



City Council Study Session Minutes

December 8, 2025 6:00 PM

Council Chambers - 111 E. Maple Ave.

PRESENTATIONS

1. Mid-Continent Library's Plan for the Property at 111 E. Maple Ave.

Aaron Mason, Library Director and CEO of the Mid-Continent Library, gave this presentation. In 2024, the Mid-Continent Library did a study on their current location to see what it would take to keep it running for the next several years. It was decided by the Board of Trustees to research a ground-up decision. The opportunity of coming to Independence Square came up. This location would keep them centrally located within the district and would be embedded in the community and publicly accessible.

One concern expressed by community members was the frequency of deliveries. Semi-truck deliveries will occur 1-2 times per week. This will not create any obstacles or blocking of traffic and will essentially be unnoticed.

The other concern is the Sister City garden. They intend to work with the city to relocate the garden, but keep it near the new building.

James Pfeiffer, architect and Josh Harrell, both with BIM gave a presentation of the proposed layout of the new building.

2. Eastgate Development Update

This item was presented by Assistant City Manager Charlie Dissell.

This is an overview of a proposed data center to be located in the Eastgate Commerce Center.

Overview

- Proposed Neibus Data Center Campus

- Independence Power Partners
- Power Purchase & Energy Service Agreements
- Next Steps

Proposed Nebius Data Center Campus

Project Scope

- Nebius intends to develop a state-of-the-art data center campus comprising up to 10 buildings.
- The total planned footprint is approximately 2.5 million square feet.
- Development will occur in phased stages over a 3- to 5-year period.
- Construction is anticipated to begin in early-2026.

Infrastructure & Capacity

- The campus will be equipped to support at least 800 megawatts of data center operations.
- Key infrastructure components will include:
- High-performance data servers
- Advanced mechanical, electrical, and plumbing (MEP) systems
- Robust HVAC systems designed for high-efficiency cooling and environmental control

About Nebius

- Nebius is a global, NASDAQ-listed company developing nextgeneration cloud for the age of AI.
- Leading clients include Microsoft, Meta, Shopify, and others.
- In addition to its AI infrastructure business, Nebius operates:
- TripleTen – a coding bootcamp initiative which has been deployed in Independence.
- At its AI factory locations across Europe, Israel, and the U.S., Nebius focuses on building efficient, intelligent, and resilient digital infrastructure.

This includes:

- Sustainable operations with closed-loop water systems
- Energy-efficient cooling strategies to minimize environmental impact
- Nebius is committed to being a long-term community partner, aligning its investments with local priorities. In Independence, the company is focused on transparency, collaboration, and trust-building, with a goal of being a good neighbor through meaningful partnerships and community investments.
- Nebius closed on 398 Acres on Friday, December 5
- Generally located NE of the intersection of Little Blue Parkway and Missouri 78 Highway.

Proposed Campus

Core Principles of Community Engagement

- Nebius begins by listening first, understanding local priorities, and tailoring investments to meet community needs.
- Focus areas include education and community wellbeing, with support for:
- Independence and Fort Osage School Districts
- Metropolitan Community College (MCC)
- Mid-Continent Public Library system
- Commitment to authentic, transparent engagement, with investments that meet or exceed expectations.

- A Community Engagement Panel will be launched as the project nears final approval to:
- Provide updates on progress
- Identify areas of community need
- Facilitate two-way communication with residents and leaders

Education: Areas of Focus

- K–12 Initiatives • Science, Technology, Engineering, and Mathematics (STEM) enrichment, hands-on learning, and teacher development.
- Sponsorship of robotics programs and maker spaces.
- AI literacy programs for students.
- Trades & Workforce Development
- Support for apprenticeship programs in digital infrastructure.
- Donations of tools, simulators, and lab equipment aligned with industry standards.
- Metropolitan Community College (MCC)
- Partnership to expand access to TripleTen curriculum.
- Hands-on training for adults entering high-demand AI and tech careers.

Community Wellbeing: Areas of Focus

- Safety
- Support for first responders through training, equipment, and preparedness initiatives.
- Volunteerism
- Employee Volunteer Program to organize service days and nonprofit partnerships.
- Conservation
- Watershed stewardship, cleanup efforts, and sustainable management.
- Employee engagement in environmental initiatives.

Water Usage & Cooling Efficiency

- Closed-Loop Cooling System
- Utilizes a sealed piping system where a fixed volume of fluid circulates continuously.
- Minimizes water consumption by avoiding evaporation losses common in traditional open-loop systems.
- Supports Nebius' commitment to sustainable infrastructure and reduced environmental impact.
- City Water Capacity
- Average daily water production: ~28 million gallons
- Maximum production capacity: ~48 million gallons per day
- The project's water use is expected to be well within the City's existing capacity.

Capital Expenditure

- \$6.6 billion – Land acquisition and site improvements
- \$10s of billion – Initial equipment investment
- Equipment refresh projected every 5 years Impacted Taxing Jurisdictions
- Independence School District
- Fort Osage School District
- Mid-Continent Public Library
- Jackson County

- Metropolitan Community College
- City of Independence

Independence Power Partners

Power Generation & Site Development

- Independence Power Partners (IPP) will lease approximately 91 acres at the City's retired Blue Valley Power Plant site.
- The project will be developed in two phases:
- Phase 1: Construction of a natural gas-fueled power generation facility with an estimated capacity of 225 megawatts, utilizing 15 turbines.
- Phase 2: Expansion to a total generation capacity of approximately 800 megawatts. Incentives & Tax Structure
- A Chapter 100 Plan was approved by the City Council on December 1, 2025.
- The project is approved for a 100% tax abatement.
- Any taxes that would have been collected would have been passed through to IPL via power purchase agreements.

Power Purchase and Energy Service Agreements

Power Purchase Agreement (PPA)

- A long-term contract between Independence Power & Light (IPL) and the Independence Power Partners (IPP) to purchase electricity capacity and energy at a predetermined price over a fixed term. Energy Service Agreement (ESA)
- A long-term agreement between IPL and Nebius to deliver energy at a set pricing structure for a defined period. City Council Actions
- November 17, 2025: Executive Session held to review proposed agreements
- November 24, 2025: Authorization granted for execution of PPA and ESA
- December 5, 2025:
 - o Separate PPAs for Phase 1 and Phase 2 executed with the IPP
 - o ESA executed with Nebius

Executive Session Justification

- Legal Basis: Under RSMo. § 610.021, a public governmental body is authorized to close meetings, records, and votes when they pertain to:
 - "Sealed bids and related documents, until the bids are opened; and sealed proposals and related documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected."

Application to This Project:

- The City was simultaneously negotiating the purchase of power capacity from one entity (IPP) and the sale of power capacity to another (Nebius).
- Public disclosure during negotiations could have compromised the City's position and resulted in higher costs.
- Therefore, discussions were appropriately held in Executive Session to protect the integrity and financial interests of the City.

Will This Raise Everyone's Electric Rates?

- No — the project is structured to protect existing customers.
- Pass-Through Pricing Model:
 - Ensures that Nebius bears the full cost of its energy use. Other IPL customers are not impacted, regardless of fluctuations in the Southwest Power Pool (SPP) wholesale market.
- Demand-Based Pricing:
 - Rates are designed to fully recover IPL's cost to serve Nebius, including future cost increases.
- No City or IPL Debt:
 - The project is privately financed. The City and IPL will not incur any debt obligations.
- Future Ownership Opportunity:
 - At the end of the initial 20-year term, the City will have the option to purchase the power plant or extend the agreement.

Risk Mitigation Measures

- Phase 2 Transmission Cost Controls: Includes stop-gate pricing—if costs exceed projections, the City may renegotiate or cancel Phase 2 without penalties.
- Force Majeure Protections: Both the PPA and ESA include provisions for unforeseeable events (e.g., natural disasters, grid emergencies) that may delay or prevent performance.
- Market Revenue Disclaimer: No guarantees are made regarding participation in energy markets.

Any revenues from market operations are treated as bonus income, not factored into base cost recovery.

- Performance Guarantee: Nebius is required to provide a performance guarantee to protect the City in the event of bankruptcy or business closure.
- Prepaid Billing Structure: Monthly bills are prepaid, with an end-of-month true-up to reconcile actual usage and costs.
- Grid Event Liability: IPL and the City are held harmless if the SPP mandates load reductions that impact Nebius operations.
- Accountability for Delays: IPP is responsible for meeting project deadlines and must fulfill SPP energy and capacity requirements if delays occur.

Payments in Lieu of Taxes (PILOTs) to the City

- Phase 1: \$10 million – \$15 million
- Phase 2: \$25 million – \$40 million
- Total Annual PILOTs: \$35 million – \$55 million IPL Net Annual Revenue
- Phase 1: \$10 million – \$15 million
- Phase 2: \$25 million – \$40 million
- Total Annual Net Revenue: \$35 million – \$55 million

Next Steps/Project Approvals & Oversight

- City Council Actions
 - Approval of Chapter 100 Plan for Nebius Datacenter
 - Bly Road Relocation (Right-of-Way Vacation)
- Public Engagement
 - Public Meeting(s) hosted by Nebius and/or Public Utilities Advisory Board (PUAB)
 - Formation of a Community Engagement Panel (led by Nebius)

- Administrative Approvals
- Minor Subdivision approval
- Bly Road Relocation (Right-of-Way Dedication)
- Site Plan & Engineering Review
- Building Permit Issuance

3. Expansion of Dogwood Plant Update

This item was presented by Joe Hegendeffner, Director of IPL

Dogwood Plant

- Dogwood is a combined-cycle natural gas generation plant built in 2002 and located in Pleasant Hill, MO
- 2 X 2 X 1, meaning 2 combustion turbines, 2 heat recovery steam units (HRSG) and 1 steam turbine
- Capable of generating 675MW of energy

IPL and Dogwood

- In 2012 IPL agreed to purchase 12.3% of the Dogwood Energy Center (80.75MW)
- Dogwood is majority owned by municipal utility organizations like IPL
- Assets are operated and maintained under further agreements (Dogwood Power Management DPM and NAES)

Vision for Dogwood

- Dogwood Energy facility was built with the intention of expansion
- The owner at the time, Calpine, went bankrupt, and sold the assets to an owner group
- Due to the capacity market at the time, expansion plans were never pursued
- Current capacity markets make exploring this option favorable
- Early this year the owners agreed to initiate a feasibility study with an engineering firm
- Things to consider were:
 - Fuel
 - Water
 - Land
 - Electrical Connection

Where are we now?

- Engineering studies are underway to understand project cost
- Owners group agreed to limit study to 2 simple cycle combustion turbines, total project rating of 500-520MW

- This will give IPL 61.5-64MW of capacity and energy

What is next:

- Timeline estimates
 - Engineering evaluation and financial predictions
- Now - 2027
 - Enter Southwest Power Generator Interconnection Study
- Late 2026 - early 2027
 - Order equipment and beginning of significant spend
- 2027
 - Project online
- 2032

INFORMATION ONLY

1. **Please Note:** In accordance with RSMo. 610.021, the City Council may convene in a Closed Executive Session during or after the meeting, on matters of litigation, legal action, and/or attorney client communications, as permitted by Sec. 610.021(1), on matters of personnel, as permitted by Sec. 610.021(3) and personnel records, as permitted by 610.021(13), on matters of contracts, as permitted by 610.021(12), on matters of real estate, as permitted by 610.021(2) and/or matters of labor negotiations, as permitted by 610.021(9).