SUPERIOR FORESTLANDS
3,785± Acres | Lake County, Minnesota
OVERVIEW

Superior Forestlands offers an attractive land and timber investment in the Arrowhead Region of Northern Minnesota, configured in 41 non-contiguous tracts, totaling 3,785± acres, and situated in Lake County between Two Harbors, Silver Bay, Finland, and Isabella. Individual tracts range in size from 5 to 644 acres. The forest resource is composed of timber in various stages of maturity featuring softwood and hardwood stand types dominated by aspen and red pine. The local economy is bolstered by active precious metals exploration and extraction and by expansive outdoor tourism- and recreation opportunities. The property is situated in an area heavy to public land ownership and private mining activity, providing opportunities for strategic land swaps related to consolidation, conservation, and mitigation projects. The configuration including dozens of parcels with various access, attributes, and amenities lends well to a small-tract recreational sales program. Lastly, the property is believed to be benefited by several gravel deposits.

Superior Forestlands will have broad appeal to those interested in land investments, particularly those seeking a low-risk, long-term passive investment or a more actively managed land and resource investment. Investors may seek returns from underlying asset appreciation, cash flows from timber harvesting, gravel extraction, retail land sales, satisfaction of regional conservation or mitigation objectives, and/or carbon sequestration.

REGION

Northeastern Minnesota has a longstanding and varied natural resource-based economy with the cities of Duluth, Minnesota and Superior, Wisconsin at the center of the region’s commercial activity. The area is rich in iron ore, precious metals, and timber—each playing an important role in the development, growth, and continued vibrancy of the local, rural economy. Outdoor tourism plays a large role in the area’s economy and is supported by large expanses of county, state, and federal forest lands (Finland State Forest, Superior National Forest, and Boundary Waters Canoe Area Wilderness). Precious metals mining, specifically the recent development of copper and nickel mining interests, promises an expansion of area jobs and income.
Note: This is not a legal survey, but a depiction of the property as described by the landowner, and based on tax parcel boundaries. Digital base data provided by ESRI and The Minnesota Geospatial Commons.
TOPOGRAPHY & SITE

The Arrowhead Region of Minnesota is located in the Northern Superior Uplands Ecological Classification and is part of the Lake Superior Watershed. The topography in the area is flat to rolling and includes both upland and lowland sites. Lakes and ponds speckle the landscape while rivers and streams interlace the region. Soils range from well-drained, coarse, glacial till consisting of loamy sands and gravels in the uplands to poorly drained, deep organic soils in the wetland areas.

LAND USE HISTORY

The Superior Forestlands property has a long history of professional forest management for a productive and undeveloped condition. Although the property is not encumbered by a conservation easement, the property is presently owned by a conservation-minded Duluth family under whose stewardship the property has been meticulously cared for. A small single red pine thinning is the only timber harvest conducted on the property in the past 15 years, and many stands have been free to grow much longer, providing near-, medium-, and long-term forest management opportunities via a diversified timber resource.

FOREST RESOURCE

The Superior Forestlands forest resource provides a blend of timber species and age-classes typical of the region. Aspen, red pine, spruce/fir, and northern hardwood types (predominantly birch, maple, and ash) occupy much of the property while lowland conifer, including black spruce and cedar stands, enhance wildlife and conservation values. A diversity of age-classes provides cash flow opportunities available from timber harvesting and established regeneration poised for long-term growth and value appreciation. Approximately 82% of the property is considered productive forestland with the remainder occupied by non-forested acreage such as roads, landings, waterbodies, and associated wetlands.

The results of a recent timber estimate show that Superior Forestlands is carrying 47,000 gross cords of combined products (15.2 cords per commercial forested acre). Softwood species represent 55% of overall stocking with red pine leading at 25% of the overall softwood volume. Hardwood species represent the remaining 45% of stocking with Quaking aspen leading at 50% of overall hardwood volume. The timber estimate is based on a 2016 inventory of a similar area property with the same title history with nearly identical species and stand conditions. Specific details of inventory process are provided in the Forest Inventory Report for buyer’s review.
FOREST PRODUCTS INDUSTRY

This region has a well-developed forest products economy. Several large pulp mills, engineered wood plants, and sawmills are within operational trucking distance of the property. Sappi Fine Papers in Cloquet accepts aspen and mixed hardwood pulp. ST Paper in Duluth purchases softwood pulp. Louisiana Pacific operates a recently upgraded OSB facility in Two Harbors which accepts both aspen and mixed hardwood. Red pine and spruce-fir sawlog markets include Hedstrom’s Lumber in Grand Marais and Potlach’s studwood facility in Bemidji. In addition to these larger mills, there are other specialized local markets for a variety of products.

ACCESS & INFRASTRUCTURE

Paved and gravel public road infrastructure is well maintained and efficient for servicing the timberlands. Many of the tracts benefit from direct public road frontage with private gravel roads expanding access to the interior.

GRAVEL RESOURCE

Gravel is abundant in Northeastern Minnesota and this property appears to benefit from several gravel deposits. The commercial viability of these resources is uncertain; however, they are at minimum beneficial to the landowners for use building and maintaining roads. A summary of the potential gravel resource is included in the data room.

CARBON

Forestland properties often offer high-quality, integrated, natural climate mitigation solutions and carbon reduction strategies. Although current feasibility to the voluntary markets has not been assessed, this mid-rotational resource is well positioned to accumulate growth and sequester and store carbon.

Many of the buyers in today’s market are primarily or secondarily interested in the potential for carbon offset development.

RECREATION & CONSERVATION

The Land of 10,000 Lakes has much to offer with respect to outdoor tourism and recreation. Thousands of lakes, ponds, streams, and rivers course through the region providing unparalleled fishing and boating opportunities. Much of the surrounding forestland is part of Superior National Forest (3.9 million acres) and Finland State Forest (30,000 acres). The Boundary Water Canoe Area Wilderness is a one-million-acre network of interconnected waterways along the Canadian border offering 1,200 miles of designated canoe trails.
The subject tracts have direct frontage or immediate proximity to Dumbbell Lake, the West Branch of the Baptism River, Little Gooseberry River, and Silver Creek. Minnesota Department of Natural Resources has expressed specific conservation interest in tracts with direct frontage on the Baptism River, Gooseberry River, and Silver Creek as part of the State’s efforts to protect cold-water trout streams in the Lake Superior Watershed.

The State of Minnesota appropriates approximately $100 million annually in conservation-related funding through the Lessard-Sams Outdoor Heritage Council. The fund was created by the 2008 Clean Water, Land and Legacy Amendment which increased the state sales tax through 2034, one-third of which is distributed to the outdoor heritage fund. Over $one billion has been allocated by the Lessard-Sams Outdoor Heritage Program to various conservation projects to date. The availability of substantial conservation funding at the state-level supports the potential for tract-specific conservation sales going forward.

**LAND SALES**

The configuration of this ownership into 41 tracts across Lake County is ready-made for a retail lands sales program. Many parcels would be suitable for recreational development with access or proximity to paved routes, lakes, trails, public lands, fresh air, open space, and privacy.

**TAXES**

Superior Forestlands benefits from the state’s SFIA whereby qualifying and participating landowners receive a monetary per-acre incentive for all forestland enrolled. Currently, all acres are enrolled in the SFIA program. The basic requirements include the implementation of a forest management plan designed to meet the Minnesota Forest Resource Council’s forest management and timber harvesting guidelines and the enrolled land must remain free from development. A summary of the SFIA can be found in the data room. Historically, this payment has exceeded property tax liability. Property tax in 2022 was approximately $25,000, and SFIA payments were approximately $52,000.
**PROPERTY SHOWINGS**

Representatives from LandVest are available to show the property upon request. A prospective buyer and/or their representative may also request to view the property independently. Please contact David Speirs at LandVest to obtain access information before conducting a site visit.

**PROPERTY INFORMATION**

Additional property documentation is available in a virtual data room and can be accessed by visiting the Superior Forestlands listing page at landvest.com/timberland.

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### TIMBER VOLUME SUMMARY

Superior Forestlands  
Lake County, Minnesota

<table>
<thead>
<tr>
<th>Total GIS Acres</th>
<th>3,784</th>
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<tr>
<td>Productive Acres</td>
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#### Sawlogs

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<th>Species</th>
<th>Volume</th>
<th>Cords</th>
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<td>Aspen</td>
<td>465</td>
<td></td>
</tr>
<tr>
<td>Hardwood</td>
<td>432</td>
<td></td>
</tr>
<tr>
<td>Red Pine</td>
<td>404</td>
<td></td>
</tr>
<tr>
<td>Other Softwood</td>
<td>348</td>
<td></td>
</tr>
<tr>
<td>Spruce-Fir</td>
<td>216</td>
<td></td>
</tr>
<tr>
<td>Jack Pine</td>
<td>16</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>Cords</strong></td>
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#### Bolt

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<tbody>
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<td>Hardwood</td>
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<td>Spruce-Fir</td>
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<td>Red Pine</td>
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<td>Other Softwood</td>
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<td>Jack Pine</td>
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<td><strong>Total</strong></td>
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#### Pulpwood

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<tr>
<td>Hardwood</td>
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<td>Aspen</td>
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<td>Spruce-Fir</td>
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<td>Other Softwood</td>
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<td>Red Pine</td>
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<td>Jack Pine</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>33,343</strong></td>
<td><strong>Cords</strong></td>
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</tbody>
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#### Total Volume By Species (Cords)

- Spruce-Fir: 12,293 Cords
- Other HW: 11,371 Cords
- Aspen: 10,750 Cords
- Other SW: 8,182 Cords
- Red Pine: 7,484 Cords
- Jack Pine: 909 Cords

#### Product Distribution (% of Gross Cords)

- **34.8%** HWPW
- **26.1%** SWST
- **30.6%** HWST
- **8.5%** SWPW

**Disclaimer:** The timber volumes provided herein are those provided by a Forest Inventory Report completed August 14, 2019. Volume numbers are derived from applied strata volumes from a 2016 cruise of a larger property in the same proximate location with the same ownership and forest management history and nearly identical timber types and conditions. The timber volumes presented herein represent only the Lake County property. Although the information presented herein is believed to be substantially correct, neither Seller nor Seller’s Agent warrant the completeness or accuracy of any information. Purchaser will acquire the property based upon its own evaluation and knowledge. No representations or warranties are expressed or implied as to the property, acreage, timber volume, condition, logging constraints, regulatory limitations, etc. A single 50 acre red pine thinning is the only harvest removal conducted in the past 15 years. It was not accounted for in this summary. Date: 05.23.23

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Listed Exclusively
$4,900,000

For more information, access to the property data room, or to schedule a property tour, please contact:

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