

**EXECUTIVE DIRECTOR'S
REPORT**
December 6, 2017





October 27, 2017

Dear Member:

The FRC Board of Directors recently approved the final return for your 2016 rice crop. We are pleased to enclose your final return check and applicable documentation.

Pool	Final Return	Price Support Loan Value	Return Over Loan	**DPAD
Medium Grain	\$12.59	\$6.59	\$6.00	\$.97
Premium Medium Grain	\$16.80	\$6.49	\$10.31	\$.97
Sweet Rice	\$14.31	\$6.31	\$8.00	\$.97

The average medium grain return was **\$6.00** over the corresponding USDA Price Support Loan Value, inclusive of the dividend of **3.75%** that FRC active members received on their equity. This year the PLC and ARC programs under the Farm Bill are projected to make a payment in February 2018 of approximately \$2.50/cwt. This translates into around \$125-\$175 per acre depending on your base acres and yield.

FRC also provides many tax benefits and programs that increase members' net profits.

****Domestic Production Activities Deduction (DPAD)**

FRC will distribute over \$8.3 million or \$0.97/cwt in Federal Income Tax Deductions to its members in calendar year 2017. Example: member delivered 50,000 cwts for the 2016 crop. Member will receive a \$48,500 Federal income tax deduction.

IC-DISC

The majority of members who delivered rice for the 2016 crop will receive Federal Income Tax benefits from the Farmers' Rice IC-DISC. The IC-DISC enables members to shift a portion of their crop proceeds from ordinary to dividend income and receive Federal income tax savings that are expected to exceed those of the DPAD.

Early Season Advance (ESA)

\$500/acre at planting

Early Final Payment

\$500/acre at planting (in lieu of ESA,)

Special Variety Programs

Approximately \$3.2 million paid to 2016 crop member participants above the base calrose return.



A master plan concept rendering of the Sutter Pointe Town Center.

By **Rachel Rosenbaum** | rosenbaum@appealdemocrat.com

The Sutter Pointe development, decades in the making, still has years to go before ground gets moving.

But that doesn't mean work isn't being done behind the scenes for the south Sutter County mixed-use project.

Bob Shattuck, a spokesman for one of the major property owners, said the developers have made "very significant" progress with the approval of the sewer service agreement with Regional Sanitation in spring, as well as a flood control agreement with the Sacramento Area Flood Control Agency.

"These have been two of the most significant obstacles to development of the area and have taken years to resolve," Shattuck said in an email.

The 7,500-acre Natomas Basin development was approved in 2009, and could host 17,500 new homes and draw almost 50,000 residents once completed.

The recession put most planning on hold.

Along with the Riego Road and Highway 99 interchange – completed during the recession – the steps serve as fundamental building blocks for the project, he said. Currently, construction of a Pacific Gas and Electric Co. transmission line is being built along Riego Road to bring natural gas to the area.

"We expect to spend most of the rest of the year refining some of our other infrastructure and mitigation related issues to the point where we have enough information to reliably underwrite the cost and identify logical phasing," Shattuck said.

"Once we have enough information (hopefully by early next year) to develop a formal phasing plan and development proposal, we will move forward with tentative map level entitlements with the county."

That's a one- to two-year process

at minimum and is likely to proceed independent of market condition. Even during economic downturns, Sutter Pointe developers have a history of moving forward with planning, and are in the position to proceed with development when market conditions are strong, he said.

"We spent tens of millions of dollars through the great recession to get the project to this point, so we are obviously serious," Shattuck said.

Sutter County interim Deputy Director of Planning and Building Doug Libby said he hopes that construction of wastewater infrastructure will begin within the next year or so.

"That's just another piece of the puzzle that's required for development to be able to move forward," Libby said.

The backbone of the development – sewer, water, roads and drainage – are more dependent on the economic conditions

since it requires a great deal of private financing. Design and permitting may overlap with the tentative map level entitlements to some degree, Shattuck said, but actual construction of that infrastructure is not likely until the tentative map level entitlements are approved; an additional year or two-year process.

"That means we are likely three years out from constructing the community under normal circumstances," Shattuck said. "It may be possible to accelerate that timeline to accommodate a major employer if the opportunity arises. We would obviously work with the county to do everything possible to do so."

Sutter County Administrator Scott Mitnick said it's the county's role to ensure that the development is good quality and well thought-out.

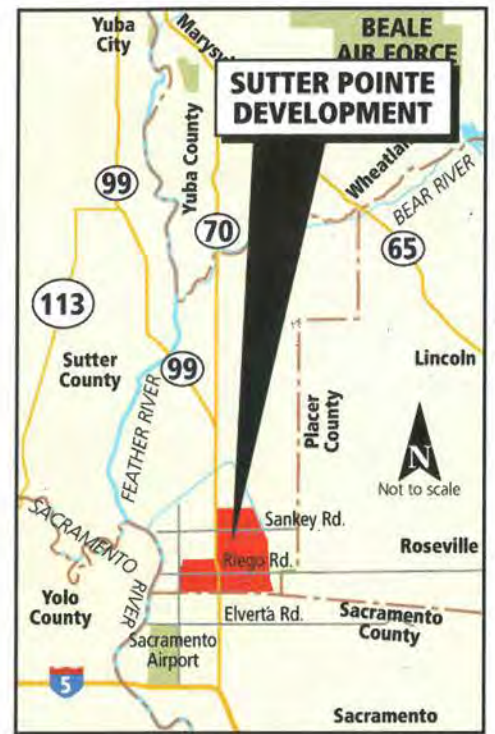
"The voters endorsed the project at

the ballot box, so the will of the people was articulated through that vote," Mitnick said. "We have an obligation to ensure a well-thought-out development and that it's done in an orderly fashion, and hopefully not repeat many of the land-use mistakes that are prevalent throughout the Sacramento region."

He said that the development will bring "incredible" potential to significantly improve quality of life, while protecting the remaining 90 percent of the county zoned for agricultural and open space use.

The development will be within a 10-minute drive to downtown Sacramento, a 5-minute drive to the airport and will add land value and opportunity to the region.

"Sutter Pointe will be the rising tide that lifts all boats in the county in terms of creating jobs, opportunity and prosperity," Mitnick said.



Appeal-Democrat

COMMUNITY VISION

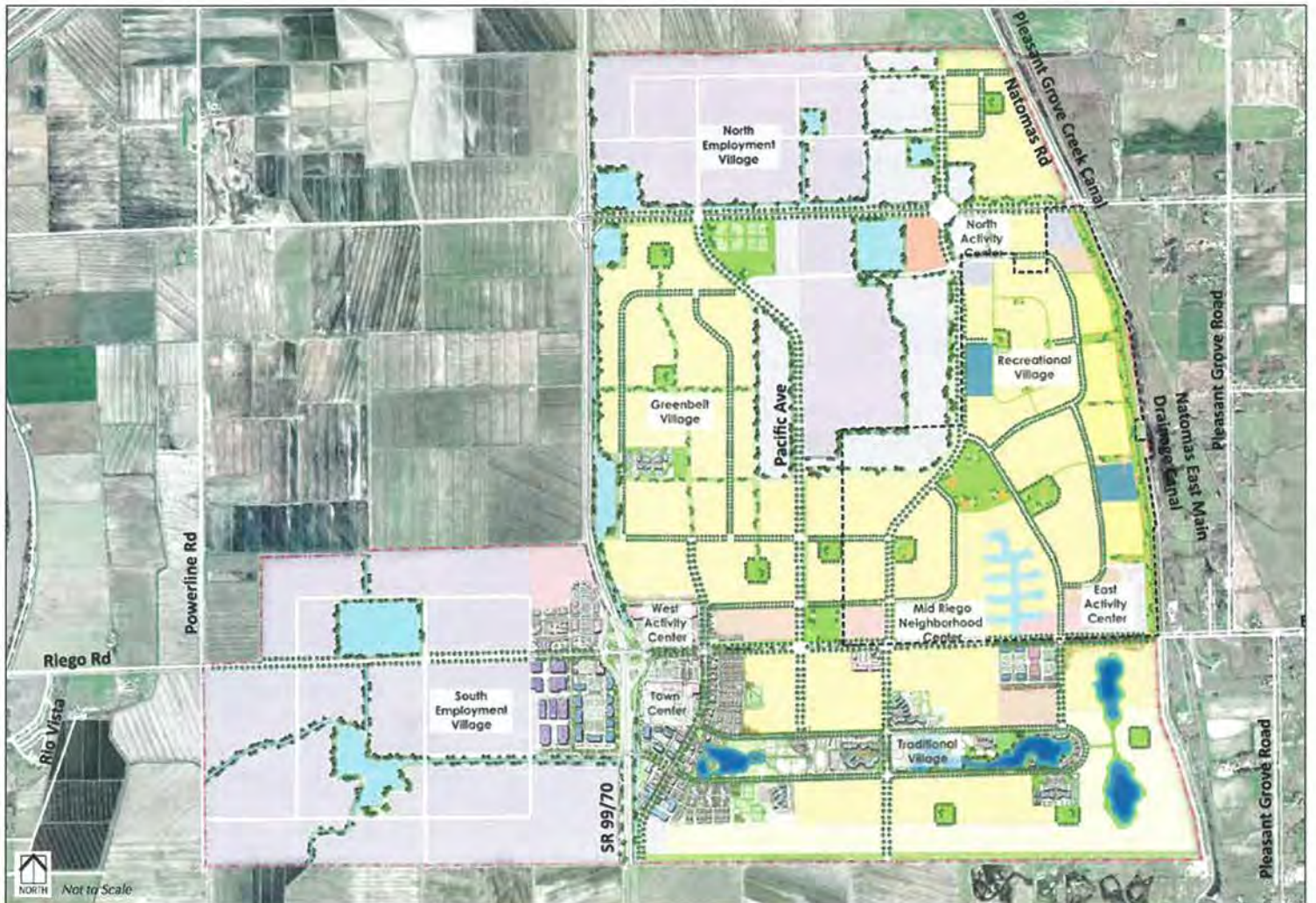
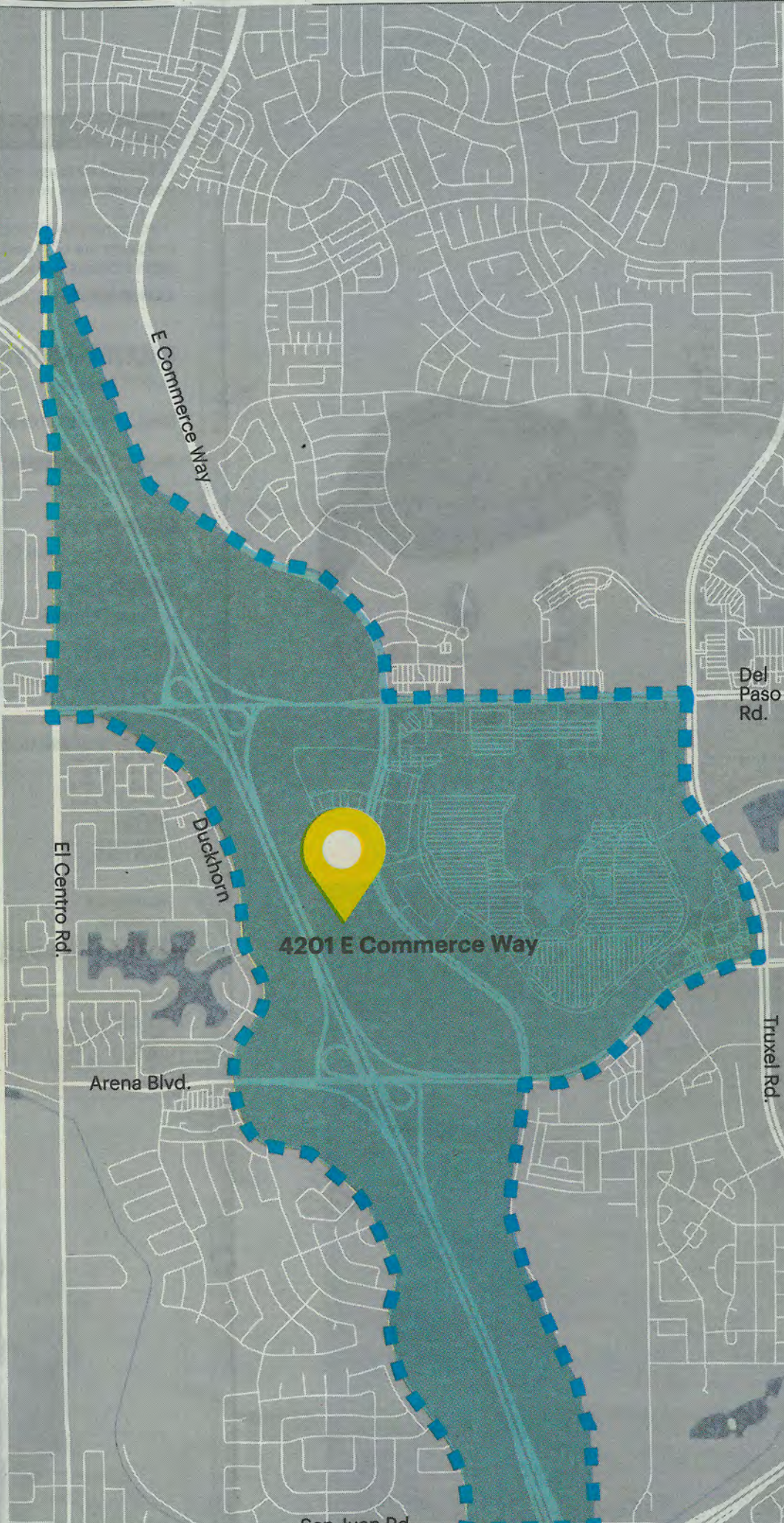


Exhibit 2.1: Illustrative Concept Plan



POSSIBLE DEVELOPMENT AREA

The areas outlined on the map indicate where Centene and city officials believe the company could establish its campus. City development records indicate an initial inquiry from an unidentified applicant to develop property at 4201 E. Commerce Way (shown below). The parcel associated with that address is only about 27 acres. The inquiry, however, indicates an eventual development of 1.25 million square feet of office space on nearly 70 acres, potentially meeting Centene's needs.

JOBS AND INCENTIVES SURROUNDING THE DEAL

- 5,000**
Estimated number of jobs Centene could bring to the city of Sacramento
- 3,000**
Estimated number of jobs currently in the region that city officials say might leave if Centene did not choose Sacramento
- \$13,500,000**
Total value of incentives
- \$9,000**
Incentive amount the city will pay Centene for every net new job it creates (up to 1,500 jobs)

SOURCE: CITY OF SACRAMENTO



Y-S joins regional push for second Amazon HQ

By Rachel Rosenbaum
rosenbaum@appeal-democrat.com

Yuba-Sutter got in on the frenzy of proposals by communities across the nation bidding to host e-commerce giant Amazon's second headquarters.

The Greater Sacramento Economic Council submitted

a proposal to Amazon with 12 potential sites listed, including Sutter Pointe in Sutter County. Yuba and Sutter counties are represented by local officials serving on the council's board of directors.

Sutter Pointe is a 7,500-acre development in south Sutter County that could host 17,500

homes and draw almost 50,000 residents. Construction on the project hasn't yet started, although work on infrastructure has.

Yuba City's Darin Gale, economic growth and public affairs official, attended the Sacramento press conference for the proposal at Golden 1 Center

on Oct. 18. He said developers believe the site could be ready by the first phase deadline.

"We believe the Sacramento region has the best application for Amazon," Gale said Monday. "We have the best sites, the best workforce for them, and the community amenities

Turn to **AMAZON** / 2

AMAZON:

From 1 they're looking for."

Gale said that even if Sutter Pointe isn't the chosen site for the second headquarters, Yuba-Sutter will support other sites on the proposal, as the move would benefit the region as a whole. The headquarters is expected to create as many as 50,000 full-time jobs with an average annual compensation exceeding \$100,000 per employee, according to Amazon's website.

The ideal site would be within a 45-minute drive to an international airport; would be no more than one or two miles from major highways; would have access to mass transit; would have 50,000 square feet or more by the first phase in 2019; and up to 8,000,000 square feet beyond 2027, according to the project's request for proposals.

The request also states that the project could bring more than \$5 billion in capital investment over the first 15 to 17 years.

"We are extremely happy to be included in the Greater Sacramento Economic Development Council's proposal for Amazon HQ2," said Brynda Stranix, Yuba-Sutter Economic Development Corp. president.

"We believe the site in Sutter Pointe is ideal to meet their long-term growth projections and will afford Amazon the space and transportation access they might not find in other areas. No matter where in the region Amazon would choose would be a great benefit to the region's employment and residential growth and overall wealth creation."

The GSEC proposal boasts the 15 daily, non-stop flights to Seattle at the Sacramento airport, and driving distance proximity to the Bay Area in its submission. It also highlighted recreational opportunities like Lake Tahoe, Napa and the American River, as well as "top tier" education and "broad selection of affordable housing."

Locations on the application included sites in Roseville, Sacramento and Elk Grove, Gale said.

Local representatives on the GSEC board include Yuba City Vice Mayor Pret Dibal, Sutter County Supervisor Dan Flores and Yuba County Supervisor Mike Leahy.

**SACRAMENTO COUNTY PLANNING COMMISSION
LEGAL NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a Public Hearing will be held before the County Planning Commission for the purpose of considering the following request, pursuant to provisions of Ordinance No. SZC 15-0003, for the following described property.

RECEIVED

ASSESSOR'S PARCEL NO(s): Various

LOCATION: Sacramento International Airport

PROJECT NAME: Sacramento International Airport Land Use Compatibility Plan

Applicant:

Sacramento County Office of Planning and
Environmental Review (PER)
827 7th Street, Room 225
Sacramento, CA, 95758
Contact: Tim Kohaya

Details of Request:

A General Plan Amendment to incorporate the Sacramento International Airport Land Use Compatibility Plan (ALUCP) into the County General Plan Land Use Element and Noise Element, as well as incorporate the corresponding safety zones and noise contours into the General Plan Land Use Diagram.

ENVIRONMENTAL DOCUMENT: NEGATIVE DECLARATION

HEARING DATE: October 23, 2017 at 5:30 PM

If you challenge the Commission's action on the above-referenced request(s) in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the County Planning Commission at, or prior to, the public hearing.

The hearing will be held in Room 1450 of the County Administration Building, 700 "H" Street, Sacramento, CA. All persons interested are invited to attend and be heard.

FLORENCE EVANS, Clerk
County Planning Commission

For information regarding the Planning Department's recommendation, call (916) 874-6141.

**AGENDAS AND RELATED MATERIALS MAY BE VIEWED PRIOR TO THE
MEETING AT <http://www.agendanet.saccounty.net/sirepub/meetresults.aspx?intpage=ccpc>
<http://www.planningdocuments.saccounty.net/>**



COUNTY OF SUTTER...*established 1850*

RECEIVED

Donna M. Johnston

County Clerk-Recorder – Registrar of Voters – Clerk of the Board of Supervisors

NOTICE OF PUBLIC HEARING

Notice is given that at **3:00 p.m. on Tuesday, October 24, 2017**, in the **Sutter County Supervisors Chambers, Hall of Records Building, 466 Second Street, Yuba City, CA**, the Sutter County Board of Supervisors will hold a public hearing on the following:

Authorize reduced Williamson Act contract terms of nine (9) years including a related reduction of property tax benefits, to be effective beginning calendar year 2018.

If you are unable to attend the public hearing, you may direct written comments to the Clerk of the Board, 1160 Civic Center Blvd., Suite A, Yuba City, CA 95993. Copies of the staff report and supporting materials will be available for public review or purchase at the Office of the Clerk of the Board, beginning at 12:00 Noon on the Friday before the meeting. All interested parties are invited to attend and express their opinions or provide written comments before the hearing. If you challenge a proposed project in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

DONNA M. JOHNSTON, CLERK-RECORDER
by: Alicia Draves, Deputy

Clerk-Recorder
433 Second Street
Yuba City, CA 95991
Tel: (530) 822-7134
Fax: (530) 822-7214

Clerk of the Board of Supervisors
1160 Civic Center Blvd. Suite A
Yuba City, CA 95993
Tel: (530) 822-7106
Fax: (530) 822-7103

Registrar of Voters
1435 Veteran Memorial Circle
Yuba City, CA 95993
Tel: (530) 822-7122
Fax: (530) 822-7587



COUNTY OF SUTTER... established 1850

RECEIVED

Donna M. Johnston

County Clerk-Recorder – Registrar of Voters – Clerk of the Board of Supervisors

Notice is given that at **3:00 p.m. on Tuesday, October 10, 2017**, in the **Sutter County Supervisors Chambers, Hall of Records Building, 466 Second Street, Yuba City, CA**, the Sutter County Board of Supervisors will hold a public hearing on the following:

Authorize reduced Williamson Act contract terms of nine (9) years including a related reduction of property tax benefits, to be effective beginning calendar year 2018.

If you require special accommodations to participate in the public hearing, please contact the Clerk of the Board at (530) 822-7106.

Copies of the staff report and supporting materials will be available for public review or purchase at the Office of the Clerk of the Board, 1160 Civic Center Boulevard, Suite A, Yuba City, CA, beginning at 12:00 Noon on the Friday before the meeting. All interested parties are invited to attend and express their opinions or provide written comments before the hearing. If you challenge the proposed project in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

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