



C I T Y O F
RENO
Memorandum

DATE: September 17, 2024

TO: Mayor and City Council

FROM: Jackie Bryant, Interim City Manager
Karl Hall, City Attorney Approved Electronically

DEPT: City Manager's Office
City Attorney's Office

SUBJECT: Eden Show Cause Complaint Hearing and Suspension of Business License

On September 10, 2024, the Reno Police Department and Department of Code Enforcement requested a Show Cause Complaint against Eden Management Group LLC (doing business as Eden) for violating various City of Reno codes. A copy of the Complaint is attached.

On September 17, 2024, a hearing was held to adjudicate the Show Cause Complaint. The Reno Police Department, Code Enforcement, and Business Licensing presented their findings. It was determined that Eden's ownership would be placed on a 30-day suspension of their business license beginning September 22, 2024 at 12:00pm.

During the 30 days, the ownership will be required to comply with all code enforcement and licensing unpaid citations and complete needed updates. Additionally, ownership will work with the Reno Police Department to improve trainings and security standards, as well as make any crime prevention through environmental design (CPTED) related improvements.

Staff will provide additional updates to Council as they become available.

Attachments:

- Show Cause Complaint



Reno Police Department Memorandum



Date: September 10, 2024

To: Lance Ferrato, Director of Business Licensing

Through: Oliver Miller, Assistant Chief, Reno Police Department
Alex Woodley, Director of Code Enforcement

From: Jerel Hallert, Captain, Reno Police Department
Kenya Palacios, Sr Code Enforcement Officer, Code Enforcement Department

Subject: Order to Show Cause - Eden Management Group LLC dba Eden

Business Name: Eden Management Group LLC dba Eden

Business License: On-Premises Alcohol, Add-on Cabaret, Tobacco Paraphernalia Retailer

Physical Address: 219 West 2nd Street, Reno, NV 89501

Licensees: Wolfgang Welch and Jessica Lupo

License Numbers: R158603A-LIC (Annual)/R158604Q-LIC (Quarterly-Privileged)

In January of 2024, the Reno Police Department (RPD) began noticing an increase in calls for service in the 200 block of West 2nd Street. Over the last eight months, the RPD has increased patrols, resources, surveillance, and operations into the downtown area to improve safety and quality of life for patrons of the City and the after-hours nightlife scene. With the increased presence downtown, various complaints, and service requests, Eden, a nightclub located at 219 West 2nd Street, was found to be the primary location of a large majority of criminal activity. Many of these have been violent crimes such as battery with deadly weapon - shooting, assault with deadly weapon - shooting, sexual assault, battery (both simple and mutual), carry concealed weapon and other various firearm related calls. Additionally, a variety of other calls have been generated such as parking problems, disturbances, intoxicated subjects, unwanted subjects, DUI, and hit/run motor vehicle accidents. There have been complaints of underage patrons allowed into the bar, followed up by operations which led to citations the following weekend of the complaint.

The RPD detectives in various specialty units have noted activity consistent with narcotics trafficking and sex trafficking. Detectives stated that it is apparent that sex workers and their traffickers are regular patrons of the club. The Regional Gang Unit has also identified known and verified gang members are also consistently patrons of Eden. During these operations several key

factors were noted that lead to criminal activity:

- Those in line congregate in alley where various criminal activities are insulated
- Inadequate lighting
- Use of alley door as primary exit
- Vehicles parking in alley
- Inadequate management/enforcement of customers
- Inability to properly supervise/train employees

One particular incident, which has garnered social media attention, was that of a video depicting a physical fight which rendered a male subject unconscious in front of the club on May 19, 2024. Later in that same shift officers returned to Eden in reference to a physical fight occurring inside the club. Officers arrived and quickly determined that the involved parties had already begun dispersing. While monitoring the dispersal, the owner of Tonic Lounge, located at 231 West 2nd Street, reported that he had observed an Eden employee armed with a pistol earlier in the night and showed me a video he had personally filmed. The video depicted a male with what appeared to be a pistol in his hand in his front waistline region while pursuing a physical fight into the street. A copy of the video was obtained, and RPD met with the owner of Eden (Wolfgang Welch). Wolfgang was shown the video and he immediately recognized the depicted male to be his employee. Wolfgang summoned the employee and officers conducted a pat search, revealing a pistol concealed in his waist band. This employee was ultimately arrested for CCW.

On May 20, 2024 Sergeant Leedy (Graveyard Central District) met with Wolfgang at Eden while the business was closed. During this nearly two hour meeting, he provided Sgt. Leedy with a tour of the entire property (interior and exterior). Sgt. Leedy discussed the following information with Wolfgang:

- ***Crime Prevention Through Environmental Design (CPTED) Related***
Additional exterior lighting, physical barriers/fencing surrounding the property to prevent foot traffic between parking lot and alley, restructuring the admission waiting line to prevent congregation in the alley, limit use of alley door to Emergency/Employee Use only, repairing the business dumpster gate.
- ***Crime Recognition***
Narcotics use/sales, sex trafficking.
- ***Conflict Mitigation***
Ways to enhance screening at door such as enhanced searches and trespassing problem customers, creating standardized uniforms/garb which would promote identification of security employees.

- ***Employee Management***
Ways to enhance supervision of frontline employees, creating/enforcing employee policies.
- ***Current Technology/Systems in Place***
Surveillance system.

Overall, Wolfgang appeared receptive to the feedback at that time, but has taken minimal steps to improve the safety of his customers or the public.

Recent RPD Operations

August 31, 2024

With the assistance of the Mobile Engagement Team (MET) and Code Enforcement, the Human Exploitation And Trafficking (HEAT) team conducted an alcohol compliance operation at Eden. Three staff were cited for a total of 8 misdemeanors, 4 for permitting entry and 4 for serving alcohol to persons under twenty-one. The misdemeanors are in addition to civil violations issued by Business Licensing Compliance.

Related Criminal Case Numbers:

- RP24-16271
- RP24-16269
- RP24-16279

Recent RPD Calls for Service/Media Posts/Citizen Submissions

September 1, 2024, Suspicious Circumstances - Possible Kidnapping at 345 N Arlington Av/
219 W 2nd St (J Resort/ Eden Night Club)

“Officers responded to the J Resort in reference to a possible kidnapping where a male had just forced a female into a vehicle. Through investigation and surveillance review, officers learned that the female was walking northbound on Arlington Ave from the area of W 2nd St, while being followed by a vehicle. Near the SE corner of Arlington Av/4th St, the male driver exited the vehicle and chased the female on foot into the parking lot (J property). Someone from within the vehicle presumably shifted to the driver seat and operated the vehicle in such a way as to corral the female. The first male then forced the female to the ground, battered her and ultimately forced her in the back seat of the vehicle. The vehicle then departed south on Arlington Av.

- Officers recognized the male suspect from a business check conducted earlier in the night at Eden Nightclub. Officers then learned the male and female victim had

been captured on Eden surveillance and RPD officer's body work camera during the business check. The male and female appeared to have been attending the club with a separate male and female and the four were likely all associated.

- The identity of the female victim is unknown at this time but dayshift officers recognized the male from previous contact. This appears to possibly be related to sex trafficking. Suspect, victim and vehicle photos were sent to the ATL email group.
- The case will be routed to HEAT and Reno Homicide Unit (RHU)."

June 22, 2024, Shooting call – news story: <https://www.kolotv.com/2024/06/22/person-injured-downtown-reno-shooting/>

June 2024, a fight was posted on social media, where witnesses advise of a gun and business owner is present in the video as an onlooker:

https://www.reddit.com/r/Reno/comments/1d6yfb/another_fight_outside_of_eden/?rdt=43090

June 9, 2024, at 0208hrs, Officers where in the area of Eden Nightclub when a fight broke out. Solved on scene. Call #241610091

June 9, 2024, at 0050hrs, Officers responded to the area of 150 N Arlington Ave in reference to a fight with numerous subjects. During the investigation, the victim and his friends had just left Eden Nightclub. The victim group was confronted by the suspect group and several physical fights ensued. The fights escalated and an unknown subject fired numerous shots. The male victim was shot, and an unrelated vehicle was struck 4 times. RPD case #24-10256

June 1, 2024, a citizen sent RPD 4 videos showing people fighting in front Eden. Each video was a separate fight involving different subjects.

May 19, 2024, at 0432hrs, Officers responded to the Eden Nightclub for a large fight. An Eden security guard was arrest for CCW. RPD case #24-8931

May 19, 2024, at 0116hrs, Officers were dispatched to Eden parking lot for subjects throwing bottles and glass at each other. Through the investigation a subject was arrested for Domestic Battery. RPD case #24-8916

May 4, 2024, at 0220hrs were dispatched to the area of West St and West 2nd St on the report of gunshots being fired. During the investigation, it was discovered the defendant was involved in an altercation at Eden Nightclub prior to the shooting. RPD case #24-7902

April 28, 2024, at 0400hrs, Officers responded to the Eden Nightclub for a large fight involving a subject possibly armed with a handgun. A victim was struck by a bottle unconscious and was lying face down in the alley. Call #241190151

April 25/26, 2024, an underage subject was attempting to get into Eden Nightclub with another person's ID, Officers arrived and solved on scene. Call #241161206

April 21, 2024, at 0425hrs a fight involving two subjects, Officers arrived and solved on scene. Call #241120163

March 31, 2024, at 0120hrs a fight involving subjects, Officers arrived and solved on scene. Call #240910047

Code Enforcement Cases

September 6, 2024, Citation issued for violation of the Special Use Permit
Case # ENF25-P00778 – Status Active \$232.00 owed

September 6, 2024, Citation issued for failure to produce an Alcohol Education Card as required by NRS 369.630 Case # ENF25-P00777 – Status Active \$382.00 owed

August 30, 2024, Citations issued for failure to produce an Alcohol Education Card as required by NRS 369.630

- Case # ENF25-P00832 Warning of Violation (WOV) – Status Active
- Case # ENF25-P00831 Second Citation issued – Status Active \$382.00 owed
- Case # ENF25-P00830 Warning of Violation – Status Active

August 7, 2024, A warning notice of violation was issued for exterior blight and the trash enclosure.

- Case # ENF25-P00516 – Status Active

July 27, 2024, Failure to produce an Alcohol Education Card as required by NRS 369.630

- Case # ENF25-P00360 – Status Closed \$100.00 citation owed

February 28, 2024, Citations issued for violation of the Special Use Permit

- Case # ENF24-P02204 – Status Active
 - o Warning of Violation on 2/28/2024
 - o 1st Admin Citation on 4/10/2024
 - o 2nd Admin Citation on 5/10/2024
 - o 3rd Admin Citation on 6/5/2024
 - o Total owed \$1,088.00

December 1, 2023, Citations issued for violations related to the dumpster, the enclosure and trash.

- Case # ENF24-C01460 – Status Active
 - o Warning of Violation on 12/01/2023
 - o 1st Admin Citation on 2/08/2024
 - o 2nd Admin Citation on 2/28/2024
 - o 3rd Admin Citation on 3/21/2024
 - o 4th Admin Citation on 4/10/2024
 - o 5th Admin Citation on 5/10/2024
 - o 6th Admin Citation on 6/05/2024
 - o Notice to Record Lien on 6/05/2024
 - o Total owed \$2,753.00

All unpaid Code Citations = \$4,937.00

Business License Compliance Cases

September 6, 2024, Citation issued for violation of Reno Municipal Code 5.07.200 (d) for selling to a minor.

- Status Active \$100.00 owed

Recommendation

The City of Reno has determined the Eden is in violation of laws and codes regulated by RPD, Code Enforcement, and Business Compliance. Council has been receiving multiple complaints related to this business. Investigations of the complaints and responses to issues have required excess resources that exceed those used or needed by other businesses in the area.

Collaboratively, RPD and Code Enforcement are requesting an order to show cause hearing for the revocation of the business and privileged licenses. The criminal activity directly correlated to Eden, their employees and patrons, along with other violations of the Reno Municipal Code, have created a negative impact on public safety and welfare of all citizens.