



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #3
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 1:00 PM on Wednesday, June 3, 2020. All tracts were awarded at the Bid Opening at Two Harbors Forestry Office at 3:00 PM on June 3, 2020 in Two Harbors, 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
TWO HARBORS AREA

**SEALED BIDS MUST BE RECEIVED PRIOR TO
1:00 PM on June 3, 2020**

Bids will be awarded at the following location:

Bid Opening at Two Harbors Forestry Office at 3:00 PM on June 3, 2020 in Two Harbors, 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 (1:00 PM on June 3, 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 3, 2021, at the following Area Headquarters: Two Harbors Area.

TRACT B1 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 163.3

Permit Number: B014592
Expiration Date: 05/31/2023

Purchased By: Tibbetts Trucking
Address: 6389 Lax Lake Rd, Finland, MN 55603

NENE,SENE of Section 14; NENE,NWNE,SWNE of Section 13; SENE,SESE,SESW,SWNE,SWSE of Section 12 - Township 57, Range 10W.
GL03,GL04 of Section 7 - Township 57, Range 9W.
NWNW,SWNW of Section 23; NWNW,NWSW,SWNW of Section 24; NENE,SENE of Section 22 - Township 57, Range 10W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 76	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULPWOOD	1,710.00	Cd	8.00	13,680.00	14.08	24,076.80
+ BALSAM FIR	PULPWOOD	965.00	Cd	7.00	6,755.00	12.32	11,888.80
+ TREMBLING ASPEN	PULPWOOD	315.00	Cd	8.50	2,677.50	14.96	4,712.40
NORWAY PINE	PULPWOOD	95.00	Cd	3.50	332.50	3.50	332.50
TAMARACK	PULPWOOD	70.00	Cd	3.00	210.00	3.00	210.00
PAPER BIRCH	PULPWOOD	30.00	Cd	5.00	150.00	5.00	150.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$23,805.00 BID TOTAL = \$ 41,370.50
 ADVANCE PAYMENT = \$3,570.75

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

ANY LISTED SPECIES	BIOMASS	1,695.00 Tons	0.32	542.40
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Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 54%; White Spruce 46%.

Cutting and Felling:

- Harvest black spruce, white spruce, trembling aspen, balsam fir, and paper birch (Cutting Block 1).
- Harvest spruce, aspen, tamarack, and balsam fir within clearcuts indicated on map. In thinning harvest area harvest norway pine, spruce, tamarack, and balsam fir by logger select thinning. Cut strips must be 15-16' wide; 50' apart on center. Reach into remove balsam fir between rows (Cutting Block 2).
- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Block 1).

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 USFS and state land (Cutting Blocks 1 and 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).
- USFS hauling/plowing permit will need to be obtained by permittee if using FS Rd 407 as access (Cutting Blocks 1 and 2).

Marketing Conditions:

From Forest Highway 11 the Stoney River Forest Road drive north 2 miles to FS 407. Follow FS 407 east approximately 1.2 miles to cutting block 1. Sale is located approximately 175 miles from Bemidji, 105 miles from Grand Rapids, 160 miles from International Falls, and 85 miles from Cloquet.

Price Adjustments:

Road Construction Costs: -15%
Haul Distance to Nearest Mill: 0%
Stand Density: -10%

Operational Constraints: -10%

Other Price Factor: -15% (Spruce Budworm, Dwarf Mistletoe, pine thinning)

Appraiser:

Andrew R. Weston

(Appraisal ID 15522-0; Cutting Block ID 17979-0, 18079-0)

TRACT B2 COUNTY: COOK AREA: TWO HARBORS AREA ACRES: 156.4

Permit Number: B014593
Expiration Date: 05/31/2023

Purchased By: Johnson Brothers Firewood
Address: P.O. Box 415030 North Road, Hovland, MN 55606

NESE,NESW,NWSE,SESE,SESW,SWSE of Section 28 - Township 62, Range 4W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 16	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ JACK PINE	PULP & BOLTS	1,240.00	Cd	6.91	8,568.40	8.02	9,944.80
+ MIXED SPRUCE	PULPWOOD	1,160.00	Cd	5.60	6,496.00	6.50	7,540.00
	BALSAM FIR	140.00	Cd	4.90	686.00	4.90	686.00
	PAPER BIRCH	110.00	Cd	3.50	385.00	3.50	385.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$16,135.40	BID TOTAL = \$	18,555.80
				ADVANCE PAYMENT =	\$2,420.31		

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

ANY LISTED SPECIES BIOMASS 2,050.00 Tons 0.23 471.50

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 90%; White Spruce 10%.

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 75%; Pulpwood 25%.

Cutting and Felling:

- Harvest Jack Pine, Spruce, Balsam Fir, and Paper Birch.

Season of Operations:

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

Sale Conditions:

- Access is across State land.

Marketing Conditions:

(N/A)

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -65% (Cook County Discount and Re-offer)

Appraiser:

Justin Owen Rexrode

TRACT B3 COUNTY: COOK AREA: TWO HARBORS AREA ACRES: 199.6

Permit Number: B014594 Purchased Over-the-Counter Date: 06/04/2020
 Expiration Date: 05/31/2023

Purchased By: Peter Hall
 Address: 280 Hall Rd, Lutsen, MN 55612

NESE,NWSE,SENE,SESE,SWSE of Section 31 - Township 63, Range 4E.
 NESW,NWSE,NWSW,SENE,SESW,SWNE,SWNW,SWSE,SWSW of Section 29 - Township 63, Range 4E.
 NESW,NWSW,SENE of Section 29 - Township 63, Range 4E.
 NESW,NWSE,SENE,SWNE of Section 29 - Township 63, Range 4E.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	1,290.00	Cd	4.25	5,482.50	4.25	5,482.50
+ BALSAM FIR	PULPWOOD	660.00	Cd	3.50	2,310.00	3.50	2,310.00
+ PAPER BIRCH	PULPWOOD	450.00	Cd	2.50	1,125.00	2.50	1,125.00
+ WHITE SPRUCE	PULPWOOD	230.00	Cd	4.00	920.00	4.00	920.00
MAPLE SPECIES	PULPWOOD	120.00	Cd	2.50	300.00	2.50	300.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$10,137.50
 ADVANCE PAYMENT = \$1,520.63
 BID TOTAL = \$ 10,137.50

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

MAPLE SPECIES	WOODSRUN CORDWOOD	190.00	Cd	2.50	475.00
TREMBLING ASPEN	WOODSRUN CORDWOOD	190.00	Cd	4.25	807.50
WHITE SPRUCE	WOODSRUN CORDWOOD	35.00	Cd	4.00	140.00
PAPER BIRCH	WOODSRUN CORDWOOD	25.00	Cd	2.50	62.50
BALSAM FIR	WOODSRUN CORDWOOD	10.00	Cd	3.50	35.00
ANY LISTED SPECIES	BIOMASS	1,516.00	Tons	0.16	242.56

Mixed Species Description:

Maple Species Pulpwood includes: Red Maple 1%; Sugar Maple 99%.
 Maple Species Woodsrun Cordwood includes: Red Maple 5%; Sugar Maple 95%.

Cutting and Felling:

- Harvest 15' wide strips north to south leaving 40' wide strips in between. Thin leave-strips to achieve a BA of 80. Use existing trails for skidding and access. Southeast portion of site can be thinned east to west with the same specifications (Cutting Block 2).
- Harvest aspen species, paper birch; balsam fir and white spruce greater than 2 sticks. In heavy maple areas, thin to 70 BA retaining trees 1 stick or less and greater than 14" (Cutting Block 1).
- Harvest aspen, paper birch, and balsam fir. Reserve all other species (Cutting Block 4).
- Harvest aspen, paper birch, white spruce and balsam fir. Harvest sugar maple between 6 -14" diameter by thinning down to 70 BA overall, creating gaps where skid trails intersect throughout the stand (Cutting Block 3).

Season of Operations:

- Conduct sale operations on dry/frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, 3, and 4).

Sale Conditions:

- Access is across State land (Cutting Blocks 1, 2, 3, and 4).

Marketing Conditions:

Block 3 is optional timber and can be picked up at the discretion of the permittee.

Price Adjustments:

Road Construction Costs: 0%
 Haul Distance to Nearest Mill: 0%

Stand Density: -5%
Operational Constraints: -5%
Other Price Factor: -65% (Cook County haul distance)

Appraiser:

Anna K. Heruth

(Appraisal ID 15923-0; Cutting Block ID 18544-0, 18518-0, 18531-0, 18550-0)

TRACT B4

COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 157.2

Permit Number: B014595
Expiration Date: 05/31/2023

Purchased By:
Address:

UNSOLD

NESE,NESW,SESE,SESW,SWSE of Section 19; NENE,NENW,NWNE of Section 30 - Township 63, Range 3E.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PAPER BIRCH	PULPWOOD	1,523.00	Cd	2.00	3,046.00	2.00	3,046.00
+ TREMBLING ASPEN	PULPWOOD	1,036.00	Cd	3.40	3,522.40	3.40	3,522.40
BALSAM FIR	PULPWOOD	334.00	Cd	2.80	935.20	2.80	935.20
MIXED SPRUCE	PULPWOOD	204.00	Cd	3.20	652.80	3.20	652.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$8,156.40	BID TOTAL = \$	8,156.40
				ADVANCE PAYMENT =	\$1,223.46		

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

ANY LISTED SPECIES BIOMASS 2,440.00 Tons 0.13 317.20

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 10%; White Spruce 90%.

Cutting and Felling:

- Harvest Paper Birch, Aspen, Spruce and Fir.

Season of Operations:

- Conduct Sale Operations on Frozen/ Dry soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across USFS and State land.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.
- USFS haul permit is required and the responsibility of the Permittee.

Marketing Conditions:

There is a possibility of Added Timber for this permit to the NE of the cutting block. This can be discussed with the permit holder upon the sale going active. The added timber would consist of approximately 70 cords of Paper Birch, 10 cords of Spruce, 20 cords of Fir and 40 cords of Aspen.

The portion of the cutting block that is south of the Greenwood River road could possibly have sale operations during dry soil conditions. The portion north of the Greenwood River road will be frozen soil conditions only.

Primary access to the sale is via the Greenwood River road from the west. Other access would be the Camp 20 road which requires landowner permission.

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: 0%
- Stand Density: 0%
- Operational Constraints: 0%
- Other Price Factor: -80% (Cook County Discount and Re-offer)

Appraiser:

Justin Owen Rexrode

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

TWO HARBORS 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 3, 2020

- SUMMARY SHEET -

06/03/2020 REGULAR AUCTION - SALE #3

COMPLETED - DATA AS OF 06/15/2020

TWO HARBORS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	JACK PINE	1,240.00	Cd	8.02	9,944.80
WOODSRUN CORDWOOD	TREMBLING ASPEN <i>(optional)</i>	190.00	Cd	-	0.00
	PAPER BIRCH <i>(optional)</i>	25.00	Cd	-	0.00
	MAPLE SPECIES <i>(optional)</i>	190.00	Cd	-	0.00
	WHITE SPRUCE <i>(optional)</i>	35.00	Cd	-	0.00
	BALSAM FIR <i>(optional)</i>	10.00	Cd	-	0.00
PULPWOOD	TREMBLING ASPEN	1,605.00	Cd	6.35	10,194.90
	PAPER BIRCH	590.00	Cd	2.81	1,660.00
	MAPLE SPECIES	120.00	Cd	2.50	300.00
	NORWAY PINE	95.00	Cd	3.50	332.50
	WHITE SPRUCE	230.00	Cd	4.00	920.00
	BALSAM FIR	1,765.00	Cd	8.43	14,884.80
	TAMARACK	70.00	Cd	3.00	210.00
	MIXED SPRUCE	2,870.00	Cd	11.02	31,616.80
BIOMASS	ANY LISTED SPECIES <i>(optional)</i>	5,261.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 8,585.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 50,077.90
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 70,063.80
TOTAL ACRES SOLD: 519.3
SOLD TRACT NUMBERS: 1, 2, 3
TOTAL NUMBER OF TRACTS SOLD: 3

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULPWOOD	TREMBLING ASPEN	1,036.00	Cd	3.40	3,522.40
	PAPER BIRCH	1,523.00	Cd	2.00	3,046.00
	BALSAM FIR	334.00	Cd	2.80	935.20
	MIXED SPRUCE	204.00	Cd	3.20	652.80
BIOMASS	ANY LISTED SPECIES <i>(optional)</i>	2,440.00	Tons	0.13	317.20

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 3,097.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 8,156.40
TOTAL ACRES UNSOLD: 157.2
UNSOLD TRACT NUMBER: 4
TOTAL NUMBER OF TRACTS UNSOLD: 1