



FOR IMMEDIATE RELEASE

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Contact: Sandy Johnson
Phone: 218.740.3667
Email: Sandy@APEXgetsbusiness.com
Website: www.APEXgetsbusiness.com

Minnesota's Forest Products Industry has Capacity for Mass Timber Manufacturing

Duluth, Minnesota: A recently completed study, *The Economic Feasibility of Mass Timber Manufacturing in Minnesota*, highlights a strong commercial market, accessibility to supply chain and opportunities for economic impact. The study, commissioned by the Area Partnership for Economic Expansion (APEX) and conducted by the Bureau of Business and Economic Research (BBER) and the Center of Economic Development (CED) at the University of Minnesota, Duluth's Labovitz School of Business and Economics, suggests that Minnesota has great potential to introduce mass timber manufacturing in the Arrowhead region.

"The forest products industry in our region has always been strong," said Brian Hanson, APEX President and CEO. "We have a long history as a wood products economy with a highly-skilled workforce that is positioned to embrace and support this exciting building technology."

Mass Timber is a growing trend with increasing demand both in the U.S. and globally. Among nonresidential construction spending in 2017, the commercial, manufacturing and office sectors rank the highest across the U.S., and this trend is consistent in the Midwest. Benefits such as ease of construction, durability, competitive cost, reduced carbon footprint and thermal regulation make mass timber a favorable building system in the commercial sector.

Lake States lumber produced today meets the needs for the residential construction market as well as an emerging commercial mass timber market. The Lake States produce 300 million board feet (MMBF) of softwood lumber annually and have the capacity to diversify their product offering as the market demands.

The study also examined Minnesota's capacity to build a mass timber manufacturing facility in the Arrowhead Region. Study results show that building a mid-sized manufacturing facility in northern Minnesota would bring:

- 50 new (direct) jobs
- \$11.7M in industry sales
- \$6.2M in labor income
- 45 new (indirect) jobs



- Total Output: \$20.3M

Every mass timber manufacturing job in the state of Minnesota would support 0.9 jobs in related industries, potentially creating a total of 45 new jobs.

Our region offers many attractive sites for a new manufacturing facility, strengthened by special financing incentives from the [Department of Iron Range Resources & Rehabilitation](#) (IRRR). The U.S. Treasury's Community Development Financial Institutions Program (CDFI Fund) also provides tax benefits for developing in [Qualified Opportunity Zones](#).

"Minnesota has incredible potential to grow our secondary wood products sector to include mass timber manufacturing," said Tamara Lowney, President of the Itasca Economic Development Corporation (IEDC). "This important study answered the key question, *"is there access to lumber that meets the specifications required by mass timber?"* with a solid yes. We are fortunate to have that supply in MN, WI, MI and from our Canadian neighbors to the north."

Lowney and several regional partners will be sharing study results at the upcoming [International Mass Timber Conference](#) in Portland, Oregon.

The study was funded by several regional partners, including the Blandin Foundation, IRRR, Minnesota Power an ALLETE Company, Great River Energy, IEDC and APEX.

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About APEX

The Area Partnership for Economic Expansion (APEX) is the private-sector-led business development engine for northeast Minnesota and northwest Wisconsin. APEX investor-members represent some of the most influential companies in the region, with a collaborative approach to promoting sustainable economic growth. APEX attraction, expansion and retention efforts focus in areas including aviation, manufacturing, professional services and next-generation forest products. Since 2003, through attraction, expansion and retention efforts, APEX has impacted over 4,300 jobs in the region, resulting in a regional payroll of over \$174.9 million and contributing to over \$24 million annually in state and local taxes.

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