



March 12, 2020

To Whom it may Concern:

On behalf of Region Five Development Commission, I want to express our support for the NorthStar Pellet initiative, and for the production incentive legislation S.F. No. 3229 and H.F. No. 3484. Region Five Development Commission serves the counties of Cass, Crow Wing, Wadena, Todd and Morrison Counties in central Minnesota.

The forest industry remains significant to our region. As a distressed area, their economic impact is significant. The proposed NorthStar Pellet Plant would provide a lift to the entire forest industry, especially to loggers and sawmills spread throughout the state who have been deeply affected by a declining market for wood residuals. In the last decade alone, the state has lost 145 sawmills.

The state forests (including school trust lands) will benefit from improved economics. The forest health will also be improved by providing a market for underutilized and diseased species.

Overall, the Minnesota Department of Employment and Economic Development estimates the NorthStar Pellet project will support 245 jobs (direct and indirect), throughout the entire industry, and have a \$56 million annual economic impact on the state. That is a 20-1 return on the state's investment.

We encourage you to support this win-win legislation.

Sincerely,

A handwritten signature in blue ink that reads 'Cheryal Lee Hills'.

Cheryal Lee Hills
Executive Director

Bridging Relationships & Resources

200 1st Street NE Suite 2, Staples, MN 56479 | 218.894.3233 | regionfive.org