

## Greater Blue Earth River Rural Economic Development Model Minnesota Tax Free Zone Concept

Presented to Governor Tim Pawlenty on February 7, 2003 at Fairmont, Minnesota

The Blue Earth River Basin Initiative [BERBI] is proposing a concept for a Tax Free Zone that not only will create new jobs for our region but will also improve the economic opportunities for family farms, promote community and enhance our environment while reducing government dependence and building viable sustainable communities throughout our region.

BERBI has been promoting the establishment and growing of 3<sup>rd</sup> Crops to diversify the landscape, spread grower risk and reduce agricultural non point source pollution. 3<sup>rd</sup> Crops include several different crops but would be something other than corn and soybeans. Examples include small grains, various hay crops, herbs, native plants and agroforestry crops. Key components to the success of any 3<sup>rd</sup> crop is the ability to identify and develop markets and a diversity of crops.

The Greater Blue Earth River Rural Economic Development Model is centered around the concept of developing viable rural communities that promote sustainability through the establishment of 3<sup>rd</sup> crops in the landscape. The framework for this concept would include a biobased industrial park, with a sustainability theme, that includes 3 to 5 sub zones for pre- processing or processing and identity preserved storage of agricultural products. Local farmers, growing a diverse range of crops, would be the backbone to supply the raw product.

The biobased industrial park would process, manufacture and package agricultural crops raised in the region. The energy source for this area would be a renewable energy source that might include wind, methane, solar or a biobased fuel. A manufacturing company would be the main anchor of the industrial park and would transform agricultural products into a value added commodity such as cellulose to plastics. Other companies within the industrial park would either process their own agricultural commodities or utilize the value added product for further processing or use.

The sub zones would be located in small communities across the watershed. These sites would provide a location for collection, pre processing or manufacturing that is close to the growers. An example might include storage bins for crops other

than corn or soybeans where identity can be preserved. It also could be a collection point for crops going to the industrial park for load efficiencies.

The Greater Blue Earth River Rural Economic Development Model could result in at least 400 to 500 new manufacturing jobs in south central Minnesota. In addition, it would enhance the income of at least 700 farm families by providing new markets for 3<sup>rd</sup> crops.

This model would carry through an underlying theme of sustainability. Crops would be grown in a sustainable way; manufacturers would be committed to sustainable practices and the end users of the products would be committed to sustainability. In addition to jobs, this concept supports the development of viable rural communities that are less dependent on government; provide additional ecological services; and promote a social atmosphere of community. This would be WIN-WIN- WIN for Minnesota economically, socially and environmentally.

We have growers interested in raising crops in this fashion. We know manufacturers who have strong commitments to sustainability that we want to attract to this region. We have communities and many partners interested in supporting a tax free zone centered around a biobased industrial park.

A strong agricultural framework is critical to revitalizing rural Minnesota. This concept enhances our base agricultural system by promoting crop diversity; develops new local market opportunities; and provides local processing to add value to locally grown crops. For many years agriculture has had a "feed the world" mentality. The Greater Blue Earth River Rural Economic Development Model establishes a "feed [or support] our local communities" first mentality; "feed the world" second.

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