



Saint Louis County

Land and Minerals Dept. • www.stlouiscountymn.gov • landdept@stlouiscountymn.gov

Mark Weber
Land Commissioner

September 10, 2020

To: St. Louis County Timber Contract Holders
From: Jason Meyer, Deputy Land and Minerals Director

Re: St. Louis County Land Department Responses to Verso Mill Closures

Timber Contract Holder,

The following is a summary of options available on existing St. Louis County timber contracts to help minimize the effects of the Verso mill closures. Contractors are encouraged to contact their contract administrator for more details.

Board Memo 20-25

Contract Extension:

If a contract facing expiration from now until May 1, 2021 contains an unharvested block with a combined spruce-fir volume of 30% or more, a 1-year contract extension contingent on a \$100 administration fee will be permitted.

Utilization Options:

Contractor's conducting harvest operations from June 1, 2020 until May 1, 2021 may have utilization standards for balsam fir and spruce relaxed. County staff will determine if the spruce-fir component should be left standing or felled.

County Board Resolution 20-378

Balsam Fir Price Adjustment:

A price reduction on balsam fir to \$5.00 per cord can be applied to cutting blocks having harvest operations performed from June 1, 2020 until May 1, 2021 and for those contractors having unsold stockpiles of balsam fir.

Board Memo 20-32

2020 Timber Contract Turn back Policy

Contractors may voluntarily turn back any intact St. Louis County timber contract or intact cutting block meeting the following criteria without losing future bidding privileges:

- *The contract must have a combined volume of 30% or more of balsam fir, spruce or birch.
- *The cutting block must have a combined volume of 65% or more of balsam fir, spruce or birch.
- *The contract or cutting block must be fully intact. Partially harvested blocks are ineligible.

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Turn Back Conditions:

Eligible contracts must have been purchased before July 1, 2020.

Contracts transferred after July 1, 2020 are ineligible.

The county must receive a written request for a voluntary contract turn back on or before March 1, 2021.

The full down payment and any contract extension payments previously received by the county are non-refundable on any contracts and/or cutting blocks turned back. **Note:** If one or more blocks are returned, the entire down payment will be retained by the county and is no longer eligible to be applied to future payment on the contract.

Cares Act Relief Grants

Eligible logging contractors may apply for Cares Fund relief grants for economic impacts due to Covid-19 through the Phase 2 St. Louis County Small Business COVID-19 Relief Grant program. Economic impacts, including loss of down payment from forfeited timber contracts meeting conditions stated above may be eligible for Cares Fund relief. Cares Fund applications will be thoroughly reviewed to ensure intent of the program is upheld and funds distributed appropriately.

Please refer to the application requirements and deadlines for Phase 2: Small Business COVID-19 Relief Grants posted on the St. Louis County Website.

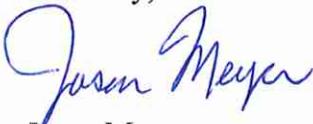
<https://www.stlouiscountymn.gov/departments-a-z/public-health-human-services/public-health/covid-19/cares-funding#90161200-small-business-relief-grants>

Time is of the Essence

Contractors seeking Cares Fund relief for reimbursement of down payment under Phase 2 must decide soon if they are going to turn back eligible timber contracts.

The application period for Phase 2: Small Business COVID-19 Relief Grants is **September 14 – September 28, 2020**. A letter indicating the need to turn back a timber contract must be received by the Land and Minerals Department for those contracts Cares Fund grant relief is being requested. Contractors should include a copy of the timber contract they are turning back as documentation in their application for Cares Fund Phase 2: Small Business COVID-19 Relief Grants.

Sincerely,



Jason Meyer
Deputy Land and Minerals Director