

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

Commissioner Becerra stated this project enhances water reliability and protects the environment. It is good for the community.

Commissioner Rohrmeier expressed appreciation for the amount of work and level of detail here.

***It was moved by Manny Becerra, seconded by Kerry Rohrmeier, to approve the conditional use permit, subject to the conditions listed in the staff report. Motion Pass.***

<b>RESULT:</b>	<b>Approve [6 TO 0]</b>
<b>MOVER:</b>	Manny Becerra, Commissioner
<b>SECONDER:</b>	Kerry Rohrmeier, Vice Chair
<b>AYES:</b>	Armstrong, Becerra, Del Villar, Drakulich, Rohrmeier, Velto
<b>NAYS:</b>	
<b>ABSENT:</b>	Silvia Villanueva
<b>ABSTAIN:</b>	
<b>RECUSED:</b>	

- 4.2 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). **[Ward 4]**

Jeff Foster, Associate Planner, presented the staff report including staff analysis of the request.

Veronica Bardhan, Tectonics Design Group, presented an overview of the project.

Disclosures: familiar with the site, read submitted materials, spoke with the applicant's representative

Public Comment: Correspondence received was forwarded to the Planning Commission and entered into the record.

Questions:

Commissioner Del Villar asked for more information on the applicant's job creation projection.

David Harty, Ellis Partners, explained they think of job creation in a number of

different ways. Jobs created will include construction labor, onsite staff once the data center is up and operating, and service agreements with local mechanical, electrical and plumbing contractors for service and maintenance of the equipment that will serve the data center.

Commissioner Del Villar asked if the applicant has considered using other existing warehouses in Reno and developing this land for something other than a big box.

Mr. Harty stated they have considered that but it is very difficult to fit a data center into an existing building. It needs to be a purpose-built facility in order to get the energy efficiency it needs for the business model to work.

Commissioner Rohrmeier asked staff what the city is looking for from NV Energy related to finding 4 regarding the availability of public services.

Mr. Foster acknowledged that they are forging new ground in terms of what is required to be analyzed for a data center. There is not a requirement to have a full vetting with NV Energy as part of the standard conditional use permit process. The applicant did indicate in their application that they have a full commitment from NV Energy to provide energy to this data center. A will serve letter from NV Energy was provided and is part of the application record.

Commissioner Rohrmeier asked if there are any other land uses in the area that require this amount of energy.

Mr. Foster stated he does not have that research as part of the staff analysis on this application.

Mr. Harty stated there are industrial uses that use a substantial amount of energy. Data centers are one of the larger power users per square foot for industrial uses.

Commissioner Becerra asked staff if there were specific Master Plan goals and policies that were key in supporting a recommendation for approval.

Mr. Foster explained the analysis that was done and noted there is no language that specifically addresses data centers as a use in the current Master Plan.

Commissioner Becerra referenced the Sustainability and Climate Action Plan and asked if there are specific opportunities for renewable energy integration that were explored for this project.

Mr. Harty explained that solar is not economically feasible for this project. He explained their evaluation of how the project fits with sustainability goals. This data center will be significantly more energy efficient than typical data centers.

Mr. Foster explained for Commissioner Del Villar that the substation that will provide energy to this site has already been approved.

Mr. Harty explained that they are funding the purchase of the equipment for the substation and it should be online in the year 2029. The first phase of the data center is planned to be online sooner than that and there is existing power available that will help get the project started until the substation comes online.

Commissioner Rohrmeier asked the applicant if they have explored the idea of a clean transition tariff to ensure that 100% of the energy is renewable.

Mr. Harty stated they have not explored that. It is not something they have needed or that has been required for the project.

Mr. Foster confirmed for Commissioner Becerra that the Fire Department did evaluate this application and staff did not receive any specific feedback for anything out of the ordinary.

Mr. Foster explained for Commissioner Del Villar that the requested conditional use permit is specific to the data center use. If another industrial use came along, it would require its own separate entitlement as appropriate.

Commissioner Rohrmeier asked what the contingency plan is to keep 30 mega-watts going if NV Energy de-energizes lines for things like wildfires or strong winds.

Mr. Harty stated there is redundancy within the grid and there are also multiple feeds coming into the building. He also explained why battery storage is not an option.

Commissioner Becerra asked staff about their conversations with NV Energy and if we are setting ourselves up as a community to be reactionary in the future for how we sustain the energy demand when we set the bar for something new like this. Would NV Energy be able to meet the demand if three more data centers came online in the next few months? He also asked what the incentive is for companies to go all in on sustainability like solar without local ordinances in place to do it.

Mr. Foster stated he has not had direct conversations with NV Energy on this. He has had conversations internally with staff that they may need to bring in

other elements of a larger policy discussion with regard to data centers and energy usage as the current process does not include a finding that requires that energy documentation. The overall concurrency process documented in the Master Plan does require at the building permit stage that various infrastructure elements be provided and documented prior to issuance of building permits.

Commissioner Becerra expressed concern that they do not have something more solid to work off of in Title 18.

Mike Railey, Planning Manager, explained that prior to January of this year, they did not define a data center use in code. They receive numerous inquiries from developers looking to locate data centers so in January staff set some basic standards for a data center use and identified zones where data centers would be permitted along with a process that requires a conditional use permit. In that process, they did not go into power uses or sustainability.

Commissioner Becerra stated we as a city have had ample time since January to explore those areas in order to be set up for more success tonight with not just guidelines but a policy.

Discussion:

Commissioner Rohrmeier stated she appreciates the difficulty of being first with this new use. There is nothing in Reno, Sparks and Washoe County that is comparable to this in terms of energy needs so there is nothing to compare this to. She has spoken to NV Energy and the PUCN says that you have to be served but there is no time frame or detail provided to us if it can be served in the next year, 5 years or 10 years. So, it is very challenging to make a case for the conditional use permit finding 4 regarding public infrastructure services being available to serve the project. This is the equivalent of power for 5,000 homes. The demand for data centers is incomparable and I am not clear on findings 4 and 5.

Commissioner Velto stated that data centers are good for society but not good for the community they reside in. They are super intensive and don't normally create jobs. He does not think any of that is relevant to his analysis. He also stated they are getting far afield from what they should be looking at. Data centers are a recognized use with a conditional use permit. There are no data centers in the area so it makes it impossible to determine if it is compatible with the surrounding area. His view on being able to make conditional use permit finding 5 is whether it generally fits with what is around it and in this area there are a lot of warehouses that look similar to what is being proposed here. We should not look at what they are doing in the building to make a determination as to whether or not it is compatible with the surrounding area. With regard to

conditional use permit finding 4, if NV Energy can't serve the project, that's on the applicant. We are being told that there is a will serve letter from NV Energy and that is sufficient to be able to make finding 4. Beyond that, we should not be making value statements on whether there should or should not be data centers. That is a policy decision for City Council.

Commissioner Del Villar stated Ward 4 is disproportionately impacted by these massive buildings. Yes, there are already warehouses there but how many more warehouses or massive buildings are we going to put into Ward 4. She has concerns with that and the public feedback showed that as well. This is the first one so we are setting precedence and there are still questions out there about the guidelines and what the policy should be. She expressed concern about what the balance is between this being the first one and setting precedence and making sure they have thought this through from a more sustainable standpoint.

Commissioner Becerra stated that when Commissioner Velto said we should go with what's before us and not overreach, he takes that to heart and appreciates that. In this particular case though we don't have a policy to go off of. Since we do not have a policy, the best thing we can do is what we are doing tonight and try to find that balance and serve in the best advisory capacity that we can.

Mr. Railey clarified that there are development standards for data center uses. They defined what a data center is and there are limitations on what that use is. There are not specific policies in the Master Plan related to data centers but there are other uses within the code that there are not specific policies for.

Commissioner Becerra stated it seems there are some areas that might cover it, but there are still some potential critical gaps that need policy language around them.

Commissioner Rohrmeier asked to see the will serve letter from NV Energy.

Ms. Bardhan provided a copy of the letter on her phone and it was shown on the presentation screen.

Commissioner Rohrmeier stated the last sentence does not demonstrate enough information to make finding 4.

Commissioner Velto asked Commissioner Rohrmeier if there is something else they could get that would be more concrete than this from NV Energy.

Commissioner Rohrmeier stated there are studies and things that can be

presented that would tell us timeframes and loads that could be served. TMWA (Truckee Meadows Water Authority) has what is called a Discovery Level 1 and Discovery Level 2 Phase Investigation that a preliminary project would submit for application and then give a thorough report. This letter feels a little light for us to be deciding groundbreaking new land uses.

Commissioner Velto asked why the Planning Commission should refuse to take the risk of approving this when it would be the applicant that would suffer if NV Energy ended up not being able to serve their project.

Commissioner Rohrmeier stated she appreciates that point of view. There is so much interest in data centers and this is the first of many to come and there is no code asking us to look at cumulative effects. We have to have discernible information and a standard of detail about what utility demands this entails and when the service can be provided. She also wondered if the conditional use permit would expire long before the project will ever get built.

Commissioner Velto asked if there is a way to condition it to require service for it to be operational.

Commissioner Rohrmeier stated staff made a good point about what is required in the building permit stage of the process but the Planning Commission does not need to be reviewing case after case without set standards on what to look for in the application. We need a certain level of detail beyond a will serve letter because there is nothing else we have to compare it to.

Commissioner Velto asked the applicant to weigh in on this discussion.

Mr. Harty stated he has planning memos that include detailed information about the service sizes, in-service dates, infrastructure required, and lead times.

Commissioner Velto stated all that information would not assist him in determining whether or not they would have sufficient energy. His point is that no matter what the applicant tells him, he is only going to care about whether or not NV Energy says they are going to get power. He can't do analysis on the details of the power needs. All that is required under the law is making the conditional use permit findings. We should not have a process for applicants to come in and apply with a conditional use permit and then move the goal post and create additional hurdles once they get here by saying we need to see all this other information.

Commissioner Rohrmeier stated she respects that opinion but that information is asked of them for sanitary sewer, storm drainage, water supply, and every

other utility so why should that same level of detail not be required here.

Commissioner Velto asked if they do get more than will serve letters for those utilities.

Commissioner Rohrmeier stated yes. The appendices are full of sewer studies, hydro studies, noise studies, and traffic studies.

Commissioner Drakulich stated there are some solid point on both sides. When he first read the staff report with staff recommending approval, he could make the findings and did not have any true concerns. It is tough that we don't have data center policies to go by. He asked how staff would have handled this application if it came through before January of this year.

Mr. Railey stated they would have likely classified it as a warehouse and it would have gone through the conditional use permit process for 24 hour operation and they would likely be at the same point we are now.

Commissioner Drakulich stated he is going to follow staff's recommendation for approval. He understands the consequences of that decision and respects the other perspective. To the point of compatibility, there is not going to be any residential or housing in the area and retail is not a good fit. This is probably as good as it gets for this parcel.

Mr. Harty stated that with regard to electrical capacity he can only speak to their project and not others that may be coming. He explained that they are funding in advance the construction of a substation. It is already under construction and they have commitments from NV Energy for the power allocation. That substation will also provide an additional 30 MVA of power to serve any number of uses throughout the North Valleys.

Mr. Railey stated that this project would not be issued a building permit from the City of Reno if they could not demonstrate that they have service from NV Energy.

Commissioner Becerra expressed concern that City Council would not have a policy to go off of to evaluate an appeal on this if one ended up being filed. We owe applicants and the public predictability and we don't have that tonight. I cannot make the findings. He discussed a previous project from NV Energy in the North Valleys where the project is at a standstill related to being able to provide long-term resiliency so that is a factor to consider.

Commissioner Del Villar stated the North Valleys is in a unique situation. She has concerns that this will not bring a lot of employment, granted it won't bring

a lot of traffic with that. She expressed concern about setting a precedent, especially in terms of the energy usage and sustainability with other projects coming forward.

Mr. Foster stated for clarification that there is an existing entitlement for a warehouse on this site and in theory that could move forward.

Commissioner Del Villar stated that would at least employ more people.

Mr. Foster continued and stated that he would have a problem with this staff recommendation if the substation were not already approved.

Commissioner Del Villar asked what kind of position the City is going to take going forward and if they are going to require that a certain amount of power will be used or put more sustainability in place for different forms of energy.

Commissioner Becerra suggested continuing this item to ask City Council to rally to help us out here and get some standards set in place.

Commissioner Rohrmeier stated she can support continuing to allow time for more information to be provided.

Mr. Railey asked for clarification on exactly what they would be looking for with a continuance. He heard two things suggested, one being time for more information to be provided and one for policy direction from City Council.

Commissioner Becerra suggested both additional information and policy direction from Council.

Chair Armstrong stated he does not know how practical it is for City Council to formally contemplate this in the timeframe being suggested.

Commissioner Velto stated if a vote on this item ends up being 3 to 3, it would be a technical denial and the applicant would have the option of appealing to City Council. He asked if the applicant would rather have a continuance and gather more information or have a vote today and risk a technical denial.

Commissioner Drakulich expressed confusion regarding how much time they are talking about if they are going to ask City Council to weigh in. That could take six months.

Commissioner Rohrmeier clarified her request stating that in a couple of weeks the applicant could provide some additional information from the utility that would provide clarity on her questions.



Mr. Harty asked if they are asking for clarity and more certainty on the provision of the power or if there will be new standards that would be applied to their project.

Commissioner Velto explained that different commissioners have different perspectives. One is seeking more information about the ability to service the project with energy and one would like to get more input from City Council.

Mr. Harty asked if new standards would be applied to a project that was submitted and meets and exceeds code requirements.

Mr. Railey stated that the project is reviewed under the standards in place at the time it was submitted so the development standards do not change.

Mr. Harty asked for confirmation that new standards would not apply to their project.

Karl Hall, City Attorney, confirmed that is correct. They will not change the standards for discussion of this application. He also stated that any policy changes made down the road will not affect this application.

There was discussion regarding documentation of the agreements the applicant has with NV Energy and Commissioner Rohrmeier stated that kind of documentation would be helpful.

Commissioner Velto asked if it is possible to see those documents from NV Energy tonight and suggested pausing this item until after other agenda items are addressed to allow the applicant time to provide the documents tonight.

Chair Armstrong asked Commissioner Rohrmeier what specific language she needs to see.

Commissioner Rohrmeier stated the code does not tell the applicant what studies to provide. Staff tells the applicants which technical documents are helpful in the application process.

Mr. Railey clarified that the conditional use permit application has a submittal check-list of studies that are required.

Commissioner Rohrmeier asked for clarification that it is not required in Title 18 but it is staff's determination.

Mr. Railey clarified that some of it is in code and some of it is not.

Commissioner Rohrmeier stated the issue here for her is that the checklist of required studies has not been created for data centers and they are different than anything else we have encountered.

Mr. Harty asked if they can have one of their colleagues call in to the meeting via Zoom to show the agreements they have with NV Energy.

Commissioner Rohrmeier stated she thinks there should be consideration for a 2 to 3 week continuance to hash this out.

Commissioner Velto asked the applicant if they would prefer a continuance or a vote with the opportunity to appeal if it is not approved.

Ms. Bardhan asked for a legal perspective regarding Commissioner Rohrmeier's comments that the conditional use permit process does not recognize data centers and is not a sufficient review process in terms of checklists for documents that need to be provided.

Mr. Hall stated that Commissioner Rohrmeier's issue with the application is that she does not know that you will have the ability to make finding 4 which is that public services and facilities are available to serve the project. She is looking for that information to make her findings. Commissioner Velto is asking if you want a continuance tonight to provide further information or a vote with the opportunity to appeal the decision to City Council.

Mr. Harty stated that if they are allowed to, they would like to show the agreements tonight and then have a vote.

Commissioner Velto stated he thinks the reality is they would continue it to the next meeting in two weeks.

Commissioner Rohrmeier confirmed for the applicant that she is open to meeting with city staff and the applicant to look at their documentation to determine if it is the appropriate information to guarantee that the project is going to be served by NV Energy, that there is sufficient capacity, and to make sure that we have documents that are the kind of information that going forward other applications for data centers can provide for review to make a decision.

Commissioner Del Villar confirmed for the applicant that she feels the same.

Commissioner Becerra also confirmed he agrees and stated that the other things he would like are aspirational and will come in due time.

*It was moved by Alex Velto, seconded by Kerry Rohrmeier, to continue to the next meeting with a date certain of December 18, 2024. Motion .*

<b>RESULT:</b>	Continue [6 TO 0]
<b>MOVER:</b>	Alex Velto, Commissioner
<b>SECONDER:</b>	Kerry Rohrmeier, Vice Chair
<b>AYES:</b>	Armstrong, Becerra, Del Villar, Drakulich, Rohrmeier, Velto
<b>NAYS:</b>	
<b>ABSENT:</b>	
<b>ABSTAIN:</b>	
<b>RECUSED:</b>	

- 4.3 Staff Report (For Possible Action - Recommendation to City Council)  
Case No. **LDC25-00019 (Orrcrest Drive Zoning Map Amendment)** -  
A request has been made for a zoning map amendment from the Large-Lot Residential (1 Acre) (LLR-1) zoning district to the Mixed Employment (ME) zoning district. The ±1.18-acre site is located on the north side of Orrcrest Drive approximately 240 feet east of its intersection with Carson Lane. The subject site has a Master Plan land use designation of Mixed-Employment (ME). **[Ward 4]**

Recess at 10:12 p.m. Meeting resumed at 10:25 p.m.

Daniel Martoma, Associate Planner Specialist, presented the staff report including staff analysis of the request.

Disclosures: familiar with the site, read comment

Public Comment:  
Voice Message from Alicia Tapia

Questions:

Mr. Martoma confirmed for Commissioner Becerra that this amendment is a procedural cleanup and will bring the parcel's zoning into master plan conformance.

Commissioner Becerra referenced the traffic concern expressed during public comment and asked if there are conditions that can be added to address that issue.

Mike Railey, Planning Manager, stated this is a zoning map amendment and they cannot condition zoning. Regardless of what is built on this site in the