

3M's decision to open an aggregate plant will benefit Shasta County

Jim Zauher, Redding Record Searchlight, 7-4-10

Zauher is an economic development consultant specializing in enterprise zone business tax credits.

I've had a good relationship with the 3M real estate department for many years while I was with the Economic Development Corp. of Shasta County and was pleased last year when I was asked to assist them with their new project north of Redding.

For those who have not read the recent Record Searchlight story, 3M has filed a formal mining application with Shasta County for the Mood Flats Quarry on its nearly 2,000- acre property north of Redding.

This action is a very positive economic development announcement in what has otherwise been a dire three-year period for the Shasta County economy. With unemployment consistently over 15 percent, it is a good thing in my mind that a Fortune 500 company of the stature of 3M decides to invest in Shasta County and create jobs.

The Moody Flats project represents one of the largest private capital investments (estimated \$85 million) in Shasta County in recent years and because of the nature of the aggregate business and the volume of product, it will end up being a 50- to 100-year operation when completed.

Anyone familiar with Shasta County history is aware that forest products and mining have been a major part of the economy for decades. The 3M site has been zoned for mineral resources since it was acquired in 1981 and has continued to be zoned for mineral resources through several county general plan updates.

Wood product manufacturing and mining are both referred to as "primary industries."

This is important because the economic impact and multiplier effect of primary industries is beneficial to a local economy compared to other types of business.

In short, they add value to the economy by using a natural resource to generate new wealth that is then shared by other local businesses and local governments.

An independent study completed for the Moody Flats project by the Center for Economic Development at CSU Chico estimates that construction revenue alone from the project will add \$52.7 million to the Shasta County economy in new business revenue.

Once operating, the project will add \$2 million into the economy in new business revenues for every year of operation.

The report also projects that annual operations will also add a total of \$575,000 into local government coffers, including \$93,000 to Shasta County's general fund and \$340,000 to local schools.

Although 3M originally bought the property because of its deposits of rock suitable for producing roofing granules, the same material can also be crushed to produce high quality aggregate. Aggregate production is the focus of the proposed project.

Aggregates have an amazing variety of uses. Imagine our lives without roads, bridges, streets, bricks, concrete, wallboard and roofing tiles or without paint, glass, plastics and medicine. Every small town or big city and every road connecting them were built and are maintained with aggregates.

More than 90 percent of asphalt pavements and 80 percent of concrete are aggregates. Paint, paper, plastics, clay tile and glass also require sand, gravel or crushed stone as a constituent.

Aggregates are also being used more and more to protect our environment. Soil erosion-control programs, water purification and reduction of sulfur dioxide emissions generated by electric power plants are just a few examples of such uses.

The California Geological Survey is projecting a significant shortage of long-term aggregate supply locally and throughout California and especially in the San Francisco Bay Area.

Historically, much of the aggregate material used in Northern California is from alluvial — or stream bank — deposits.

3M proposes a hard rock quarry, much more durable when used in concrete or asphalt products. Stronger environmental regulations have severely limited the availability of this rock source.

That is why a major element of the proposed Shasta County project will be a significant investment in rail operations that will allow 3M to ship 75 percent of its product south on unit trains, dedicated to carrying only one product, in this case aggregate.

The remainder of the product will be used to supply the local and regional markets.

For 3M to commit to this project now, it is a signal that over the long term there is still good potential for growth in both California and Shasta County.

To develop Moody Flats, 3M will commit millions of dollars and take a significant amount of time to go through California's stringent and comprehensive environmental review process, CEQA (California Environmental Quality Act).

Independent consultants will be hired by Shasta County to complete an environmental impact report, which will detail any potential impacts the project will have on endangered species, watershed, air quality, noise, traffic, etc.

The public will also have an integral part of being involved in the process through scoping sessions and ultimately public hearings, where comments about the environmental document will be heard and addressed.

All of this takes place before any development can occur and 3M is prepared to work diligently to design the operation in a way that will have limited impacts.