



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 4:30 PM on Wednesday, December 2, 2020. All tracts were awarded at the Bid Awarding- Tower Forestry Office at 1:30 p.m. on 12/3/2020 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.

Minnesota DNR is Certified to the Sustainable Forestry Initiative® and/or the Forest Stewardship Council®.  
For information on our certificates go to [mndnr.gov/forestry/certification/certificates.html](http://mndnr.gov/forestry/certification/certificates.html)



MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF FORESTRY  
REGULAR AUCTION  
SEALED BID TIMBER SALE  
TOWER AREA

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

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

**Bid Awarding- Tower Forestry Office at 1:30 p.m. on 12/3/2020 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 (4:30 PM on December 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 December 2, 2021, at the following Area Headquarters: Tower Area.

**TRACT B1**

**COUNTY: ST. LOUIS**

**AREA: TOWER AREA**

**ACRES: 139.8**

Permit Number: B014752  
Expiration Date: 05/31/2023

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

NENE,NESE,NESW,NWNE,NWSE,NWSW,SENE,SENE,SESE,SESW,SWNE,SWSE of Section 14 -  
Township 64, Range 21W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 116	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	4,790.00	Cd	18.70	89,573.00	40.39	193,468.10
+ MIXED HARDWOODS	PULPWOOD	1,330.00	Cd	11.00	14,630.00	23.76	31,600.80
ASH	PULPWOOD	490.00	Cd	6.60	3,234.00	6.60	3,234.00
TAMARACK	PULPWOOD	60.00	Cd	6.60	396.00	6.60	396.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$107,833.00  
ADVANCE PAYMENT = \$16,174.95  
BID TOTAL = \$ 228,698.90

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

BASSWOOD	PULPWOOD	180.00	Cd	7.70	1,386.00
BALSAM FIR	PULPWOOD	160.00	Cd	8.80	1,408.00
ANY LISTED SPECIES	BIOMASS	4,200.00	Tons	0.65	2,730.00

**Mixed Species Description:**

Mixed Hardwoods Pulpwood includes: Paper Birch 56%; Red Maple 34%; Sugar Maple 10%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across State land.

**Marketing Conditions:**

Basswood and Balsam Fir are optional if not harvested leave standing. The prices are increased 10% stand density.  
Access is off the Rangeline Road

**Price Adjustments:**

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

**Appraiser:**

Terry R. Bergstrom

**TRACT B2** COUNTY: KOOCHICHING AREA: TOWER AREA ACRES: 87.2

Permit Number: B014753  
Expiration Date: 05/31/2023

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

NENE,NENW,NWNE,NWNW,SENE,SENW,SWNE,SWNW of Section 36; SENE of Section 35 - Township 67, Range 22W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 104	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	1,765.00	Cd	17.78	31,381.70	36.27	64,016.55
+ ASH	PULPWOOD	570.00	Cd	6.60	3,762.00	13.46	7,672.20
+ MIXED HARDWOODS	PULPWOOD	445.00	Cd	11.00	4,895.00	22.44	9,985.80
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$40,038.70	BID TOTAL = \$ 81,674.55
				ADVANCE PAYMENT =		\$6,005.81	

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

BALSAM FIR	PULPWOOD	580.00	Cd	8.80	5,104.00
MIXED SPRUCE	PULP & BOLTS	75.00	Cd	14.39	1,079.25
ANY LISTED SPECIES	BIOMASS	1,880.00	Tons	0.65	1,222.00

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 28%; Largetooth Aspen 5%; Trembling Aspen 67%.  
Mixed Hardwoods Pulpwood includes: Paper Birch 80%; Red Maple 20%.  
Mixed Spruce Pulp & Bolts includes: Black Spruce 2%; White Spruce 98%.

**Mixed Product Description:**

Mixed Spruce Pulp & Bolts includes: Bolts 31%; Pulpwood 69%.

**Season of Operations:**

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

**Sale Conditions:**

- Access is across state, USFS, and industry land.
- Permission to cross USFS and industry land must be obtained by permittee.
- Best access is across approximately 1.2 miles of US Forest Service roads. The permit holder shall obtain a road use permit from the USFS District Office before beginning sale operations. Provisions of this permit will become part of the terms and conditions for this sale.

**Marketing Conditions:**

Sale is located approximately 7 miles down the Arbutus/Keys Road from Highway 53 and approximately 3/4 mile south from the Biondich Road gate through Forest Service Road 619.

Sale is mainly located on flat ground with little to no rocks. Approximately 10% of sale acres is summer operable.

Sale was appraised by Cassie DeMillo, Kayla Trout 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:**

Andrew J. Erickson



**TRACT B3** COUNTY: ST. LOUIS AREA: TOWER AREA ACRES: 320.8

Permit Number: B014754  
Expiration Date: 05/31/2024

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

NWSW, SENW, SESE, SESW, SWNW, SWSE of Section 25; NWNW, SWNW of Section 35;  
NESW, NWSW, SESW, SWNW, SWSW of Section 23; NENE of Section 34 - Township 68, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 13	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	2,500.00	Cd	12.64	31,600.00	14.28	35,700.00
+ WHITE PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	1,500.00	Cd	22.20	33,300.00	25.09	37,635.00
+ NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	800.00	Cd	27.60	22,080.00	31.19	24,952.00
MIXED HARDWOODS	PULPWOOD	500.00	Cd	7.50	3,750.00	7.50	3,750.00
ASH	PULPWOOD	170.00	Cd	4.50	765.00	4.50	765.00
BALSAM FIR	PULPWOOD	150.00	Cd	6.00	900.00	6.00	900.00

+ BID SPECIES \* SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$92,395.00 BID TOTAL = \$ 103,702.00  
ADVANCE PAYMENT = \$13,859.25

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

BALSAM FIR	WOODSRUN CORDWOOD	550.00	Cd	6.00	3,300.00
ANY LISTED SPECIES	BIOMASS	3,000.00	Tons	0.65	1,950.00

**Mixed Species Description:**

Aspen Species Pulpwood includes: Balm of Gilead 5%; Largetooth Aspen 15%; Trembling Aspen 80%.  
Mixed Hardwoods Pulpwood includes: Paper Birch 80%; Red Maple 20%.

**Mixed Product Description:**

Norway Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 20%; Pulpwood 10%; Sawtimber (Softwood Only) 70%.  
White Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 20%; Pulpwood 10%; Sawtimber (Softwood Only) 70%.

**Season of Operations:**

- Conduct all sale operations on 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.
- The sale will expire in 4 seasons due to size and remoteness of sale.

**Marketing Conditions:**

Camp 90 forest road provides the best access to sale area. Sale will need frozen soil conditions due to wet access, however units are 90% summer operable. There are possible alternate landings along the Camp 90 that can be used for spring/summer hauling if needed. There is a 10% price reduction for uneven terrain and the potential for long skidding, and a 10% deduction for roading of the sale due to 12+ miles of maintaining winter roads, snow/ice bridges needed to cross Gannon Creek and culverts that may be needed. Pine prices were reduced an additional 15% for distance to a mill. TSA will work with logger on spacing of residual large pine.

**Price Adjustments:**

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

**Appraiser:**

Timothy D. St Aubin

(Appraisal ID 14828-0; Cutting Block ID 17289-0)

---

---

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 2, 2020

- SUMMARY SHEET -

12/02/2020 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/17/2020

TOWER AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	MIXED SPRUCE <i>(optional)</i>	75.00	Cd	-	0.00
WOODSRUN CORDWOOD	BALSAM FIR <i>(optional)</i>	550.00	Cd	-	0.00
PULPWOOD	ASH	1,230.00	Cd	9.49	11,671.20
	ASPEN SPECIES	4,265.00	Cd	23.38	99,716.55
	TREMBLING ASPEN	4,790.00	Cd	40.39	193,468.10
	BASSWOOD <i>(optional)</i>	180.00	Cd	-	0.00
	BALSAM FIR <i>(optional)</i>	740.00	Cd	-	0.00
	BALSAM FIR	150.00	Cd	6.00	900.00
	TAMARACK	60.00	Cd	6.60	396.00
	MIXED HARDWOODS	2,275.00	Cd	19.93	45,336.60
BIOMASS	ANY LISTED SPECIES <i>(optional)</i>	9,080.00	Tons	-	0.00
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	WHITE PINE	1,500.00	Cd	25.09	37,635.00
	NORWAY PINE	800.00	Cd	31.19	24,952.00
<b>TOTAL SOLD TRACTS CONVERTED TO CORDS:</b>		16,615.00			
<b>TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:</b>		\$ 240,266.70			
<b>TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:</b>		\$ 414,075.45			
<b>TOTAL ACRES SOLD:</b>		547.8			
<b>TOTAL NUMBER OF TRACTS SOLD:</b>		3			