

STAFF REPORT

Date: May 26, 2021

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: **B.2. Staff Report (For Possible Action): Approval of Supplemental Gaming License for Boomtown Chevron, Robert Medeiros, 2100 Boomtown Garson Road - 16 Slot Machines.**

From: Lance Ferrato, Business Relations Program Manager

Summary: This privileged business license application is for a change of location for a grandfathered nonrestricted gaming license. If approved, the license would move from 0 South Verdi Road (APN 038-870-19) to 2100 Boomtown Garson Road (APN 038-870-13).

PNK (Reno), LLC dbas Boomtown Truck Stop (“PNK”), ceased operations in 2007 and has been operating on a temporary basis to preserve its grandfathered status (as it pertains to the “Resort Hotel Law”) with the intention of building a permanent facility in the future.

In order to continue to preserve the license and avoid one-day openings during the construction of the new project, the applicant has requested to operate the nonrestricted license, limited to 16 slot machines, at Boomtown Chevron (“Chevron”).

A review of the transaction, supporting materials, and discussions with the Nevada Gaming Control Board (“GCB”) revealed no concerns. For location reference, the privileged business license summary and vicinity map is attached as Exhibit A. Staff recommends Council approve the change of location.

Previous Council Action: On May 22, 2019, Council approved the application for PNK for a temporary gaming operation, consisting of 16 slot machines, to maintain the temporary closure extension granted by the GCB. This same approval has been granted by Council every two years dating back to 2009.

Background: Opening in 1993, PNK operated as a truck stop with nonrestricted gaming at 1000 Garson Road (APN 038-870-06). As the application for this license was filed with the GCB prior to July 1, 1992, the “Resort Hotel Law” did not apply.

In 2005, the City approved a parcel division which resulted in three new parcels (Exhibit B); APN 038-870-19 (“West Parcel”), APN 038-881-08 (“Center Parcel”), and APN 038-870-13 (“East Parcel”). The original intent was for PNK to move from the Center Parcel to the West Parcel where a new truck stop would be built.

In 2005, PNK received an approval on a preliminary determination of the West Parcel’s suitability from the Nevada Gaming Commission (“NGC”) to move the gaming license to the West Parcel. Approval to relocate the gaming facility to the West Parcel was also granted by the City in 2005. In 2007, gaming ceased on the original site and the building was ultimately demolished. Beginning in 2009, gaming was and has been conducted on a temporary basis in a mobile trailer every two years to preserve the grandfathered status of the license.

Due to multiple issues, development has yet to commence. Further discussions with the City in recent years has led PNK to change their plan to operate as a truck stop and instead they intend to construct a nonrestricted casino and restaurant.

In March, 2021, PNK’s counsel contacted the Business License Division to discuss the possibility of moving the gaming license from the West Parcel to the East Parcel. Counsel disclosed that an application would be submitted to the GCB for a preliminary determination of the East Parcel’s suitability for the conduct of gaming. Additionally, as to avoid operating out of a trailer every two years, PNK is applying to the GCB for administrative approval to operate the nonrestricted license out of Chevron located on the East Parcel.

Discussion: Staff’s review of this application revealed no concerns. The following discussion will expand upon details pertaining to the new location and the temporary operation of nonrestricted gaming within the Chevron.

New Location: The proposed nonrestricted casino restaurant is planned to be located on the East Parcel north of the Chevron. In August 2020, the City approved special use permits to allow the reestablishment of a previously existing non-conforming nonrestricted gaming operation within a 7,500 square foot building in the Hotel Casino (“HC”) zone and to enlarge or extend a previously existing non-conforming nonrestricted gaming operation in the HC zone. The approvals were granted with conditions (Exhibit C), one of which requires the submission of applications for all building permits for the project within 18 months from the date of final approval, and continuously maintain the validity of such approvals.

Temporary Operation: The gaming license has been on temporary closure with the GCB since 2007. To preserve the grandfathered status of the license, PNK has been operating once every two years out of a mobile trailer. As a part of the proposed relocation to the East Parcel, the licensee has requested to operate out of the Chevron convenience store. Chevron currently holds

a restricted gaming license which will be surrendered if the nonrestricted license is permitted to move in. If approved by the City, once the new project is complete, the nonrestricted license will be transferred to the new building where it will remain. Of note, the approval granted by the GCB limited the approval to 16 slot machines regardless of where the operation takes place.

State Approval: The licensee received State approval from the NGC on April 22, 2021 for a preliminary determination of the East Parcel's suitability for the conduct of gaming pursuant to NGC Regulation 4.105. Administrative approval to operate the nonrestricted gaming (limited to 16 slot machines) is expected to be submitted by PNK counsel and approved by the GCB prior to the expiration of the grandfathered license (June 30, 2021). Furthermore, the approval was conditioned, "Gaming shall not be moved, expanded, or changed unless administrative approval from the Board Chair is received."

Resort Hotel Law: Effective July 1, 1992, NRS 463.01865 required a minimum of 201 hotel rooms in all nonrestricted gaming properties, among other criteria. Subsequent amendments to this statute made distinctions regarding specific requirements including a minimum of 301 hotel rooms in counties whose population is between 100,000 and 699,000; however, as noted in statute, this provision does not apply to any application filed with the GCB on or before July 1, 1992. As PNK meets this criteria, they are exempt from said requirements.

Financial Implications: There are no financial implications associated with this item.

Legal Implications: Legal review completed for compliance with City procedures and Nevada Law.

Recommendation: Staff recommends Council approve the change of location.

Proposed Motion: I move to approve the change of location.

Attachments:

- Exhibit A - Business Review Summary (PDF)
- Exhibit B - Parcel Map (PDF)
- Exhibit C - 2020 SUP (Boomtown Truck Stop Relocation) (PDF)

Privileged Business License Summary

Date: May 26, 2021

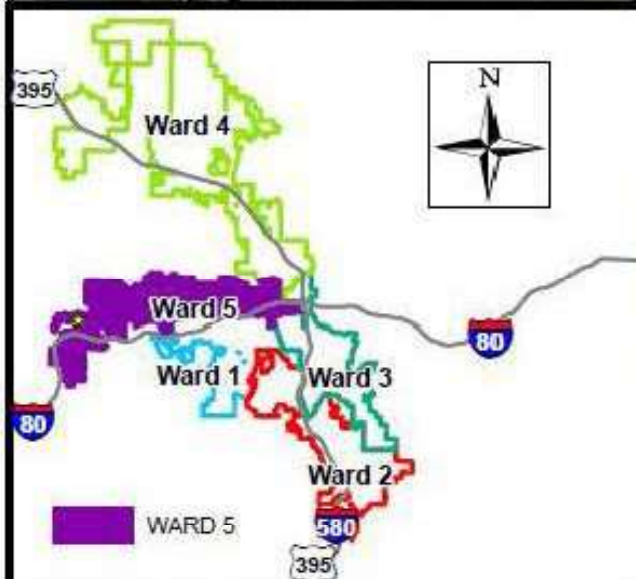
To: Mayor and City Council

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From: Lance Ferrato, Business Relations Program Manager

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| 1. Description of Item | This is an application for a grandfathered nonrestricted gaming license to move to a new parcel and temporarily operate out of the Boomtown Chevron convenience store while a permanent nonrestricted casino and restaurant can be constructed. |
| 2. Business License Type | 16 slot machines |
| 3. Ward | 5 |
| 4. Inspection Update | R147856G-AMD-2021a |
| i. Zoning | Passed/Approved (HC/MGOD) |
| ii. Health Inspection | Not Required |
| iii. Building | Not Required |
| iv. Environmental Control | Not Required |
| v. Fire Inspection | Not Required |
| vi. Police Review | Not Required |
| vii. Police Verification | Not Required |
| 5. Zoning Hours of Operation Allowed | Not Required |
| 6. Hours of Operation | Not Required |



City of Reno
Business License Division
Eric Friedlander
5/3/2021



Boomtown Chevron
2100 Boomtown Garson Rd
16 Slots
R147856G-AMD-2021a

Legend

- Business Location
- Parcels
- Zoning

