

RESOLUTION NO. 2023-10

RESOLUTION APPROPRIATING EXPENDITURE OF FUNDS IN THE LIGHT AND POWER (L&P) DEPARTMENT FOR PAYMENT OF A \$6 MILLION DEPOSIT TO BONNEVILLE POWER ADMINISTRATION (BPA) FOR PRELIMINARY ENGINEERING ACTIVITIES FOR A PROPOSED DATA CENTER

WHEREAS, the Local Budget Law (ORS 294.338(3)) allows the expenditure of a request for services or facilities that will be paid by another entity, the government may appropriate for that purpose by resolution or ordinance to the extent that non-property funds are available for the expenditure without going through a formal supplemental budget process; and

WHEREAS, Rowan Green Data LLC (Rowan) is planning on building a data center that will use up to 150 megawatts (MW) of power; and

WHEREAS, the electric system will need to be upgraded and BPA is requiring a \$6 million deposit to do the preliminary engineering activities for the system upgrade from the City; and

WHEREAS, the Rowan is paying the \$6 million to the City who will then pay those funds to BPA; and

WHEREAS, the expenditure of the payment to BPA needs to be appropriated so the payment can be made.

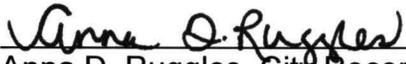
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. In the Light & Power Fund, Reimbursements Revenue (6104143 4800) is increased by \$6,000,000 and the appropriations expenditure account titled Professional Services (6104143 6305) is increased by \$6,000,000 for the payment of the deposit to BPA. Total Light & Fund Power Fund Appropriations are increased to \$30,198,100.

Section 2. Council authorizes that the payment to BPA is not to be made until after the receipt of the funds from Rowan.

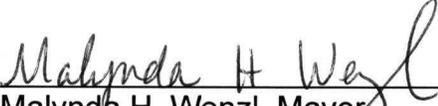
Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 20th day of March, 2023.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 20th day of March, 2023.



Malynda H. Wenzl, Mayor



A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>F. 3.</u>
MEETING DATE:	<u>03/20/2023</u>
FINAL ACTION:	<u>RESO 2023-10</u>

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *March 20, 2023*

PROJECT TEAM: Paul Downey, Assistant City Manager/Finance Director
Keith Hormann, Light & Power Director

SUBJECT TITLE: *Resolution to Appropriate of Funds to Pay Bonneville Power Administration (BPA) Deposit Funds*

ACTION REQUESTED:

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	Resolution	<input type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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X all that apply

ISSUE STATEMENT:

Rowan Green Data LLC (Rowan) is in the planning process to build a data center that will use up to 150 megawatts (MW) of electricity. Currently the electric system needs to be expanded to get that amount of power to Forest Grove. BPA is going to do preliminary engineering activities related to the system expansion and is requiring a \$6 million deposit for their work. The City is BPA’s customer so the City must contract for the work with BPA and pay the \$6 million deposit to BPA. Rowan is Forest Grove’s customer and will provide the \$6 million to the City to pay to BPA. The Council needs to appropriate the funds in the City’s Budget so the City has the legal authority to pay these funds to BPA. Staff has prepared a resolution for Council consideration to appropriate budget authority to make the payment to BPA.

BACKGROUND:

Rowan has purchased the former Woodfold property along Oak Street and Highway 47 to build a data center that will use up to 150 MW of electricity. To meet these power needs, BPA will need to upgrade its transmission lines to Forest Grove and build a separate substation that will be located on Rowan’s property. BPA is ready to commence the preliminary engineering activities to do that system expansion and is requiring a \$6 million deposit payment from the City who must contract with BPA as BPA will only sign the contract for this work with its customer. The City is completing an agreement with BPA for the scope of the work to be performed. The City will pay those funds to BPA only after the City receives the funds from Rowan. The City is completing an agreement with Rowan to guarantee that Rowan will pay the \$6 million deposit and to protect the City from any contract risks with respect to this work.

Approval of this resolution to appropriate the expenditure of these funds does not mean the City is approving this project. Before the data center project can be constructed, the project will have to go through all required land-use approval processes. The action being taken today permits the City to pay BPA the \$6 million deposit once it is received from Rowan. If the City does not receive the deposit from Rowan, then all agreements will be null and void.

FISCAL IMPACT

There is no fiscal impact to the City as the funds to pay BPA are being provided to the City by Rowan. If the project costs less than \$6 million, the City will refund to Rowan any portion of the deposit refunded by BPA. If the project costs more than \$6 million, then Rowan is required to pay the additional costs.

RECOMMENDATION

Staff recommends the City Council approve the attached resolution.

ATTACHMENTS

Resolution