

## Business Licensing Department

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### MEMORANDUM

**DATE:** 7/24/2023

**TO:** Mayor and Reno City Council

**THROUGH:** Doug Thornley, City Manager *DT*

**FROM:** Lance Ferrato, Director of Business Licensing *LF*

**SUBJECT:** PKWY Tavern – 219 University Way

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On July 20, 2023, Councilmember Brekhus posed the following questions to staff with regard to agenda items B.4 and B.5 scheduled to be heard by Council on July 26, 2023. In order to ensure full transparency, this memorandum has been prepared and routed to the entire Council. If any Councilmember should have any questions regarding this matter, please contact me at your convenience.

***Question #1:***

Please describe the subject properties by parcel number and any other businesses associated with that parcel number and the associated address. There is an inconsistency in the staff report and associated history. The map delineates the property of the business license operation as a smaller tenant spaces on the property known as Harrah's Hotel Casino (also known as City Center). Yet, the successor license on the property that is referenced in the March, 2021 gaming license did not include a tenant space.

In sum, please list and provide a map depicting all APNs associated with the subject property, the City Center, and the **current business licenses for those APNs**. Please also delineate the classification of all uses on the premises and identify which licenses include multiple uses. RMC 18.03.202 and following, lists uses and provides a table of use classifications. Under this table organization, what is the classification of the uses on the premises? How is each active business license classified including these two requested ones? For multi-faceted business operations please list multiple classifications.

***Response:***

219 University way consists of three parcels. Starting on the northwest corner of University Way and 2<sup>nd</sup> Street, moving north: 011-052-36, 011-052-35, and 011-052-44. The current license associated with this address is:

- Sartini Gaming LLC db at Reno City Center (R152720A and R152721G)  
Use: Nonconforming Nonrestricted Gaming.

The pending applications are:

- PKWY Reno, LLC dbas PKWY Tavern (R159309A, R160159G, R159314Q).  
Uses: Bar, Lounge, or Tavern; Restaurant with Alcohol Service; Amusement or Recreation, Inside; Nonconforming Nonrestricted Gaming.

210 North Virginia Street (APN 011-052-32) is also connected to the site and an open pass through. Currently the following license is active on a portion of that parcel:

- CAI Investments Sub Series 300 LLC dbas Reno City Center DBA Starbucks Store 67320 (R156140A)  
Use: Restaurant.

The map on the staff report is just how the GIS Analyst marked the building. Generally speaking they identify the address and shade the parcel, but in the case, they marked the section that was identified by a picture taken by staff. I've attached a GIS map (Exhibit A) for your reference as well as a map submitted by the applicant (Exhibit B) that depicts the general floor area, restaurants, bars, exits, etc. As for the suites noted on the application, the applicant informed me that suites are no longer being used. When the project was first being developed, the landlord broke up the space in to suites, but the applicant has acquired approximately 75% of the space and is working to acquire 100%. The area is approximately 25,000 sqft and about 6,000 sqft is dedicated to slot machines.

***Question #2***

The agenda for the March 10, 2021 restricted gaming license identified that restricted use as a New Gaming License. Yet, the body of that staff report stated that it was a “temporary gaming operation” to preserve the State nonrestricted gaming license. May I see a copy of the business license issued with the March 10, 2021? What is meant by preserving a gaming license and does that bear relationship to city land use?

Please explain both the RMC business license and zoning authority for a temporary gaming operation. RMC 18.03.501 and following, describes Temporary Uses and Structures but gaming is not shown as a temporary use. What was the duration of the temporary business license issued? I'd also like to see any renewals of that license.

***Response:***

The term “temporary gaming operation” is not a license type. The word temporary is used as an adjective here because it was known from discussions with the applicant that they were not going to be the licensee long term. It’s simply a term used in the gaming industry. The current gaming license is standard other than it was conditioned such that it may only operate one day per quarter. Like all other gaming licenses issued by the City, it is renewed quarterly. I have attached a copy of the current City gaming license issued to Sartini Gaming LLC db at Reno City Center (Exhibit C). *(Since we do not archive physically mailed copies of licenses, I can only provide the dates and renewal numbers associated with this license.)*

Preserving the gaming license in this case refers to the grandfathered nature of the property. NRS 463.1605 provides that the NGC shall not approve a nonrestricted license for an establishment in a county whose population is 100,000 or more unless the establishment is a resort hotel; however, this provision does not apply to any property holding a nonrestricted license before July 1, 1992 and has not ceased gaming for more than two years at any time.

NRS 463.01865 “Resort hotel defined” requires nonrestricted gaming licenses to make a minimum of 301 hotel rooms available in counties whose population is between 100,000 and 699,000 among other requirements.

For City purposes, pursuant to 18.01.403(f)(1), a nonconforming use that is abandoned or discontinued for a period of one year or more may only be resumed with a conditional use permit. Since the original nonrestricted gaming use has never been abandoned, a CUP for the nonconforming gaming use is not required.

That said, if the license wasn’t “preserved,” it would have to have 301+ rooms to be eligible for a nonrestricted gaming license.

***Question #3***

The staff reports for both the March 10, 2021 and the current ones discuss reliance upon Harrah’s Reno Hotel Casino as a nonconforming unrestricted gaming use. This is confusing as Hotel Casinos are not nonconforming uses in the subject site’s zoning district. Hotel Casinos are allowed uses. Please see the Table of Allowed Use in RMC 18.03.206. If there are a nonconforming use, structures or site improvements on the associated premises how are these characterized, how is there reliance upon those and/or deviation from that nonconformance. Do non-conforming uses, structures or site improvements associate with any particularly APN, subtenant location and/or current business license?

***Response:***

The nonconformance comes from the lack of hotel rooms as mentioned in the response to Question #2.

***Question #4***

If there has not been a continuous, active Hotel Casino on the property why is the procedure outlined in RMC 18.01.403(c)(2) not evoked? One could logically conclude that it should as there is or has been considerable expansion or change to the nonconformance. This is evidenced by among others, statements of the applicant to the gaming authorities. In their presentations to the Control Board and Commission in June, 2023 they discuss among other pivots from the known Harrah's operation: conversion of rooms to 283 Reno Suites (currently active) and planned student housing. In addition, the Council approved a skywalk associated with an office tenant. Shouldn't the request in and of itself for 197 slots in a subtenant spot, require this procedure?

***Response:***

The nonrestricted gaming licensure has been continuous with the exception of periods of transition from one owner to the next. The use has never been abandoned locally or at the state level.

***Question #5***

If there is not a nonconforming use being resumed or expanded according to RMC 18.01.403(c)(2) why is the procedure of establishing a new Hotel/Casino use as required in RMC 18.03.304(c)(4) not being administered? This would associate an unrestricted gaming license with a lodging component and other casino features.

***Response:***

The use is nonconforming.

**Attachments:**

Exhibit A – GIS overview with APN and Addresses:

Exhibit B – Applicant Map with Restaurants, Bars, and Exits (X):

Exhibit C – Current Gaming License and Renewal History

Exhibit A – GIS overview with APN and Addresses:





Exhibit B – Applicant Map with Restaurants, Bars, and Exits (X):

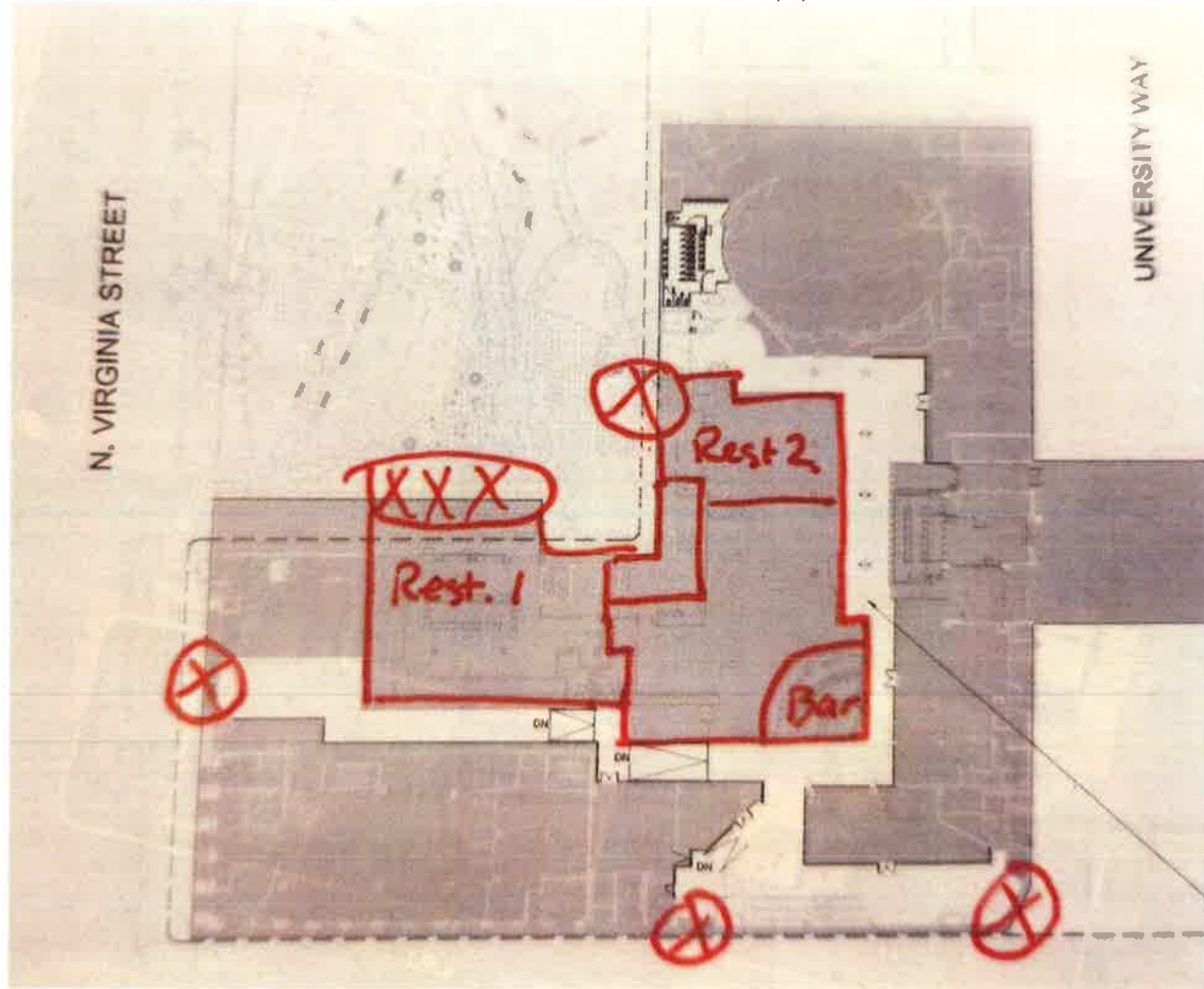


Exhibit C – Current City Gaming License and Renewal History:

THIS LICENSE MUST BE PLACED  
IN A CONSPICUOUS PLACE

EFFECTIVE DATE: 07/01/2023

BUSINESS CLASSIFICATION: Slot/Video Poker/Electronic Game Device

219 UNIVERSITY WAY  
RENO, NV 89501

Sartini Gaming LLC db at Reno City Center

Phyllis Gilland  
6595 S Jones Blvd  
LAS VEGAS, NV 89118

RENO, WASHOE CO., NEVADA

THIS LICENSE EXPIRES AS SPECIFIED  
ABOVE

LICENSED BUSINESS TO BE  
CONDUCTED IN CONFORMITY WITH  
AND SUBJECT TO THE STATUTES OF  
NEVADA AND RENO MUNICIPAL CODE

City of Reno

CITY CLERK

RENO

SMALL CITY OF THE WORLD

EXPIRATION DATE: 09/30/2023

License Gaming

License # R152721G

Record	Application Name	Renewed
R152721G-RWL-2023b	Sartini Gaming LLC db at Reno City Center	7/5/2023
R152721G-RWL-2023a	Sartini Gaming LLC db at Reno City Center	3/23/2023
R152721G-RWL-2022e	Sartini Gaming LLC db at Reno City Center	12/29/2022
R152721G-RWL-2022d	Sartini Gaming LLC db at Reno City Center	10/9/2022
R152721G-RWL-2022c	Sartini Gaming LLC db at Reno City Center	6/27/2022
R152721G-RWL-2022b	Sartini Gaming LLC db at Reno City Center	3/30/2022
R152721G-RWL-2022a	Sartini Gaming LLC db at Reno City Center	1/19/2022
R152721G-RWL-2021c	Sartini Gaming LLC db at Reno City Center	10/18/2021
R152721G-RWL-2021b	Sartini Gaming LLC db at Reno City Center	7/2/2021
R152721G-RWL-2021a	Sartini Gaming LLC db at Reno City Center	5/10/2021

