

**PLANNING COMMISSION
STAFF REPORT**

Date: December 18, 2024

To: Reno City Planning Commission

Subject: **Staff Report (For Possible Action): Case No. LDC25-00014 (Webb 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 ±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).**

From: Jeff Foster, Associate Planner

Ward #: 4

Case No.: LDC25-00014 (Webb Data Center)

Applicant: EPL Virginia Investors LLC

APN: 082-101-13, -14 and -19

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 ±6.02 acre site is comprised of three vacant parcels located on the north side of North Virginia Street ±1,170 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: 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 along with a fourth parcel that contains the major drainageway.

On December 5, 2024, the Planning Commission deliberated on the proposed project. There was some discussion on other potential uses for the project site as well as whether the applicant had evaluated repurposing an existing building for a data center. Most of the discussion centered around potential implementation of sustainable components (e.g., low flow fixtures and solar) and the ability for NV Energy to provide sufficient power for the project. The item was continued to a date certain in order for the applicant to provide further information on the NV Energy commitment to serve the project.

Discussion: The project proposes construction of an ±82,000 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 MS 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, east, and south, and an undeveloped parcel to the west. A mobile home park is located ±470 feet to the east, separated from the subject parcels by a parking lot and a business industrial flex development. A second mobile home park is located ±550 feet to the northwest, separated from the subject parcels by a parking lot. The land uses immediately surrounding the site are summarized in the table below.

Adjacent Properties		
	Zoning	Use
North	IC	Warehouse or distribution center (Amazon Delivery Station)
East	IC	Warehouse or distribution center (Amazon Delivery Station parking)
South	I	Warehouse or distribution center (OnTrac parcel delivery service)
West	IC	Vacant (fourth parcel from LDC24-00035)

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 $\pm 1,500$ feet away and separated from the site by a freeway. However, there are two mobile home parks within ± 550 feet of the subject site. There are significant buffers between the site and the mobile home parks, and it is anticipated that indoor operations would not have impacts upon these residential uses. Regarding exterior operations and the proposed location of the truck dock and drive-up door, staff recommends a condition to limit the hours of truck arrivals/departures, idling, and on-site movement (**Condition 5**). Restricted construction hours will further reduce potential impacts on the existing residential uses (**Condition 6**). 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 two chiller yards, a backup generator yard with ± 10 emergency generators (only used during a power failure and during necessary periodic testing or maintenance per **Condition 7**), parking, landscaping, and underground retention/detention basins (**Exhibit B**). Twenty-five parking spaces are required and 26 are provided. A truck dock and a drive-up door are proposed at the northwest corner of the building, which is a significant distance from North Virginia Street and screened by intervening parking and landscaping.

One of the chiller yards is on the south side of the building facing North Virginia Street; the generator yard on the east side of the building would also be visible from North Virginia Street (**Exhibit C**). The chillers are ± 10 feet tall with additional height for the piping and the generators at ± 25 feet tall. A ± 15 foot tall screening/security fence is proposed approximately six to eight feet below the level of the roadway to screen the chillers and piping along with the majority of the height of the generators. Proposed street tree canopy along North Virginia Street will obscure visibility of the top of the generators, and the southernmost generator will be painted a custom color that is coordinated with the building color (**Condition 8**). Rooftop mechanical equipment will be screened by parapet walls.

Elevations for the proposed ± 32 foot tall, single story building are shown in **Exhibit D**. The south street facing façade appears to meet the required wall articulation per RMC 18.04.1003(c)(2)(b) and ground floor transparency requirement per RMC 18.04.1003(c)(3). The ground floor

transparency glazing is located along the upper portion of the façade so it is visible above the 15 foot tall screening/security fence. The building mounted light fixtures are mounted at 25 feet as allowed by code and no lighting is directed onto adjacent properties.

The MS zone requires a minimum of 20% of the developed site to be landscaped. As designed, the project includes ±52,703 square feet (20% of the site) of formal landscaping plus additional decorative rock mulch area (**Exhibit E**). Landscaping to provide parking area screening from view of North Virginia Street has been included per code. The site plan includes a ±20 foot landscaped buffer between the proposed sidewalk and the proposed screening fence. A mixture of deciduous and evergreen trees will be planted along North Virginia Street, within the buffer area, in a staggered arrangement at two elevations to help obscure the screening/security fence, top of the generators, and building (**Condition 9**).

Since the site encompasses three parcels, prior to approval of any site improvement permit the applicant shall have a recorded deed of combination or equivalent mapping process to revert or combine the three parcels into one. Alternatively, the applicant shall demonstrate that there is an existing reciprocal access easement over the parcels (**Condition 10**).

Traffic, Access and Circulation: The proposed data center project is anticipated to generate 84 daily trips, including 9 A.M. peak hour and 8 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.

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, which is currently being reviewed (LDC25-00013).

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 application indicates that ownership has obtained commitments from and executed agreements with 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); four underground retention/detention basins are 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
- C-SC.1: Overall Mix
- 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. The applicant presented their project at the November 21, 2024 Ward 4 Neighborhood Advisory Board meeting. No comments have been received. 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. 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.

7. The emergency backup generators shall only be used during power failures and during necessary periodic testing or maintenance.
8. Prior to approval of a building permit for site improvements or vertical construction as appropriate, the applicant shall submit final plans showing a minimum 15 foot screening fence along the project frontage and a note that the southernmost generator will be painted to complement the building to the satisfaction of the Development Services Department.
9. Prior to approval of a building permit for site improvements, final landscaping plans shall demonstrate a double row of staggered trees along the project frontage as shown on the preliminary landscape plan and sightline study. These shall be a mixture of deciduous and evergreen trees to provide year-round screening to the satisfaction of the Administrator.
10. Prior to approval of a building permit for site improvements, the applicant shall have a recorded deed of combination or equivalent mapping process to revert or combine the three parcels into one. Alternatively, the applicant shall demonstrate that there is an existing reciprocal access easement over the three parcels.

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 and Floor Plans
- Exhibit C. Sightline Study
- Exhibit D. Preliminary Elevations
- Exhibit E. Preliminary Landscape Plan
- Exhibit F. Agency Comments