

FAQ – Crane Data Center Project, Forest Grove

Responses provided as an individual city councilor and not at the direction of, or on behalf of, the Forest Grove City Council or staff; based on my personal examination of records and discussions.

QUESTION	RESPONSE
Gross property taxes abated	Not yet known. The amount will be determined based on the Washington County Assessor's assessed value of the qualifying property when the exemption takes effect, including the applicable depreciation and tax rates.
Payments received back under the agreement	40% of the property taxes otherwise abated in years 4 and 5 — 25% as a Community Service Fee to the City and 15% for school support to the state. The actual dollar amounts will be determined from the taxes otherwise due in those years.
Net tax revenue forgone	Not yet known. It will be calculated from the actual property taxes abated, less the Community Service and School Support payments required under the agreement. The final amount will depend on assessed value, depreciation, applicable tax rates, and the timing of qualifying property entering service.
Which taxing districts are affected	The exemption affects the taxing jurisdictions that would otherwise receive property-tax revenue from the qualifying property, including the City of Forest Grove, Washington County, Forest Grove School District, Northwest Regional ESD, Portland Community College, Metro, Port of Portland, Tualatin Soil & Water Conservation District, and applicable Forest Grove Urban Renewal revenues. The exact distribution will depend on the property's tax code and applicable levies when the exemption takes effect.
Expected property-tax revenue after the exemption ends	Not yet known. It will depend on the Washington County Assessor's taxable assessed value of the property at that time and the applicable tax rates. Once the exemption ends, qualifying property returns to the tax rolls and generates revenue for the applicable taxing districts.
Who pays for: • The electrical substation? • Transmission improvements? • Transformers and distribution equipment? • Water-system improvements?	• Electrical substation: Crane is responsible for project-specific facilities required to serve its load under the applicable utility/interconnection agreements. • Transmission improvements: Crane's large-load electric rate passes through the transmission and related costs the City incurs specifically to serve Crane's electrical demand. • Transformers and distribution equipment: Costs attributable to serving Crane are recovered through its large-load service arrangement, including applicable delivery and capital costs. Ownership varies by equipment and service agreement. • Water-system improvements: Crane is responsible for project-specific improvements through direct construction costs, connection charges and applicable system development charges. No major expansion of Forest Grove's overall water system has been identified as necessary to serve the project.

Other infrastructure needed specifically for the data center?	Yes. The project requires site-specific electrical, water, sewer, stormwater, transportation/access and related utility improvements. Project-specific infrastructure is the responsibility of the developer through construction requirements, connection charges, system development charges and applicable utility agreements. Any broader City-funded system improvements attributable to the project should be separately identified and accounted for.
Does Crane reimburse Forest Grove for all costs associated with serving the project?	The City's large-load rate structure and service agreements are designed to assign the costs attributable to Crane's extraordinary electrical demand to Crane, including power, transmission, delivery, capital, operations and related service costs, rather than shifting those costs to other utility customers. Project-specific infrastructure is also subject to applicable developer costs, connection charges and system development charges.
Who owns those improvements afterward?	Ownership depends on the infrastructure. Crane generally owns and maintains facilities located on its property and dedicated exclusively to its operation. Infrastructure incorporated into Forest Grove's public utility systems may be City-owned, while transmission facilities may be owned by the applicable transmission provider. The specific ownership boundaries for the substation, transformers and other electrical equipment are established through the utility and interconnection agreements.
Does serving Crane generate a net profit for Forest Grove Light & Power?	Crane will pay the costs attributable to serving its large electrical load, along with applicable delivery charges that recover City capital, operations, maintenance and overhead. Whether those revenues ultimately exceed the City's total costs of service—and by how much—will be measurable once the facility is operating.
And could that revenue help reduce future pressure on electric rates for residents and businesses?	Potentially, yes. Revenue above the cost of serving Crane could strengthen the municipal utility and help fund system maintenance, capital improvements, energy efficiency or other investments that otherwise contribute to future rate increases. The actual benefit will depend on the net revenue generated once the facility is operating.
How much City water will the completed campus actually use?	Not yet disclosed. Crane's current design uses a closed-loop cooling system that recirculates coolant rather than continuously consuming water for cooling. An initial system fill will be required, but the volume and water source have not been publicly identified. Forest Grove currently reports substantial available water-system capacity.
Will additional infrastructure be required?	Project-specific water, sewer, stormwater and related infrastructure is included in the development. Based on the City's published water capacity, no major expansion of the municipal water system has been identified as necessary specifically to serve Crane. Any future system improvements attributable to the project would be subject to applicable connection charges, system development charges and development requirements.
Who pays for it?	Project-specific infrastructure required to serve the development is paid for by Crane through direct construction costs, connection charges, system development charges and applicable utility agreements. Any broader system improvements should be evaluated separately to determine the portion attributable to the project and how those costs are recovered.

Could improvements associated with this project also provide additional capacity for the rest of Forest Grove?	Potentially, depending on the specific improvement. Infrastructure built solely to serve Crane may provide little direct benefit to other customers, while upgrades to shared electrical, water, transportation or other public systems could increase capacity or improve reliability for the broader community. Any such benefit should be identified and quantified as the project is completed.
Could Crane have been required to fund additional infrastructure?	Potentially, where additional infrastructure was reasonably related to the impacts of the development and permitted under Oregon law. The City could not simply require unrelated improvements as a condition of approval. Separate from land-use requirements, additional commitments could be negotiated through the utility agreements.
Could electrical or water improvements have been built with extra capacity that benefited the rest of Forest Grove?	Potentially, but only where shared-system improvements were needed and additional capacity was technically and financially practical. Crane-specific infrastructure does not automatically translate into usable capacity for other customers. Where improvements become part of the City's shared utility system, however, designing additional capacity could provide future reliability or growth benefits. Any additional cost and benefit would need to be evaluated as part of the specific infrastructure and utility agreements.
Could such a large new electric customer become a meaningful revenue source for our municipally owned utility?	Potentially. A customer of Crane's scale could become a significant source of utility revenue. Forest Grove's rate structure is designed first to recover the extraordinary costs of serving that load; any net revenue beyond those costs could strengthen the municipal utility and potentially help support system investments and reduce future rate pressure on other customers. The actual net benefit will be measurable once Crane is operating.
Could that revenue help offset future pressure on utility rates?	Potentially. After recovering the full cost of serving Crane, any net revenue retained by the municipal utility could help fund maintenance, capital improvements, energy efficiency or other system needs—reducing the amount that otherwise may need to be recovered through future rates. The actual benefit will depend on operating costs and revenues once the facility is in service.
Could stronger permanent-employment requirements have been negotiated?	Oregon's Enterprise Zone framework allows local sponsors to establish additional requirements for an extended exemption only prior to a tax exemption application. Forest Grove's former agreement established one new regular full-time job as the minimum, along with compensation, local workforce and community-benefit provisions. A higher permanent-employment commitment can be established under a new program.
Who developed and negotiated the economic terms?	Prior city council(s) established the Enterprise Zone agreement under Oregon's statutory Enterprise Zone framework and City policy. City Manager Jesse VanderZanden executed the agreement on behalf of the City under delegated authority.
What alternatives were considered?	Not documented in the Enterprise Zone agreement. The agreement identifies the terms under city statute and does not provide a record of alternative economic terms considered or negotiated.
What financial analysis was performed?	The Enterprise Zone agreement does not document the City's underlying financial analysis or cost-benefit evaluation. It identifies the estimated qualified investment

What risks were identified?	The Enterprise Zone agreement does not document a comprehensive risk assessment. It includes protections related to employment, compensation, required payments and compliance, but does not identify the broader financial risk. Staff evaluated risks attributed to utilities capacity, infrastructure and environment statutes.
Were stronger employment requirements discussed?	Higher permanent jobs were proposed by Crane but not documented. The application was evaluated based on the Enterprise Zone statute.
Were infrastructure contributions discussed?	The project is responsible for infrastructure and utility costs required to serve its development, but the agreement does not indicate whether additional contributions toward broader City infrastructure were proposed or negotiated.
Were long-term utility revenue opportunities evaluated?	Yes. The City's large-load electric rate structure provides for recovery of the costs of serving Crane and creates the potential for long-term utility revenue. Potential revenue benefit to other utility customers was evaluated as part of the utility negotiations.

Additional context can be clarified in person.