



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
INTERMEDIATE AUCTION - SALE #2
ORAL BID

Notice is hereby given that I offered for sale at public auction in Silver Bay, MN at 9:45 AM on Thursday, January 5, 2023, timber belonging to the State of Minnesota. All tracts were offered at the Tettegouche State Park Visitor Center in Silver Bay, 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



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
INTERMEDIATE AUCTION
ORAL BID TIMBER SALE
TWO HARBORS AREA

9:45 AM on January 5, 2023
Tettegouche State Park Visitor Center in Silver Bay, 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 whoever bids the highest price for all timber species advertised for bidding on each tract. Bidding over the appraised price shall be by increments of one (1) percent or more. The percent bid up will be added to the appraised price of each species indicated as a bid species by a plus symbol (+) on the Notice of Sale. 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 account 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)]. Purchase is limited to registered persons or companies with 30 or fewer employees. No bidder may purchase more than twenty-five (25) percent of the tracts offered on the first round of bidding. Purchases or attempts to purchase tracts beyond the twenty-five (25) percent limit will result in the forfeiture of the down payment and loss of the tract.

DOWN PAYMENT

- Purchasers of timber must pay a down payment of fifteen (15) percent of the appraised value of the timber at the time the purchaser's bid is approved. The down payment will be kept on deposit by the State and applied against any billings for timber. The purchaser may elect to have the down payment refunded if they post security for one hundred (100) percent of the bid price of the timber (see Security Required). If the purchaser does not sign the permit document within 45 days of sale, the down payment will forfeit to the State. A permit signature extension of 10 business days may be granted, provided the purchaser pays a \$200 penalty.

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 a down payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, Letter of Credit, 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 down 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 down 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 January 5, 2024, at the following Area Headquarters: Two Harbors Area. Beginning 30 days after the auction date, an unsold intermediate auction tract may be purchased by any registered responsible bidder, i.e., purchase is no longer limited to businesses with 30 or fewer employees.

TRACT X1

COUNTY: ST. LOUIS

AREA: TWO HARBORS AREA

ACRES: 73.0

Permit Number: X018772
Expiration Date: 05/31/2026

Purchased By: Fjeran's Forest Products
Address: 1801 Hwy 3, Two Harbors, MN 55616

SESE,SESW,SWSE of Section 36 - Township 53, Range 12W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 100	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULP & BOLTS	1,030.00	Cd	19.89	20,486.70	39.78	40,973.40
+ MAPLE SPECIES	PULP & BOLTS	200.00	Cd	11.55	2,310.00	23.10	4,620.00
	PAPER BIRCH	20.00	Cd	10.50	210.00	10.50	210.00
	WHITE SPRUCE	15.00	Cd	14.17	212.55	14.17	212.55
	BASSWOOD	10.00	Cd	9.92	99.20	9.92	99.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$23,318.45	BID TOTAL = \$ 46,115.15
				ADVANCE PAYMENT =		\$3,497.77	

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

ASH	PULP & BOLTS	70.00	Cd	7.24	506.80
ANY LISTED SPECIES	BIOMASS	680.00	Tons	0.68	462.40

Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 2%; Largetooth Aspen 1%; Trembling Aspen 97%.
Maple Species Pulp & Bolts includes: Red Maple 35%; Sugar Maple 65%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.
Aspen Species Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.
Basswood Pulp & Bolts includes: Bolts 35%; Pulpwood 65%.
Maple Species Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.
White Spruce Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.

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:

Sale is located 6 miles West of Two Harbors, on Ives road. East 1/3 of sale could offer a late Summer/ Fall harvest. Due to the soils and lack of slope the remaining sale area is likely requiring frozen ground.
There is approximately 2-5 cords/ acre of dead balsam fir that may be cut to access timber and reduce overhead hazards.

Price Adjustments:

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

Appraiser:

Brian Patrick Schiller

TRACT X2

COUNTY: ST. LOUIS

AREA: TWO HARBORS AREA

ACRES: 78.2

Permit Number: X018773

Expiration Date: 05/31/2026

Purchased By: Fjeran's Forest Products

Address: 1801 Hwy 3, Two Harbors, MN 55616

NENE,NESW,NWNE,NWSW,SENE,SESW,SWNE,SWSE,SWSW of Section 16 - Township 56, Range 12W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	1,100.00	Cd	17.05	18,755.00	17.05	18,755.00
+ NORTHERN HARDWOODS	PULPWOOD	150.00	Cd	9.00	1,350.00	9.00	1,350.00
BALSAM FIR	PULPWOOD	100.00	Cd	4.50	450.00	4.50	450.00
MIXED SPRUCE	PULP & BOLTS	70.00	Cd	12.96	907.20	12.96	907.20
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$21,462.20	BID TOTAL = \$	21,462.20
				ADVANCE PAYMENT =	\$3,219.33		

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

ANY LISTED SPECIES	BIOMASS	610.00 Tons	0.59	359.90
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Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 2%; Trembling Aspen 98%.
Mixed Spruce Pulp & Bolts includes: Black Spruce 20%; White Spruce 80%.
Northern Hardwoods Pulpwood includes: Paper Birch 88%; Red Maple 12%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 30%; Pulpwood 70%.

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 and private land.
- Permission to cross private land must be obtained by permittee.
- Best access requires new access across USFS lands. A Special Use permit for the identified route has been applied for by the DNR. Provisions of this permit will become part of the terms and conditions for this sale.

Marketing Conditions:

Base prices discounted 10% for seasonal access restrictions and stand volume. Area has heavy spruce budworm damage with average 60% of balsam fir standing dead. Dead balsam fir was not appraised.
Road construction costs estimated based on an average of 3 possible access options. All require USFS access permits (which have been applied for) and private landowner permission.

Price Adjustments:

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

Appraiser:

Karen L. Updegraff

TRACT X3

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 22.5

Permit Number: X018774

Expiration Date: 05/31/2026

Purchased By: Tibbetts Trucking

Address: 6389 Lax Lake Rd, Finland, MN 55603

NENE,NESE,SENE of Section 16; NWNW,NWSW,SWNW of Section 15 - Township 57, Range 8W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORTHERN HARDWOODS	PULPWOOD	550.00	Cd	9.00	4,950.00	9.00	4,950.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$4,950.00	BID TOTAL = \$	4,950.00
				ADVANCE PAYMENT =	\$742.50		

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

ANY LISTED SPECIES	BIOMASS	255.00 Tons	0.58	147.90
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Mixed Species Description:

Northern Hardwoods Pulpwood includes: Paper Birch 20%; Red Maple 5%; Sugar Maple 75%.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Sale is located approximately 6 miles down the Heffelfinger SFR from the junction of Hwy 1. Sale has a good summer chance for harvest, if it is a heavy rain summer then it will be a limited summer chance.

Price reduced for haul distance to nearest mill.

Price Adjustments:

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

Appraiser:

Jason A. Bushmaker

TRACT X4

COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 136.5

Permit Number: X018775
Expiration Date: 05/31/2026

Purchased By:
Address:

UNSOLD

GL01, GL02, NENE, NESW, NWSE, SENE, SWNE of Section 9; NWNW, SWNW of Section 10 - Township 62, Range 1W.

NESE, NWSE, SENE, SESW, SWNE, SWSE of Section 16 - Township 62, Range 1W.

NESW, NWSW, SESW, SWSW of Section 10 - Township 62, Range 1W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	1,251.00	Cd	6.65	8,319.15	6.65	8,319.15
+ BALSAM FIR	PULPWOOD	498.00	Cd	1.75	871.50	1.75	871.50
+ MIXED SPRUCE	PULPWOOD	288.00	Cd	3.15	907.20	3.15	907.20
JACK PINE	PULP & BOLTS	79.00	Cd	11.66	921.14	11.66	921.14
PAPER BIRCH	PULPWOOD	70.00	Cd	3.50	245.00	3.50	245.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$11,263.99 BID TOTAL = \$ 11,263.99
ADVANCE PAYMENT = \$1,689.60

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

PAPER BIRCH	WOODSRUN CORDWOOD	172.00	Cd	3.50	602.00
ANY LISTED SPECIES	BIOMASS	1,315.00	Tons	0.23	302.45

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 77%; White Spruce 23%.

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.

Season of Operations:

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

Sale Conditions:

- Best access requires new access across USFS lands. A Special Use permit for the identified route has been applied for by the DNR. Provisions of this permit will become part of the terms and conditions for this sale (Cutting Blocks 1 and 2).

Marketing Conditions:

Dry ground access has been applied for through the USFS. Blocks 1 and 2 would have to be frozen ground access through state land if the dry ground access is denied. Block 3 has dry ground access with the permittee getting a Road Use Permit through the USFS on Forest Road 156D. Consult with the TSA about access to this sale. If harvest occurs between the dates of 12/1 to 3/31 the USFS access permit is likely to restrict hauling of forest products on snowmobile trail during weekends.

Optional Paper Birch is in blocks 1 & 3, and can be picked up through the added timber process.

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)

Appraiser:

Justin Owen Rexrode

TRACT X5

COUNTY: COOK

AREA: TWO HARBORS AREA

ACRES: 69.7

Permit Number: X018776
Expiration Date: 05/31/2026

Purchased By:
Address:

UNSOLD

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
+ TREMBLING ASPEN	PULPWOOD	460.00	Cd	6.65	3,059.00	6.65	3,059.00
BALSAM FIR	PULPWOOD	148.00	Cd	1.75	259.00	1.75	259.00
MIXED SPRUCE	PULPWOOD	90.00	Cd	3.15	283.50	3.15	283.50
PAPER BIRCH	PULPWOOD	40.00	Cd	3.50	140.00	3.50	140.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$3,741.50	BID TOTAL = \$	3,741.50
				ADVANCE PAYMENT =	\$561.23		

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

PAPER BIRCH	WOODSRUN CORDWOOD	300.00	Cd	3.50	1,050.00
ANY LISTED SPECIES	BIOMASS	815.00	Tons	0.23	187.45

Mixed Species Description:

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

Season of Operations:

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

Sale Conditions:

- Access is across state land.
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale.
- Best access is across approximately 13 miles US Forest Service roads. If using USFS system 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:

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.

Cutting block could be cut during summer/dry conditions if the opportunity arises.

If the Purchaser chooses to harvest during dry soil conditions road work will need to be done to the Greenwood River road. This work could include: adding new material, blading/shaping, brushing as well as culvert repair. Consult with TSA prior to opening the sale.

Additional Optional Timber may purchased which is Paper Birch and that will be harvested through the shelterwood method of taking 50% of the Birch volume in the stand.

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)

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: January 5, 2023

- SUMMARY SHEET -

01/05/2023 INTERMEDIATE AUCTION - SALE #2

COMPLETED - DATA AS OF 01/05/2023

TWO HARBORS AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH <i>(optional)</i>	70.00	Cd	-	0.00
	ASPEN SPECIES	1,030.00	Cd	39.78	40,973.40
	MAPLE SPECIES	200.00	Cd	23.10	4,620.00
	BASSWOOD	10.00	Cd	9.92	99.20
	WHITE SPRUCE	15.00	Cd	14.17	212.55
	MIXED SPRUCE	70.00	Cd	12.96	907.20
PULPWOOD	ASPEN SPECIES	1,100.00	Cd	17.05	18,755.00
	PAPER BIRCH	20.00	Cd	10.50	210.00
	NORTHERN HARDWOODS	700.00	Cd	9.00	6,300.00
	BALSAM FIR	100.00	Cd	4.50	450.00
BIOMASS	ANY LISTED SPECIES <i>(optional)</i>	1,545.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 3,315.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 49,730.65
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 72,527.35
TOTAL ACRES SOLD: 173.7
SOLD TRACT NUMBERS: 1, 2, 3
TOTAL NUMBER OF TRACTS SOLD: 3

SUMMARY FOR <u>UNSOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	JACK PINE	79.00	Cd	11.66	921.14
WOODSRUN CORDWOOD	PAPER BIRCH <i>(optional)</i>	472.00	Cd	3.50	1,652.00
PULPWOOD	TREMBLING ASPEN	1,711.00	Cd	6.65	11,378.15
	PAPER BIRCH	110.00	Cd	3.50	385.00
	BALSAM FIR	646.00	Cd	1.75	1,130.50
	MIXED SPRUCE	378.00	Cd	3.15	1,190.70
BIOMASS	ANY LISTED SPECIES <i>(optional)</i>	2,130.00	Tons	0.23	489.90

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 3,396.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 15,005.49
TOTAL ACRES UNSOLD: 206.2
UNSOLD TRACT NUMBERS: 4, 5
TOTAL NUMBER OF TRACTS UNSOLD: 2