

**Webb Data Center
Presentation for Reno City Council
January 22, 2025**

ELLIS PARTNERS



Intro to Ellis Partners

ELLIS PARTNERS

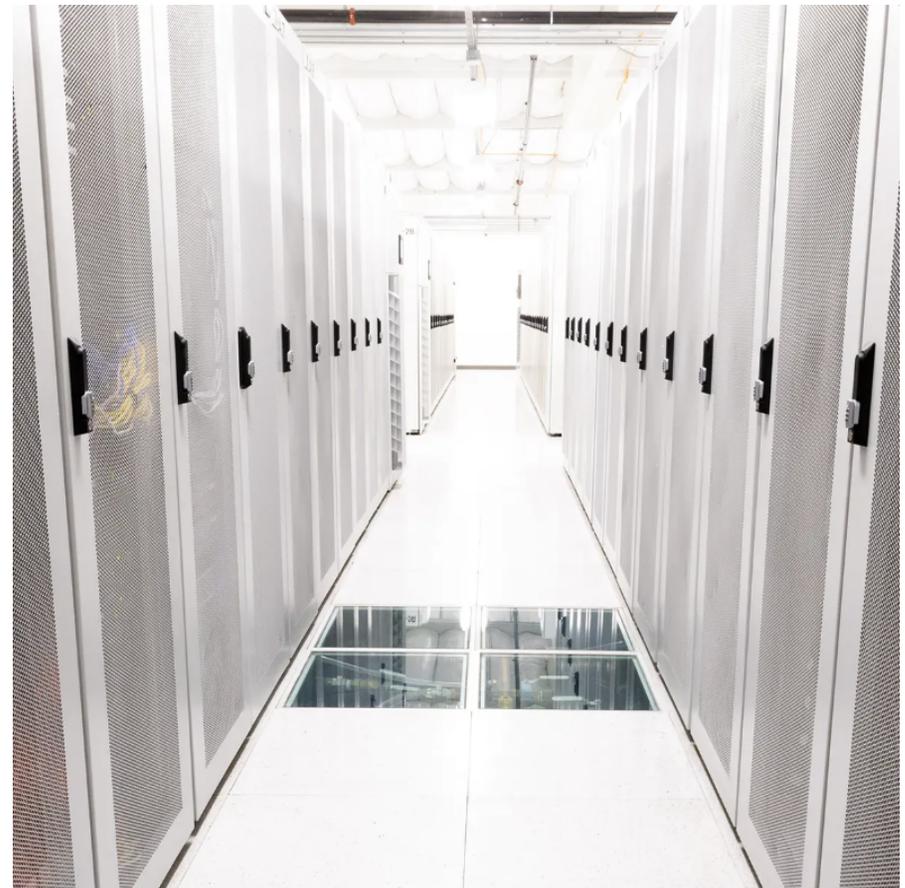
- Founded in 1993 in San Francisco
- Developer of retail, mixed-use, office and industrial
- 15.8M SF across 71 investments
- 25 real estate professionals with an entrepreneurial culture. Senior management team has worked together for 20+ years allowing extensive collaboration
- We have vast experience in guiding the creation of vibrant gathering spaces, whether open to the public or shared private spaces for our residents and tenants



Intro to Colovore



- Founded in 2012
- Operator of cutting edge, energy efficient colocation data centers.
- Pioneer of liquid-cooled high-density data centers.
- Santa Clara facility earned 2023 ASHRAE Technology Award for reducing carbon emissions by 50%.
- Customers range from small start-ups to Fortune 500 companies.
- Scalable and cost-effective enterprise network provider for small businesses.



Master Plan Goal for Tech Growth



Reno's Master Plan identifies a desire for Reno to **evolve into a technology center**, to **"foster growth in high-tech and knowledge-based industries,"** and promote the city as a **destination for testing of new technologies** (MP 1.3B), whether by facilitating access to **advanced telecommunications technologies** (MP 1.3E), assuring a business climate **open to new technologies** (MP 1.4B), or building a **more talented labor pool** (MP 1.5F).

City of Reno Master Plan | November 2021



1.3

Support continued growth of Reno's technology- and knowledge-based sectors.

1.3A: EDUCATION-BASED ECONOMY

Develop a multi-faceted partnership with UNR, TMCC, and other providers to expand technology and research education and economic development efforts through the creation of a university innovation district as part of the Downtown Regional Center, alignment of target industries with educational offerings citywide, and cross-promotion of Reno and UNR as a center for technology development.

1.3B: TEST BED FOR NEW IDEAS

Promote Reno as a destination for testing of new technologies by providing flexibility and a collaborative regulatory environment for autonomous vehicle testing.

1.3C: MODERN OFFICE ENVIRONMENTS

Continue efforts to revitalize Downtown Reno and other priority centers and corridors to create vibrant mixed-use areas attractive to office workers and young professionals.

1.3D: PARTNERSHIPS

Develop a coordinated strategy with regional partners to attract technology and other businesses within target industries (as informed by Policy 1.1a).

1.3E: ADVANCED TELECOMMUNICATIONS TECHNOLOGIES

Support the growth of technology-based sectors and the expansion of live/work and telecommuting opportunities by facilitating expanded access to advanced telecommunications technologies.

Data Centers Are Essential Infrastructure

- **Data centers are a foundational component of a modern economy.** All modern businesses, particularly tech companies, require substantial computing power.
- **Colocation Data Centers service start-ups and small businesses** by providing cost-effective and scalable network solutions that would otherwise need to be host in-house, which may be prohibitively expensive for small businesses.
- **The location of data centers matters.** To reduce latency and improve user experience, it is important for businesses to reside close to their data center.
- **CTOs and engineers from around the country will travel to Reno** to interface with their equipment.
- **Conclusion: developing a colocation data center is essential to attracting tech companies to Reno and fostering a high-tech economy.**



Master Plan Sustainable Development Practices

2.5A: Green Building and Sustainable Neighborhood Development

- We are providing **several above code sustainable features** (discussed below)

2.5B: Transit Oriented Development

- **Vehicle miles traveled and greenhouse gas emissions from vehicles will be dramatically less** than an alternative industrial use with trucking operations
- A new sidewalk will encourage walkability and active lifestyles

2.5C: Drought Tolerant Landscaping

- **175 native, drought-tolerant trees and plants** will be added to the landscape

2.5D: Treated Effluent

- Reclaimed water infrastructure does not exist and is not planned for this location
- **If reclaimed water becomes available in the future, the irrigation can be connected to it**

2.5E: Renewable Energy

- We have committed to a **4,000sf solar array** above the front of house areas which is the maximum that the project can support
- The **entirety of the roof structure will be upgraded to support solar** for other uses in the future

2.5F: Stormwater Best Management Practices

- **130% of stormwater load will be detained.** Stormwater management will be greatly improved as a result of our project.

Master Plan Sustainable Development Practices

2.5G: Energy and Water Conservation

- **No evaporative cooling** is used on our project.
- **Extremely low water demand** for an industrial use
- **Low-flow plumbing fixtures**
- Colovore's existing facility has **won awards for carbon reduction**
- **The computing power necessary to drive Reno's economy will be run with optimal efficiency by Colovore** vs. inefficient in-house server rooms.

2.5H: Waste Reduction/Recycling

- **Construction debris will be source separated**
- **Server equipment is recycled** when it reaches obsolescence.

2.5I: Integrated Pest Management

- We commit to using **no herbicides or neonicotinoid pesticides**.

2.5J: Greenhouse Gases

- Colovore's facilities **lead the industry for energy efficiency** and have won awards for carbon reduction
- **GHG from vehicles will be dramatically less** than an alternative industrial use

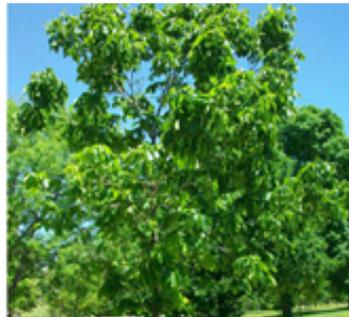
2.5K: Design Principles for Sustainable Development in the Downtown and University District

- This is not applicable because the project is not in Downtown
- As a **commitment to sustainability**, we include the following additional **above code** features
 - **Reflective roof** to minimize heat island effect
 - Two **EV chargers**
 - **Low VOC** paints and coatings on the core & shell

Sustainable Summary

Our project has the following sustainability features (✓ denotes above code requirements)

- **No evaporative cooling. Extremely low water demand** for an industrial use.
- ✓ **4,000sf roof top solar system** (equivalent area of 22 parking spaces)
- ✓ **Reflective roof to minimize heat island effect**
- ✓ **Entire roof structure can support solar** if feasible in the future
- ✓ Two electric vehicle chargers
- ✓ Low-flow domestic water fixtures
- ✓ Source separation of construction debris
- ✓ Low VOC paints and coatings on the core & shell
- **Industry leading energy efficiency** for a colocation data center
- 175 native plants and trees
- Stormwater detention for 130% of load



Economic Benefits – Annual Tax Revenue

Over an expected 30-year lifespan, the **City of Reno will earn an estimated \$165M in tax revenue** from Sales, Property and Franchise taxes alone from the Webb Data Center.

	Webb Data Center
Annual Sales Tax Revenue	\$16,500,000 Total Reno Portion = \$2,800,000
Annual Utility/Franchise Tax Revenue	\$1,000,000 Total Reno Portion = \$1,000,000
Annual RE&P/Property Tax Revenue	\$6,500,000 Total Reno Portion = \$1,700,000
TOTAL ANNUAL TAX REVENUE GOING TO CITY OF RENO	\$5,500,000

Due to the high value of server equipment cycling through the Webb Data Center, the **annual tax revenue will be 10 TIMES a typical industrial use.**

An estimated **17 full time positions** will be employed by the Webb Data Center.

*(Note: Figures above do not include other tax revenue such as MBT, UIT, CT, etc)
(Note: Figures above are in today's dollars)*

Economic Benefits – Construction

The **City of Reno** will earn an estimated **\$1,700,000** in tax revenue during the construction of the **Webb Data Center**.

	Webb Data Center Project
Tax Revenue from Construction	\$9,900,000 Total Reno Portion = \$1,700,000
Projected Onsite Construction Labor Hours	500,000 hours

Tax revenue from construction is estimated to be **12 TIMES a typical industrial use**.

The construction of the project is estimated to require **5 TIMES the amount of skilled construction labor than a typical industrial use**.

The **ongoing service and maintenance** of the data center equipment will create many more **highly skilled employment opportunities**.

Administrative Interpretation for Data Centers

Prior to January 25, 2024, Data Centers were considered **Warehouses with minimal development standard and no CUP requirement**

Administrative Interpretation ADM24-00020 (ADM) was made effective on January 25, 2024

- Data Center was added as an explicit use category
- Data Center specific development standards were added
- The appeal period concluded without an appeal
- The ADM became part of the Reno Municipal Code at this time

A rigorous public review process took place over the past year. The ADM and Zoning Code Update (ZCU) were discussed at:

- ***3 Planning Commission (PC) meetings***
- ***3 City Council (CC) meetings***
- ***Meetings with every Neighborhood Advisory Board***
- ***9 different community stakeholder meetings***

PC, CC and the public had ample opportunity to influence Data Center development standards

The ZCU was adopted by CC via public hearing on January 8th, 2025.

Our CUP application was submitted on October 15, 2024 and approved by PC on December 18, 2024.

- **We followed the process and requirements set forth in Reno's Municipal Code**
- **We comply with all Data Center development requirements**
- **We meet all of the Findings for CUP approval**

Basis of Appeal

The Appeal makes no reference to the Planning Commission's Findings for approval.

Instead, the Appeal states the following (paraphrasing):

1. The Administrative Interpretation was not noticed or agendized has not been adopted into the municipal code - FALSE

- See prior slide

2. Data Centers and Warehouses should be considered under separate ordinances – THEY ARE

- Data Center is an explicitly identified use category in the zoning code with specific development standards

3. The Administrator instructed the commission to consider the data center as a warehouse – FALSE

- The application is for a Data Center. The title of the project listed on the application is Webb Data Center.
- Reno Planning's Staff Report states it as a Data Center.

4. The March 20th, 2024, CUP approval did not acknowledge data center use – NOT RELEVANT

- The March 20th approval was a different project by a different applicant with a different case number
- Our project is not associated with the prior project whatsoever
- Our project is smaller and a lower traffic use

5. The non-conforming MS zoning creates inconsistency in planning for this site – FALSE

- Parcels with zoning that do not conform with the Master Plan are ubiquitous throughout Reno, particularly in Ward 4
- Any inconsistency b/w the Master Plan and zoning was created by the city of Reno, not the applicant
- Data Centers are conditionally permitted under both the non-conforming MS zoning and the conforming IC zoning
- The project complies with all development standards of the Master Plan, the MS zoning, and the Data Center ADM

6. A violation of open meeting laws took place - FALSE

- Only a voting member of the body can violate open meeting laws by taking action.
- The City Attorney is not a member of the body and therefore he cannot violate the open meeting laws.
- Applicants and members of the public can converse with City Staff openly or privately without violating open meeting laws.

Summary

- Data centers, particularly colocation data centers, are **essential to Reno's Master Plan goal of fostering a high-tech economy.**
- Our project **supports all of the Master Plan Sustainability Goals** and includes many above code sustainable features.
- Data centers generate immense public revenue (**\$165M+ to Reno over 30 years**) with minimal traffic impacts and minimal demand on public services.
- **Data centers generate highly-skilled and high-salary jobs** that improve talent density in the region and do not rely heavily on social services.
- **There is no basis for the appeal** and it does not attempt to dispute the Findings for approval