



Board of County Commissioners Agenda Request

20
Agenda Item #

Requested Meeting Date: *March 10, 2015*

Title of Item: *Request for 2nd Extension - Timber Permit*

<input type="checkbox"/> REGULAR AGENDA	Action Requested:	<input type="checkbox"/> Direction Requested
<input checked="" type="checkbox"/> CONSENT AGENDA	<input checked="" type="checkbox"/> Approve/Deny Motion	<input type="checkbox"/> Discussion Item
<input type="checkbox"/> INFORMATION ONLY	<input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Hold Public Hearing* <i>*provide copy of hearing notice that was published</i>

Submitted by: Land Commissioner	Department: Land
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Presenter (Name and Title): Mark Jacobs	Estimated Time Needed: n/a
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Summary of Issue:

Futurewood Corp. of Hayward, WI has requested a second one-year extension on permit #13193 in 1/12-43-23 (Williams Township) - see attached letter and memo.

Typically 2nd extensions are not allowed since timber permits are 3-years in duration with a 1-year extension possible. Second extension requests must be approved by the County Board and must be for extenuating circumstances.

As I see it, the difference in this situation is that they purchased an expiring timber permit from a local logger who was about to lose it (a lowland black spruce/tamarack permit, which has inconsistent markets, in Haugen Township).

They were able to harvest the expiring permit... but that put them in a bind for harvesting #13193.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:

Because of them helping a logger from losing a permit and getting it harvested on time, which helped us, I recommend approval of a 2nd extension of permit # 13193 with conditions...

Financial Impact:

Is there a cost associated with this request? Yes No

What is the total cost, with tax and shipping? \$

Is this budgeted? Yes No Please Explain:



**Aitkin County Land Department
209 2nd Street NW Room # 206
Aitkin, MN 56431**

To: County Board
CC: County Administrator

Re: Request for 2nd extension - timber permit #13193

Futurewood Corp. of Hayward, WI has requested a second one-year extension on permit #13193 in 1/12-43-23 (Williams Township) - see attached letter. Typically 2nd extensions are not allowed since timber permits are 3-years in duration with a 1-year extension possible. Second extension requests must be approved by the County Board and must be for extenuating circumstances.

Permit #13193 has been extended once already and most of the rationale in the letter (bad weather, logger shortages, etc.) was experienced by all other logging operations during the past few years.

As I see it, the difference in this situation is that they purchased an expiring timber permit from a local logger who was about to lose it (a lowland black spruce/tamarack permit, which has inconsistent markets, in Haugen Township). At the time of their acquisition of the expiring tamarack permit they asked what would happen if we had a bad winter and they were unable to harvest the permit prior to prior to 3/15/15 - and I told them that I'd work with them since they helped out with this dilemma.

They were able to harvest the expiring permit... but that put them in a bind for harvesting #13193; which has winter access through a private landowners hay field. If we force them to get it harvested before the March 15th expiration date they could damage the private hay field, with warmer weather approaching.

Because of them helping a logger from losing a permit and getting it harvested, which helped us, I recommend approval of a 2nd extension of permit # 13193 with the following conditions...

- Futurewood pays for the permit in-full prior to the expiration date of 3/15/15
- Futurewood pays the extension fee of 10% of the permit balance, as of 3/15/15

Thanks.

A handwritten signature in black ink, appearing to be "MJ", followed by the date "3/5/15".

Mark Jacobs
Aitkin County Land Commissioner
218-927-7367
mjacobs@co.aitkin.mn.us

Futurewood Corp.

9676 N Kruger Road

Hayward, WI 54843

715-634-4843 office

715-634-5755 fax

February 25th, 2015

Aitkin County Land Department

209 2nd Street NW, Room 206

Aitkin, MN 56431

Dear Mark Jacobs,

As per our conversation today I am following up with a letter requesting an extension on Aitkin County #13193.

We are unable to get this timber sale harvested due to many reasons. The access is across private property and we are concerned about tearing up the landowner's field this late in the season with warm weather approaching. Last winter was very challenging with prolonged subzero weather that reduced our ability to produce wood at 100% leaving us with some additional sales to roll into this years plan and then to follow up with another winter where we had above average temperatures for a good part of December and a warm stretch in January that wasn't ideal for freezing down swamps for access into this timber sale, among other sales. Along with that there is a shortage of available loggers for additional capacity due to the fact that most mills are in short supply of wood to run there mills so competition for loggers and truckers is in high demand. Another factor in the equation is that timber sale overruns have cost us some additional time as well, which is hard to plan for.

Also you are aware that we took over an expiring spruce/tamarack sale from Brian Vierkandt this summer that needed to be harvested this winter on short notice for us but was discussed with you about a possible extension on that sale before we even agreed to take it over. We have been doing everything possible to harvest the expiring timber sales that we have with Aitkin County. We are committed to harvesting the timber sales that we have under contract with you and are simply looking for a little flexibility on an extension for this sale. In our efforts to help out another contractor with an expiring timber permit it would be a shame if we in fact became penalized by losing our down payment and being charged 25% for down payments at timber auction versus the standard 15%. We would be willing to pay for the sale in full for an additional one year extension. This puts the pressure on us to get the sale harvested and provides no risk for Aitkin County as the sale will be paid in full, if we don't harvest the sale the county is out nothing.

I feel that this is a plausible solution for our problem. We look forward to our continued relationship with Aitkin County and your cooperation with this issue. If you have any questions please feel free to give me a call at 218-821-7843.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Gulseth". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian Gulseth

Minnesota Procurement Manager

218-821-7843

bgulseth@futurewoodcorp.com