



COUNCIL SPECIAL SESSION

Friday, November 14, 2025

APPROVED MINUTES

MEMBERS PRESENT

Mayor Jennifer Massey
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF PRESENT

John Walsh, City Administrator
Kathy Payne, City Recorder
Lisa Scholl, Deputy City Recorder
Ashley Wigod, Contracted City Attorney

OTHERS

None

CALL SPECIAL SESSION TO ORDER – 9:01 a.m.

DISCUSSION TOPICS

1. Review Financing Contract with Oregon Business Development Department for Semiconductor Industrial Lands Loan for Kaster Sub-Station Design and Construction Project

City Administrator Walsh explained that the City had been working on this project for over a year with Oregon Business Development Department through the Strategic Industrial Lands Readiness Program (SIL). He noted that the original plan was to first secure a site agreement with PGE and then obligate the financing agreement, but PGE had been slow to finalize the site agreement paperwork despite progress on the project scope of work.

Walsh expressed concern that the funding might be at risk of being clawed back by the State if not obligated soon, as other similar projects around the state had recently lost their funding. He recommended entering into the financing agreement now but not taking any financial actions until the PGE site agreement was in place.

Mayor Massey raised concerns about the contract's specific requirement that the funding be used for semiconductor industrial uses, questioning whether the substation project would actually qualify since there were no plans to use the site for semiconductor manufacturing. She was concerned that if the project didn't meet the semiconductor requirement, the loan would not be forgivable, and taxpayers could be responsible for repaying approximately \$2 million plus interest at 3.74%.

Councilor Hubbard expressed concern about potential public risk if the project failed to meet requirements, noting that the existing substation's capacity was already partially allocated to Arcadia, and questioned why PGE wasn't funding the replacement with their own resources as other utilities do.

Contracted City Attorney Wigod clarified that the financing agreement included an initial disbursement of \$314,000 with the remaining \$2 million as reimbursement. She explained that PGE had committed to

covering the entire project cost of approximately \$14.9 million and would be responsible for repaying the loan if required. She suggested that if the Council moved forward, the funds could be placed in a segregated account and not spent until the PGE agreement was finalized.

Council President Chilton emphasized that Columbia County lacked sufficient power for industrial growth, making the substation project necessary for future development.

The Council came to consensus that while they supported the substation project, they wanted assurance that taxpayers would not be at risk. Mayor Massey requested that when the issue returns to Council, staff provide a comprehensive risk assessment and clear explanation of how taxpayers would be protected if the project did not qualify for loan forgiveness.

APPROVE AND AUTHORIZE FOR SIGNATURE

2. Financing Contract with Oregon Business Development Department for Semiconductor Industrial Lands Loan for Kaster Sub-Station Design and Construction Project

Motion: Motion made by Councilor Gundersen and seconded by Councilor Sundeen to approve '2' above.

Vote: Yea: Mayor Massey, Council President Chilton, Councilor Gundersen, Councilor Sundeen; Nay: Councilor Hubbard

OTHER BUSINESS

ADJOURN – 9:28 a.m.

Respectfully transcribed by ClerkMinutes and submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

/s/ Kathy Payne
Kathy Payne, City Recorder

/s/ Jennifer Massey
Jennifer Massey, Mayor