber (Softwood Only) 50%.

Season of Operations:

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

Sale Conditions:

- Access is across state and industry land.
- Permission to cross industry 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 12 miles down the Sheep Ranch. Sale units can be harvested during summer months, however due to wet access, half or all of this sale will most likely need to be harvested during winter months. Sale has been reduced 5% for operational constraints due to terrain and working around advanced regeneration. Pine has been reduced an extra 15% for distance to a mill.

Price Adjustments:

- Road Construction Costs: -15%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: -5%
- Other Price Factor: -15% (Reoffer)

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: June 2, 2020

- SUMMARY SHEET -

06/02/2020 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 06/16/2020

TOWER AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	JACK PINE	90.00	Cd	8.35	751.50
WOODSRUN MIXED PRODUCTS	WHITE PINE	115.00	Cd	16.10	1,851.50
	NORWAY PINE	525.00	Cd	17.25	9,056.25
PULPWOOD	ASPEN SPECIES	150.00	Cd	10.95	1,642.50
	TREMBLING ASPEN	8,445.00	Cd	45.49	384,136.20
	PAPER BIRCH	30.00	Cd	6.50	195.00
	BALSAM FIR	395.00	Cd	13.94	5,505.50
	BLACK SPRUCE	690.00	Cd	9.76	6,735.80
	TAMARACK	35.00	Cd	3.30	115.50
	MIXED SPRUCE	10.00	Cd	10.40	104.00
	MIXED HARDWOODS	350.00	Cd	10.21	3,575.00
BIOMASS	ANY LISTED SPECIES (optional)	5,648.00	Tons	-	0.00
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	WHITE PINE	705.00	Cd	31.88	22,478.25
	NORWAY PINE	1,220.00	Cd	40.89	49,888.00
TOTAL SOLD TRACTS CONVERTED TO CORDS:		12,760.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 251,371.50			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 486,035.00			
TOTAL ACRES SOLD:		367.6			
TOTAL NUMBER OF TRACTS SOLD:		5			