

RENO GAZETTE-JOURNAL

Layering the foundation for a great downtown

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When Gary Estes took the job of converting the former Comstock hotel-casino into luxury condominiums almost a year ago, he had to pack a gun.

During its four years as a weekly hotel, the Comstock was known for gangs and drugs.

“Everybody was carrying a gun in plain view,” said Estes, owner of Ace Architect and Construction. “It was rough.”

But what a difference a year made.

Several new nightspots, including the Green Room and Liquid Lounge, have joined the Beaujolais Bistro across West Street from the old Comstock. The Silver Peak restaurant and a gourmet food store called Downtown Marketplace opened around the corner. A new kayak park has brought crowds to the banks of the Truckee River.

And construction workers no longer carry guns.

The new construction resembles the kind of renaissance in downtowns nationwide.

In all, three housing projects are under construction in downtown Reno. Two others are in the planning stage.

The Comstock Hotel-Casino closed in November 2000. Since June, workers have gutted the Comstock for a first-class renovation called the Residences at Riverwalk.

Ranging from studios to \$1 million penthouse suites, 125 condos will take the place of 306 former hotel rooms on 15 floors. All but 36 have been sold since Jan. 15, said Erin Ruiz, managing sales agent. Buyers range from hospital workers to young professionals to people buying second homes, she said. No investors are allowed to rent the units.

“It’s people from all walks of life,” she said.

Christopher Leinberger, a new urbanist developer from Albuquerque, N.M., said he was impressed with the conversion after taking a short tour. Leinberger lectured this week in Reno on renovating downtowns.

While it might not be clear now, he said Reno holds a valuable asset in its obsolete hotel-casinos because of



Andy Barron/Andy Barron

Erin Ruiz stands in the kitchen of a condominium model at the former Comstock hotel-casino in downtown Reno.

the potential to convert them into first-rate housing.

Given a solid structure to begin with, Leinberger estimated the construction costs at the former Comstock are about half of what it would cost to build new.

Leinberger said housing is key to bringing a major supermarket, drugstores and other stores and services downtown. Nationwide, downtowns are enjoying a renaissance as people move back to the cities from the suburbs, he said.

“The real driver is housing,” Leinberger said. “There has to be enough rooftops.”

Ruiz said a number of developers have stopped to tour the first-floor condo models at the former Comstock.

“There has been a major interest from developers from all over,” Ruiz said.

Los Angeles-based BF Management purchased the building for \$6 million in June 2004. It is spending \$4.8 million on construction, according to its building permit.

The luxury condos feature as many as four to eight balconies with views of the river and the snow-covered foothills or city views. The few one-bedroom condos left start at \$209,000. Two-bedroom condos range from \$269,000 to \$542,900.

The condos have all the modern trimmings: 9-foot tall decorative ceilings, double-thick walls and windows, exquisite tilework, granite counters and top-notch appliances.

“Everybody is watching this,” Estes said of Reno’s first major hotel-casino conversion. “When this is done, people are going to start making their moves.”

A redevelopment agency-subsidized project called the Palladio is under construction less than two blocks away on the river. Denver-based BCN Development has received equal interest from customers for its 92 condos, which sold for an average of \$450,000.

The redevelopment agency values the 13-story building at \$28 million. It’s expected to be completed in the summer of 2006.

Demolition is under way for the conversion to condos at the former Sundowner hotel-casino. Now called Belvedere Towers, final plans recently were turned into the city to build 188 condos in the north tower and work should be done within six to eight months, said Bijan Madjlessi, a company executive in the San Francisco Bay Area. Plans for 188 units in the south tower will be turned into the city within a few weeks, he said.

He said condos can be built at less than half the price of building new. He said bathrooms are being torn out for kitchens. And all the electrical and other building systems had to be upgraded.

Units will range from the low \$100,000s to mid-\$200,000 range. Residents also will share a 300-space parking garage and a parking lot.

“We think it’s a great city,” Madjlessi said. “We feel welcome. There’s a demand for starter housing in town.”

For the Palladio, Belvedere Towers and Comstock, developers anticipate plans to use the first floor for shops and restaurants or other commercial uses.

Farther west on the Truckee River, a 12-story residential tower called Riverside Condominiums soon could take the place of a brick house at 1101 Riverside Drive.

The 40-unit complex on 1.4 acres was before the Reno City Planning Commission on Wednesday night for variances to build the high-rise close to the river and create a shadow for other buildings.

Construction began a few weeks ago on the Virginia Street Senior Apartments, an \$11 million project. The three-story building containing 84 apartments for low-income senior citizens is subsidized with \$1.6 million in federal home funds distributed locally.

And the cleared Bundox property and a five-acre vacant large-lot parcel, both near the National Automobile Museum, hold the potential for other new projects.

Across the country, Leinberger said younger people and professionals want to escape the monotony of suburbia and empty-nesters want to get away from yard work, he said.

Nationwide, almost 75 percent of all households are without children, he said. He estimated that about half of them are interested in leaving the suburbs.

And when households are willing to give up one of their two cars, he said, they generally can afford the extra cost for downtown housing.

“Downtowns are coming back far more rapidly than people think,” Leinberger said.

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