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PAYMENT FOR ONE ACRE

PAYMENT FOR .20 ACRE
Translations include: (English, Spanish, Chinese, Vietnamese) - PDF

PAYMENT COMPARISONS

COMPENSATION SURVEY

PROPERTY OWNER FAQ

HOMEOWNER INSURANCE INFORMATION:

- Property Insurance
- Insurance Rates

PRINTER FRIENDLY VERSION

Final Environmental Impact Report

2010

Final EIR Ready for Public Review

The document is available for public review on June 10, 2010

Two Options to Review a copy of the "FEIR"

1 CPUC Web Site:
CLICK HERE

2 SNGS Office:
8031 Fruitridge Road
Suite B,
Sacramento, CA 95820
916-388-2088

YOUR NEIGHBORS SAY IT BEST...

Pete Rojas - "I've lived in that neighborhood for the last 30 years. And we have our own water district there. We never had contamination in there."

Dennis Exilus - "The decision to sign my lease did not happen until SNGS staff explained how the natural gas would be stored and what safety measures would be in place. Once my questions were answered to my satisfaction, I decided that the project is safe and I signed my lease."

Kao Va Saechao - "I saw no reason not to sign the lease to store natural gas. I have read the newsletters and done my own research; I know this project is safe."

Beverly Schmidt - "As a child, I grew up with a gas well in my backyard. I have not experienced any health issues because of living where natural gas was stored. Natural gas is a valuable asset and should be used. We are wasting money if we do not use the natural resources we have available."

Jagdish & Shammi Singh - "As a property owner in the Florin Field gas storage project area, I think this project should be approved because I like the extra income for storing the gas. This project will benefit the whole neighborhood with lower energy costs."

COMPENSATION

Homeowners who have leased storage rights to SNGS have each received \$1,000. Business owners who have leased storage rights have received \$1,000 per acre when they signed, with a second payment received in April 2010. Seventy-five percent of the property owners in the project area have signed leases.

Additional leases will be pursued over the next months and efforts will be made to acquire all of the needed leases by the end of this year. SNGS has maintained a policy of providing the same rental formula to all property owners and has not and will not negotiate special deals with individuals.

Compensation and Estimated Property Owner's Lease Payments
SNGS wants to make an Offer that is more than fair and equitable to all landowners whose property extends over the reservoir. This Offer actually exceeds the Appraisal of fair market rental dated June 1, 2007, made by the firm of Harold W. Berthoff, Inc., an appraisal, engineering, and geological company. It is the intent of SNGS to treat all landowners, including the City, on the same basis and without any price discrimination.

In order to encourage early signups and for other reasons discussed below, the SNGS Offer provides a limited time premium over the Appraisal in four very beneficial ways:

1. Initial signing bonus of \$1,000 per acre, but not less than \$500 per parcel, which also includes payments for the two (2) years until the facility goes on line.
2. The total minimum rental payments in the SNGS Offer are higher than the Appraisal; that is, \$270,000 per year for five (5) years and \$580,000 per year thereafter.
3. The eight-year start-up period set forth in the Appraisal is eliminated, such that the percentage rent will kick-in when the facility goes on line instead of waiting for the ninth (9th) year as prescribed by the Appraisal. The importance of this is underlined by SNGS' belief that the first full operating year at Florin could generate a total percentage rent of \$704,000 (\$2,607 per acre) vs. the minimum of \$270,000 (\$1,000 per acre) in the Offer.
4. Parcels smaller than 0.5 acres (most residential parcels approximate 0.18 to 0.2 acres) will be treated as 0.5 acres, such that the signing bonus and the annual minimum rental for such parcels will be no less than \$500.

A copy of the lease agreement is available for review upon request.

On request, the SNGS leasing team will visit property owners to review project information and leasing materials. Should you wish to schedule a leasing appointment now, please contact the SNGS Leasing Coordinator, William Fossum at (916) 388-2088.

NOTE: SNGS reserves the right to withdraw the present Offer as to any storage rights SNGS must acquire by eminent domain proceedings. In that event, the premium will no longer apply and SNGS will propose the Appraisal (or an update thereof) as just compensation for any such rights. The limited duration of the Offer is intended not only to reward landowners for early signup but also to share with the landowners the savings to SNGS against the time and expense involved in the eminent domain process. SNGS is not now authorized to use the power of eminent domain. If necessary, it will petition to obtain such power from the California Public Utilities Commission as set forth in answer to Question 33 of the



ANNUAL PAYMENTS FOR STORAGE RIGHTS ON 0.20 ACRE PARCEL

COMPARISON OF "APPRAISED FAIR MARKET VALUE" AND THE SNGS OFFER

	Appraised Fair Market Value	SNGS Offer
SIGNING BONUS	\$-0-	\$500
\$/ACRE/YEAR		
Year 1	\$120	\$500 (plus payment)
Year 5	\$140	\$570
Year 10	\$700	\$700
Year 15	\$850	\$850
5 Year Total	\$740	\$3,160
10 Year Total	\$3,970	\$6,390
15 Year Total	\$7,910	\$10,320

Note: SNGS Offer is based on 4% of projected estimated annual Gross Revenue of \$17.6 million in the first full year of operations (Year 1)

City's Appraisal Study Confirms Lease Rates are Generous

Study results recently released confirm Sacramento Natural Gas Storage lease rates are generous. In fact, SNGS lease payments are 62% more than market value. Integra Realty Resources – Chicago Metro, an independent appraiser, identified by the City of Sacramento, conducted the independent study in an effort to assess the value of underground storage leasing. Study results are available for review at the SNGS office.



To schedule a lease signing appointment, please contact the Leasing Coordinator, William Fossum, at (916) 388-2088.