

RESOLUTION NO. _____

A RESOLUTION TO AUTHORIZE THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH WILLOWBEND CAPITAL LLC FOR A DEVELOPMENT PROJECT AT THE LITTLE ROCK PORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Little Rock, Arkansas (the “City”) has been in negotiations with several entities and with Willowbend Capital, LLC, as to a development project to be built and operated at the Little Rock Port which will be beneficial to its citizens; and,

WHEREAS, the terms of such an agreement have been made and are approved by the Board of Directors of the City of Little Rock, Arkansas;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
CITY OF LITTLE ROCK, ARKANSAS:**

Section 1. The Mayor and City Clerk are authorized to execute, and take other steps which may become necessary, a Memorandum of Understanding with Willowbend Capital, LLC, in a form substantially the same as that attached as Exhibit A to this Resolution.

Section 2. *Severability.* In the event any title, section, paragraph, item, sentence, clause, phrase, or word of this resolution is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of the resolution, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional were not originally a part of the resolution.

Section 3. *Repealer.* All laws, ordinances, resolutions, or parts of the same, that are inconsistent with the provisions of this resolution, are hereby repealed to the extent of such inconsistency.

ADOPTED: April 29, 2025

ATTEST:

APPROVED:

Allison Segars, City Clerk

Frank Scott, Jr., Mayor

APPROVED AS TO LEGAL FORM:

Thomas M. Carpenter, City Attorney

//

Exhibit A

MEMORANDUM OF UNDERSTANDING

I. Project Overview

Willowbend Capital LLC (the “Company”) is evaluating the City of Little Rock (“City”) for a site that would allow for the construction of an approximately 300,000 square foot data center facility (“Data Center”), including ancillary buildings and infrastructure (the “Project”). The Company anticipates the investment in the construction and equipping of 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 facilities.

II. Annual Company Contribution

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 City (the “City Enrichment Investment”), as further described in “Appendix A”). The City, in its sole discretion, agrees to utilize the City Enrichment Investment it receives for either (i) infrastructure improvements and projects that benefit the Project or (ii) initiatives that align with the Company’s core values such as sustainability, education, job training, public safety, public infrastructure, technology, and economic development. Upon written request from the Company, the City will provide documentation substantiating that the City Enrichment Investment has been disbursed in accordance with this subsection.

III. City Commitments:

- a. The City agrees to support, including through future legislative and administrative actions consistent herewith, at 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 facility and any 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 at least \$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 portion of its investment in connection with the Project or any additional data center facility as a result of an action or omission by the City, the Company will have no further City Enrichment Investment obligations, including those related to investments for the Data Center or any additional data facility for which it received or continues to receive a Property Tax Abatement (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 City Enrichment Investment obligations).

- b. The City will (i) reduce the electric franchise fee currently set forth in Resolution No. 16,522 (the “Electric Franchise Fee”) to 0.25% for the Project and (ii) work cooperatively with the Company and Entergy Arkansas to negotiate a replacement franchise ordinance agreeable to City and to Entergy Arkansas with an Electric Franchise Fee of 0.25% and specific to certain load characteristics.
- c. The City will reduce the water franchise fee currently set forth in Resolution No. 16,522 (the “Water Franchise Fee”) to 0% for the Project for its domestic water and cooling water usage. This reduction will require a special ordinance applicable to projects with certain load characteristics.
- d. The City will reduce the sewer franchise fee currently set forth in Resolution No. 16,522 (the “Sewer Franchise Fee”) to 0% for the Project for its domestic sewer and cooling water blowdown discharge. This reduction would require a special ordinance applicable to projects with certain load characteristics.
- e. The City will not impose any other City franchise, excise, license, permit, or other fees, taxes or assessments, directly or indirectly (e.g., increased fees on others that may be borne to the Company in the form of franchise fees, higher prices or otherwise) related to the Company’s use of electricity, water, or wastewater.
- f. The Company acknowledges that the City assesses local access telephone service carriers a telephone service franchise fee of 7.32% of the representative company's local access charges collected within the City limits, and that such carriers are authorized to collect from their customers an amount that equals the franchise fee assessed. The Company also acknowledges that the City assesses long distance intrastate or interstate telecommunication service providers in the amount of \$0.004 cents per minute for toll charges charged to a service address within the corporate limits of the City of Little Rock, and that such providers are authorized to collect from their customers an amount that equals the franchise fee assessed.
- g. The Company agrees to pay standard permit fees associated with building, electrical, plumbing, mechanical, and fire work performed in the City of Little Rock. The City agrees to cap total standard permit fees for each data center at \$200,000.
- h. The City agrees not to create any unique franchise fees, business license fees and permit fees not outlined in this agreement that would not be required of other light industrial projects (e.g., increased fees on others that may be borne by the Company in the form of franchise fees, higher prices or otherwise).
- i. The City agrees not to uniquely burden or disadvantage the Project or any additional Company data center facilities by adopting special assessments, taxes, fees or

charges that target or impair the Project or any additional Company data center facilities, and to the extent the nature or scope of the Project or any additional Company data center facilities 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.

IV. Infrastructure:

- a. The City, the Company, Central Arkansas Water, and Little Rock Water Reclamation Authority (LRWRA) will continue to cooperate on the necessary water, sewer, cooling water blowdown, road and other infrastructure needed to support the Project and potential additional data center facilities, which may be documented in one or more separate MOUs, agreements or other documents, as needed. However, no provision in this MOU shall modify, replace, or supersede any provision set forth in the “Reimbursement Agreement for Evaluation of Increased Flow at Fourche Creek WRF” executed by the Company and LRWRA in October 2024, or the “Proposed Letter of Service – Project Boar” signed by LRWRA on October 17, 2024, or the “Central Arkansas Water Will Serve Letter - high-level term sheet” dated February 3, 2025 (collectively “the Documents”). In the event of a direct conflict between the provisions in this MOU and the Documents, the provisions of the Documents shall control.
- b. The parties acknowledge the infrastructure improvements needed to support the Project and potential additional data center facilities and the timing of the improvements are being negotiated in a separate agreement. The infrastructure improvements currently known to the parties are described below. These are subject to change as the Project advances.
 - i. Water Infrastructure to Site: Central Arkansas Water will be responsible for design, permitting and construction of a water supply extension to serve the site. This will be an extension of the existing water supply infrastructure. This infrastructure is to be paid for by the Company and may be documented in a separate MOU, agreement, or other document.
 - ii. Cooling Tower Blowdown Discharge from Site: Little Rock Water Reclamation Authority will be responsible for the design and permitting of a cooling tower blowdown discharge dedicated line from the site to the Fourche Creek Water Reclamation Facility for treatment and discharge, with the location of the final line routing to be determined by Little Rock Water Reclamation Authority. This would include all elements required for conveying and permitting the discharge, including Arkansas Division of Environmental Quality (DEQ) permitting, and all necessary easement acquisition. The construction and funding of the cooling tower blowdown discharge dedicated line and ultimate acceptance of cooling tower blowdown discharge by LRWRA will be negotiated under a separate agreement and is subject to the relevant terms of the Documents. This infrastructure is to be paid for by the Company and may be documented in a separate MOU, agreement, or other document

- iii. Domestic Sewer Infrastructure to Site: Little Rock Water Reclamation Authority will provide access to domestic sewer service to the site from an existing 30” diameter force main located along Zeuber Road. The Company shall be responsible for design, permitting and construction of a domestic sewer line extension and the pump station necessary to serve the site. This will be an extension of the existing sewer supply infrastructure. This infrastructure is to be paid for by the Company.
- c. The parties acknowledge that except for the extension of Zeuber Road, which will be paid for by a combination of sources secured by the City of Little Rock or Pulaski County, including but not limited to funding from the Arkansas Economic Development Commission, Arkansas Department of Transportation, United States Economic Development Administration, and the Delta Regional Authority, any other infrastructure projects and improvements needed to support the Project and potential additional data center facilities may be undertaken by the City, but paid for by the Company subject to engineering and design agreements, unless the parties mutually agree otherwise.
- d. 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.
- e. The City and Little Rock Water Reclamation Authority will not discriminate in utility charges. Any new wastewater utility charges, wastewater/sewer rates, or fees imposed by LRWRA will be based on a rate study conducted in alignment with WEF Manual of Practice No. 27, or other industry recognized framework, and any applicable laws.
- f. Central Arkansas Water will not discriminate in utility charges and, following the expiration of Central Arkansas Water’s current rate schedule, will adopt rates to which the Company is subject that are aligned with AWWA M1 Principles of Water Rates, Fees and Charges, or other industry recognized framework, and any applicable laws.

Signature Page to Follow

WILLOWBEND CAPITAL LLC

By: _____

Name:

Title: its Authorized Signatory

CITY OF LITTLE ROCK

By: _____

Name:

Title:

CENTRAL ARKANSAS WATER

By: _____

Name:

Title:

LITTLE ROCK WATER RECLAMATION
AUTHORITY

By: _____

Name:

Title:

APPENDIX A - PAYMENT STRUCTURE

1. The Company will make an annual payment of \$300,000 to the City of Little Rock (the “City Enrichment Investment”).
2. The City Enrichment Investment 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 at the beginning of the following calendar year. The last year of the City Enrichment Investment shall be the last year the Data Center is subject to a Property Tax Abatement.
3. For each additional Data Center constructed, the City Enrichment Investment shall be increased by \$200,000 under the same terms outlined above.
4. The City Enrichment Investment for the Data Center will be subject to an increase of 2% every five years.