

PERC State Incentive Outline

<u>Monetary Incentives Starting Base</u>	<u>Area</u>	<u>Early Contract Termination Penalties</u>	<u>Permanent Retirement Option</u>	<u>Administrative Fee for Modifications to Contract</u>
<p style="text-align: center;">Land Value Based Ranking (Amount added to the existing CREP program)</p> <ol style="list-style-type: none"> 1. Use values of land based on approximately 20% of the FSA defined values used for CREP. 2. Then adjust the 20% value based on temporal aquifer response zones to the Snake River based on the following: <ul style="list-style-type: none"> ▪ 0-10 miles = 130% ▪ 10-20 miles = 120% ▪ 20-30 miles = 110% ▪ Greater than 30 miles = 100% (or no adjustment) <p>Example only (actual values are pending):</p> <ol style="list-style-type: none"> 1. FSA land value = \$130/acre 2. \$130 x 20% = \$26/acre PERC 3. Location is 25 miles from river so 10% adjustment - \$26 x 110% = \$28.6 is the final payment. 	<ul style="list-style-type: none"> ▪ All lands within the Eastern Snake Plain Aquifer (ESPA). ▪ Only total CREP application acreages larger than 5 acres qualify. 	<p>Year 1 – 2 times what the *Federal penalty is.</p> <p>Year 2 and subsequent years - same or equal to the Federal penalty is.</p> <p>*for an explanation of the Federal Penalty see second page.</p>	<p>At the end of the contract the State may exercise the option to buy the water right based on an appraised value.</p>	<p>If the applicant decides to change or modify an existing contract then an administrative processing fee will be charged in the amount of \$500 for each modification.</p>

*FEDERAL PENALTY FOR EARLY WITHDRAWAL FROM CREP (from Sherrie Brooks USDA)

Liquidated damages are calculated using 25% of the estimated first year's annual rental payment if terminated after COC approval. On top of that if they received any cost shares. They have to refund those plus interest from the time the cost share payment was made. Plus any annual rent payment made plus interest from the time the annual rental payments were made. Plus they have to refund the SIP payment to Lynn Tominaga that he might have given through the State.