



**CUSHMAN &  
WAKEFIELD**  
Commerce

## OFFERING SUMMARY

# Former Crazy Horse Too Gentlemen's Club & Industrial Property

2440-2494 Industrial Road / Las Vegas, NV 89102

FOR SALE - ADULT USE/TAVERN LOCATION  
AND MULTI-TENANT INDUSTRIAL PROPERTY



## The Offering

The exclusive listing broker Cushman & Wakefield/Commerce is pleased to present the opportunity to acquire the Former Crazy Horse Too Gentlemen's Club and Industrial Property located in Las Vegas, Nevada. Ownership has indicated that upon the operator obtaining any necessary approvals the potential still exists to have adult use, tavern, or both uses at the property. Historically the property enjoyed a reputation as one of the top clubs in Las Vegas and with a location less than ½ mile from the Strip is one of the most accessible adult-use properties to the Resort Corridor. The club has operated only briefly since being closed on June 30, 2007 but did receive numerous interior upgrades and improvements by that recent operator and remains essentially in turnkey condition.

The property is being offered on an as-is basis and although Ownership has not obtained a Property Condition Assessment or made its own comprehensive inspection it is aware of the following items of deferred maintenance (i) roof (ii) electrical (no power to portions of property from copper theft), (iii) plumbing (potential sewer issues and some units without water lines/toilet), (iv) drainage, and (v) HVAC (vandalism). The Buyer shall be responsible to conduct its own environmental survey and Ownership makes no representations regarding the environmental condition of the property. Further it will be Buyer's responsibility to determine if they have the right to utilize the Crazy Horse Too name at this location and address any existing legal challenges to the name. The property is being sold on an all-cash basis and interested parties shall be required to provide full financial qualifications with proof of funds in conjunction with their offer. Ownership has not announced a call for offers date and is able to consider and respond to offers as they are presented.

Please ensure that tenants at property are not contacted or disturbed without prior authorization from Seller and all property tours shall be scheduled in advance through Cushman & Wakefield/Commerce and by appointment only. Please review the property website for additional offering information as it becomes available.

[www.comre.com/CrazyHorse](http://www.comre.com/CrazyHorse)

## Investment Summary

PRICE:	\$7,950,000 (\$130/SF)
PROPERTY SIZE:	±60,954 SF
SITE SIZE:	±2.65 AC
OCCUPANCY:	N/A
CLUB SPACE:	±19,200 SF
LAST OPERATING DATE:	June 30, 2007
PARKING:	114 spaces (potential to lease add'l 115 spaces)
YEAR BUILT:	1972 (Club Renovated Approx 2002)
ZONING:	Industrial District (M)- City of Las Vegas
PRIOR USES:	Topless Club w/Liquor and Tavern
APN:	162-04-407-001
REAL PROPERTY TAX:	\$26,844 (2016-2017)



## Las Vegas Market Overview

At a population of almost 2 million people, Las Vegas has established itself as a legitimate major market over the past decade. Although the recent challenges in Las Vegas have been well publicized, the economy has continued to persevere and has shown signs of continued growth and strong recovery but still significantly lags peak pricing resulting in a healthy economic environment. As of year-end 2015 (when compared with 2014) stability or improvements have been seen in all key tourism statistics with yet another year of record visitor volume of 42.3M (up 2.9%), average hotel occupancy of 89.8% (up 0.7%), Average Daily Room Rate (ADR) of \$119.94 (up 3.2%), and gaming revenue of \$9.62 Billion (up 0.7%).

February 2016 YTD reflects continued market momentum at the strong 2015 pace with a 3.8% uptick in visitor volume on year-over-year basis. Similar positive increases were seen in hotel occupancy (up 1.9%), ADR (up 5.5%), RevPAR (up 9.1%), and convention traffic (up 11.6%). These significant increases in visitor volume were buoyed by passenger traffic at McCarran Airport up 8.1% over 2015 YTD and significant year-over-year increases in traffic at the NV/CA border. Gaming revenue maintained strong performance as well with an increase of 2.4% YTD from 2015 to 2016. This is very positive news for the local economy that key tourism metrics were maintained at these high levels YTD in 2016 and appear to be on pace for equaling record performance again, especially coming off previous record years in 2014 and 2015.

Major developments are ongoing with the post-recession openings of the SLS Las Vegas, The Cromwell, The Linq/High Roller, and the early 2016 completion of the new T-Mobile 22,000 seat arena and adjacent The Park outdoor dining and entertainment district with all new projects creating substantial new full time employment. Additionally the recent commencement of construction for the former Echelon site (Resort World), the Alon Las Vegas Crown Resorts project for the former Plaza Las Vegas site, the acquisition and upcoming demolition of the Riviera Hotel for expansion of the LVCVA's Las Vegas Global Business District, and development of a 5,000 seat venue at Monte Carlo are also strong indicators of continued economic recovery as these new projects stimulate the market with temporary construction jobs and future full time employment.

## Investment Highlights

- **Potential For Adult Use/Tavern** - Ownership has indicated that upon the operator obtaining any necessary approvals the potential still exists to utilize for a sexually oriented business, tavern, or both, providing flexibility in maximizing use and potentially allowing future redevelopment while retaining adult use
- **Discounted "As-Is" Sale** - Property is being sold on an as-is basis at significant discount to recent sale comparables that average \$280/sf due to the club only occupying approximately 1/3 of the total property, the club not currently operating, and identified repairs and deferred maintenance requirements
- **Strong Financial Performance History** - From 2001-2005 the former club was the top club in Las Vegas and reported gross revenues of \$11.9M-\$14.5M with net income of an average of \$5.2M annually over that same time period
- **Easy Access and Convenience** - Location is highly-visible and accessible from Sahara Ave. and is optimal for servicing the northern end of the Las Vegas Strip which positions it well to benefit from the reopening of the SLS Las Vegas (former Sahara) and the resurgence of other nearby hotel/casino properties
- **Fully-Improved Club Space and Industrial Property** - Existing  $\pm 19,200$ sf club space has FF&E from prior operations and additional industrial space of  $\pm 41,754$ sf can potentially be re-leased providing additional income and ability to locate complementary uses in the adjacent spaces
- **Additional Parking Options** - To utilize property as a gentlemen's club, buyer would need to reestablish lease with NDOT for adjacent property or may find it more economically feasible to potentially demolish under-utilized portion of industrial property and if permissible use for surface parking
- **Flexibility of Use** - As a prior ordinance provides property can reestablish tavern use even without adult use, it allows for potential that restricted gaming license could be obtained at property and possibly paired with alternate uses such as nightclub, bar, lounge, etc.

## Recommended Offer Structure & Qualifications

Purchase Price:	Full Price or Above
Initial Earnest Money Deposit:	\$250,000
Additional Earnest Money Deposit (upon DD Exp.):	\$250,000
Due Diligence Period:	15-30 days
Closing (after DD Exp.):	10-15 days

Purchaser and partners shall provide the following in conjunction with its offer:

- Bona fide proof of its financial qualifications for the proposed transaction
- Resume of historical business experience
- List of prior transactions
- List of properties currently owned and/or operated
- References
- Description of any internal approvals required for the proposed transaction
- Any other items which are of material support to its offer



## Sale Comparables

Sale Date	Property Name/Address	Sale Price	SF	AC	\$/SF	Age (Y)	Comments
<b>SUBJECT</b>	<b>Former Crazy Horse Too Property</b>	<b>\$8,900,000</b>	<b>60,954</b>	<b>2.65</b>	<b>\$146</b>	<b>44</b>	<b>Subject Property - The former Crazy Horse Too Space was last utilized in 2015 and was partially renovated/upgraded at that time. Approx 1/3 of property is dedicated to adult use.</b>
8/7/2015	Foxy's Gentlemen's Club 3013 Highland Drive Las Vegas, NV 89109	\$2,100,000	19,600	1	\$107	53	Purchased by Omar Aldabbagh. Only 4,800sf (25%) of property was for adult use and remainder is industrial warehouse/commercial property constructed 1962-1972
7/24/2015	OG Gentleman's Club 1507 & 1531 S. Las Vegas Blvd.	\$8,500,000	29,554	2.63	\$288	72	Purchased by Sterling Entertainment Group LV LLC. Entire property is dedicated to adult use. Sale consisted of 25,819 SF bar/nightclub building and 3,735 SF retail building.
8/15/2012	Vince Neil's Girls Girls Girls (Former Seamless Topless Club) 4710-4740 Arville Street	\$3,500,000	10,877	1.44	\$322	7	Bank REO Sale of a NNN leased adult-use property at a 10.28% cap rate to parent company of tenant. Sale did not include any additional value for the going concern business (DeJà Vu). Property was built in 2005. Entire property is dedicated to adult use.
4/19/2012	Cover Girls Gentlemen's Club (Former Jaguars/Rick's Cabaret) 3355 Procyon Street	\$10,600,000	25,460	4.07	\$416	10	Purchased by Hassan & Ali Davari, owners of Treasures Gentlemen's Club. Property ceased operating as Rick's Cabaret in April 2011. Property was constructed in 2002. Entire property is dedicated to adult use.

## Stabilized Pro-Forma Analysis-Leased Club Space

Space Type	Size (SF)	Lease Rate (Ind Gross)	Monthly Rent
Industrial Space-West Building	24,425	\$0.75	\$18,319
Commercial Space-East Building	17,329	\$1.25	\$22,661
Gentlemen's Club Space	19,200	\$2.50	\$48,000
Billboard Income	N/A	N/A	\$1,815
<b>Total - All Buildings</b>	<b>60,954</b>		<b>\$89,795</b>
<b>Total - With Demolition of West Building for Parking</b>	<b>36,529</b>		<b>\$71,476</b>

Category	Stabilized Pro-Forma Analysis-Leased Parking		Stabilized Pro-Forma Analysis-Onsite Parking	
	Amount	\$/SF	Amount	\$/SF
Industrial Space-West Building-Gross Rent	\$219,825	\$3.61	N/A	\$0.00
Industrial Space-East Building-Gross Rent	\$259,935	\$4.26	\$259,935	\$7.12
Adult Use Club Space Income	\$576,000	\$9.45	\$576,000	\$15.77
Billboard Income	\$21,780	\$0.36	\$21,780	\$0.60
Gross Potential Rents	\$1,077,540	\$17.68	\$857,715	\$23.48
Less: Vacancy (10%)	(\$107,754)	(\$1.77)	(\$85,772)	(\$2.35)
Effective Gross Rent	\$969,786	\$15.91	\$771,944	\$21.13
Less: Estimated Operating Expenses (\$0.15/sf/mo)	(\$109,717)	(\$1.80)	(\$65,752)	(\$1.80)
Less: Estimated NDOT Leased Parking Expense	(\$105,000)	(\$1.72)	N/A	\$0.00
<b>Net Operating Income</b>	<b>\$755,069</b>	<b>\$12.39</b>	<b>\$706,191</b>	<b>\$19.33</b>

Note: Fee simple portion of property does not provide sufficient parking to allow for gentlemen's club use which requires 1 space/175sf of club space. Purchaser can either potentially lease adjacent lot for 115 space parking area from NDOT (if lease is available) or with City of Las Vegas approval may be able to demolish existing building to create parking. \$/SF buildings under leased parking scenario are based on entire property SF while \$/SF under onsite parking analysis are based on reduced building SF.

## Club Facility Summary

Space Size:	±19,200 square feet
Capacity:	446 people
Floors:	One (1)
DJ Booth:	Yes
Exterior Signage:	Yes-On exterior of building
Number of Bars:	Four (4)-Most bars have direct access freezer
Number of Stages:	Two (2)
Number of Private Booths:	Two (2)
VIP Facilities:	Private bar, restroom, and entrance ±865sf area with chairs /cocktail tables ±350sf area with couches /cocktail tables
Entertainer Facilities:	±400 Private Lockers, Shower/Steam Facilities, Restrooms, Hair Salon, Tanning Salon, Dining Room, and Lighted Makeup Counter
Administrative:	Executive Office, Three (3) administrative and accounting offices with miscellaneous desks, office equipment, and safes

Note: Buyer to verify all facilities and condition







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## Neighborhood/Site Aerials



To obtain more information on the Former Crazy Horse Too Gentlemen's Club & Multi-Tenant Industrial Property please visit the property website:

[www.comre.com/CrazyHorse](http://www.comre.com/CrazyHorse)

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