



OFFERING MEMORANDUM
\$3,600,000

The Bonanza Inn
215 W 4th Street, Reno, Nevada

Floyd Rowley, CPA, CCIM
Founding Broker
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Reno, NV 89511
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PROPERTY HIGHLIGHTS

Address:	215 W 4th Street, Reno, NV 89501
APN:	007-284-06 - The Bonanza Inn 007-284-11 - Paved Parking Lot
Acreage:	Bonanza ~0.477 Acres (20,778 SF) Parking Lot ~0.448 Acres (19,515 SF) Total ~ 0.925 Acres (40,293 SF)
Rooms:	58
Zoning:	MD-ED, Mixed Use Downtown Entertainment District
Built:	1968
Owner:	The Estate of Patricia Gorham (in active probate)
Price:	\$3,600,000

The Bonanza Inn was built prior to the construction of the adjacent (and now shuttered) Sundowner Casino to the west and The Seasons Inn to the north. It also shares the block with The Belvedere, which is a condo conversion of a portion of The Sundowner. All Belvedere units have been sold. None of the Bonanza units have been renovated and the building is at the end of its useful life. The pool and the elevator are out of service. Per an appraisal dated February 4, 2021, the highest and best use is demolition and redevelopment. This would allow a buyer to start with a clean slate on a prime downtown location, with mixed-use zoning that allows for significant development possibilities.



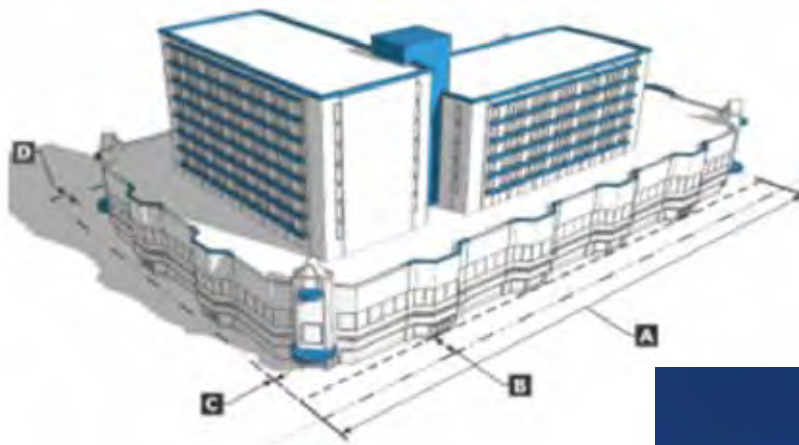
PARCEL MAP

The Bonanza Inn property is bordered to the south by W 4th Street, to the east by West Street, to the west by the long-shuttered Sundowner Casino, and to the north by The Seasons Inn (56 units). The two parcels are bisected by an alley that is an official City of Reno right of way that must be considered on any development plans affecting both Bonanza parcels. The alley also serves as the eastern access of the Sundowner to West Street.



ZONING: MD-ED MIXED-USE DOWNTOWN ENTERTAINMENT DISTRICT

Purpose: The MD-ED district is intended to support the most intensive transit-supportive development within the downtown regional center and the region as a whole. The MD-ED



district functions as the 24-hour gaming area, as facilitated by the Gaming Overlay District, and includes major hotel-casinos and cultural/entertainment/recreational facilities, as well as retail, restaurants, high-density residential, and urban open spaces.

Active uses are focused along Virginia Street, Sierra Street, 2nd Street, Commercial Row, and 4th and 5th Streets.

The MD-ED district functions as the 24-hour gaming area. This zoning promotes high density housing with a minimum density of 45 dwelling units per acre, and no maximum. Additionally, there are no restrictions on building height, and no maximum FAR. Please, consult your planner for specifics.



PROPERTY DUE DILIGENCE

CATHEXES

(775) 329-3341
427 Ridge st.
Reno, NV 89501

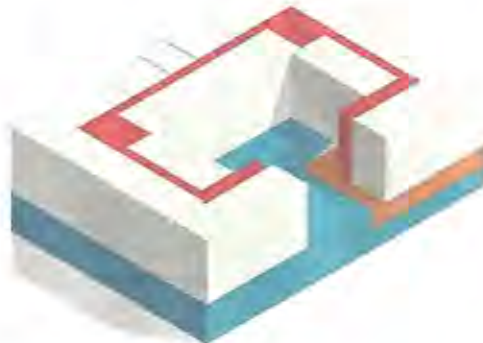
Floyd Rowley
679 Sierra Rose Drive, Suite A
Reno, NV 89511

Floyd,

Below are a couple of quick examples of product type and density that the site you showed me could yield.



This is a project of +/- 120 high-rise condos. It would fit on 1/2 of the site. So 200-300 condos of this type could fit on the property, depending on how parking is handled.



This is a massing for apartments, podium style. Wood frame over concrete parking. It yields about 130 units on a site 3/4 of the size of your lot. so yield should be 170-160units in this configuration.

Let me know if you need anything else, please.

Don Clark, AIA
Founding Principal

PROPERTY DUE DILIGENCE

(Reports available after executing a PSA)

Asbestos Survey: The motel was surveyed for asbestos by Wise Consulting & Training, as per their report dated November 9, 2021. The scope of the survey was performed with the intention of demolishing the entire facility. As might be expected with 1968 construction, asbestos was discovered and cataloged in multiple locations.

The Seller provided this report to the Washoe County Health Department, District Health Air Quality Management Division (AQM) and paid the required fee on December 10, 2021. An inspection by AQM has been completed.

Asbestos Abatement: On November 15th, five firms were solicited with RFP’s to abate the asbestos in the Property in advance of demolition. Proposals received ranged from \$242,913 to \$319,166.

Phase One Survey: On December 11, 2021, a Phase One Environmental Site Assessment report was completed for the Property by Robison Engineering Company. The only recognized environmental condition (REC) is that the Property is located above the Reno Groundwater Solvent Plume, like many properties in downtown Reno.

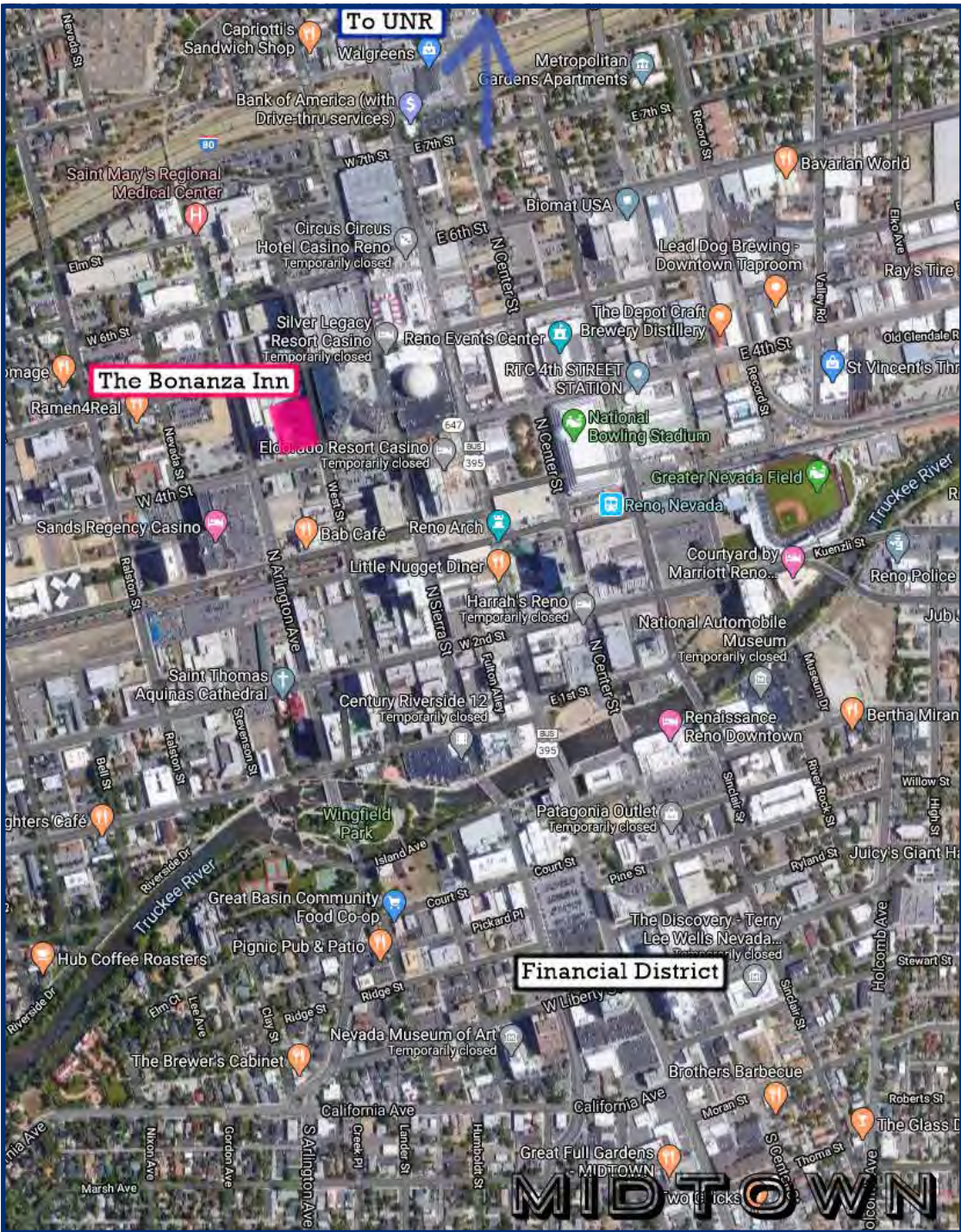
Lead Demolition Survey: Wise Consulting & Training provided a report dated November 9, 2021 stating that the Property “is not regulated under the EPA RRP rules because the survey was based on demolition of the building and is currently vacant, so it is not a “Child Occupied Facility””. Wise recommended that the demolition be conducted using wet protocols.

Demolition Costs: Johnson Perkins Griffin (JPG) completed an appraisal of the Property, dated February 4, 2021, with a valuation date of July 5, 2020, the date of the owner’s death. They estimated the demolition costs (excluding asbestos abatement) at \$200,000, by referring to Marshall Valuation Service, and other sources available to them.

Pricing Adjustments: The asking price for the Property has been reduced by:

\$300,000	for asbestos abatement, and
<u>\$231,000</u>	for demo of the structure
<u>\$531,000</u>	Total Price Reductions

DOWNTOWN AERIAL



Note: You and your advisors (such as tax, financial, and legal) should conduct a careful and independent investigation to determine to your satisfaction the suitability of the property for your needs. The information presented herein has been obtained from sources believed reliable. No representation as is made herein to the accuracy or completeness of supplied information and/or projections.

MIDTOWN TO UNR MAP



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NEON LINE DISTRICT

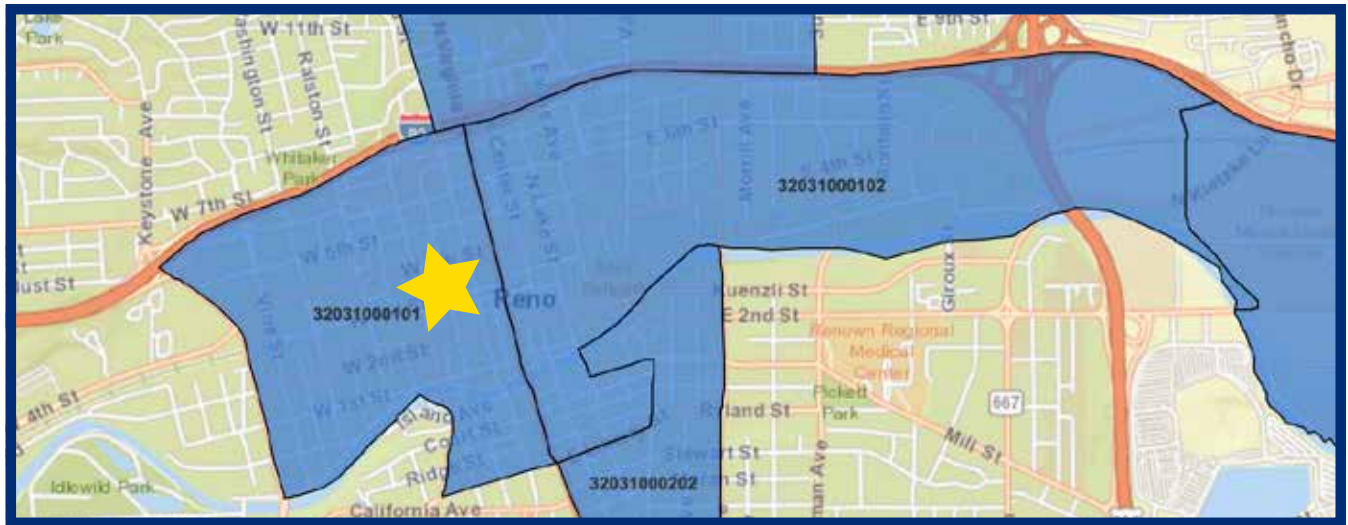


The Bonanza Inn parcels are nestled between Reno’s traditional downtown hotel/casino core and the emerging Neon Line District, a rebranding of the six blocks bordered by 3rd and 5th Streets to the north and south, and N Arlington and Vine Streets to the east and west. It is an ongoing redevelopment being undertaken by Jacobs Entertainment, owner of the Sands Regency and Gold Dust West casinos. In addition to significant holdings in the District slated for redevelopment as retail, entertainment, and housing, Jacobs is underway with a \$150M renovation of the Sand Regency Hotel Casino, with additional investments planned for the Gold Dust West.

The “Neon Line” refers to the stretch of West 4th Street where Jacobs is installing retro neon motel signage from Reno’s past as well as permanently installed Burning Man sculptures as an homage to Reno’s entertainment heritage and strong connections to Burning Man, an annual arts and culture festival hosted two hours north in Nevada’s Black Rock Desert. While the Neon Line District is a long term project, certain elements have already been completed, such as the renovation and repositioning of several old motels that have been converted into apartments, as well as the installation of various art sculptures. This project will continue to evolve and to reinvent the West 4th Street corridor into a thriving district of Reno.

OPPORTUNITY ZONE

Both Bonanza Inn parcels are located in a designated Opportunity Zone. The Opportunity Zone program is a community development program established by Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide. The Opportunity Zone program provides a tax incentive for investors to reinvest their unrealized capital gains into Opportunity Funds that are dedicated to investing into Opportunity Zones designated by the chief executives of every U.S. state and territory. Please consult your tax advisor as to how this might impact potential development returns.



Looking southwest along West 4th Street.

BONANZA INN PARKING LOT

APN 007-284-11

