



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING AREAS:
TOWER AREA, TWO HARBORS 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 Tuesday, October 5, 2021. All tracts were awarded at the Awarding at Two Harbors Area Forestry Office Parking Lot @ 1:00 PM October 6th, 2021 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 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



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

**SEALED BIDS MUST BE RECEIVED PRIOR TO
4:30 PM on October 5, 2021**

Bids will be awarded at the following location:

Awarding at Two Harbors Area Forestry Office Parking Lot @ 1:00 PM October 6th, 2021 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 October 5, 2021). 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 October 5, 2022, at the following Area Headquarters: Tower Area, Two Harbors Area.

TRACT B1

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 8.0

Permit Number: B015132
Expiration Date: 05/31/2022

Purchased By: Kuehl's Logging
Address: 1565 Highway 1, Ely, MN 55731

NENW of Section 30 - Township 58, Range 9W.
NWSE of Section 1; SWSW of Section 22 - Township 59, Range 9W.
NENW,NWNE,NWSE,SESW of Section 21; SESW of Section 16 - Township 57, Range 10W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULP & BOLTS	505.00	Cd	9.50	4,797.50	9.50	4,797.50
+ TAMARACK	PULP & BOLTS	450.00	Cd	3.33	1,498.50	3.33	1,498.50
+ MIXED SPRUCE	PULPWOOD	395.00	Cd	4.50	1,777.50	4.50	1,777.50
+ BALSAM FIR	PULPWOOD	335.00	Cd	2.50	837.50	2.50	837.50
+ NORTHERN HARDWOODS	PULPWOOD	315.00	Cd	5.00	1,575.00	5.00	1,575.00
WHITE CEDAR	PULPWOOD	26.00	Cd	3.00	78.00	3.00	78.00
NORWAY PINE	PULP & BOLTS	15.00	Cd	12.75	191.25	12.75	191.25
ASH	PULPWOOD	2.00	Cd	3.00	6.00	3.00	6.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$10,761.25 BID TOTAL = \$ 10,761.25
ADVANCE PAYMENT = \$1,614.19

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 95%; White Spruce 5%.
Northern Hardwoods Pulpwood includes: Paper Birch 80%; Red Maple 19%; Yellow Birch 1%.

Mixed Product Description:

Norway Pine Pulp & Bolts includes: Bolts 65%; Pulpwood 35%.
Tamarack Pulp & Bolts includes: Bolts 11%; Pulpwood 89%.
Trembling Aspen Pulp & Bolts includes: Bolts 42%; Pulpwood 58%.

Cutting and Felling:

- Harvest all listed species from piles (Cutting Blocks 1 and 2).

Season of Operations:

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

Slash Disposal:

- Tightly pile slash on landings as designated by TSA. Piles should be free of dirt, stumps, root wads, and prohibited materials (Cutting Blocks 1 and 2).

Sale Conditions:

- Access is across USFS, State, and Lake County land (Cutting Blocks 1 and 2).
- 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 (Cutting Blocks 1 and 2).

Marketing Conditions:

This appraisal involves timber from the construction of a fireline along the Stoney River Grade during the Greenwood Fire. The timber is not sorted and all species are mixed together. The timber is not charred. The average width is 16' and in five separate piles. The two landings where the piles are located were put in place during fireline construction and access is excellent.

The area is currently closed to public traffic. To see the piles before bidding contact forester for more information.

Cutting block 1 is located at the intersection of Stoney River Grade and Hwy. 1. Cutting block 2 is located at the intersection of Kinney Creek Rd. and Stoney River Grade, approximately 2 miles north of Forest Hwy. 11. Permission has been obtained from Lake County to access/operate Cutting block 2.

Appraised by Jason Bushmaker, Trevor Poyhonen and Andrew Weston.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -50% (Greenwood Fire Break Salvage)

Certification Note:

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

Appraiser:

Trevor Karl Poyhonen

(Appraisal ID 17119-0; Cutting Block ID 19920-0, 19912-0)

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

TOWER AREA - ORR FIELD STATION, 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: October 5, 2021

- SUMMARY SHEET -

10/05/2021 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 10/07/2021

TOWER AREA, TWO HARBORS AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	TREMBLING ASPEN	505.00	Cd	9.50	4,797.50
	NORWAY PINE	15.00	Cd	12.75	191.25
	TAMARACK	450.00	Cd	3.33	1,498.50
PULPWOOD	ASH	2.00	Cd	3.00	6.00
	NORTHERN HARDWOODS	315.00	Cd	5.00	1,575.00
	BALSAM FIR	335.00	Cd	2.50	837.50
	WHITE CEDAR	26.00	Cd	3.00	78.00
	MIXED SPRUCE	395.00	Cd	4.50	1,777.50

TOTAL SOLD TRACTS CONVERTED TO CORDS: 2,043.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 10,761.25
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 10,761.25
TOTAL ACRES SOLD: 8.0
TOTAL NUMBER OF TRACTS SOLD: 1