A construction excavator sat atop a mountain of debris at the old Shoppers Square center in Reno on a chilly spring morning, a hearty crunch emanating from its metal jaws as it dug into the rubble below.

Debris of all shapes and sizes rained down on the back of a nearby dump truck as crews in neon green vests cleared the remnants of a demolished building.

Once construction is done, the familiar fixture on the corner of Plumb Lane and South Virginia Street will be transformed into the new Reno Public Market. The renovation of the shopping center started when the optimism surrounding Reno-Sparks growth prospects was at its peak.

**Reno ER doctor on the coronavirus fight:** 'This isn’t just our battle, it’s everyone’s'

Today, it is one of the rare signs of activity in an area that has been reduced to a ghost town following the closure of all non-essential businesses in Nevada due to the coronavirus pandemic.

Reno Public Market project partners Doug Wiele and Rick Casazza thought they had seen it all.

“Rick and I were around during the savings and loan crisis when the entire industry collapsed and we survived it,” Wiele said. “Rick and I lived through the dot-com collapse. That drove Wall Street crazy. And we all lived through the Great Recession.”

“But no one has ever seen anything quite like this,” Wiele added.

All those previous economic meltdowns, while unexpected, were rooted in market forces that could be understood: banking, overvalued tech stocks, a housing bubble.

A pandemic that closes all casinos and the bulk of businesses for weeks on end, however, is a whole other story. It’s the kind of unprecedented development that comes without a previous playbook for the building sector to turn to.

For those in the industry, their fates are a matter of time — literally.

“As of today, (the COVID-19 crisis) has not impacted our timelines,” said Lance Semenko, president of Q&D Construction. “But if things haven’t changed by the end of April, then we’re going to have to re-evaluate everything that we’re doing.”

“That’s the hard part,” Semenko said.
Coronavirus in Nevada: IGT implementing furloughs, salary reductions across the U.S. due to COVID-19 impacts

‘We’re going to win some and we’re going to lose some’

Chip Bowlby sounded upbeat as he spoke on the phone one early spring afternoon.

The president and CEO of Reno Land was talking about the latest announcement from his development company, a large industrial and retail complex named The Park at McCarran that will be built on 104 acres of farmland bought from the University of Nevada, Reno.

With a slew of housing and commercial projects under construction in the area such as Rancharrah, Park Lane and the Summit Club, Bowlby is at the forefront of the development boom that sprouted in and around the Biggest Little City as it recovered from the Great Recession.

Reno Land managed to get its headstart by going all-in while many were still hesitant to do large development projects. Back in 2015, Bowlby told the Reno Gazette Journal that he saw the light at the end of the tunnel for Reno, which just went through the worst recession in its history.

“Now is it the light coming to us or is it the train?” Bowlby said at the time. “I have to say timing is everything.”

It was a risky bet that would pay off for Bowlby as Northern Nevada underwent a growth spurt marked by the arrival of Tesla, Switch, Google and a slew of other new businesses that brought in thousands of jobs. By March 2018, the median price for an existing single-family home in the city of Reno reached $400,000 for the first time, according to the Reno/Sparks Association of Realtors. Since then, Reno set records for median price multiple times, most recently in January when it hit $430,000.

Reno is home to one of the world’s largest ventilator companies: We talked with its CEO about COVID-19

Unlike the speculative housing bubble that fueled the previous boom, Northern Nevada’s recovery after the Great Recession was fueled by job growth. The diversity in the area’s economy was supposed to make Reno less susceptible to a recession. COVID-19, however, was a complete wild card, Bowlby said.

For now, Reno Land’s projects are still moving forward as planned. Rancharrah is far enough along, for example, that its housing and retail components are pretty much set. For newer projects such as The Park at McCarran, the first phase of construction is already financed and it should break ground as planned sometime in June or July. The only potential deal-breaker would be more unforeseen surprises from COVID-19.

“As long as they’re able to work and the state doesn’t shut them down, our subcontractors should be able to perform and move forward with the project,” said John Ramous of Dermody Properties, the development partner for Reno Land’s industrial project.

Despite being optimistic about Reno Land’s ongoing projects, Bowlby also expressed caution about the impact that the novel coronavirus could have on development, especially if infections do not get under control soon.

“We’re going to win some and we’re going to lose some,” Bowlby said. “If I tell you that we’re bulletproof, I’d be the biggest liar in the world.”
“Coronavirus is having an effect on everyone so we’re just trying to react to everything that is happening right now,” he added.

**Coronavirus in Nevada:** Reno-area golf courses open, but with safety precautions in place

**‘We’re trying to toe that fine line’**

With a slew of projects in Nevada and California, including high-profile ones such as the Virginia Street Project in Midtown Reno, SNC is a familiar name in the region. Like Q&D, it is also one of the survivors of the Great Recession.

Back during the previous downturn, Nevada’s construction industry posted the largest percentage decline in jobs in the state when it shaved off nearly two-thirds of its workforce. Since then, SNC is one of the few construction outfits that has managed to build staffing back up to pre-Great Recession levels.

“We’re running about 250 people right now,” said owner Craig Holt. “But we typically make it to slightly over 400 during peak season as the weather improves and people come back.”

With construction in high demand in recent years and private and public projects continuously entering the pipeline, SNC was looking at another productive year for 2020. Then COVID-19 hit.

Fortunately for SNC, the company is much more stable financially this time around than it was before the Great Recession, Holt said. Although the company was fully prepared for a downturn, however, COVID-19 is not your typical emergency.

“We have seen some similarities (with previous recessions) but this coronavirus is also a totally different deal,” Holt said.

“It’s really about the unknowns. This one is just so unpredictable, we feel like we’re working week to week and day to day right now just to keep things going.”

**Opinion:** Between a virus and a hopeful place | Pat Hickey

So far, SNC is continuing its work and even picking up the pace for some projects. The closure of shops along South Virginia Street, for example, has provided a rare opportunity to expedite the Virginia Street Project.

At the same time, the company has to balance ramping up work with the health precautions necessitated by COVID-19. This includes more distancing for its workers and an increased focus on on-site sanitation.

“We’re trying to toe that fine line,” Holt said.

Most of the workforce impacts on SNC from the novel coronavirus so far have been limited to having office staff work from home. A good part of SNC’s portfolio involves public projects, which are already funded and still moving forward.

Instead, many of the concerns about the novel coronavirus’ impact involve the private market, where financial backers are starting to get more skittish.

“We’re seeing some of the private work push out a little bit,” Holt said.
“I feel that some of these owners are starting to pull back on these projects until they see the light at the end of the tunnel. We’re just seeing a little bit so far but I expect that we’ll see more in the next month or so.”

‘We have our eyes wide open’

A construction worker aims a hose and a jet of water slices through the cold air at the construction site for Reno Public Market.

**Real estate:** COVID-19 concerns could cool Reno-Sparks’ record-breaking housing market

With the project’s financial backers still onboard, work at the former Shoppers Square location is moving forward. Part of the reason is out of sheer necessity.

“You can’t have a half-constructed building standing and abandoned without creating some safety issues,” Wiele said.

Work at the CVS store should be done in six months, Wiele said. Space for a new grocery store — Wiele says he can’t name it yet but public records show that it is a Sprouts Farmers Market — should be completed by the first quarter of next year.

“Our tenants that are signed remain bullish,” said Reno Public Market’s Casazza. “We haven’t started recruiting yet for the public market because it’s still a bit too far but our goal is to start by late summer.”

One change is that the workday is lasting longer due to measures that workers have to take against COVID-19. These include trying to have the same person on the same equipment as much as possible as well as cleaning the equipment that is being used more frequently. While Casazza and Wiele continued to express confidence in their project, they also said there is no question that COVID-19 is having an impact.

“We’d be reckless to say that we don’t have concerns,” Wiele said. “We have our eyes wide open.”

A common issue echoed by everyone is the uncertainty behind just how long the novel coronavirus will continue to impact people’s lives and, by extension, the economy.

**Coronavirus in Nevada:** Facing $1.1B loss during pandemic, Clark County breaks hospital workers union contracts

“Nobody has a crystal ball,” said Semenko of Q&D Construction.

Although some are hoping for a quicker resolution, getting back to where we were prior to COVID-19 will likely take longer, said Mark Vitner, senior economist for Wells Fargo. Although consumer goods might be doing well, “buying all that toilet paper” is not going to make up for the sheer job loss that resulted from COVID-19, according to Vitner.

Even after coronavirus cases disappear, COVID-19’s effects will continue to linger, especially for people at the lower end of the economic spectrum. The fate of furloughed or laid-off workers will especially be felt by new housing or retail projects that reach completion sooner rather than later while the impact of the novel coronavirus still reverberates in communities across the country, including Reno, Vitner said.
Northern Nevada could see a quicker recovery due to the strength of its economy prior to COVID-19’s arrival. That does not mean, however, that most impacted people in the area will not feel any long-term pain.

“While I’m in the camp of this thing being a relatively deep but short recession, it’s not going to feel short to folks who are impacted by it,” Vitner said. “A disproportionate share of them are hourly workers and they were ill-prepared for any long period of joblessness.”

“While the economy will begin to recover after we see the number of cases recede, the folks who lost their jobs are going to take more than a year to really get back to the level of comfort that they had prior to this outbreak,” Vitner added.

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