

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: A Resolution authorizing a development agreement between Midwest Power Investors, LLC and the City of Rochelle

Staff Contact: Sam Tesreau, Interim City Manager

Summary:

Since the beginning of 2025 the former City Manager, City Attorney and staff have been working on a development agreement for a potential data center located north of Steward Road, west of the BNSF RR and south of I-88. Subsequently on March 3, 2025 City Council approved an amendment to the Zoning ordinance to define and further allow a Data Center in an I1, I2 and I3 zoning district. After months of developing said agreement, City and RMU staff along with the City attorney and the developer held a public informational meeting in November 2025 to discuss the proposed project. In February 2026 City and RMU staff presented the draft agreement as a City council discussion item with a follow-up business action item to occur in the near future.

Summary items of the agreement are as follows:

Phase I

- Construction of Phase I Electrical Improvements, including substation upgrades, dedicated feeder, primary metering (City constructs and paid by Midwest)
- Midwest funds all Phase I Electrical work up to \$4.1M Cap and overages if they occur
- Midwest must purchase all electricity for Phase I from City until costs are recovered
- City must make up to 48 MW available upon completion of the improvements
- Midwest funds all Phase I water and sewer infrastructure estimated at \$2.8M with surety being required before construction begins. Up to 50,000 GPD to the subject site along with fiber optic service.
- Midwest funds all roadway improvements to Steward Road, along property frontage, including design, planning, widening, drainage, lighting, ROW and easements plus escrow or surety at 110% of approved estimated costs
- Phase I impact fee is \$50,000 due when 48 MW power is available to the site

Phase II

- Midwest may expand facility capacity to an additional 100 MWs which will require a tripartite agreement with MW, City and ComEd

Phase III

- Midwest may expand facility capacity beyond 150 MWs which will require a tripartite agreement with MW, City and ComEd

Additional site development conditions

- City has reasonable approval over the appearance of the development as well as suppression measures to reduce sound that are generated from the subject property
- Midwest shall not construct a data center storage facility on the portion of the subject property lying north of I88 for Phase I, II or III
- RMU has incorporated conditions that all increases in capacity charges, NITS charges, Transmission charges, above our current levels, will be the responsibility of the developer and DC occupants.

City/RMU benefits

- expanded infrastructure along Steward Road including electrical upgrades, water and sewer extensions, roadway and pedestrian path improvements
- Additional revenue to RMU in excess of \$1M and the UTF of about \$400K annually.
- Additional property tax to the community taxing bodies even if the EZ is abated.
- Additional revenue will help defray costs associated with RMU Integrated Resource Plan to be completed over the next 12 months.

Revenue Sources:

Source:	Budgeted Amount:	Proposed Expenditure
N/A	N/A	N/A

Strategic Goal Application:

Community and Economic Development

Recommendation:

Consider approval of a Resolution authorizing a development agreement between Midwest Power Investors, LLC and the City of Rochelle