

STAFF REPORT

Date: January 22, 2025

To: Mayor and City Council

Thru: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Case No. LDC25-00014 (Webb Data Center) - Appeal of the Planning Commission's decision to approve a request 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 ±6.02 acre site is comprised of three parcels located on the north side of North Virginia Street ±1,170 feet east of its intersection with Stead Boulevard. The site is zoned Mixed-Use Suburban (MS) and has a Master Plan land use designation of Industrial (I). Appeals were filed by the Sierra Club Toiyabe Chapter and the applicant, EPL Virginia Investors LLC. City Council may affirm, modify, or reverse the decision of the Planning Commission.

From: Jeff Foster, Associate Planner

Department: Development Services - Planning

Summary:

This is a public hearing to consider an appeal of the Planning Commission's approval of a conditional use permit (CUP) to allow for development of a data center with 24-hour operations in the MS zone. The subject ±6.02 acre site is comprised of three undeveloped parcels located on the north side of North Virginia Street ±1,170 feet east of its intersection with Stead Boulevard. Key project issues analyzed include: 1) compatibility with surrounding uses, and 2) site design.

Two appeals of the Planning Commission's decision have been filed (**Exhibit A**) and are generally summarized below:

- The Sierra Club Toiyabe Chapter appealed the administrative interpretation (ADM24-00020) pertaining to the Planning Commission decision, as well as the decision itself, citing the following concerns: 1) that ADM24-00020 was not noticed or agendized to allow for public input; 2) there are differences between data centers and warehouses; 3) the previously approved project from March 2024 was for a data center instead of a warehouse as described; 4) power and water supplies should be evaluated; 5) the Planning Commission hearing was conducted improperly; and 6) the project should be

evaluated after data centers are formally added to the Reno Municipal Code (RMC) through the current zoning code update.

- The applicant, EPL Virginia Investors LLC, appealed to preserve their right to judicial review under NRS 278.3195, and to modify condition 15 to correct a drafting error.

Alignment with Strategic Plan:

Economic and Community Development

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

The Planning Commission originally heard the request on December 5, 2024, and continued the hearing to December 18, 2024 in order to allow the applicant to provide additional information. Draft minutes from both Planning Commission meetings are attached (**Exhibits B and C**). A detailed project analysis is provided in the attached Planning Commission staff report (**Exhibit D**). The discussion is summarized below:

- Land use compatibility with surrounding uses was evaluated. This geographic area is generally characterized by industrial zoning and uses that would allow for 24-hour indoor operations by right. There is no nearby residential zoning, and there are significant buffers between the site and two mobile home parks within ±550 feet. Construction and operational conditions were recommended for noise. The proposed use is generally compatible with existing land uses in the area.
- Specific design considerations regarding site layout, screening, building design, and landscaping were reviewed against development standards for the MS zoning district. As presented, the proposed development generally complies with zoning code standards for: streets, utilities, and services (RMC Chapter 18.04 Article 5); access, connectivity, and circulation (RMC Chapter 18.04 Article 6); off-street parking and loading (RMC Chapter 18.04 Article 7); landscaping, buffering, screening, and fencing (RMC Chapter 18.04 Article 8); site and building standards for mixed-use districts (RMC Chapter 18.04 Article 10); exterior lighting (RMC Chapter 18.04 Article 13); and the data center use-specific standards [ADM24-00020].

The proposed project was reviewed by various City divisions and partner agencies. Comments received were incorporated into the staff report. The applicant presented their project at the November 21, 2024 Ward 4 Neighborhood Advisory Board meeting. Courtesy and public hearing notices were sent out to all property owners within 1,350 feet of the project, and a public

notice sign was posted on the property. No public comments were received.

Discussion:

On January 25, 2024, the definition of a data center and use-specific standards were incorporated into RMC through ADM24-00020 as allowed by code. The administrative interpretation, which requires all data centers to be reviewed through a CUP process, was provided to Council Members, management, and the City Clerk. No appeals were received. The same definition, use-specific standards, and CUP requirement have been incorporated in the zoning code cleanup adopted by Council on January 8, 2025.

The administrative interpretation established that data centers are similar to a warehouse or distribution center, often with lesser impacts. There will be significantly less truck traffic, loading/unloading, and dock doors for a data center as opposed to a warehouse or distribution center. Based on their inherent need for 24-hour operations, data centers trigger a discretionary review (CUP) to analyze and mitigate their potential impacts.

On March 20, 2024, the Planning Commission approved a request for a CUP to allow 24-hour operations, grading resulting in fills greater than 10 feet, and disturbance of a major drainageway associated with an industrial warehouse development (LDC24-00035). That request included the three subject parcels associated with this application along with a fourth parcel. The current data center request is for a different project on the same site and is otherwise unrelated to the previous entitlement.

Regarding public utilities, providing sufficient power for the specific use is up to the applicant. Master Plan concurrency standards do not apply to energy needs; however, the general framework is that "...developers must demonstrate concurrency prior to issuance of building permits by the City." The applicant has obtained commitments from, and executed agreements with, NV Energy to supply the necessary power. A will-serve from Truckee Meadows Water Authority (TMWA) will be required prior to any permit requests to develop the site.

Financial Implications:

None at this time.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council review the letters of appeal and Planning Commission action and affirm, modify, or reverse the Planning Commission's decision.

Proposed Motion:

Below are proposed motions with the findings for affirmation, modification, and reversal of the Planning Commission decision.

Motion to Affirm Planning Commission Decision

(Denying the appeals and approving the CUP)

Regarding the appeals of LDC25-00014 (Webb Data Center), based on Council’s review of the staff report, the record on appeal, and information presented at the public hearing for this appeal, and based on my ability to make all of the required findings as listed in the staff report, I move to AFFIRM approval of the conditional use permit by the Planning Commission and DENY the appeals. The City Clerk is instructed to prepare and file an order.

Motion to Modify Planning Commission Decision

(Affirming the appeal and modifying the conditions of the CUP)

Regarding the appeals of LDC25-00014 (Webb Data Center), based on Council’s review of the staff report, the record on appeal, and information presented at the public hearing for this appeal, I move to AFFIRM the appeal and MODIFY the decision of the Planning Commission as follows ____*. As modified, I can make all of the required findings as listed in the staff report, and I move to APPROVE the conditional use permit subject to conditions stated in the Planning Commission decision letter and as modified by Council. The City Clerk is instructed to prepare and file an order. *Modifications to the conditions of approval outlined in the Planning Commission decision letter are: [List modifications]

Motion to Reverse Planning Commission Decision

(Affirming the appeals, reversing the Planning Commission decision, and denying the CUP)

Regarding the appeals of LDC25-00014 (Webb Data Center), based on Council’s review of the staff report, the record on appeal, and information presented at the public hearing for this appeal, I move to AFFIRM the appeal, REVERSE the approval of the conditional use permit by the Planning Commission, and directly DENY the conditional use permit, based on the inability to make all the applicable findings. The City Clerk is instructed to prepare and file an order.

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 and application that provides a public benefit even if the development is contrary to some of the foals, 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:

Case Maps

Exhibit A – Appeals

Exhibit B – Draft Planning Commission Minutes – 12-5-24

Exhibit C – Draft Planning Commission Minutes – 12-18-24

Exhibit D – Planning Commission Staff Report