Umatilla School Board Briefing: Governor's Data Center Permit Pause and Impact to School District

Background

On October 9, 2026, Oregon Governor Tina Kotek directed DEQ to stop processing air and water permits for new or expanded data centers until July 1, 2027. The pause also covers city wastewater permit changes needed to serve data centers, which blocks the City of Umatilla's pending permit work for Sabey. The Governor says the pause protects public health and natural resources while she reviews her Data Center Advisory Committee's recommendations. The City has declared an emergency and is asking for the directive to be reconsidered.

Impacts to the School District (City estimates)

If each project slips about a year, roughly $550,000 in revenue arrives later than planned. About $235,000 in bond relief would also come later, and PDX 260 has no timeline.

Project	Effect of the pause	District revenue affected
Sabey	Occupancy moves from mid-2027 to 2028 or later	$208,600 ($85,000 Student Success Fee + $123,060 Regional Annual Fee) moves from Nov 2028 to 2029 or later; does not help pay the current bond
AWS PDX 194 (Powerline)	4th building can't open	About $235,000 toward the bond in 2028 delayed; annual operating fees not affected
AWS PDX 121 (West Wanapa)	Building permit pushed to summer 2027 or later	$173,060/yr in operating fees delayed about one year; does not help pay the bond
AWS PDX 260 (Powerline, not yet built)	AWS waiting "until the dust settles"	$173,060/yr in operating fees (expected 2029) plus future bond payments delayed indefinitely

Construction excise tax	Construction delayed on about 2.25 campuses	About $600,000 (range $500,000–700,000) delayed; restricted to capital projects

The City also says three prospective investors (about $6B combined, none committed) are now considering other locations. One of them would add over $1B in value to help pay down the bond. These figures come from City Manager Dave Stockdale's emails and have not been independently verified.

Clarifications

- **Bond Tax Rates:** The City expects bond rates to rise in 2027-2029. Our bond was advertised at its full amount, so rates won't rise beyond what was advertised, they just won't drop at the same level we'd hoped. The actual effect is that taxpayers' rates come down more slowly.
- **PDX 121 Timing.** Fees are paid in November after a project gets its occupancy certificate. So the delay is probably from 2028 to 2029. AWS also can't break ground until the tribes (CTUIR) approve a canal relocation, which is unrelated to the pause.
- **PDX 260.** A Pacific Power issue is also holding up this campus, so how much of the delay comes from the pause is unclear.
- **Budgeting:** We do not plan on any of the funds from the various agreements and treat them as yearly grants to ensure we don't risk dependence on them.

City's Request

It is important to note, the City did not reach out and ask for the School District's support. Instead, Supt Sipe saw the Resolution Draft from the City that mentioned impact to the school and reached out for more information before the Council meeting where the Emergency Action was approved. In the response (along with the information above) this request was made: "We could sure use your help in our efforts to get this directive repealed or amended, should Council agree that the impacts constitute an emergency and direct me to do work through remedy options."