



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

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

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Chisholm, MN at 9:00 AM on Thursday, May 25, 2023, timber belonging to the State of Minnesota. All tracts were offered at the Minnesota Discovery Center in Chisholm, 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
REGULAR AUCTION
ORAL BID TIMBER SALE
HIBBING AREA

9:00 AM on May 25, 2023
Minnesota Discovery Center in Chisholm, 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. Bidding above 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 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)].

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 May 25, 2024, at the following Area Headquarters: Hibbing Area.

TRACT B1 COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 138.7

Permit Number: B015660
Expiration Date: 05/31/2026

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

GL04, GL05 of Section 3 - Township 56, Range 17W.
NWSE, SESE, SWSE of Section 34 - Township 57, Range 17W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 75	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BLACK SPRUCE	PULPWOOD	1,714.00	Cd	9.00	15,426.00	15.75	26,995.50
+ TAMARACK	PULP & BOLTS	929.00	Cd	7.68	7,134.72	13.44	12,485.76
+ ASPEN SPECIES	PULP & BOLTS	882.00	Cd	18.97	16,731.54	33.20	29,282.40
BALSAM FIR	PULPWOOD	58.00	Cd	5.00	290.00	5.00	290.00
ASH	PULP & BOLTS	24.00	Cd	7.80	187.20	7.80	187.20
PAPER BIRCH	PULPWOOD	16.00	Cd	10.00	160.00	10.00	160.00
RED MAPLE	PULPWOOD	4.00	Cd	10.00	40.00	10.00	40.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$39,969.46
ADVANCE PAYMENT = \$5,995.42
BID TOTAL = \$ 69,440.86

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

ANY LISTED SPECIES BIOMASS 2,025.00 Tons 0.65 1,316.25

Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 1%; Trembling Aspen 99%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.
Aspen Species Pulp & Bolts includes: Bolts 50%; Pulpwood 50%.
Tamarack Pulp & Bolts includes: Bolts 28%; Pulpwood 72%.

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State.
- No sale operations due to endangered and threatened species allowed between April 15 to October 30 within 1/4 mile of the St. Louis River, without written permission from State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

- All state ownership painted sale boundaries are identified with both blue flagging and double blue paint. All interior painted sale boundaries are identified with single blue paint.
- All portions of the sale area are accessible through state land off county roads.
- For more information, contact Corey Skerjance at (218) 735-3954.

Price Adjustments:

Road Construction Costs: +5%
Haul Distance to Nearest Mill: 0%
Stand Density: +5%
Operational Constraints: 0%
Other Price Factor: -10% (Pre-Merchantable Stem Felling)

Appraiser:

Corey Mark Skerjance

TRACT B2 COUNTY: ST. LOUIS AREA: HIBBING AREA ACRES: 86.0

Permit Number: B015661
Expiration Date: 05/31/2026

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

GL06 of Section 31 - Township 56, Range 18W.
GL07, GL08, GL09, SESE of Section 36 - Township 56, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 135	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULP & BOLTS	1,892.00	Cd	21.16	40,034.72	49.73	94,089.16
BALSAM FIR	PULPWOOD	172.00	Cd	5.75	989.00	5.75	989.00
ASH	PULP & BOLTS	100.00	Cd	13.11	1,311.00	13.11	1,311.00
PAPER BIRCH	PULP & BOLTS	90.00	Cd	18.40	1,656.00	18.40	1,656.00
BLACK SPRUCE	PULPWOOD	50.00	Cd	10.35	517.50	10.35	517.50

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$44,508.22
ADVANCE PAYMENT = \$6,676.23
BID TOTAL = \$ 98,562.66

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

ANY LISTED SPECIES BIOMASS 1,257.00 Tons 0.75 942.75

Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 20%; Trembling Aspen 80%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.
Aspen Species Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.
Paper Birch Pulp & Bolts includes: Bolts 60%; Pulpwood 40%.

Cutting and Felling:

- Harvest Aspen, Black Ash, Balsam Fir, Paper Birch, Black Spruce.

Season of Operations:

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

Marketing Conditions:

Access is directly off county road 83. Timber sale area includes some terrain.
Reserve marked trees along county road 83.
Large reserve area due to inoperable terrain.

Price Adjustments:

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

Appraiser:

Karl John Gaalaas

TRACT B3	COUNTY: ITASCA	AREA: HIBBING AREA	ACRES: 26.0
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Permit Number: B015662
 Expiration Date: 05/31/2026

Purchased By: Stella-Jones Corporation
Address: 1014 S 1st St, Cameron, WI 54822

NESW,NWSE of Section 16 - Township 57, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 120	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	1,040.00	Cd	58.30	60,632.00	128.26	133,390.40
BALSAM FIR	PULPWOOD	10.00	Cd	5.50	55.00	5.50	55.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$60,687.00	BID TOTAL = \$ 133,445.40
				ADVANCE PAYMENT =		\$9,103.05	

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

ANY LISTED SPECIES	BIOMASS	426.00 Tons	0.72	306.72
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Mixed Product Description:

Norway Pine Woodsrun Sawtimber (Softwood only) includes: Bolts 25%; Pulpwood 15%; Sawtimber (Softwood Only) 60%.

Cutting and Felling:

- Harvest merchantable Norway pine and balsam fir.
- In RMZ harvest Norway pine marked with yellow paint.
- Broadcast skid across site to kill brush and scarify site for regeneration by exposing mineral soil. Intent is to have minimum 80 % mineral soil exposure. Full tree skidding recommended.

Season of Operations:

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

Marketing Conditions:

There may be some areas that could be inoperable due to terrain.

Price Adjustments:

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

Appraiser:

Amber M. Jungwirth

TRACT B4 COUNTY: ITASCA AREA: HIBBING AREA ACRES: 35.0

Permit Number: B015663
 Expiration Date: 05/31/2026

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

NWSW,SESW,SWNW,SWSW of Section 36 - Township 60, Range 23W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 155	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULP & BOLTS	690.00	Cd	20.83	14,372.70	53.12	36,652.80
+ BALSAM FIR	PULPWOOD	190.00	Cd	5.50	1,045.00	14.03	2,665.70
+ MIXED SPRUCE	PULP & BOLTS	130.00	Cd	17.82	2,316.60	45.44	5,907.20
NORWAY PINE	PULP & BOLTS	5.00	Cd	33.00	165.00	33.00	165.00
RED MAPLE	PULPWOOD	5.00	Cd	11.00	55.00	11.00	55.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$17,954.30	BID TOTAL = \$	45,445.70
				ADVANCE PAYMENT =	\$2,693.15		

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

ANY LISTED SPECIES BIOMASS 505.00 Tons 0.71 358.55

Mixed Species Description:

Aspen Species Pulp & Bolts includes: Balm of Gilead 2%; Trembling Aspen 98%.
 Mixed Spruce Pulp & Bolts includes: Black Spruce 92%; White Spruce 8%.

Mixed Product Description:

Aspen Species Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.
 Mixed Spruce Pulp & Bolts includes: Bolts 40%; Pulpwood 60%.
 Norway Pine Pulp & Bolts includes: Bolts 80%; Pulpwood 20%.

Season of Operations:

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

Landings, Roads, and Trails:

- The Recreation trail may be used as access. DNR Forestry must be notified at least 5 working days before any sale operations take place, including clearing or access road construction. Ensure "Trucks Hauling" signs are prominently posted and maintained 200 feet beyond either side of any segment of any road or trail being temporarily used or crossed in conjunction with timber harvest operations. No logging equipment, wood piles, slash or logging debris will remain on the trail treadway and/or trail right-of-way during or after permit operations. Trail must be maintained wide enough to allow truck and ATV/snowmobile traffic to safely pass. The permittee must repair any trail damage attributable to timber harvest operations before the sale is finalized. Maintain at least 4" snow depth on all trail surfaces during sale activities while operating from Dec.1- March 31.

Sale Conditions:

- Permission to cross county and private land must be obtained by permittee.
 - Access is across State, County and private land.

Marketing Conditions:

Sale areas are located off the Little Moose Road/ATV trail. .75 miles from State Hwy 65.

Price Adjustments:

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

Appraiser:

Jeff J. Sirjord

(Appraisal ID 17586-0; Cutting Block ID 20255-0)

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

HIBBING 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: May 25, 2023

- SUMMARY SHEET -

05/25/2023 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 05/25/2023

HIBBING AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	ASH	124.00	Cd	12.08	1,498.20
	ASPEN SPECIES	3,464.00	Cd	46.20	160,024.36
	PAPER BIRCH	90.00	Cd	18.40	1,656.00
	NORWAY PINE	5.00	Cd	33.00	165.00
	TAMARACK	929.00	Cd	13.44	12,485.76
	MIXED SPRUCE	130.00	Cd	45.44	5,907.20
PULPWOOD	PAPER BIRCH	16.00	Cd	10.00	160.00
	RED MAPLE	9.00	Cd	10.56	95.00
	BALSAM FIR	430.00	Cd	9.30	3,999.70
	BLACK SPRUCE	1,764.00	Cd	15.60	27,513.00
BIOMASS	ANY LISTED SPECIES (optional)	4,213.00	Tons	-	0.00
WOODSRUN SAWTIMBER (SOFTWOOD ONLY)	NORWAY PINE	1,040.00	Cd	128.26	133,390.40
TOTAL SOLD TRACTS CONVERTED TO CORDS:		8,001.00			
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS:		\$ 163,118.98			
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS:		\$ 346,894.62			
TOTAL ACRES SOLD:		285.7			
TOTAL NUMBER OF TRACTS SOLD:		4			