1.0 PURPOSE AND NEED

1.a.i Strategic Location of the Florin Field

The Florin Field is the only geologic formation in Sacramento County that will permit SNGS to the core objective of the project to provide a safe, secure and reliable source of natural gas supply to the Sacramento metropolitan area in the event of a disruption in service on the main supply pipeline that carries natural gas to the area. Other geologic formations in the area that could, to lesser degrees, satisfy the basic mission of the SNGS project were rejected on the basis of other criteria.[1]

The location of the Florin Field in the southern part of the city of Sacramento provides the highest direct value to major users of natural gas in the area of any depleted natural gas reservoir in the Sacramento area. It also provides the highest indirect value to all of Sacramento's residents. Major users of natural gas include government entities, public utilities, private sector industries, and private enterprises engaged in the provision of natural gas to their end-user customers.

The current "anchor tenant" for the SNGS storage facility is the Sacramento Municipal Utility District ("SMUD"). The Florin Field is located within one-half mile of the SMUD pipeline system. This storage facility represents a capability that SMUD has been seeking since 1992.[2] The SNGS facility will provide true "on-system" storage to the SMUD. The natural gas that SMUD will store in the SNGS facility will be delivered directly into their pipeline system—serving all of their electric power generation plants. This location of the field and the SNGS facilities gives SMUD a better than 99% reliability of delivery factor of a 30-day fuel supply to power their generating plants.

The pipeline that will need to be constructed from the SMUD pipeline to the SNGS Compressor Station is less than 4,000 feet in length and is all located within the boundaries of the Depot Park, a City-zoned industrial development area. This location minimizes the most environmentally-intrusive portion of most new underground natural

[1] *See* SNGS response to Deficiency Item No. 2 ("Alternatives").
[2] *See* SMUD Request for Proposal No. 91-2, a copy of which is provided as Attachment 1 hereto.

gas storage projects—interconnecting pipelines to natural gas transmission lines. The choice of the Florin field also permits SNGS to locate its Compressor Station and Control Center on the old Sacramento Army Depot, thereby supporting the City's redevelopment of the area as a "Green Tech Zone."[3] Because of its location, the project will also qualify as a "brownfield" development.

1.a.ii Sacramento's Disposition Regarding the Interstate Pipeline System

The Sacramento Metropolitan Area receives all of its supply of natural gas from connections to the PG&E Lines 400/401 "backbone" pipeline system that runs north and south through the center of the State. The vast majority of the natural gas that comes to Sacramento comes from western Canada, a trip of over 1000 miles. There are currently three pipelines that interconnect with the backbone system and carry natural gas to Sacramento: two PG&E lines and one SMUD pipeline. Those pipelines vary in length from 20-40 miles.

The essence of Sacramento's situation relative to its need for local storage of natural gas is that Sacramento is at the end of the pipelines, and they are branch lines at that. And, Sacramento has no backup supply capability to meet the needs of the metropolitan area if that supply were to be disrupted or reduced substantially. The residents of the area depend on natural gas as the source of 30+% of their electricity, and as their primary fuel for heating their homes and water, and cooking their food. Business and industry relies almost entirely on natural gas as their energy source, or else it is electricity that is produced almost entirely from burning natural gas. While the Sacramento area, like the rest of California, relies on natural gas as its fuel of choice, it has no backup supply in case there is a disruption in the flow of its normal supply line.

The probability of a major disruption of service on the backbone system, either from natural or man-made causes, is a matter typically withheld from public discussion. The ramifications and impacts of such an event are too severe. What are the probabilities of such events occurring? That too is a question typically not presented for public

[3] On August 21, 2007 the Sacramento City Council approved Resolution No. 2007-623, a copy of which is provided as Attachment 2 hereto, together with the Economic Development Department's overview of the "Clean Tech Zone" program.

discussion. Earthquakes and other seismic activity has been predicted for many years, but given the concept of "geologic time" and the existence of various faults around the State, it is the general consensus that we must be ready for such an event at any time. Man-made events of disturbance of the backbone system pipes by agricultural and construction equipment are rare, but can be expected to occur again. Perhaps the most feared threat at this time is that of intentional destruction or damage of the pipeline from terrorist activity. Our energy distribution systems throughout this country have not been developed with a high degree of concern for malicious activities -- they are relatively "soft" in that regard. The backbone system pipes that cross the Columbia River from the North at the Oregon border are clearly visible from public areas and permit activities in close proximity, e.g., the River itself. A similar situation exists at the southern end of the backbone system where the pipelines from Arizona cross the Colorado River. PG&E, like most utilities, is highly aware of such threats and is doing a good job of protecting their property and the public welfare. The potential for a significant physical disruption is nonetheless appreciable.

If there were to be a disruption or sever curtailment of supply on the main backbone system, one obvious response would be for the utilities to purchase "replacement" electricity from other sources outside the State and have it delivered by the electric grid system that serves northern California. The problem with that solution is that it would be a partial remedy, at best. At a time of disruption or curtailment, the whole of northern California, and more like the whole State, would be in a state of turmoil. The demand for the importation for such "replacement power" could not be handled by the existing electric grid—it is not sized to handle 100% of such an event.

The original backup system for natural gas was to burn fuel oil for heat and electricity generation. That is no longer permitted by State law. At one time, Sacramento relied on nuclear power for most of its electric needs. That capability is no longer available. Utilities are making progress adding renewable energy source electricity to their capabilities, but it will be many years, if ever, before it can replace natural gas as the energy source of choice. For a metropolitan area that relies on natural gas to support public health and safety, as well as the quality of life in general, this is a perilous

situation that can be improved dramatically by establishing a natural gas storage capability in our community.

1.a.iii Shortcomings of the Existing Transmission and Storage System

The existing transmission systems that serve Sacramento, i.e., PG&E and SMUD, are adequate to support current demands for natural gas. The PG&E system that supplies 100% of the natural gas in the area is somewhat strained at times, but PG&E is currently implementing a pipeline expansion program to accommodate current demand and future growth. Similarly, the SMUD transmission system is adequate to meet their current needs for natural gas to produce electricity, and will also support probable expansion of generating capacities in the near future. Both systems are of sufficient capacity to carry natural gas to the SNGS storage facility on a scheduled basis in addition to satisfying current demands.

The storage system for Sacramento does not exist as a "system." Rather, storage is provided primarily by three storage facilities. The largest facility is the McDonald Island facility, owned and operated by PG&E. The other two facilities are independent, market-based rate facilities, at the Wild Goose storage facility in Butte Country, and the Lodi storage facility in Lodi. All of these facilities utilize the PG&E backbone system to get natural gas to the Sacramento area. Disruption of service on the backbone system or on any of the transmission lines from the backbone to Sacramento would render the stored gas useless to the Sacramento area for the period of the disruption.

1.a.iv How Does the Proposed Project Solve These Problems, as Opposed to Other Alternatives?

The proposed project addresses the problem of Sacramento not having any reliable backup supply of natural gas in case of disruption of service on the normal transmission lines, by providing a backup capability in the form of underground natural gas storage that is directly connected to local transmission lines. The proposed project is committed by contract to provide a 30-day supply of natural gas to SMUD for 100% of its electric generation requirements using less than half the capacity of the facility. The balance of the facility would be available to provide storage service to other utilities, government

entities, and private business and industries that are concerned about having a reliable supply of natural gas. For the reasons explained in the SNGS response to the deficiency questions concerning "alternatives" (submitted concurrently with this response), SNGS has not identified any feasible natural gas storage alternative in the Sacramento area.

ATTACHMENT 1

[SMUD Request for Proposal No. 91-2 follows.]

SMUD
SACRAMENTO MUNICIPAL UTILITY DISTRICT ☐ P. O. Box 15830, Sacramento CA 95852-1830, (916) 452-3211
AN ELECTRIC SYSTEM SERVING THE HEART OF CALIFORNIA

June 5, 1992
FD 92-081

Company
Address
City, State, Zip Code

REQUEST FOR PROPOSALS (RFP) FOR SALE OR PARTICIPATION IN A NATURAL GAS STORAGE PROJECT; SACRAMENTO MUNICIPAL UTILITY DISTRICT

The Sacramento Municipal Utility District (SMUD) is in the process of acquiring natural gas supplies to fuel a number of new gas turbine cogeneration power plants to be located near Sacramento. The plants are scheduled to come "on line" beginning in July, 1994. Our Fuel procurement strategy includes participation in a reliable gas storage project which is capable of meeting our peaking needs. The District intends to reduce delivered fuel costs and improve peak/swing flexibility with the benefit of gas storage.

The attached RFP provides the necessary information for interested parties to complete proposals for SMUD's consideration. We call your attention to the summary "Screening Questionnaire", Attachment I, on Page 8, immediately following the main body of the RFP discussion and ask that it be completed in full. The District intends to work from this Questionnaire to expedite the evaluation process. Finally, note the time schedule of the RFP process on Page 2, and in particular the July 31 due date for submitting proposals.

Questions should be directed to Mr. Thomas Ingwers, Senior Natural Gas Specialist, at (916) 732-6229 or the undersigned at (916) 732-6553.

Sincerely,

R. B. Minter, Manager
Fuels Development Department

Attachments

SACRAMENTO MUNICIPAL UTILITY DISTRICT

REQUEST FOR PROPOSALS (RFP)
FOR PARTICIPATION IN A
NATURAL GAS STORAGE PROJECT
RFP NO. 91-2

I. INTRODUCTION

The Sacramento Municipal Utility District (SMUD or the District) is soliciting proposals for participation in, or sale of, a natural gas storage project to help satisfy future natural gas capacity requirements for fueling several new gas turbine cogeneration power plants. SMUD intends to negotiate with Respondents whose projects, in the District's sole judgement, will provide the greatest value to the District's customer-owners when compared to other proposals. SMUD reserves the right to reject any and all proposals.

II. SCHEDULE AND DESCRIPTION OF THE SOLICITATION PROCESS

The solicitation process will begin with the mailing of the Storage RFP on June 5, 1992 and will continue until 5:00 P.M. Pacific Standard Time on July 31, 1992, which is the closing date for the submission of proposals. RFP responses received after 5:00 P.M. Pacific Standard Time on the closing day may be deemed non-responsive and given no further consideration.

Responses and any questions relating to this RFP, if mailed, shall be addressed as follows:

MAILING ADDRESS:
SMUD RFP NO. 91-2, GAS STORAGE
FUELS DEVELOPMENT DEPARTMENT
Mail Stop 49
P. O. Box 15830
Sacramento, California 95852-1830

Responses or written inquiries relating to this RFP, if couriered or hand-delivered, shall be addressed as follows:

COURIER ADDRESS:	*SMUD RFP NO. 91-2, GAS STORAGE* *FUELS DEVELOPMENT DEPARTMENT* *6201 "S" Street, Mail Stop 49* *Sacramento, California 95817-1899*

Each proposal shall be delivered in envelopes, boxes, etc., that are marked RFP No. 91-2 and will be date stamped upon receipt. All proposals shall be submitted in triplicate. Questions and/or communications regarding this RFP shall be directed to Mr. Thomas Ingwers, Senior Natural Gas Specialist, at (916) 732-6229 or Mr. R. B. Minter, Fuels Manager, at (916) 732-6553.

The full schedule for the RFP process is as follows:

DATE	*EVENT*
June 5, 1992	*Distribute RFP*
July 31, 1992	*Proposals Due*
August 31, 1992	*Notify Respondent(s) Selected for Negotiations*

III. EVALUATION PROCESS

The Fuels Department staff will provide initial screening of proposals; however, we intend to select a firm specializing in gas storage operations to identify our best candidate(s). Factors such as the project reservoir characteristics, stage of development, Respondent's experience in operating other storage facilities, cost of service, capacity, fuel deliverability, location, the District's exposure to risks and other factors will be used to determine the overall value of the proposal to the District. Please reference the detailed data request under Section VI - Format and Proposal Content beginning on Page 4, and the summary "Screening Questionnaire", Attachment I, on Page 8. The completed Questionnaire will allow the District to expedite the evaluation process and to confirm compliance with the Minimum Requirements set forth in Section V. below.

IV. GENERAL PROVISIONS

All proposals submitted in response to this RFP must be valid for acceptance until December 31, 1992. The District reserves the right to deem any proposal with incomplete responses as non-responsive and to give it no further consideration. The District may request clarification of incomplete responses to an item, or to seek additional clarification of information. Failure of a Respondent to provide such information in a timely and sufficient manner will result in that proposal being deemed non-responsive with no further consideration given. All proposals and supporting documentation shall become the property of the District.

V. MINIMUM REQUIREMENTS

At a minimum, all storage projects must possess the following characteristics to be eligible for further review:

A. **Location** - *The Storage Project must be located close enough to Sacramento to allow a economically feasible direct interconnection to SMUD's proposed local gas transportation pipeline system.*

B. **Reliability of Service** - *Storage service must be highly reliable and not be subject to service curtailment or reservoir leakage or transport curtailment.*

C. **Withdrawal/Injection Capability** - *The Storage Project must provide SMUD with minimum withdrawal capability of 125 MMCFD for a minimum of ten consecutive days. The Storage Project must provide SMUD with minimum injection capability of 65 MMCFD for thirty consecutive days.*

D. **Storage Capacity** - *The storage project must be capable of storing a minimum of 3 BCF of SMUD working gas (approximately 45 days of projected supply under average conditions).*

E. **Project Timing** - *The Storage Project should be operable not sooner than July, 1994 or later than January, 1997.*

F. **Respondent Qualifications** - *If the Respondent proposes to offer storage on a contractual basis, it must be financially sound and have experience in i) developing and operating gas storage facilities, or be committed to hire personnel with experience in this area, ii) drilling and operating gas wells, and iii) operating and constructing pipelines, compressors and related facilities.*

If the Respondent proposes to sell a storage project, it must have experience in developing gas fields and a thorough understanding of gas storage reservoir requirements and development requirements.

G. **Free of Encumbrances and Impediments** - *The Gas Storage Project must i) be capable of meeting all regulatory requirements and able to obtain all required permits, ii) have marketable title, iii) be free of environmental contamination and pending litigation, and iv) have the necessary landowner and mineral owner storage agreements in place.*

VI. FORMAT AND PROPOSAL CONTENT

GENERAL INSTRUCTIONS

In addition to completing the Screening Questionnaire, Attachment I, the following information is required to provide the necessary detail for project evaluation. Failure to respond fully may result in the proposal being deemed non-responsive with no further consideration given. Respondents should thoroughly review their proposals for completeness and accuracy to assure acceptability.

A. GENERAL INFORMATION REGARDING RESPONDENT.

Provide a general description of the Respondent's "organization" to include all prospective participants - Respondent, landowner, operator, financier, etc. This information should include the names and addresses of the Respondent, principals and all other aforementioned participants in the "organization". If the Respondent is a corporation, identify officers, state of incorporation, and the parent corporation. If the Respondent is a partnership, the general partner shall be listed and the state(s) in which the partnership is filed shall be identified. Provide the name, title, mailing address, phone number, and facsimile machine number of the appropriate contact person(s) to answer questions and conduct negotiations related to this proposal.

B. QUALIFICATIONS OF RESPONDENT

Provide a discussion and description of Respondent's qualifications and experience in developing and operating i) natural gas storage projects, ii) natural gas producing wells, and/or iii) natural gas pipeline systems.

C. *DESCRIPTION OF STORAGE PROJECT*

Provide overview. Also include detailed, relevant engineering information. Respondents should use this Section (VI) and the Attachment I, Screening Questionnaire, beginning Page 8.

D. *TERMS OF PARTICIPATION OR SALE*

Provide relevant cost of service information or terms of sale.

E. *GAS AND WATER COLLECTION, TREATING, TRANSMISSION FACILITIES*

Provide an inventory of pipeline transmission facilities to include compression, gas or water treatment, water disposal, water collection, etc., or other appurtenances attached thereto, that are to be included in a sale, if applicable. Respondent should discuss age and condition of these facilities and the years until replacement is required. Also discuss project access to PG&E or other pipeline collection systems.

F. *PERFORMANCE GUARANTEES*

Describe in detail any type of security or any other forms of performance guarantee which would be provided to the District.

G. *CONTRACTS*

Provide copies of any existing gas sales, pipeline contracts, or other contracts which may impact or encumber Respondent's interest in the project.

H. *STORAGE AGREEMENT/OIL AND GAS LEASE*

Provide a copy of the Storage Agreement with the surface and mineral owner, all underlying oil and gas leases, and all other agreements related to the gas storage project, to include current gas in place within the storage reservoir.

I. *LITIGATION*

Provide summary of any prior or ongoing litigation pertinent to Respondent or Respondent's "organization" and his, or their, collective ability to carry out this proposal.

J. *ENVIRONMENTAL*

Provide copy of any environmental audits or reports conducted on the lands covered by the storage agreement or oil and gas leases. Respondent should discuss anticipated environmental impact of project. Also outline plans and costs to deal with possible "offsets" related to compression and work anticipated to meet guidelines of appropriate governmental agencies.

K. *TITLE*

Provide copy of a Title Policy or Title Opinion evidencing Respondent's interest in the storage project and evidence that Respondent's interest is free of liens and encumbrances. Provide copy and list the terms of existing notes or other obligatory financial contracts, liens or similar encumbrances which will continue to encumber any portion of the project properties after closing.

L. *GAS QUALITY*

A representative, current gas analysis is required. Existing gas reserve should be free of corrosive elements or other contaminants unsuitable for burning in a gas turbine.

M. *OTHER*

Discuss any special circumstances or possible problems such as difficulty in "isolating" the storage reservoir, water production and handling, sumps, injection wells, noise, wetlands, flooding, contaminants or other concerns that may have impact on value of the project.

VII. *PURCHASE AND SALE AGREEMENT*

Any participation in storage capacity by SMUD as a result of this RFP process is expressly subject to the execution of a definitive Purchase and Sale Agreement in a form satisfactory to the District. Such Purchase and Sale Agreement shall include among others, the following provisions:

A. *A special warranty of title provision whereby Seller warrants title to the real and personal property as against any party claiming by, through or under Seller.*

B. *An environmental indemnity provision whereby Seller shall indemnify, defend, and hold harmless the District, SMUD Directors, officers, agents, and employees against all claims, loss, damage or expense relating to any hazardous or toxic materials which were present on the property prior to the District's involvement.*

ATTACHMENT I

SCREENING QUESTIONNAIRE

1. *LOCATION. Note project distance from Sacramento. Identify Township, Range and Section(s) involved.* ___ *Miles*

   _____
   _____
   _____

2. *PROJECT STAGE OF DEVELOPMENT. Check appropriate boxes for COMPLETED stage(s):*

   A. *Gas reserves within the storage project have been leased or purchased by Respondent.* ☐

   B. *Surface of the land applicable to project has been leased/ contracted or purchased by Respondent.* ☐

   C. *Separate storage agreement is in place between Respondent and landowner/mineral owner. Note expiration date_____.* ☐

   D. *Title Policy or Title Opinion has been prepared for the project.* ☐

   E. *Geological engineering study complete.* ☐

   F. *Reservoir engineering study complete.* ☐

   G. *Environmental engineering study complete.* ☐

   H. *Drilling engineering study complete.* ☐

   I. *Surface Facilities engineering study complete.* ☐

   J. *Experienced Project Operator in place.* ☐

   K. *Financing is in place.* ☐

L. *Independent Storage Analysis has been completed by firm specializing in Gas Storage.* ☐

3. *STORAGE VOLUMES. List approximate size:*

A. *Working Gas* _____*BCF*

B. *Cushion Gas* _____*BCF*

4. *WITHDRAWAL/INJECTION CAPABILITY*

A. *Withdrawal Capability* _____*MMCFD*

B. *Injection Capability* _____*MMCFD*

5. *AVERAGE BTU CONTENT OF EXISTING GAS IN PLACE.* _____*BTU/CF*

6. *NUMBER OF WELLS WITHIN PROJECT AREA:*

A. *Abandoned* _____*wells*

B. *Idle* _____*wells*

C. *Currently producing:* _____*wells*
*Average MCFD*_____ *Average BWPD*_____

D. *Newly drilled wells required.* _____*wells*

E. *Intended recompletions or cleanout of existing wells.* _____*wells*

7. *PROJECT RESERVOIR CHARACTERISTICS:*

A. *Average depth.* _____*Feet.*

B. *Number of separate storage intervals.* _____*Zones.*

C. *Trapping mechanism.* _____.
(ex. structural, fault, etc.)

D. *Influencing reservoir mechanism.* _____.
(ex.depletion drive, water drive, etc.

E. *Maximum past or historic production rate from reservoir.* _____*MMCFPD.*

F. *Original reservoir pressure.* _____*PSIA.*

G. *Current reservoir pressure.* _____*PSIA.*

H. *Original Gas in Place (GIP),* _____*BCF.*
storage zone(s).

I. *Current GIP, storage zone(s).* _____*BCF.*

J. *Estimated recoverable gas reserves.* _____*BCF.*

8. *ESTIMATED CAPITAL COST TO DEVELOP:*

A. Wells

1) Cost of New wells. $_____

2) Rework of existing wells. $_____

3) Abandonment or re-abandonment of existing wells. $_____

Well Cost Total $_____

B. Surface Facilities - Compression, land etc. $_____.

C. Gas transmission lines, outside project area. $_____.

D. Environmental $_____.

E. Cushion Gas. $_____.
Volume _____ BCF, Unit Cost _____ $/MCF

F. Other $_____.

Estimated Total Capital $_____.

9. RESPONDENT'S GENERAL PROPOSAL TO SMUD. Indicate whether proposal A, B, C, and/or D is most appropriate:

A. SMUD rent/lease space. Also indicate Respondents proposed cost of service to SMUD and whether service is "firm" or "interruptible". ☐

1) Reservation Fee _____$/MCF.

2) Injection/Withdraw Fee _____$/MCF.

B. SMUD purchase equity interest. Briefly summarize proposal: ☐

C. SMUD develop and finance completely. Briefly summarize: ☐

D. Other. Briefly summarize: ☐

10. *INDICATE POSITIVE OR NEGATIVE TO FOLLOWING QUESTIONS:*

	YES	NO
A. *Any known legal encumbrances which could involve project?*	☐	☐
B. *Any known environmental problems left from past producing operations?*	☐	☐
C. *Any known or possible environmental problems expected from project construction to include facilities, lines, noise, contaminants, water handling, etc.? If so, discuss.*	☐	☐

	YES	NO
D. *Any competitive wells on adjacent lands that could "interfere" in subsurface with Respondents project?*	☐	☐
E. *Are all past producing well records available - drilling and completion records, production histories, etc. - for SMUD and/or third party review?*	☐	☐

ATTACHMENT 2

[Sacramento City Council Resolution No. 2007-623 and associated material follows.]

RESOLUTION NO. 2007-623

Adopted by the Sacramento City Council

August 21, 2007

APPROVING A RESOLUTION IN SUPPORT OF CLEAN TECHNOLOGY INDUSTRY DEVELOPMENT IN THE SACRAMENTO REGION

BACKGROUND

A. On April 3, 2007, the Sacramento City Council reviewed and commented on the City of Sacramento's (City) draft Sustainability Master Plan (Plan). The Plan was formulated in response to the City Council's earlier direction to develop a Sustainability Agenda with goals and objectives to move the City towards using natural resources efficiently to prevent pollution and to improve the economic, environmental and social well-being of current and future generations.

B. On May 29, 2007, the City Council adopted an updated Economic Development Strategy containing strategic objectives and related action steps. Amongst the action steps is the targeted business attraction of high-value industries, including clean technology and renewable energy.

C. The future development of the clean technology industry within the Sacramento Region holds significant potential for realizing the goals and objectives of the Plan and the Economic Development Strategy.

D. The Partnership for Prosperity is a regional effort by the public and private sectors in the six-county Sacramento region to create a shared business agenda with focused economic development strategies that leverage the region's competitive advantages, unique strengths, and market opportunities. Business development, post-secondary education and high school education, civic amenities, and clean energy technology have been identified as the four priority opportunities to be addressed, coordinated, and aligned.

E. Within Partnership for Prosperity, a Clean Energy Technology Action Team has been formed, which includes representatives from throughout the region, that is developing strategies to increase clean-energy related academic and private sector research, start-up companies, investment capital and education infrastructure. The Clean Energy Technology Action Team seeks to increase public awareness that clean technology is a vibrant growth industry that will create thousands of jobs in the Sacramento region in the future.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City of Sacramento recognizes and fully supports the environmental, social and economic benefits related to development of the clean technology industry within the Sacramento Region.

Section 2. The City recognizes and supports the regional Partnership for Prosperity initiative and the efforts of its Clean Energy Technology Action Team.

Adopted by the City of Sacramento City Council on August 21, 2007 by the following vote:

Ayes: Councilmembers Fong, McCarty, Pannell, Sheedy, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmembers Cohn, Hammond, and Tretheway.

Heather Fargo
Mayor, Heather Fargo

Attest:
Shirley Concolino
Shirley Concolino, City Clerk

THE CITY OF SACRAMENTO
CleanTech ZONE

Welcome to the Sacramento CleanTech Zone, home to clean technology, new green technology companies, and manufactures who have chosen to locate in the newest technology corridor located along Highway 50 in the Capital of California.

The City of Sacramento CleanTech Zone offers the same benefits as the State of California Enterprise Zone program or a federally designated Foreign Trade Zone. In addition, your business will receive expedited permitting provided by our Development Services Department and eligible companies may receive redevelopment and job training funds offered by our regional strategic partners. All companies may be eligible for Small Business Administration (SBA) loans, Industrial Development Bonds (IDB) and venture capital funds.

CleanTech Zone benefits include:

Enterprise

- Sales Tax Credits on qualified property
- Wage Tax Credits for 5 years for hiring eligible employees
- 100% Net Operating Loss Carryovers available up to 15 years
- Rapid Depreciation of Equipment
- Financing Assistance, Hiring Assistance through *Sacramento Works!*

Foreign Trade (FTZ)

- Duty-free treatment for items that are processed in FTZs and then exported
- Duty payment is deferred on items until they are brought out of the FTZ for sale in the U.S. market

Recycling (RMDZ)

- Below-market-rate revolving loan program for RMDZ-eligible activities
- Free product marketing

Green Technology Small Business Loan Programs

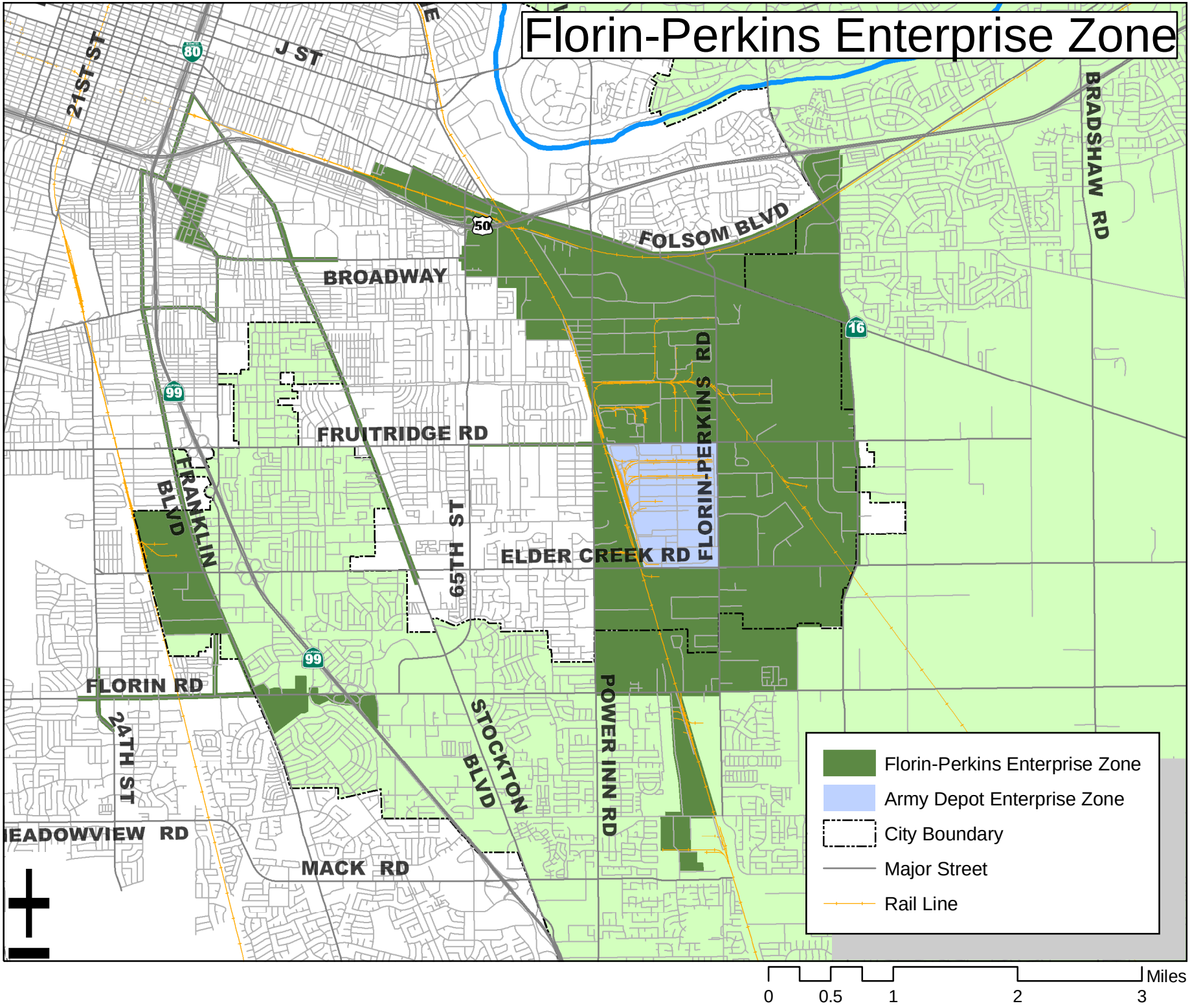
- Industry-targeted SBA 7(a) loans available through Grow Sacramento Fund
- Zone-allocated SBA 504 loans available through Greater Sacramento Community Development Corporation
- Community Development Block Grant funds to be available at very favorable terms for eligible businesses

Specialized Business Financing Programs

- City-issued industrial development bonds
- Redevelopment “tax increment” funds available within Sacramento Army Depot at extremely favorable terms

City of Sacramento - Economic Development Department
1030 15th Street,Second Floor - Sacramento, CA 95814
(916) 808-7223 - (916) 808-8161 - www.cityofsacramento.org/econdev

CALL 我們講中文 • Hablamos español • Мы говорим по-русски • ພວກເຮົາເວົ້າພາສາລາວ • Peb hais lus Hmoob • Chúng tôi nói tiếng Việt


Florin-Perkins Enterprise Zone
21ST ST
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FOLSOM BLVD
BRADSHAW RD
BROADWAY
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FRUITRIDGE RD
FLORIN-PERKINS RD
FRANKLIN BLVD
65TH ST
ELDER CREEK RD
99
FLORIN RD
24TH ST
STOCKTON BLVD
POWER INN RD
MEADOWVIEW RD
MACK RD
Florin-Perkins Enterprise Zone
Army Depot Enterprise Zone
City Boundary
Major Street
Rail Line
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