

The Montage welcomes guests at key milestone

STAFF REPORT

Wednesday might have been April Fool's.

But downtown Reno's high-profile development The Montage wasn't fooling around when it decided to hold its ribbon cutting Wednesday.

The event marks a key milestone for a project that has been hit hard by the housing and financial meltdown. But despite its troubles, the development continues to be seen as a key component for downtown Reno's redevelopment.

The guest list for the ceremony included key supporters, such as Reno Mayor Bob Cashell and the presidents of the Reno-Sparks Convention & Visitors Authority, Economic Development Authority of Western Nevada and the University of Nevada, Reno.

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Montage opens its doors

BY JASON HIDALGO

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One of downtown Reno's high-profile developments commemorated a key milestone on the most unusual of days as the Montage held its ribbon cutting Wednesday.

But the project's developer remains quite serious about the potential impact of the Montage on the area.

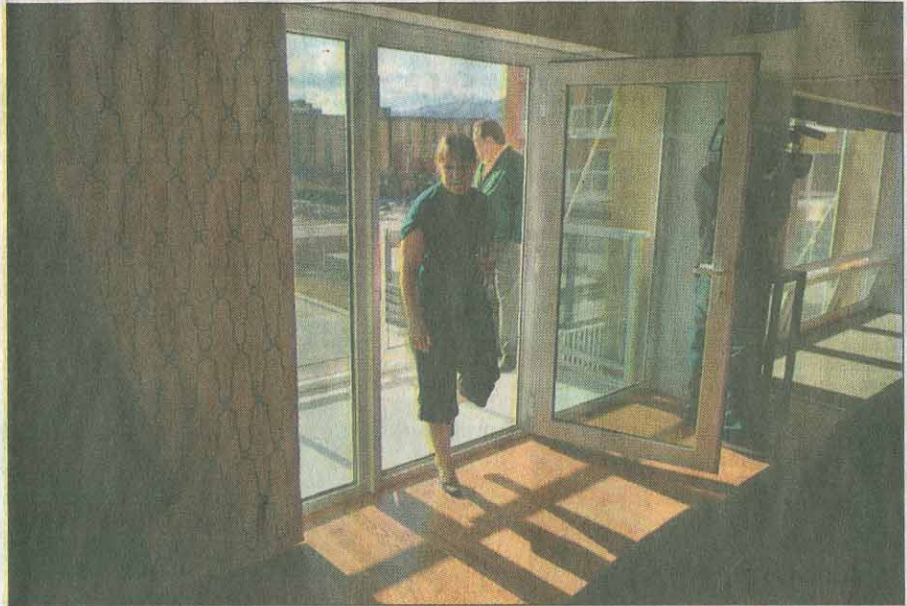
MONTAGE TOURS

"I believe that the ribbon cutting of the Montage, along with the forthcoming opening of the baseball stadium, are symbolic of what can and has been achieved in this

The Montage offers tours of the property to the public from 10 a.m. to 3 p.m. on weekends. The sales office is at 155 W. Second St. in downtown Reno.

community," said Fernando Leal, managing partner and chief executive officer of L3 Development. "The redevelopment of downtown Reno is well on its way."

With a list of speakers that included Reno Mayor Bob Cashell along with the presidents of the Reno-Sparks Convention and



LIZ MARGERUM/RGJ

Jessica Miller, of Reno, steps off the balcony during a tour Wednesday at the Montage.

Visitors Authority, Economic Development Authority of Western Nevada, and the University of Nevada, Reno, the Montage is clearly still viewed as a key cog in the area's

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Montage/Lender continues to struggle

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redevelopment plans. EDAWN President and CEO Chuck Alvey said the project serves as a "catalyst" and a "real sales tool" for economic development.

"For a long time, we had most varieties of housing or lifestyle opportunities from urban to ranching to condos and multi-family apartments," Alvey said. "But one thing we didn't have until the last few years is urban high-rise living. This just gives us that extra asset, especially in terms of downtown serving as the living room of the region."

Although ribbon cuttings don't typically drum up excitement among the masses, the Montage's is especially symbolic given the tumult that the project has seen after being announced to much fanfare.

Like many new developments in heated markets such as Nevada and California, the Montage was hit especially hard by the collapse of the housing bubble and the meltdown in the financial markets. Its lender, Chicago-based Corus Bank, also continues to struggle to stay afloat after its heavy investment on condos during the housing boom went bust. Some buyers, meanwhile, are trying to get out of their contracts by citing the challenges faced by the development. Leal does not deny that the economy is impacting the high-profile development. But Leal also maintains that the product itself — which even its harshest critics praise as far its design — is solid.

QUICK FACTS & AMENITIES

- 377 total units priced from \$150,000 to more than \$1 million
- Fitness center with a 3,000-square-foot workout room
- Pool terrace with a year-round heated pool, two spas and lounge and dining furniture
- Owner's lounge attached to the pool terrace for entertainment and entertaining
- Garden deck
- Pet facilities
- Indoor self-parking
- 24-hour service representative
- On-site property management
- Oversized storage lockers
- Closed circuit security system
- 15,000 square feet of first floor retail space

"Access to financing and the amount of down payment now required are two formidable challenges that we face daily," Leal said.

So far, the Montage has managed to close 12 of the 142 units it has under contract. The property, which has 377 total units, has received several new offers within the last couple of weeks and is getting about 100 visitors each day on Saturday and Sunday for its tours. The development also continues to

negotiate with potential tenants for its retail area, including the oft-mentioned Ruth's Chris Steak House.

"There is a signed lease with Ruth's Chris," Leal said. "Both parties are working together to try and come up with revised terms that will increase the possibility of opening sometime in the future."

Leal also addressed a concern raised by some buyers about the development's recently revised Covenants, Conditions and Restrictions or CCRs, which basically act as the by-laws for property owners. One issue of note was the removal of some of the Montage's floors in the revised CCRs.

According to Leal, the removal was done to correct a mistake on the project's Phase 4 map, which mistakenly classified a commercial space as a common element.

"This error would have had a long-term negative effect on the homeowners due to the cost associated with maintaining this area," Leal said. "A revised parcel map will be re-submitted in the near future that will correct this situation and include all of the areas that had been temporarily removed. In the interim, homeowners have access to

all common areas that were temporarily removed through easements contained in the CCR's designed to address this exact type of situation."

Despite the development's remaining challenges, the mood at the ribbon cutting was festive and upbeat. Cashell also continued to express his support to the project and what it means to Reno's downtown.

"(The Montage) is the catalyst for getting things going," Cashell said. "We got a baseball stadium because of this building. This building brought people to town."

Montage residents were also on hand to take part in the celebration. Dennis Elledge, a 58-year-old retired Boeing engineer, and wife Sherron Elledge, were all smiles as they talked about the views from the 19th floor unit they moved into just last week. The couple originally came from Washington state and waited for "two years, eight months and two weeks" before they could finally move into their new home, Sherron Elledge said.

Elledge added that she's confident that things will turn around for the area and the Montage once the economy straightens out.