

**PLANNING COMMISSION
STAFF REPORT**

Date: January 15, 2025

To: Reno City Planning Commission

Subject: Staff Report (For Possible Action): Case No. LDC25-00022 (Oppidan 5MW Data Center) - A request has been made for a conditional use permit to allow: 1) development of a data center, and 2) business operations between 11:00 p.m. and 6:00 a.m. The ±7.02 acre site is located on the north side of North Virginia Street ±2,470 feet east of its intersection with Stead Boulevard. The site is zoned Industrial Commercial (IC) and has a Master Plan land use designation of Industrial (I).

From: Jeff Foster, Associate Planner

Ward #: 4

Case No.: LDC25-00022 (Oppidan 5MW Data Center)

Applicant: CLOP Reno NV, LLC

APN: 082-101-86

Request: **Conditional Use Permit:** To allow 1) development of a data center and; 2) business operations between 11:00 p.m. and 6:00 a.m.

Location: See Case Maps (**Exhibit A**)

Proposed Motion: Based upon compliance with the applicable findings, I move to approve the conditional use permit, subject to the conditions listed in the staff report.

Summary: The ±7.02 acre site is located on the north side of North Virginia Street ±2,470 feet east of its intersection with Stead Boulevard. The proposed conditional use permit (CUP) would allow a data center with 24-hour operations. Key project issues include: 1) compatibility with surrounding uses and; 2) site design. These issues are mitigated through project design, code compliance, and/or conditions of approval. Staff recommends approval subject to all proposed conditions.

Background: According to application materials, the parcel historically contained residential uses dating back to the 1950's. From the early 2000's through at least 2021, the western portion of the site was used for outdoor storage (primarily vehicles and trailers). By 2023, the last private residences were demolished, and the site is currently vacant.

Discussion: The project proposes construction of a ±61,500 square-foot industrial building with supporting mechanical equipment to be used as a data center on the subject site. On January 25, 2024, the definition of a data center was incorporated into the Reno Municipal Code (RMC) through an Administrative Interpretation/Decision (ADM24-00020) as "A facility used primarily for the storage, management, processing, and transmission of digital data, and which houses computer and/or network equipment, systems, servers, appliances, and other associated components related to digital data operations. Such facilities may also include air handlers, power generators, water cooling and storage facilities, utility substations, and other associated utility infrastructure to support sustained operations of a data center."

A data center is now recognized as a permitted use in the IC zoning district with approval of a CUP. It is acknowledged that there will be significantly less truck traffic, loading/unloading, and dock doors for a data center as opposed to a warehouse or distribution center. Since data centers typically do not require many dock doors, the data center use standards limit the number of dock doors to three per building. Required parking for a data center is the same as a warehouse or distribution center (one space per 3,300 square feet of building area).

Analysis:

Compatibility with Surrounding Uses: The general development pattern along North Virginia Street in the project vicinity is industrial in nature with some existing nonconforming residential uses occurring. Land uses immediately surrounding the site consist of warehouse or distribution center uses to the north and south, a mobile home park to the west, and an undeveloped parcel to the east being utilized for outdoor storage. The land uses immediately surrounding the site are summarized in the table below.

Adjacent Properties		
	Zoning	Use
North	IC	Warehouse or distribution center
East	MS	Undeveloped parcel used for outdoor storage
South	IC	Warehouse or distribution center
West	MS	Mobile home park

The applicant requests to allow indoor operations 24 hours a day. This geographic area is generally characterized by industrial zoning and uses that would allow for 24-hour indoor operations by

right. The nearest residentially zoned property is $\pm 1,435$ feet away and separated from the site by a freeway and other industrial land uses. However, there is a mobile home park abutting the site to the west. As conditioned, the indoor operation is not anticipated to have impacts upon this residential use. Regarding exterior operations and the proposed location of the truck dock on the northwest corner near the mobile home park, staff recommends **Condition 5** to limit the hours of truck arrivals/departures, idling, and on-site movement. For the western property line adjacent to the mobile home park, an acoustical study prepared for the project shows that the project should not exceed the maximum allowable noise level (49 dB for nighttime noise level between 10 p.m. and 7 a.m.) during the typical operational scenario (no more than 50% of the rooftop exhaust fans and condenser units running simultaneously per the design intent). However, the typical condition (48 dB) is close to the maximum allowable noise level. Therefore, the acoustical consultant recommended mitigations be added to account for reasonable error by either manufacturer noise data, the SoundPlan model, or field conditions (**Conditions 6 and 7**). Restricted construction hours will further reduce potential impacts on the existing residential use (**Condition 8**). Given all of the above, the proposed use is generally compatible with existing land uses in the area.

Site Design: In addition to the data center building, the proposed site plan includes a backup generator yard on the northern side of the building with ± 7 emergency generators (only used during a power failure and during necessary periodic daytime testing or maintenance per **Condition 9**), water tanks, parking, landscaping, security/screening fencing, and a stormwater detention basin (**Exhibit B**). Nineteen parking spaces are required and provided. A truck dock is proposed at the northwest corner of the building and is not visible from North Virginia Street. Two drive-in doors, which will only be used during buildout of the data halls, are located on the eastern side of the building. Proposed site lighting meets code requirements and no lighting is directed onto adjacent properties.

The proposed generators on the northern side of the building will be screened from the mobile home park by architecturally compatible perforated metal screen panels and the ± 8 foot tall perimeter security/screening fence (**Exhibit C**). The applicant proposed a change in the design of the security fence in response to a specific request made at the Ward 4 Neighborhood Advisory Board meeting on December 19, 2024 (**Condition 10**). The applicant also proposed adding a row of six evergreen trees along the western property boundary to provide improved screening (**Condition 11**). Water tanks on the southwestern corner of the building facing North Virginia Street, which are ± 19 foot tall, are also proposed to be screened with architecturally compatible perforated metal screen panels. Rooftop mechanical equipment will be screened by parapet walls.

Elevations for the proposed $\pm 32/\pm 39$ foot tall (top of roof/top of tallest parapet), single story building are shown in **Exhibit D**. The south street facing façade appears to meet the required wall articulation per RMC 18.04.1103(c)(2)(a) for horizontal articulation and 18.04.1103(c)(2)(b)(2) for vertical articulation. For horizontal articulation, RMC 18.04.1103(c)(2)(a)(2) allows an

alternative method to provide equal or greater architectural interest, including additional landscaping with shade trees and screening vegetation. Nine additional trees, primarily evergreen, are shown between North Virginia Street and the building, in addition to the required front yard landscape and street trees, to further screen the south elevation. To meet the vertical articulation requirement, perforated metal panels, which will be taller than the concrete parapet, are proposed along the south façade.

The project proposes landscaping in compliance with the IC zone, which requires 100% of the front yard (driveways excepted) to be landscaped (**Exhibit E**). Landscaping to provide parking area screening from view of North Virginia Street has been included per code. In addition to meeting the horizontal articulation requirement, additional (enhanced) landscaping is provided above code between North Virginia Street and the building to help obscure the screening/security fence, water tank screening panels, and building (**Condition 12**).

To further sustainability initiatives, the applicant has proposed **Conditions 13-18** requiring design of the entire roof structure to support photovoltaic (PV) arrays, installation of $\pm 5,500$ square feet of PV arrays on the rooftop, installation of conduit to support future electric vehicle charging, installation of low flow domestics water fixtures, utilization of low volatile organic compound (VOC) materials, and best practices in source separation and diversion of construction debris from the landfill where possible during construction.

Traffic, Access and Circulation: The proposed data center project is anticipated to generate 61 daily trips, including six (6) P.M. peak hour trips. This trip generation is well below RMC requirements for a traffic entry and access study. With this very low trip generation, the proposed project is not expected to have any significant impact on local traffic operations or surrounding roadway infrastructure. The project will pay standard regional road impact fees that are used to mitigate impacts on the regional roadway network.

The Regional Transportation Commission (RTC) classifies North Virginia Street as a Moderate Access Control Arterial in the 2050 Regional Transportation Plan. RTC has a roadway improvement project planned in this area that would widen North Virginia Street and provide a center left turn lane. The project proposes to provide a six foot sidewalk along the project frontage; the location of this sidewalk will be coordinated with RTC to minimize risk of it needing to be relocated in the future (**Condition 19**).

Public Utilities: Sanitary sewer from the site will be treated at the Reno-Stead Water Reclamation Facility (RSWRF). There is limited sewer capacity remaining at RSWRF, which is connected to a short-term capacity project that diverts or “shaves” the raw sewage flow to a pipe that is used to pump sludge to the Truckee Meadows Water Reclamation Facility (TMWRF) for processing. The limit on sewer capacity was primarily to allow the remaining flow potential to be used to reduce

the volume of effluent going to Swan Lake, which reduces the potential for flooding from this source. Since that time, a project was constructed to pump water directly out of Swan Lake during the irrigation months (April through October) and has been very effective in managing the water level at the lake. The long-term solution for increasing wastewater treatment capacity is the expansion of RSWRF from two million gallons per day (MGD) to four MGD and the Advanced Purified Water Facility and American Flat Aquifer Storage and Recovery project (LDC25-00013), which was recently approved by the Planning Commission.

The applicant will be required to apply for a sewer will-serve and pay sewer connection fees prior to permit issuance consistent with the established sewer allocation program. The time frame for building permit application specified in **Condition 2** has been adjusted in case the applicant is not able to secure a sewer will-serve in advance of the project as a result of the wastewater treatment capacity constraints.

Water will be provided by Truckee Meadows Water Authority Water (TMWA). A will-serve from TMWA will be required prior to any permit requests to develop the site. Electricity and gas will be provided by NV Energy. Regarding power supply for the proposed data center, the applicant has provided a will serve letter from NV Energy to supply the necessary power to operate the data center. Existing overhead power lines along the site frontage are required to be undergrounded or a waiver obtained per RMC 18.04.503(c).

Hydrology: The project is in the FEMA Flood Zone Unshaded X, an area of minimal flood hazard. Final design shall incorporate measures to ensure that there is no net increase in the regulatory 100-year water surface elevation of Silver Lake. Volumetric mitigation shall be a minimum 1.3:1 when located within watershed areas contributing to closed basins, based on the 100-year 10-day storm event. Volumetric mitigation is typically satisfied with an onsite retention basin(s); a retention/detention basin is proposed. A final drainage report will be required at the time of building permit to ensure the proposed facilities are adequate to serve the site.

Master Plan Conformance: The subject site has a Master Plan land use designation of Industrial (I) and is located along a Suburban Corridor within the Industrial/Logistics Employment Areas per the Structure Plan Framework of the Reno Master Plan. The Industrial land use designation is intended to support industrial uses, including manufacturing/processing operations, maintenance and repair shops, and warehousing and distribution facilities. As proposed and with the recommended conditions, the proposed project is in substantial conformance with the Master Plan land use designation and the following applicable Master Plan goals and policies:

- GP 1.1A: City-Focused Economic Development Strategy
- GP 1.3E: Advanced Telecommunications Technologies
- GP 1.4B: Culture of Innovation

- C-SC.17: Infill and Redevelopment
- DPEA-G.3: Parking, Loading and Storage
- EA-ILA.1: Overall Mix
- EA-ILA.7: Varied Design

Public and Stakeholder Engagement: The proposed project was reviewed by various City divisions and partner agencies. Comments received were incorporated into this report (**Exhibit F**). A courtesy notice was sent out to surrounding property owners upon initial submittal of the project. One opposition comment was received regarding data center energy use and appropriateness of the proposed location for data center use. The applicant presented their project at the December 19, 2024, Ward 4 Neighborhood Advisory Board meeting. Public comment cards were received with questions about wildfires, power outages and solar energy (**Exhibit G**). Any future comments will be forwarded to the Planning Commission as they are received.

Recommended Conditions of Approval: All conditions shall be met to the satisfaction of Development Services Department staff, unless otherwise noted.

1. The project shall comply with all applicable City codes, plans, reports, materials, etc., as submitted. In the event of a conflict between said plans, reports, materials and City codes, City codes in effect at the time the application is submitted shall prevail.
2. The applicant shall apply for a building permit for the entire project within 36 months of the date of approval of the conditional use permit review application and maintain the validity of that permit, or the conditional use permit approval shall be null and void.
3. Prior to the issuance of any building permit or business license associated with this project, the applicant shall attach a copy of the final approval letter. The approval letter shall accompany a narrative provided by the applicant that describes how the requested permit addresses each of the approved conditions of approval.
4. The applicant, developer, builder, property owner, or business proprietor, as applicable, shall continuously maintain a copy of this approval letter on the project site during the construction and operation of the project/business. The project approval letter shall be posted or made readily available upon demand by City staff.
5. Commercial truck arrival, departures, and on-site movement shall be limited to between the hours of 6:00 a.m. and 11:00 p.m. during standard operations. Commercial truck idling is prohibited on the site. Prior to the issuance of a building permit for vertical construction, the applicant shall have plans approved demonstrating that signage shall be installed

adjacent to the dock and drive-up doors informing vehicle operators that idling is prohibited.

6. Prior to approval of a building permit for site improvements, the applicant shall submit plans demonstrating that the 8-foot-tall perimeter security/screening fence on the west and north sides of the site on the preliminary site plan has been replaced with an 8-foot-tall solid metal wall in the same footprint/alignment.
7. Prior to approval of a building permit for vertical construction, the applicant shall submit plans demonstrating a layer of 2-inch-thick fiberglass batt insulation will be installed above the ACT ceiling shown for the data halls to upgrade the isolation of data center noise through the roof.
8. Hours of construction, including grading, shall be limited to between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday, and between 8:00 a.m. and 6:00 p.m. on Saturday. There shall be no construction on Sundays. This condition shall not apply to dust control or storm water management operations. A note to this effect shall be placed on the title sheet of all building permit plan sets. A sign with the approved construction hours shall be posted on site for the full duration of construction activity. If the construction hours need to be varied for the pouring of concrete slabs, interior construction hours or other modifications, a plan detailing the construction operations and provisions to minimize impacts on nearby residential areas shall be submitted and approved to the satisfaction of the Administrator.
9. Emergency backup generators shall only be used during power failures and during necessary periodic testing or maintenance (to occur during the daytime only).
10. Prior to approval of a building permit for site improvements, the applicant shall submit plans demonstrating that the security fence specification has been changed to eliminate the curved anti-climb feature.
11. Prior to approval of a building permit for site improvements, final landscaping plans shall include a row of at least six evergreen trees along the western property boundary to provide enhanced screening.
12. Prior to approval of a building permit for site improvements, final landscaping plans shall demonstrate enhanced landscaping (additional trees) along the south elevation as shown on the preliminary landscape plan. These shall be a mixture of deciduous and evergreen trees to provide year-round screening to the satisfaction of the Administrator.

13. Prior to approval of a building permit for vertical construction, the applicant shall demonstrate that the entire roof structure has been designed with a load capacity that can support a photovoltaic (PV) system array.
14. Prior to approval of a building permit for vertical construction, the applicant shall submit plans to install $\pm 5,500$ square feet of PV arrays on the rooftop.
15. Prior to approval of a building permit for site improvements, the applicant shall submit plans demonstrating installation of conduit to support future electric vehicle (EV) charging.
16. Prior to approval of a building permit for vertical construction, the applicant shall submit plans specifying installation of low flow domestics water fixtures for pantries, restrooms, and other areas of the building. This shall not apply to hose bibs serving exterior equipment areas.
17. Prior to approval of a building permit for vertical construction, the applicant shall submit plans specifying utilization of low volatile organic compound (VOC) materials on the building shell and interior finishes of the building.
18. Prior to approval of a building permit for vertical construction, the applicant shall submit plans with a note on the title page and in the construction notes requiring source separation and diversion of construction debris from the landfill where possible. This shall be incorporated into the General Contractor's scope and shall be tracked as part of the project.
19. The proposed frontage improvements shall be reviewed by RTC to ensure no conflict with proposed widening of North Virginia Street. Documentation clearly indicating this coordination has taken place shall be provided prior to approval of any permit for site improvements.

Findings:

General Review Criteria: The decision-making body shall review all development applications for compliance with the applicable general review criteria stated below.

- 1) Consistency with the Reno Master Plan: The proposed development shall be consistent with the Reno Master Plan. The decision-making authority:
 - a. Shall weigh competing plan goals, policies, and strategies; and
 - b. May approve an application that provides a public benefit even if the development is contrary to some of the goals, policies, or strategies in the Reno Master Plan.

- 2) Compliance with Title 18: The proposed development shall comply with all applicable standards in this Title, unless the standard is lawfully modified or varied. Compliance with these standards is applied at the level of detail required for the subject submittal.
- 3) Mitigates Traffic Impacts: The project mitigates traffic impacts based on applicable standards of the City of Reno and the Regional Transportation Commission.
- 4) Provides Safe Environment: The project provides a safe environment for pedestrians and people on bicycles.
- 5) Rational Phasing Plan. If the application involves phases, each phase of the proposed development contains all of the required streets, utilities, landscaping, open space, and other improvements that are required to serve or otherwise accompany the completed phases of the project, and shall not depend on subsequent phases for those improvements.

Conditional Use Permit: In addition to meeting the criteria in Section 18.08.304(e), *Approval Criteria Applicable to all Applications*, the following findings shall be made prior to granting a conditional use permit:

- 1) The proposed location of the use is in accordance with the objectives of this Title and the purpose of the zoning district in which the site is located;
- 2) The proposed land use and project design is compatible with surrounding development;
- 3) The proposed land use and project design is consistent with applicable development standards;
- 4) Public services and facilities are available to serve the project, or will be provided with development;
- 5) The characteristics of the use as proposed and as may be conditioned are reasonably compatible with the types of use permitted in the surrounding area; and
- 6) The granting of the conditional use permit will not be materially detrimental to the public health, safety, or welfare. The factors to be considered in evaluating this application shall include:
 - a) Property damage or nuisance resulting from noise, smoke, odor, dust, vibration, or illumination; and
 - b) Any hazard to persons and property.

Attachments:

Exhibit A - Case Maps
Exhibit B - Preliminary Site Plan
Exhibit C - Sightline Study
Exhibit D - Preliminary Elevations
Exhibit E - Preliminary Landscape Plan
Exhibit F - Agency Comments
Exhibit G - Public Comments