

NEVADA

# RENO

REPORT

REAL ESTATE & DEVELOPMENT

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## TRACKING NEVADA'S BIG DEALS

PROJECTS

SALES

LEASES

LOANS

# THINKING BIG

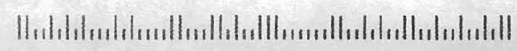
## TAHOE-RENO INDUSTRIAL CENTER

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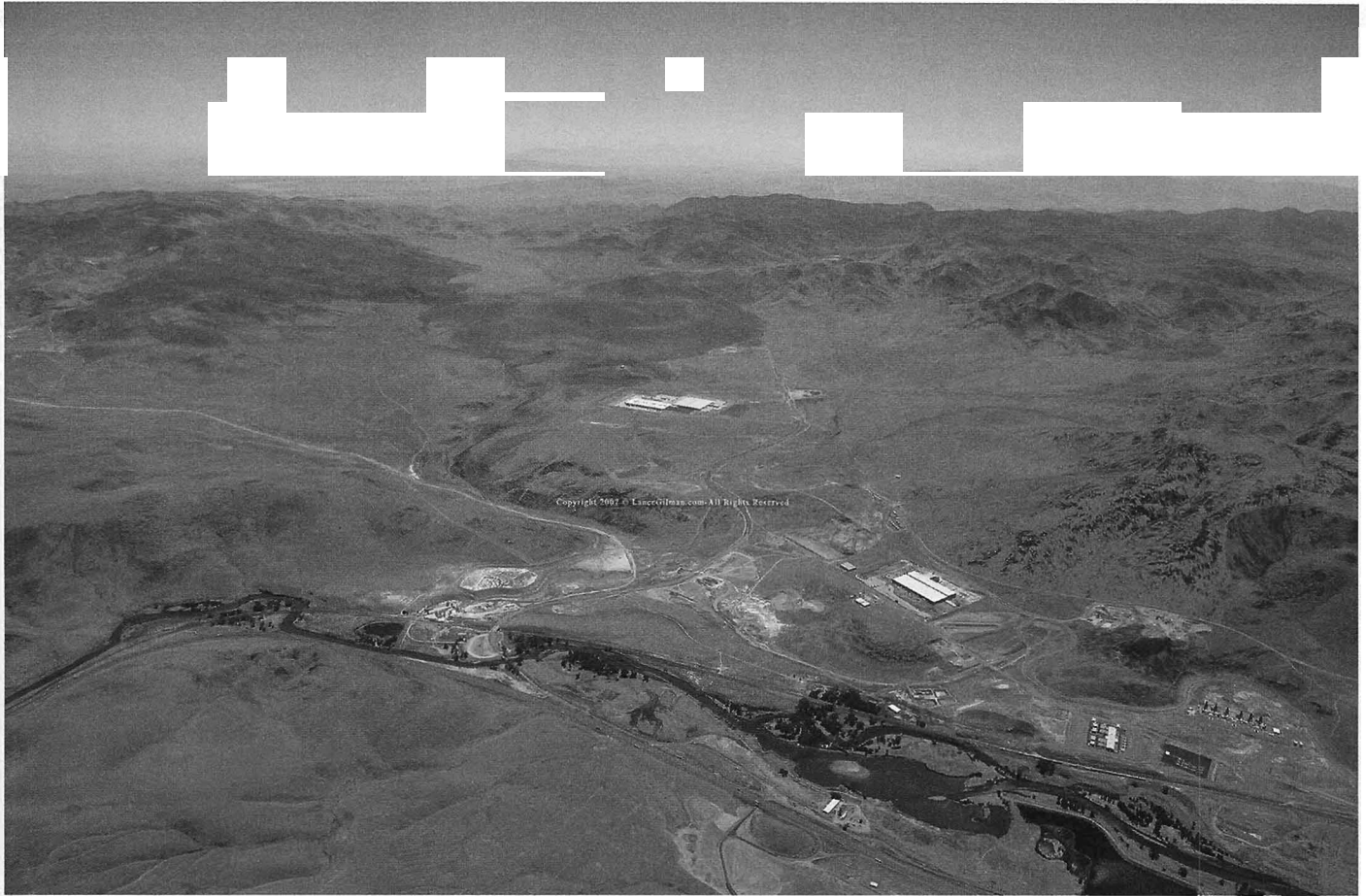
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# Thinking Big

## Tahoe-Reno Industrial Center

As long as you're going to build the largest industrial park in the world anyway, and house it in Northern Nevada with access to I-80, rail and even the Reno-Tahoe International Airport, you might as well go all-out and build your own state-of-the-art telecommunications company and provide power plants. Why not?

The Tahoe-Reno Industrial Center (TRIC), a mixed-use, non-residential development, was conceived in 1998 by Lance Gilman of L. Lance Gilman Commercial Real Estate. Even at the time, everyone understood this would be the largest industrial park

ever. If you're driving west on I-80, the park starts at about the Wadsworth exit and goes to Mustang, heading deep over the foothills almost all the way to U.S. 50. Spanning 107,000 acres, or 100 square miles, the park is physically located primarily in Storey County. Some 6000 acres are currently zoned for industrial use, and that number may expand in the future.

### Working with the Community

"Storey County, which is the smallest county in Nevada next to Carson

County was, until recently, one of the poorest," said Len Gilman, sales agent of the company. The park makes up approximately 54 percent of Storey County's land mass. In 1998 Tahoe-Reno Industrial Center, LLC worked with Storey County to hammer out of a project that would entice companies into the park by restricting fees and exactions the county placed on new businesses.

"If you go into other markets in Northern Nevada and apply for a building permit, there are fees and exactions with that permit – environmental impact, school fees, road fees

– that are added on,” said Len Gilman. “At the end of the day it adds another \$2 to \$10 to the cost of the building per square foot. Storey County was nice enough to waive those fees and they’ve passed that into ordinance, so it can’t be changed and businesses will never be hit with those fees. That’s the key to enticing new businesses and bringing them into the park, and into Northern Nevada.”

It’s working. They’re not just getting inquiries from Nevada companies or even U.S. companies, TRIC is getting feelers from the European and Asian markets as well. With Nevada one of the few spots in the nation where manufacturing is up rather than down, it’s not that much of a surprise that Siosso, an Italian company that manufactures prosciutto and other food products, is starting to manufacture in Northern Nevada, or that an Asian manufacturer of athletic equipment might also locate a plant in the largest industrial park in the world.

Phase one is about 75 percent complete at this point, phase two has just started up and the intention is to access phase three in 2008. Along with the agreement with Storey County to avoid fees and exactions, there are other enticements for companies looking at the park. For example, rail services run right through the middle of the park, so businesses can utilize Union Pacific or Burlington Northern Santa Fe Railway or chose a private carrier. “With rail service to customers coming right into the park, businesses can send rail out to bid,” said Len Gilman. That doesn’t happen in most other industrial parks.

### Taking Utilities to the Next Level

When looking for a telecommunications company, Tahoe-Reno Industrial Center began to experience difficulties. “We had a hard time with Nevada Bell wanting to service TRIC,” said Len Gilman. “So I went and put together a license to become a phone company and found a group of gentlemen who were comfortable designing and building a Cisco certified telecommunications company.” And they did, by creating Nevada Comstock Communications. The Cis-

co certified company is a 5-9 company, meaning it’s at the top of industry standards. Eventually the telecommunications company will have 160 square miles of cable service that will connect TRIC with a new Gigabit-Ethernet fiber optic system that will most likely be supported by a Cisco Powered Network, giving users high speed options for data and video conferencing.

Once up and running, the telecommunications system will become a SONET system, a synchronous optical network that works in a loop and is self-healing, so if any part of the loop is cut, the system reverses at the speed of light with no interruption in service.

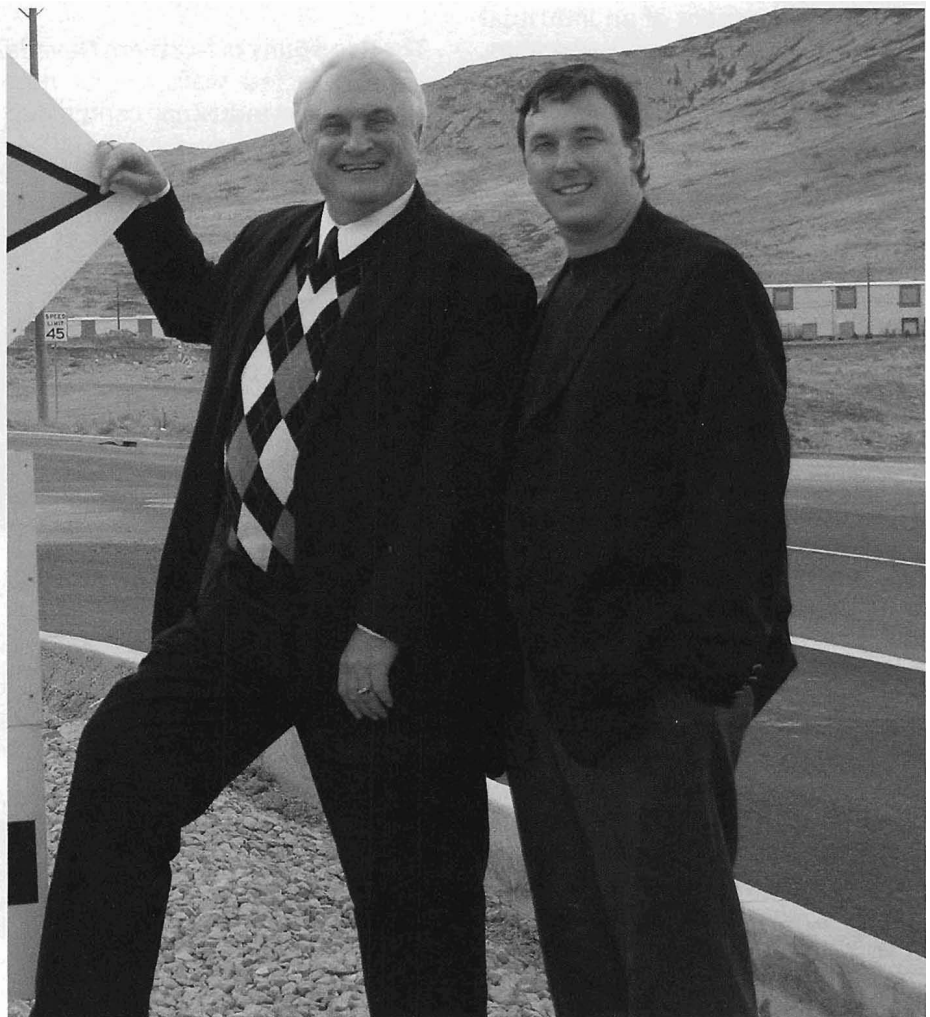
“It’s the newest, state-of-the-art telecommunications company in the U.S., completely fiber optic, and six years in the making,” said Len Gilman.

Rather than stopping there, Nevada Comstock Communications is look-

ing to service other Northern Nevada industrial parks that might have had issues with the old way of thinking regarding telecommunications with existing companies and is looking at providing solutions for residential, commercial and industrial users.

Not content with building the newest telecommunications company out there, TRIC also has plenty of power. In addition to being located at the Clark Power Station along I-80, there are power plants on site including Nanao Power, which sells power to Sierra Pacific, Barrick Gold’s power plant which is located on one of the park’s borders, and three Sierra Pacific plants in the area, with a fourth being built. It seems unlikely any of the industrial park’s tenants are going to run out of power any time soon.

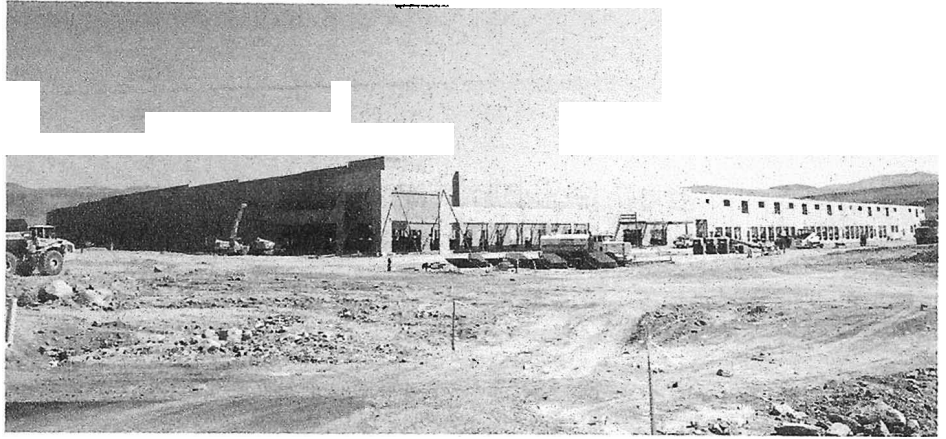
TRIC has found ways to supply water as well. Especially important



Lance Gilman (left) and his son, Len.

in a desert state where every new project needs to consider where its water is coming from, TRIC supplies potable water from ground water, not from the Truckee River, and their non-potable water is used and re-used. "Since 1998 the sewer facility on the property filters all effluent waters from the park and takes them back to Truckee River standards at which point they're pumped to a surface lake in the park so customers can utilize those waters for industrial uses, cool down projects, washing and as a non-potable water source," said Len Gilman. "There's also a potable water source safe for drinking that comes out of the ground, not using Truckee River water. There is also a separate system which allows companies to utilize filtered water so it's an environmentally friendly water system for the park. That's really important."

Just to make sure they're hitting almost every aspect of an industrial park by building their own amenities, the new I-80 interchange at Tracy will take traffic on and off the high-



Petsmart building at Tahoe Reno Industrial Center.

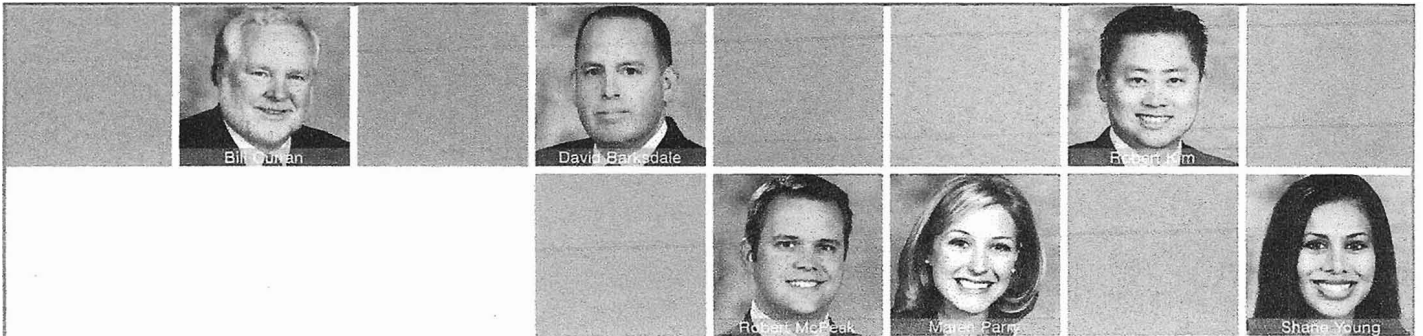
way onto the park's USA Parkway. "That's all been put together with private monies, and privately built," said Len Gilman. Eventually the four-lane USA Parkway will extend from I-80 to Highway 50.

#### Current Tenants

The Food Bank of Northern Nevada recently erected walls on its new facility at the industrial center and

existing tenants include PetSmart, Trammell Crow, ProLogis, Kal Kan, Alcoa Aluminum, Dell Computers and the Wal-Mart distribution center, just to name a few. Phase one is rapidly filling and finishing up, and the rest of the world is beginning to eye Northern Nevada and the largest industrial park in the world as phases two and three kick off.

by Jennifer Rachel Baumer



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