



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY

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

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**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 4:30 PM on Wednesday, September 2, 2020. All tracts were awarded at the Bid awarding at DNR Forestry Two Harbors Area Office at 1:30 PM on September 3rd, 2020 in Two Harbors, MN.

None of the timber offered was SFI or 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.



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY  
REGULAR AUCTION  
SEALED BID TIMBER SALE  
HIBBING AREA, TWO HARBORS AREA

**SEALED BIDS MUST BE RECEIVED PRIOR TO  
4:30 PM on September 2, 2020**

**Bids will be awarded at the following location:**

**Bid awarding at DNR Forestry Two Harbors Area Office at 1:30 PM on September 3rd, 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 (4:30 PM on September 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 September 2, 2021, at the following Area Headquarters: Hibbing Area, Two Harbors Area.

**TRACT B1** COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 266.7

Permit Number: B014687  
 Expiration Date: 05/31/2023

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

NESE, NESW, NWSE, SENE, SENW, SESE, SESW, SWNE of Section 20; NENE, NENW, NWNW of Section 29; NWSW, SWSW of Section 21; NWNW of Section 28 - Township 56, Range 9W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 68	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ SUGAR MAPLE	PULPWOOD	4,119.00	Cd	9.50	39,130.50	15.96	65,739.24
+ TREMBLING ASPEN	PULPWOOD	857.00	Cd	16.15	13,840.55	27.13	23,250.41
+ PAPER BIRCH	PULP & BOLTS	597.00	Cd	13.96	8,334.12	23.45	13,999.65
BALSAM FIR	PULPWOOD	122.00	Cd	2.80	341.60	2.80	341.60

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$61,646.77  
 ADVANCE PAYMENT = \$9,247.02  
 BID TOTAL = \$ 103,330.90

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

ANY LISTED SPECIES BIOMASS 3,462.00 Tons 0.65 2,250.30

**Mixed Product Description:**

Paper Birch Pulp & Bolts includes: Bolts 47%; Pulpwood 53%.

**Cutting and Felling:**

- Harvest sugar maple, trembling aspen, paper birch, and balsam fir.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across USFS land.
- THIS TIMBER HARVEST PERMIT IS LOCATED ON US FOREST SERVICE LANDS. This state timber permit, authorized by the Minnesota Good Neighbor agreement, may be suspended, modified or cancelled if the Forest Service is required to interrupt or cancel operations due to a court order or to comply with NEPA or other legal sanction.

**Marketing Conditions:**

Sale accessed on Kane Lake USFS system road.

Soils moderately well drained.

Prices adjusted -5% due to operational constraints. Contact forester for detailed breakdown of stand data and how it will have minimal impact on sale operations. This is a shelterwood silviculture prescription.

Balsam Fir adjusted additional -75% due to spruce budworm damage and market conditions.

Appraised by Nathan Anderson, Nathan Eiting, Joe Johnson, Mike Nooker, Trevor Poyhonen, and Jeremy Schmid.

**Price Adjustments:**

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

**Certification Note:**

The timber on this tract is from non-certified land.

**Appraiser:**

Trevor Karl Poyhonen

(Appraisal ID 16029-0; Cutting Block ID 18535-0)

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**TRACT B2**

**COUNTY: LAKE**

**AREA: TWO HARBORS AREA**

**ACRES: 83.4**

Permit Number: B014688

Purchased Over-the-Counter Date: 09/04/2020

Expiration Date: 05/31/2023

**Purchased By:** Sappi Cloquet LLC

**Address:** 20 N. 22nd Street, Cloquet, MN 55720

NENE,NWNE,SENE,SWNE of Section 28; NWNW,SWNW of Section 27 - Township 56, Range 9W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ SUGAR MAPLE	PULPWOOD	1,308.00	Cd	9.50	12,426.00	9.50	12,426.00
+ TREMBLING ASPEN	PULPWOOD	239.00	Cd	16.15	3,859.85	16.15	3,859.85
+ PAPER BIRCH	PULP & BOLTS	184.00	Cd	13.30	2,447.20	13.30	2,447.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$18,733.05	BID TOTAL = \$ 18,733.05
				ADVANCE PAYMENT =		\$2,809.96	

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

ANY LISTED SPECIES	BIOMASS	998.00 Tons	0.65	648.70
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**Mixed Product Description:**

Paper Birch Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

**Cutting and Felling:**

- Harvest sugar maple, trembling aspen, and paper birch.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across USFS land.
- THIS TIMBER HARVEST PERMIT IS LOCATED ON US FOREST SERVICE LANDS. This state timber permit, authorized by the Minnesota Good Neighbor agreement, may be suspended, modified or cancelled if the Forest Service is required to interrupt or cancel operations due to a court order or to comply with NEPA or other legal sanction.

**Marketing Conditions:**

0.15 miles of new construction temporary road needed to access sale off Kane Lake Spur USFS System Road.

Soils moderately well drained.

Prices adjusted -5% due to operational constraints. Contact forester for detailed breakdown of stand data and how it will have minimal impact on sale operations. This is a shelterwood silviculture prescription.

Appraised by Joe Johnson and Trevor Poyhonen.

**Price Adjustments:**

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

**Certification Note:**

The timber on this tract is from non-certified land.

**Appraiser:**

Trevor Karl Poyhonen



**TRACT B3** COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 210.3

Permit Number: B014689 Purchased Over-the-Counter Date: 09/04/2020  
Expiration Date: 05/31/2023

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

NWSE,SENE,SENW,SWNE of Section 29;  
NESE,NESW,NWSE,NWSW,SESE,SESW,SWNW,SWSE,SWSW of Section 28 - Township 56, Range 9W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ SUGAR MAPLE	PULPWOOD	3,965.00	Cd	8.50	33,702.50	8.50	33,702.50
+ TREMBLING ASPEN	PULPWOOD	452.00	Cd	14.45	6,531.40	14.45	6,531.40
+ PAPER BIRCH	PULP & BOLTS	237.00	Cd	9.35	2,215.95	9.35	2,215.95
BALSAM FIR	PULPWOOD	52.00	Cd	1.40	72.80	1.40	72.80

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$42,522.65 BID TOTAL = \$ 42,522.65  
 ADVANCE PAYMENT = \$6,378.40

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

ANY LISTED SPECIES	BIOMASS	2,865.00	Tons	0.65	1,862.25
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**Mixed Product Description:**

Paper Birch Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.

**Cutting and Felling:**

- Harvest sugar maple, trembling aspen, paper birch, and balsam fir.

**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 Lake County land.
- Permission to cross Lake County land must be obtained by permittee.
- THIS TIMBER HARVEST PERMIT IS LOCATED ON US FOREST SERVICE LANDS. This state timber permit, authorized by the Minnesota Good Neighbor agreement, may be suspended, modified or cancelled if the Forest Service is required to interrupt or cancel operations due to a court order or to comply with NEPA or other legal sanction.

**Marketing Conditions:**

Sale accessed on the Kane Lake Spur USFS System Road. Approximately 1.17 miles of new construction temporary road needed to access sale.

Soils moderately well drained.

Prices adjusted -5% due to operational constraints. Contact forester for detailed breakdown of stand data and how it will have minimal impact on sale operations. This is a shelterwood silviculture prescription.

Balsam Fir adjusted additional -75% due to spruce budworm damage and market conditions.

Appraised by Nathan Anderson, Nathan Eiting, Joe Johnson, Mike Nooker, Trevor Poyhonen, Jeremy Schmid, and Andrew Weston.

**Price Adjustments:**

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

Operational Constraints: -5%

Other Price Factor: 0%

**Certification Note:**

The timber on this tract is from non-certified land.

**Appraiser:**

Trevor Karl Poyhonen

(Appraisal ID 16032-0; Cutting Block ID 18557-0)

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**TRACT B4** COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 101.4

Permit Number: B014690 Purchased Over-the-Counter Date: 09/04/2020  
Expiration Date: 05/31/2023

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

NESE,NESW,NWSE,SESE,SWNE,SWSE of Section 21 - Township 56, Range 9W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ SUGAR MAPLE	PULPWOOD	1,653.00	Cd	9.50	15,703.50	9.50	15,703.50
+ PAPER BIRCH	PULPWOOD	125.00	Cd	9.50	1,187.50	9.50	1,187.50
+ TREMBLING ASPEN	PULPWOOD	91.00	Cd	16.15	1,469.65	16.15	1,469.65
BALSAM FIR	PULPWOOD	20.00	Cd	2.80	56.00	2.80	56.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$18,416.65  
 ADVANCE PAYMENT = \$2,762.50  
 BID TOTAL = \$ 18,416.65

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

ANY LISTED SPECIES BIOMASS 1,363.00 Tons 0.65 885.95

**Cutting and Felling:**

- Harvest sugar maple, trembling aspen, paper birch, and balsam fir.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across USFS land.
- THIS TIMBER HARVEST PERMIT IS LOCATED ON US FOREST SERVICE LANDS. This state timber permit, authorized by the Minnesota Good Neighbor agreement, may be suspended, modified or cancelled if the Forest Service is required to interrupt or cancel operations due to a court order or to comply with NEPA or other legal sanction.

**Marketing Conditions:**

Sale accessed on Kane Lake USFS System Road.

Soils moderately well drained.

Variations in topography may limit sale operations.

Prices adjusted -5% due to operational constraints. Contact forester for detailed breakdown of stand data and how it will have minimal impact on sale operations. This is a shelterwood silviculture prescription.

Balsam Fir adjusted additional -75% due to spruce budworm damage and market conditions.

Appraised by Nathan Anderson, Nathan Eiting, Joe Johnson, Mike Nooker, Trevor Poyhonen, and Jeremy Schmid.

**Price Adjustments:**

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

**Certification Note:**

The timber on this tract is from non-certified land.

**Appraiser:**

Trevor Karl Poyhonen

(Appraisal ID 16039-0; Cutting Block ID 18555-0)

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**TRACT B5** COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 250.4

Permit Number: B014691  
Expiration Date: 05/31/2023

Purchased By: Lone Pine Logging  
Address: 11221 Smolcich Rd, Chisholm, MN 55719

NENE,NENW,NESE,NESW,SENE,SENW,SESE,SESW of Section 21; NWSW,SWNE,SWNW,SWSE,SWSW of Section 22; NWNE,NWNW,NWSW of Section 27; NENE,NESE of Section 28 - Township 58, Range 14W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 30	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULP & BOLTS	2,546.00	Cd	18.70	47,610.20	24.31	61,893.26
+ NORWAY PINE	PULP & BOLTS	2,477.00	Cd	27.06	67,027.62	35.18	87,140.86
MIXED SPRUCE	PULP & BOLTS	455.00	Cd	10.12	4,604.60	10.12	4,604.60
BALSAM FIR	PULPWOOD	428.00	Cd	3.85	1,647.80	3.85	1,647.80
PAPER BIRCH	PULPWOOD	60.00	Cd	11.00	660.00	11.00	660.00
JACK PINE	PULP & BOLTS	58.00	Cd	20.90	1,212.20	20.90	1,212.20
RED MAPLE	PULPWOOD	17.00	Cd	11.00	187.00	11.00	187.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$122,949.42  
ADVANCE PAYMENT = \$18,442.41  
BID TOTAL = \$ 157,345.72

**Mixed Species Description:**

Mixed Spruce Pulp & Bolts includes: Black Spruce 40%; White Spruce 60%.

**Mixed Product Description:**

Jack Pine Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.  
Mixed Spruce Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.  
Norway Pine Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.  
Trembling Aspen Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.

**Cutting and Felling:**

- Harvest Norway pine down to 90 sq. ft./acre. In the white spruce unit, harvest all spruce less than 9" DBH and thin spruce greater than 9" DBH to an average spacing of 15' between trees. Remove poorly formed, damaged, and suppressed trees before well formed trees in all thinning units. Harvest aspen, jack pine, balsam fir, birch, maple, and black spruce in all units.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across USFS land.  
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.  
- THIS TIMBER HARVEST PERMIT IS LOCATED ON US FOREST SERVICE LANDS. This state timber permit, authorized by the Minnesota Good Neighbor agreement, may be suspended, modified or cancelled if the Forest Service is required to interrupt or cancel operations due to a court order or to comply with NEPA or other legal sanction.

**Marketing Conditions:**

Access is on the Moose Line USFS system road.

Balsam fir price reduced by 75% due to market concerns and spruce budworm decline. Roughly 30% affected by budworm as of July 2020.

Spruce species reduced 50% due to uncertain market.

**Price Adjustments:**

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

Operational Constraints: 0%  
Other Price Factor: 0%

**Certification Note:**

The timber on this tract is from non-certified land.

**Appraiser:**

Jeremy Joseph Schmid

(Appraisal ID 16038-0; Cutting Block ID 17832-0)

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

HIBBING AREA, 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: September 2, 2020

- SUMMARY SHEET -

09/02/2020 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 09/16/2020

HIBBING AREA, TWO HARBORS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	TREMBLING ASPEN	2,546.00	Cd	24.31	61,893.26
	PAPER BIRCH	1,018.00	Cd	18.33	18,662.80
	NORWAY PINE	2,477.00	Cd	35.18	87,140.86
	JACK PINE	58.00	Cd	20.90	1,212.20
	MIXED SPRUCE	455.00	Cd	10.12	4,604.60
PULPWOOD	TREMBLING ASPEN	1,639.00	Cd	21.42	35,111.31
	PAPER BIRCH	185.00	Cd	9.99	1,847.50
	RED MAPLE	17.00	Cd	11.00	187.00
	SUGAR MAPLE	11,045.00	Cd	11.55	127,571.24
	BALSAM FIR	622.00	Cd	3.41	2,118.20
BIOMASS	ANY LISTED SPECIES (optional)	8,688.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 20,062.00  
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 264,268.54  
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 340,348.97  
TOTAL ACRES SOLD: 912.2  
TOTAL NUMBER OF TRACTS SOLD: 5