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Builder banks on resurgent downtown Reno

BY BILL O'DRISCOLL
bodriscoll@rgj.com

It's just a small, two-story office/small retail building that's rising in downtown Reno.

But when it's done in the spring, the State Street Plaza on Virginia Street two blocks south of the Truckee River could play a big part in the resurgence in commerce downtown -- even amid recession.

Its developer bills it as the first speculative office building to go up in downtown in more than 20 years, and it comes at a time of near-standstill in any spec building, especially office.

But location is everything, and State Street Plaza's supporters say the project is an indication of downtown's resurrection begun with the lowered railroad tracks and continuing with an array of River Walk retailers and the baseball stadium on East Second Street.

"Spec office is dead. On the other hand, certain developers have the forward thinking to see a niche in pocket areas like downtown," said Dominic Brunetti, vice president of office properties at NAI Alliance commercial real estate in Reno. "It's alive. There's a lot of energy going on."

And it's the belief of MTK Ltd., developer of State Street Plaza, that downtown will continue to grow, MTK consultant Mike Perkins said.

"It's a different animal from the suburbs," he said. "All the amenities are nearby, professional offices, after-hours life."

The area's attractions are many: the river, high-rise condos, dining, recreation, entertainment, a financial district, legal services, city offices, the pro basketball Bighorns, the soon-to-come pro baseball Aces.

And all within walking distance.

It helped persuade the Economic Development Authority of Western Nevada to move downtown in late 2007 from its former home in the Meadowood business complex located in south Reno.

EDAWN CEO Chuck Alvey spoke of the "energy" downtown as a big reason for the move to West Liberty Street.

That same energy convinced the owner of understand.com, a small online provider of 3D animation medical educational services, to bail out of South Meadows for an office on downtown's west side.

Darik Volpa polled his 15 employees, and the results were unanimous: Move. And they will, as soon as their new home at First and Washington streets, now under construction, is ready.

"We have a real young work force," Volpa said. "They really like the idea of riding their bikes to work, the summer concerts, bringing a kayak to work and then go kayaking on the river at lunch. You certainly don't get that in South Meadows.

"That's appealing to us," he said. "The pubs, the coffee places, a lot of neat things. This isn't San Francisco or Boston, but it's definitely got a vibe we want to tap into."

State Street Plaza, set back from Virginia Street on the site of the old Park Wedding Chapel, will offer 16,000 square feet of office and small retail space as well as limited parking.

"That area has really good daytime (population) numbers with the courthouse, banks, legal services," said Mark Keyzers, NAI Alliance vice president of retail properties.

"We've been in discussions with potential tenants, and with retail, it's a field of dreams," he said. "Seeing is believing, now that folks see the building going vertical. They can see it.

"The marketplace has its challenges right now. But this is a good sign when someone commits to downtown in the face of economic adversity."

Perkins said MTK sees State Street Plaza as a way to position itself for eventual economic recovery.

"It shows our belief in a rebound, maybe not immediately but in the future," he said. "And we see nothing but a bright future for downtown."
