

**EASTGATE
DEVELOPMENT
UPDATE**



OVERVIEW

- **Proposed Nebius Data Center Campus**
- **Independence Power Partners**
- **Power Purchase & Energy Service Agreements**
- **Next Steps**

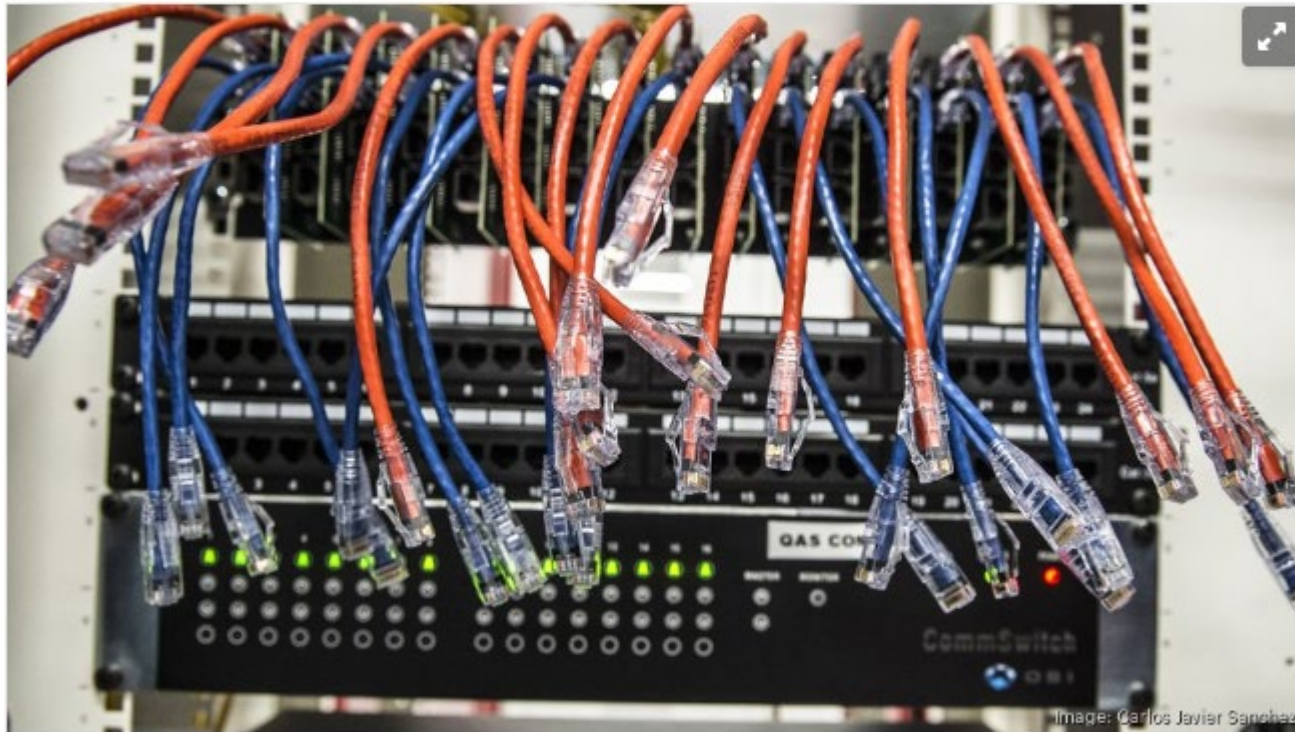
PROPOSED NEBIUS DATA CENTER CAMPUS

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Commercial Real Estate

Netherlands AI company eyes Independence data center after \$2B power generation vote

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An Amsterdam technology company is exploring building a data center in Independence.
CARLOS JAVIER SANCHEZ | SABJ



By Thomas Friestad – Staff Writer, Kansas City Business Journal
Dec 8, 2025

Story Highlights ⓘ

- Nebius now controls 398 acres in Independence for a potential AI data center.
- Independence recently approved a \$2 billion power generation plan to support development.
- The project could create over 100 jobs and help stabilize residential electric rates.

A technology company now controls hundreds of acres for a potential data center in Independence, days after officials approved a \$2 billion power generation plan.

Nebius, an artificial intelligence cloud infrastructure provider, said it acquired 398 acres Friday in NorthPoint Development's EastGate Commerce Center, near Missouri Route 78 and Twyman Road. The Amsterdam-based company is in the early design stage for an AI data center campus that could grow to eight to 10 buildings, totaling billions of dollars and approximately 800 megawatts of capacity.

The land sale marks serious evaluation of Independence for its data center facility, not a final decision to pursue it there, Nebius said. Coming city plan and permitting approvals will inform Nebius' determination.

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

PROPOSED NEBIUS DATA CENTER CAMPUS

About Nebius

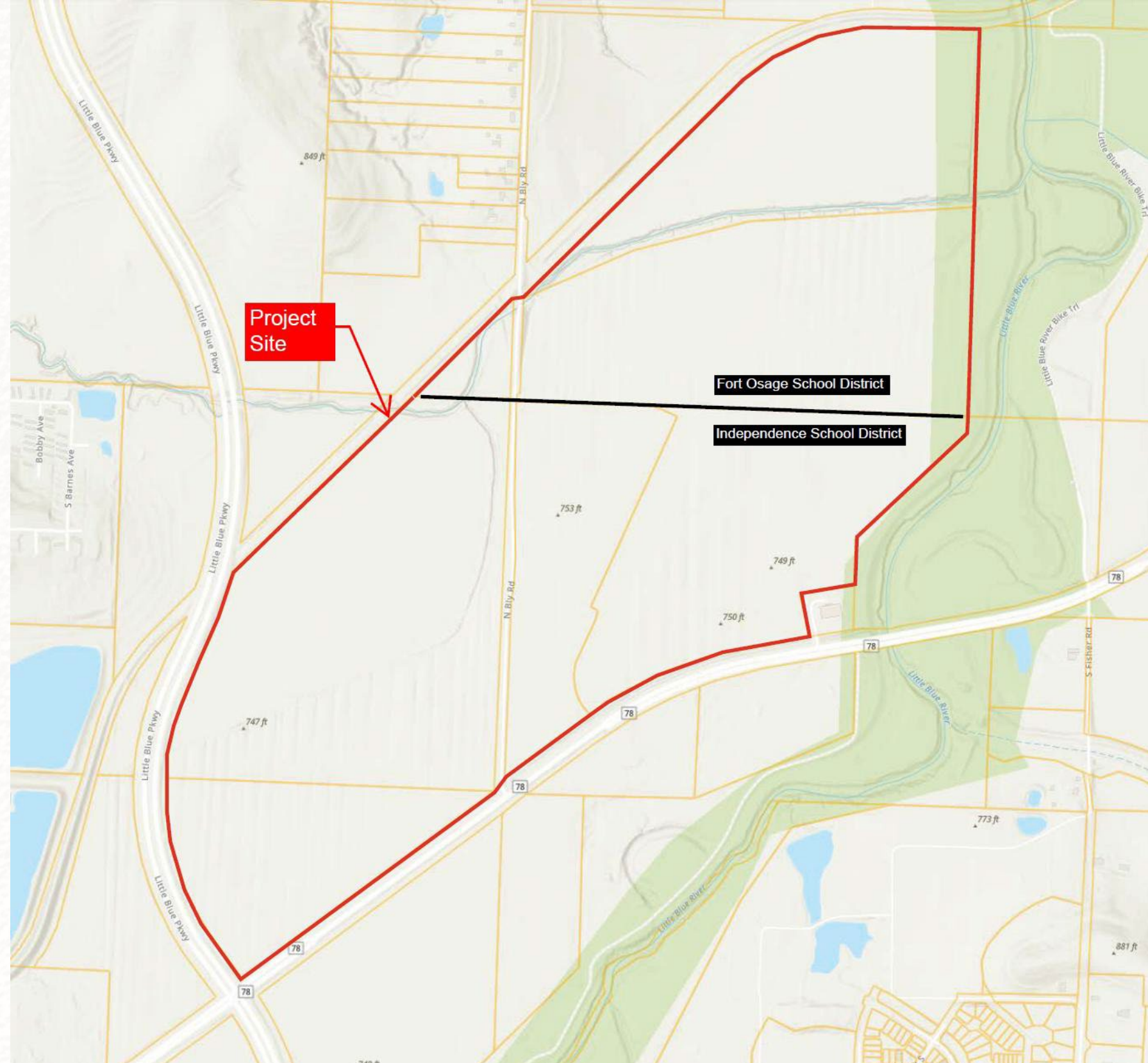
- Nebius is a global, NASDAQ-listed company developing next-generation cloud for the age of AI.
- Leading clients include Microsoft, Meta, Shopify, and others.
- In addition to its AI infrastructure business, Nebius operates:
 - TripleTen – a coding bootcamp initiative which has been deployed in Independence.

PROPOSED NEBIUS DATA CENTER CAMPUS

About Nebius (cont.)

- 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 NEBIUS DATA CENTER CAMPUS



PROPOSED NEBIUS DATA CENTER 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

PROPOSED NEBIUS DATA CENTER CAMPUS

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.

PROPOSED NEBIUS DATA CENTER CAMPUS

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.

PROPOSED NEBIUS DATA CENTER CAMPUS

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.

PROPOSED NEBIUS DATA CENTER CAMPUS

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

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 & ENERGY SERVICE AGREEMENTS

POWER PURCHASE & 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:
 - Separate PPAs for Phase 1 and Phase 2 executed with the IPP
 - ESA executed with Nebius

POWER PURCHASE & ENERGY SERVICE AGREEMENTS

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.

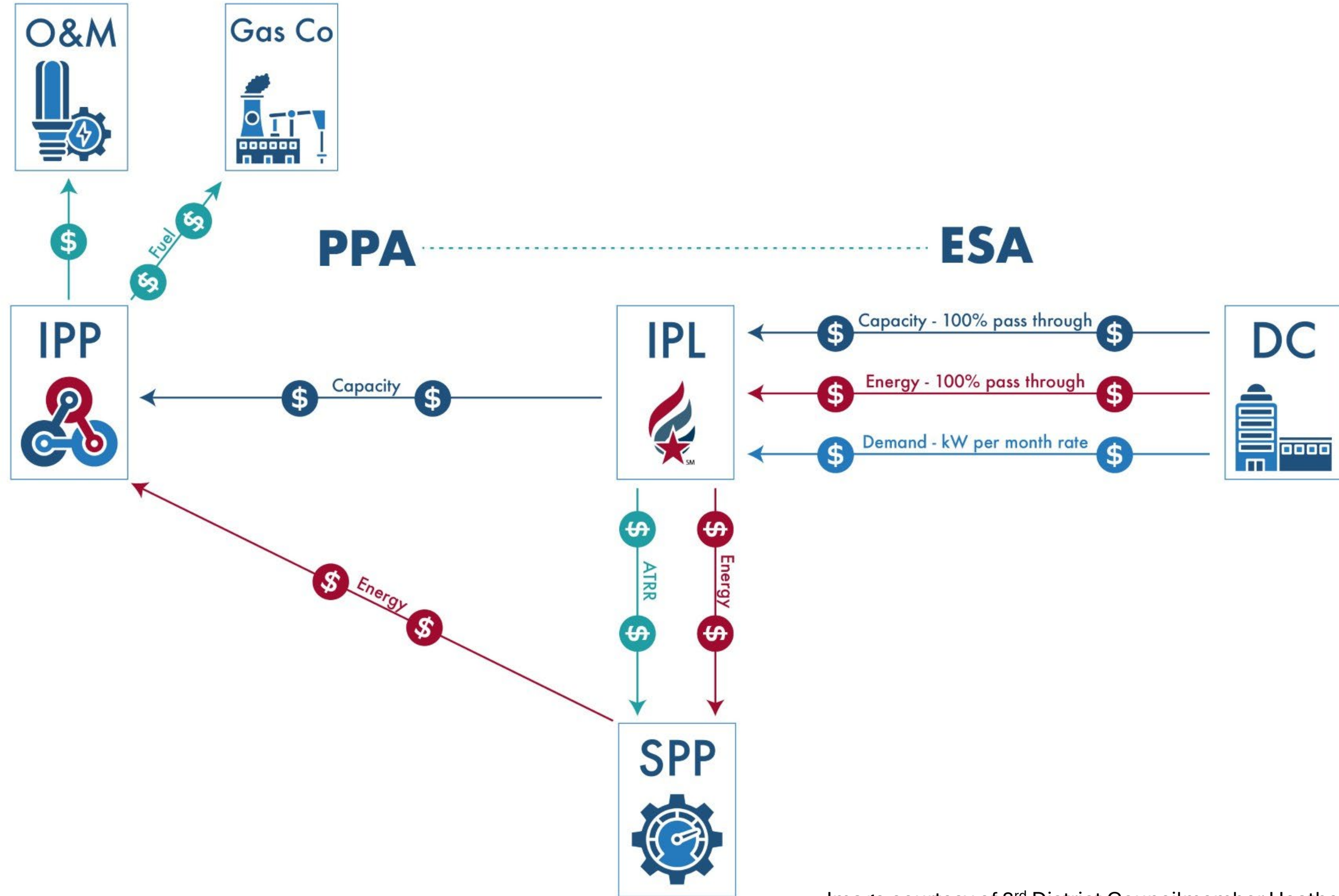


Image courtesy of 3rd District Councilmember Heather Wiley

POWER PURCHASE & ENERGY SERVICE AGREEMENTS

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.

POWER PURCHASE & ENERGY SERVICE AGREEMENTS

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.

POWER PURCHASE & ENERGY SERVICE AGREEMENTS

Risk Mitigation Measures (cont.)

- **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.

POWER PURCHASE & ENERGY SERVICE AGREEMENTS

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

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



INDEPENDENCE

★ MISSOURI ★

