

Mayor Bart Castleberry  
Clerk/Treasurer Denise Hurd  
City Attorney Charles Finkenbinder



**City Council Members**

Ward 1 Position 1 – Andy Hawkins  
Ward 1 Position 2 – David Grimes  
Ward 2 Position 1 – Drew Spurgers  
Ward 2 Position 2 – Shelley Mehl  
Ward 3 Position 1 – Mark Ledbetter  
Ward 3 Position 2 – Spencer Hawks  
Ward 4 Position 1 – Theodore Jones Jr.  
Ward 4 Position 2 – Shelia Isby

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**Tuesday, April 1<sup>st</sup>, 2025 SPECIAL City Council Agenda @ 5pm**  
Conway Municipal Building, City Council Chambers

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**5:00pm Committee:** Special City Council Meeting  
**Call to Order:** Bart Castleberry, Mayor  
**Roll Call:** Denise Hurd, Clerk/Treasurer

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**A. Economic Development Committee (Conway Area Chamber of Commerce, Conway Development Corporation, Conway Downtown Partnership, & Conway Corporation)**

1. Consideration to approve a memorandum of understanding for a special economic development project.

***Adjournment***

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DISCLOSURE REQUESTS\*\****

**MEMORANDUM OF UNDERSTANDING**

I. Project Overview

Forgelight Ventures, LLC (the “Company”) is evaluating the City of Conway (“City”) for a prospective site (the “Site”) that would allow for the construction of an approximately 300,000 square foot data center building (“Data Center”), ancillary support buildings, and infrastructure (collectively with the Data Center, the “Project”). The Company anticipates the investment to construct and equip the Project will be approximately \$1,000,000,000. Approximately 50 new high-quality jobs will be created as a result of the Project. If the right economic, business, and market conditions exist, it is possible the Company will construct one or more additional data center buildings on the Site which will be covered by the terms of this MOU.

II. Annual Company Contribution

- a. In addition to the annual payment of unabated real and personal property taxes or payments in lieu thereof (“Property Taxes”), the Company shall make an annual payment to the Conway Foundation (“Foundation”), a 501c3 recognized organization, as further defined in Appendix A (“Regional Investment Contribution”). The Foundation agrees to utilize the Regional Investment Contribution it receives for initiatives that align with the Company’s core values and the community’s strategic plans including the City of Conway’s Citizen Survey, Conway2035, Conway2025, and subsequent similar community-wide planning efforts. Upon written request from the Company, the Conway Foundation will provide documentation substantiating that the Regional Investment Contributions have been disbursed in accordance with this subsection.
- b. The first Regional Investment Contribution shall be paid by the Company within sixty (60) days after the issuance of the certificate of occupancy for the initial Data Center and shall then be due annually by March 31<sup>st</sup> beginning the following calendar year. The last year of the Regional Investment Contribution shall be the last year the Data Center is subject to a Property Tax Abatement (defined below).
- c. Shall the Foundation cease to exist or maintain 501c3 status, the City and the Company shall jointly identify a local 501c3 that meets the Company’s 501c3 compliance standards to receive the Regional Investment Contribution under the original terms identified in this section.

III. City Commitments:

- a. The City agrees to the following:
  - i. The City agrees to support, including through future legislative and administrative actions consistent herewith, a net real and personal property tax abatement of at least 65% for 30 years (the “Property Tax Abatement”) for the Data Center and each additional data center building and any

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ancillary buildings constructed. The City agrees that in light of the build-out and equipping periods for hyperscale data center projects and the dynamic nature of the hyperscale data center market, the bond structures used to provide the Property Tax Abatement will be broad and flexible (e.g., build-out and equipping periods of at least thirty years; maximum investment levels of no more than \$10,000,000,000 for real property and \$50,000,000,000 for personal property.) The City agrees that if the Company does not receive the Property Tax Abatement for any statutorily eligible portion of its investment in connection with the Project or any additional data center building as a result of an action or omission by the City, the Company will have no further Regional Investment Contribution obligations (for the avoidance of doubt, in such a circumstance the Company shall continue to be entitled to the Property Tax Abatement notwithstanding the relief it shall be provided from the Company Contribution obligations).

- ii. The City will not increase its permit or administrative fees pertaining to construction of the Project or any additional Company data center building, as currently established, in an amount greater than the increase in the Consumer Price Index.
- iii. The Company will pay the City's franchise fee of 4.25% on billing for water services, most recently amended in Ordinance No. 0-14-100, for the Project's domestic water usage. The Project's cooling water usage, currently contemplated to be served via treated a future effluent solution from the Tupelo Bayou Wastewater Treatment Plant agreeable by all parties, will not be subject to the aforementioned franchise fee.
- iv. The Company will pay the City's 4.25% franchise fee on billing for wastewater services, most recently amended in Ordinance No. 0-14-100, for the Project's domestic wastewater discharge. The Project's non-contact cooling water blowdown will not be subject to the aforementioned franchise fee.
- v. The City and Conway Corporation will not discriminate in utility charges, and will work with the Company to establish rates for cooling water usage based on a third party rate study, which rates will be codified in an Ordinance in a timely manner.
- vi. The Company will pay the City's 2.5% franchise fee, currently set forth in Ordinance No. O-05-163 (the "Medium Voltage Electric Franchise Fee"), for the Project's medium-voltage power usage, taken via 13.8kV service provided by Conway Corporation. High voltage power service will not be subject to this Medium Voltage Electric Franchise Fee. This Medium Voltage Electric Franchise Fee will be in effect throughout the Property Tax Abatement Period.

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- vii. The City will establish an ordinance agreeable to both the City and to Entergy Arkansas to establish a 0.75% franchise fee for the Project's high voltage electricity usage ("High Voltage Electric Franchise Fee"), which shall be incurred on all power usage taken via 230kV service and up. This High Voltage Electric Franchise Fee shall be in effect throughout the Property Tax Abatement Period and, except for the fees described in Section III(a)(ii) above, shall (ii) exempt the Company directly or indirectly from any other franchise fees, business license fees and permit fees.
- viii. Aside from the Franchise Fees outlined above, the City will not impose any other City franchise, excise, license, permit, or other fees, taxes or assessments, directly or indirectly related to the Company's use of electricity, water, or wastewater. The fees listed in this agreement shall represent all City franchise fees, business license fees, permit fees for the Project. The City fee rates listed in this agreement shall represent the maximum rates applied throughout the property tax abatement period.
- ix. The City agrees not to discriminate against the Project or any additional Company data center buildings by adopting special assessments, taxes, fees or charges that target or impair the Project or any additional Company data center buildings, and to the extent the nature or scope of the Project or any additional Company data center buildings cause any special assessments, taxes, fees or charges to be disproportionate to the costs imposed on the City as a result thereof, the City will reduce those special assessments, taxes, fees or charges to align them with the costs imposed on the City as a result thereof.
- x. Upon termination of the Property Tax Abatement period, if the relevant parties do not execute a separate agreement, the Company shall be subject to non-discriminatory city fees, rates, and taxes.

IV. Infrastructure:

- a. Conway Corporation and the Company will continue to cooperate on the necessary water, wastewater, sewer, fiber optic, medium voltage power capacity and other infrastructure needed to support the Project or potential additional data center facilities. Conway Corporation's participation in this Agreement shall not obligate Conway Corporation nor the Company to participate in any project, development, or further action related to or resulting from this agreement. Any such obligation may be documented in one or more separate MOUs, agreements or other documents, as needed between the parties.
- b. The parties acknowledge the infrastructure improvements needed to support the Project and potential additional data center buildings and the timing and financing of the improvements are being negotiated in a separate agreement. The infrastructure

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improvements currently known to the parties are described below. These are subject to change as the project advances.

- i. Tupelo Bayou Wastewater Treatment Plant (“Tupelo WWTP”) Treated Effluent Reuse Water Supply to Site: Conway Corporation will be responsible for design, permitting and construction of a pump station and pipeline to supply treated effluent (disinfected secondary effluent) from the Tupelo WWTP for use as non-contact cooling water at the Site. This will include all easements and permitting required for the pipeline, with the final pipeline routing to be determined by Conway Corporation.
  - ii. Cooling Tower Blowdown Discharge Infrastructure from Site: Conway Corporation will be responsible for the design and permitting of a dedicated blowdown water discharge pipeline from the Site to the Arkansas River for direct discharge to the river, with the location of the final pipeline routing to be determined by Conway Corporation. This would include all elements required for conveying and permitting the discharge, including Army Corps of Engineers permitting and Arkansas Department of Environmental Quality (ADEQ) permitting, and all necessary easement acquisition.
  - iii. Conway Corporation shall be responsible for providing a detailed breakdown of cost and schedule to provide initial 13.8kV Medium Voltage service to the Site and expand to 10 MW of MV service to the Site, in addition to associated rates for said service.
- c. The schedule to construct and complete any infrastructure improvements shall be negotiated by the parties in good faith and take into account any construction schedules.
  - d. The City and Company agree that certain road improvements, including the relocation of Lollie Road, will need to be made, which shall benefit the City and the Project (the “Road Improvements”). The schedule to construct and complete any Road Improvements shall be negotiated by the parties in good faith and take into account any construction schedules associated with the Project. The Company and City shall cooperate and act in good faith to schedule the Road Improvements and exchange any necessary rights-of-way to mitigate any possible damage to the Road Improvements from the Project and to avoid any interference with the Project.
  - e. The City and Conway Corporation will not discriminate in utility charges, and will work with the Company to establish rates for utility services not currently covered in City Ordinances and applicable to the Project. These new rates will be based on a rate study and will be codified in an Ordinance in a timely manner.

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FORGELIGHT VENTURES

By: \_\_\_\_\_

Name:  
Title: its Authorized Signatory

CONWAY FOUNDATION

By: \_\_\_\_\_

Name:  
Title:

CONWAY CORPORATION

By: \_\_\_\_\_

Name:  
Title:

CITY OF CONWAY

By: \_\_\_\_\_

Name:  
Title:

**City Council Approval Date:** \_\_\_\_\_