



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
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Silver Bay, MN at 9:30 AM on Tuesday, June 6, 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
REGULAR AUCTION
ORAL BID TIMBER SALE
TWO HARBORS AREA

9:30 AM on June 6, 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 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 June 6, 2024, at the following Area Headquarters: Two Harbors Area.

TRACT B1 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 267.3

Permit Number: B015694
Expiration Date: 05/31/2026

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

SWSW of Section 24; NENW, SENW, SWNW of Section 25 - Township 57, Range 11W.
NESE, NESW, NWSE, SESE, SWSE of Section 25; NENE, NWNE of Section 36; NWNW of Section 26 -
Township 57, Range 11W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ MIXED SPRUCE	PULP & BOLTS	1,530.00	Cd	12.42	19,002.60	12.42	19,002.60
+ ASPEN SPECIES	PULPWOOD	780.00	Cd	15.12	11,793.60	15.12	11,793.60
+ PAPER BIRCH	PULPWOOD	390.00	Cd	8.00	3,120.00	8.00	3,120.00
+ TAMARACK	PULP & BOLTS	340.00	Cd	6.93	2,356.20	6.93	2,356.20
BALSAM FIR	PULPWOOD	300.00	Cd	2.50	750.00	2.50	750.00
MIXED HARDWOODS	PULPWOOD	11.00	Cd	7.71	84.81	7.71	84.81

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$37,107.21
ADVANCE PAYMENT = \$5,566.08
BID TOTAL = \$ 37,107.21

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

ANY LISTED SPECIES BIOMASS 1,750.00 Tons 0.52 910.00

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 3%; Trembling Aspen 97%.
Mixed Hardwoods Pulpwood includes: Ash 9%; Red Maple 91%.
Mixed Spruce Pulp & Bolts includes: Black Spruce 85%; White Spruce 15%.

Mixed Product Description:

Mixed Spruce Pulp & Bolts includes: Bolts 36%; Pulpwood 64%.
Tamarack Pulp & Bolts includes: Bolts 44%; Pulpwood 56%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Block 1).

Season of Operations:

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

Sale Conditions:

- Access is across state land (Cutting Blocks 1 and 2).
- Access crosses Public Waters. A Permit is not required if using a snow / ice bridge (Cutting Block 1).

Marketing Conditions:

Base prices reduced 20% for low stand density (average 13 cd/ac), and winter-only access to upland sites. Balsam fir price reduced 50% for salvage (average 45% mortality).
Summer chance in Block 2 for approximately 40% of timber volume. Broadcast skidding specification is contingent on snow-free operating conditions.

Sale is located approximately 25 mi north of Two Harbors around the intersection of Forest Hwy 11 and Lake County #2.

Price Adjustments:

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

Other Price Factor: 0%

Appraiser:

Karen L. Updegraff

(Appraisal ID 18568-0; Cutting Block ID 21545-0, 21541-0)

TRACT B2 COUNTY: LAKE AREA: TWO HARBORS AREA ACRES: 67.0

Permit Number: B015695
Expiration Date: 05/31/2026

Purchased By: Hedstrom Lumber Company Inc.
Address: 1504 Gunflint Trail, Grand Marais, MN 55604

NESE,NESW,SESE,SESW,SWSE of Section 36 - Township 58, Range 7W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ NORWAY PINE	PULP & BOLTS	695.00	Cd	29.10	20,224.50	29.10	20,224.50
+ ASPEN SPECIES	PULPWOOD	100.00	Cd	18.97	1,897.00	18.97	1,897.00
	BALSAM FIR	85.00	Cd	2.50	212.50	2.50	212.50
	JACK PINE	75.00	Cd	21.00	1,575.00	21.00	1,575.00
	PAPER BIRCH	65.00	Cd	10.00	650.00	10.00	650.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$24,559.00	BID TOTAL = \$	24,559.00
				ADVANCE PAYMENT =	\$3,683.85		

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

WHITE SPRUCE	PULP & BOLTS	60.00	Cd	6.30	378.00		
ANY LISTED SPECIES	BIOMASS	450.00	Tons	0.65	292.50		

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 1%; Trembling Aspen 99%.

Mixed Product Description:

Jack Pine Pulp & Bolts includes: Bolts 75%; Pulpwood 25%.
Norway Pine Pulp & Bolts includes: Bolts 77%; Pulpwood 23%.
White Spruce Pulp & Bolts includes: Bolts 20%; Pulpwood 80%.

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:

Site is location at the junction of Schoolhouse Creek Rd and Cramer Rd (County Rd 7).

Balsam fir and white spruce is 90%-100% affected and 10-20% mortality from budworm damage, based on field visit in December 2022. Priced reduced an additional 50% for salvage reasons.

All acres have summer chance for harvest from either the Schoolhouse Creek Rd or off of Cramer Rd (County 7).

Price Adjustments:

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

Appraiser:

Jason A. Bushmaker

TRACT B3

COUNTY: LAKE

AREA: TWO HARBORS AREA

ACRES: 373.0

Permit Number: B015696
Expiration Date: 05/31/2026

Purchased By:
Address:

UNSOLD

NENE,NESE,SENE,SWNE of Section 20; NESW,NWNW,NWSW,SENE,SESW,SWNW,SWSW of Section 21 - Township 58, Range 8W.
NWSW,SESW,SWNW,SWSW of Section 16; NENW,NWNW,SENE of Section 21 - Township 58, Range 8W.
SWNW of Section 27; NENE,NWNE,SENE,SWNE of Section 28 - Township 58, Range 8W.
SESE,SWSE of Section 16; SWSW of Section 15; NWNE of Section 21 - Township 58, Range 8W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ BALSAM FIR	PULPWOOD	2,040.00	Cd	1.50	3,060.00	1.50	3,060.00
+ MIXED SPRUCE	PULPWOOD	1,480.00	Cd	2.25	3,330.00	2.25	3,330.00
+ PAPER BIRCH	PULPWOOD	935.00	Cd	2.50	2,337.50	2.50	2,337.50
+ TREMBLING ASPEN	PULPWOOD	547.00	Cd	4.75	2,598.25	4.75	2,598.25
TAMARACK	PULPWOOD	20.00	Cd	1.50	30.00	1.50	30.00
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$11,355.75	BID TOTAL = \$	11,355.75
				ADVANCE PAYMENT =	\$1,703.36		

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

PAPER BIRCH	WOODSRUN CORDWOOD	475.00	Cd	2.50	1,187.50
ANY LISTED SPECIES	BIOMASS	2,820.00	Tons	0.16	451.20

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 61%; White Spruce 39%.

Cutting and Felling:

- Fell all live black spruce equal to or greater than 5 feet tall (Cutting Blocks 1, 2, 3, and 4).

Season of Operations:

- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 1, 2, 3, and 4).

Sale Conditions:

- Access is across state land (Cutting Block 1).
- Access is across state and USFS land (Cutting Blocks 2, 3, and 4).
- Access crosses Public Waters. A Permit is not required if using a snow / ice bridge (Cutting Blocks 1, 2, 3, and 4).
- 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 2, 3, and 4).

Marketing Conditions:

This area is impacted by spruce budworm, balsam fir and white spruce are 90% affected with 20% mortality - based on field visits during the fall of 2022. It is recommended to harvest sale within the first year.

Access is best from HWY 1 going 2 miles down a woodsroad that is 6.3 miles north of Finland. There is another access through private land that is 6.5 miles to HWY 1 and is 6 miles north of Finland. Either access will require multiple stream crossings using snow/ice bridge.

Price Adjustments:

- Road Construction Costs: 0%
- Haul Distance to Nearest Mill: -15%
- Stand Density: -10%
- Operational Constraints: 0%

Other Price Factor: -50% (Salvage)

Appraiser:

Jason A. Bushmaker

(Appraisal ID 18467-0; Cutting Block ID 16712-0, 21443-0, 21427-0, 16715-0)

TRACT B4 COUNTY: COOK AREA: TWO HARBORS AREA ACRES: 247.8

Permit Number: B015697
Expiration Date: 05/31/2026

Purchased By: Johnson Brothers Firewood
Address: P.O. Box 415030 North Road, Hovland, MN 55606

GL01, GL02, NESE, NWSE of Section 6; NWSW, SWSW of Section 5 - Township 63, Range 4E.
SESW, SWSW of Section 32 - Township 64, Range 4E.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 71	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULPWOOD	3,611.00	Cd	6.65	24,013.15	11.37	41,057.07
+ MIXED SPRUCE	PULPWOOD	921.00	Cd	3.15	2,901.15	5.39	4,964.19
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =		\$26,914.30	BID TOTAL = \$ 46,021.26
				ADVANCE PAYMENT =		\$4,037.15	

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

PAPER BIRCH	PULPWOOD	684.00	Cd	3.50	2,394.00
BALSAM FIR	PULPWOOD	677.00	Cd	1.75	1,184.75
ANY LISTED SPECIES	BIOMASS	3,792.00	Tons	0.23	872.16

Mixed Species Description:

Mixed Spruce Pulpwood includes: Black Spruce 30%; White Spruce 70%.

Season of Operations:

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

Sale Conditions:

- Access is across state land.

Marketing Conditions:

There is a USFS GNA sale adjacent to this sale. GNA sale will be on June 13th sealed bid auction.

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%
Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -65% (Cook County)

Appraiser:

Scott William Dowling

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: June 6, 2023

- SUMMARY SHEET -

06/06/2023 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 06/06/2023

TWO HARBORS AREA

SUMMARY FOR <u>SOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	NORWAY PINE	695.00	Cd	29.10	20,224.50
	JACK PINE	75.00	Cd	21.00	1,575.00
	WHITE SPRUCE (optional)	60.00	Cd	-	0.00
	TAMARACK	340.00	Cd	6.93	2,356.20
	MIXED SPRUCE	1,530.00	Cd	12.42	19,002.60
PULPWOOD	ASPEN SPECIES	880.00	Cd	15.56	13,690.60
	TREMBLING ASPEN	3,611.00	Cd	11.37	41,057.07
	PAPER BIRCH	455.00	Cd	8.29	3,770.00
	PAPER BIRCH (optional)	684.00	Cd	-	0.00
	BALSAM FIR	385.00	Cd	2.50	962.50
	BALSAM FIR (optional)	677.00	Cd	-	0.00
	MIXED SPRUCE	921.00	Cd	5.39	4,964.19
MIXED HARDWOODS	11.00	Cd	7.71	84.81	
BIOMASS	ANY LISTED SPECIES (optional)	5,992.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 10,324.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 88,580.51
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 107,687.47
TOTAL ACRES SOLD: 582.1
SOLD TRACT NUMBERS: 1, 2, 4
TOTAL NUMBER OF TRACTS SOLD: 3

SUMMARY FOR <u>UNSOLD</u> TRACTS					
PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
WOODSRUN CORDWOOD	PAPER BIRCH (optional)	475.00	Cd	2.50	1,187.50
PULPWOOD	TREMBLING ASPEN	547.00	Cd	4.75	2,598.25
	PAPER BIRCH	935.00	Cd	2.50	2,337.50
	BALSAM FIR	2,040.00	Cd	1.50	3,060.00
	TAMARACK	20.00	Cd	1.50	30.00
	MIXED SPRUCE	1,480.00	Cd	2.25	3,330.00
BIOMASS	ANY LISTED SPECIES (optional)	2,820.00	Tons	0.16	451.20

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 5,497.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 11,355.75
TOTAL ACRES UNSOLD: 373.0
UNSOLD TRACT NUMBER: 3
TOTAL NUMBER OF TRACTS UNSOLD: 1