

River District

Q4/ANNUAL
MARKET REPORT
2022

SACRAMENTO, CA



TABLE OF CONTENTS

- 3 | Executive Director's Message
- 4 | Development Map
- 5 | Development Summary
- 6 | Residential Market
- 7 | Industrial & Commercial
- 8 | Tourism & Hospitality
- 9 | Riverfront & Railyards
- 10 | Year in Review
- 11 | Clean & Safe
- 12 | Highlights
- 13 | About the River District



info@riverdistrict.net

CITY INCINERATOR

EXECUTIVE DIRECTOR'S MESSAGE

It was a hot Sacramento summer day when I reported for my first day of work as the new Executive Director of the River District back in July. I was new to the city and almost everyone I met shared my excitement over the potential of this emerging neighborhood, telling me I had arrived at just the right time. Now, having spent nearly a half of a year here, I can honestly say that I am honored to be at the helm of this organization. I believe that the River District is the future of Sacramento, and because we are building it right now, we have the opportunity to create a truly world-class place. That's a lot to live up to, considering that Sacramento was recently named the best place to live in California by Forbes Magazine, taking into account crime rates, cost of living, and available activities.

We're making room for food and agribusiness entrepreneurs with the proposed Alchemist Public Market. Alchemist's programs to help train, equip, and empower under-resourced entrepreneurs to start their own food businesses.

We're making room for visitors to see more and do more, with the announced Caption by Hyatt Hotel, the Hanami Line cherry blossom park, and the newly opened, wonderful SMUD Museum of Science and Curiosity.

We're making room for thousands of State employees to thrive at the Richards Boulevard Office Complex, and building homes for people of all income levels at projects like Mirasol Village, the Grower's District, Track 281 Apartments, and Township 9.

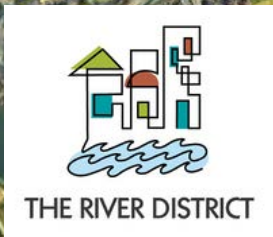
Most exciting to me, we are making connections between those who have spent many years here in the River District with those who – like me – are just arriving, ready to find their futures. The River District is truly where old meets new, where teamwork meets technology, and of course, where our two greatest natural resources – the American and Sacramento Rivers – come together.



DEVIN STRECKER, LPM

Our Vision: *A vibrant, mixed-use urban community with an eclectic mix of residential and commercial land uses topped off with riverfront views and a variety of parks, plazas and open space.*

DEVELOPMENT MAP + SUMMARY



Recently Completed

Under Construction

Proposed

DEVELOPMENT SUMMARY

Recently Completed

1	River District Park	1039 N. D St.	19289 sq ft	Public Park	Completed Q2 2022
2	SMUD Museum of Science & Curiosity	400 Jibboom St.	50,000 sq ft	Museum	Completed Q3 2021
3	Fire Station 14	1400 N. B St.	10,374 sq ft	Municipal	Completed Q4 2022
4	Touchstone Brewing Co.	116 N. 16th St.	na	Commercial	Completed Q4 2021
5	Mirasol Village + Community Garden	1390 Swallowtail	100,000 SF	Residential	Completed Q3 2022

Under Construction

6	Richards Blvd Office Complex (State)	650 Richards Blvd.	1.25M sq ft	Office	2023 Completion
7	Track 281 Apartments	321 Bercut Dr.	70,000 sq ft	Residential	2023 Completion
8	Banner Self Storage	400 Bercut Dr.	149,346 sq ft	Commercial	2023 Completion
9	Commercial Kitchen	1501 N. C St.	11,520 sq ft	Commercial	2023 Completion
10	Mirasol Village	1390 Swallowtail	100,000 sq ft	Residential	2024 Completion*

*147 Units Complete as of 12/31/22

Proposed

11	Township 9 Residential Phase 2	Township 9	1M sq ft	Residential	Q1 2023 Start
12	Township 9 Office	Township 9	120,000 sq ft	Office	Unknown
13	Caption by Hyatt Hotel	Township 9	110,468 sq ft	Hotel	2023 Start
14	Grower's District	200 N. 16th St	375,000 sq ft	Mixed Use	2023 Start
15	Grower's District	211 N. 16th St.	130,000 sq ft	Residential	2023 Start
16	Grower's District	215 N. 16th St.	80,000 sq ft	Residential	2023 Start
17	Hobby Condos	601 Dos Rios	50,000 sq ft	Residential	2023 Start
18	American River One	450 Bercut Dr.	693,913 sq ft	Mixed Use	Unknown
19	Hanami Line at Matsui Park	450 Jibboom St.	65,640 sq ft	Public Park	Q2 2023 Start
20	Alchemist Public Market	341 N. 10th St.	10,000 sq ft	Commercial	Unknown
21	Dos Rios Light Rail Station	515 N. 12th St.	n/a	Municipal	Q2 2023 Start

Source: The River District



RESIDENTIAL MARKET

The River District is transforming from a primarily industrial and commercial distribution center to a vibrant, mixed-use neighborhood. The most visible aspect of this change is the growing residential market.



Mirasol Village replaces the former Twin Rivers public housing complex, which consisted of 215 residential units. The new development includes 427 residential units, community rooms, a swimming pool, playground, community garden, fitness center, business center, and BBQ areas.

Multi-Family Residential

1	Cannery Place Apartments	Township 9	180 units	\$477 avg rnt	Affordable
2	Quinn Cottages	1500 A St.	60 units	\$498 avg rnt	Affordable
3	Mirasol Village	1390 Swallowtail	147 units	na	Affordable
TOTAL			387 units		

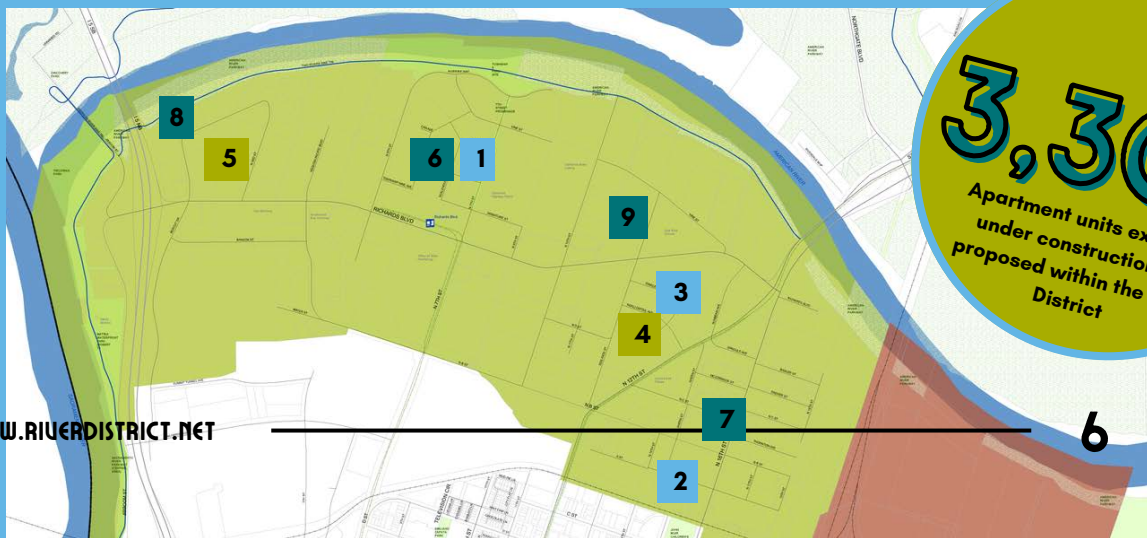
Under Construction

4	Mirasol Village	1390 Swallowtail	280 units	na	Market Rate/Mixed
5	Track 281 Apartments	321 Bercut Dr.	281 units	na	Market Rate
TOTAL			562 units		

Proposed

6	Township 9	Township 9	936 units	na	Market Rate
7	Grower's District	N. 16th St.	540 units	na	Market Rate
8	American River One	450 Bercut Dr.	825 units	na	Market Rate
9	Hobby Condos	601 Dos Rios St.	52 units	na	Condominiums
TOTAL			2,353		

Source: The River District



INDUSTRIAL & COMMERCIAL

Large lots and warehouses are still plentiful in the River District and are being repurposed for modern uses. From commercial kitchens to sports facilities, these abundant spaces are perfect for creative businesses, and are also ripe for redevelopment and new construction.



Founded in 1910 as the California Almond Grower's Exchange, Blue Diamond Growers is the world's largest tree nut processing and marketing company. With 968 full time employees in Sacramento County, the company's revenue was \$1.6 billion in 2022. In December, Kai Bockmann was announced the company's new CEO.

Featured Properties for Sale

1	446 N. B St.	Vacant Land	Commercial	7,841 SF	\$410,000
2	605 Sunbeam Ave.	Warehouse	Industrial	1,795 SF	\$650,000
3	1450 Richards Blvd.	Auto Dealership	General Retail	1,534 SF	\$800,000

Featured Properties for Lease

4	1506 Sproule Ave.	Art Studios (2)	Industrial	105-120 SF	\$550/mo ea
5	320 N. 10th St.	Offices Suites (7)	Industrial	100-470 SF	\$400-700/mo ea
6	721 N. B St.	Warehouse	Industrial	12,500 SF	\$7.80/IG
7	Grower's District	Warehouse	Industrial	70,887 SF	Negotiable

Sources: CoStar & The River District

605 Sunbeam Ave.

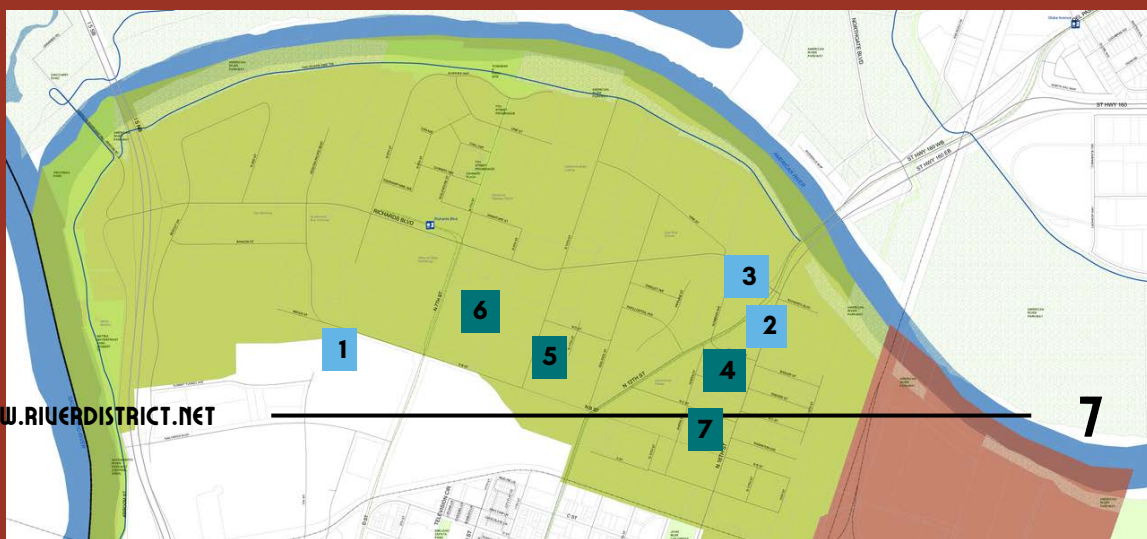


This industrial/commercial property is zoned C-2 for commercial use and is right off the busy North 12th Complete Street project. The lot features 29,450 SF of space with an existing 1795 SF building on the property. The location is also ideally situated near the future Dos Rios Light Rail station on the SacRT Blue Line.

The Woods, 1506 Sproule Ave.



The Woods is an event center, a rental space, and an artists' studio space. Each of the studio spaces come with fully secured 24/7 usage, granting access to the shared kitchenette, common areas, photo/video studio, and concert yard, available for events to tenants and members.



TOURISM & HOSPITALITY

Situated ten miles away from Sacramento International Airport and just blocks from Old Sacramento, Capitol Mall, DOCO and Golden 1 Center, The River District's central location is the ideal hub for those visiting the region. Our tourism and hospitality sector continues to grow with the announcement of the new Caption by Hyatt hotel.



The River District is currently served by SacRT bus lines 11 and 33; two Smart Ride stops at SMUD MoSAC and Mirasol Village; and the Green Line, Township 9 light rail station. In Q2 2023, groundbreaking is expected on the new Dos Rios Light Rail Station, which will bring Blue Line service to the River District's east end.

Hotel Market Conditions

Downtown Sacramento	Oct 22	Nov 22	Dec 22	YTD	% Change YTD
Occupancy	76%	64.7%	57.9%	67.4%	+12.5%
ADR	\$197.45	\$158	\$165.06	\$160.50	+22.9%
RevPAR	\$150.03	\$102.29	\$95.60	\$108.15	+38.3%

Source: Visit Sacramento

By The Numbers

9

There are currently 9 hotels in the River District

805

There are currently 805 hotel rooms in the River District

27

2022 saw a nearly 27% increase in air traffic at SMF over 2021

Sacramento Air Travel

Sacramento International Airport (SMF) was named the top midsize airport in the nation according to the Wall Street Journal's 2022 Airport Rankings. SMF ranked highest among all 50 airports surveyed in the reliability category and also ranked high in arrival and departure times, low flight cancellations, quick taxi and security clearance times, and a max walking distance of only 1,213 feet. In a sign of continued growth, passenger totals were up for both Q4 and 2022.

Passenger Traffic	Q4 2022	2022 Total	2021 Total	QoQ% Change	YoY% Change
Domestic	3,652,106	11,960,389	9,398,572	+9.67%	+27.26%
International	89,911	352,981	303,458	-2.63%	+16.32%
Total	3,715,017	12,313,370	9,702,030	+8.55%	+26.9%

Source: Sacramento County Dept. of Airports



"A five-story, 201-key hotel, one of the first Caption by Hyatt locations in the U.S., is planned for the south end of the Township Nine infill project in Sacramento. A new state office complex on the south side of Richards Boulevard can be seen in the background of this rendering."

From the Sacramento Business Journal

RIVERFRONT & RAILYARDS

Hanami Line

The Sacramento Tree Foundation will break ground this spring on an extraordinary new cherry blossom park located on the Sacramento River at Robert T. Matsui Waterfront Park. The 1.5 acre Hanami Line will include 100 'pink flair' ornamental cherry trees, an iconic lighted sculpture, seating, unique paved walkways, and four separate bosques, or mini forests. The project honors the rich, and bittersweet, history of Japanese immigrants and their descendants in Sacramento.



American River One

First announced at the River District's November 2022 board meeting, American River One is a proposal for 826 market-rate apartment units, 325 parking spaces, and 4,570 sq ft of retail and restaurant space. The project consists of four towers ranging from 11 to 18 floors on two parcels formerly occupied by restaurants Hungry Hunter and The Rusty Duck. Designed by LPA Design Studio, Sacramento-based IM Investments is the project developer.



The Railyards

Located immediately south of the River District, the Union Pacific Railyards once served as the western terminus of the 1860s Transcontinental Railroad. Now, the site is being transformed into a dynamic, urban mixed-use hub for residents, workers, and visitors. The 244-acre infill development is years in the making and will soon see the completion of its first three projects.



Project Name	What is it?	When complete?
The AJ	345 Apartments	Spring 2023
Wong Center	150 Apartments	Early 2024
County Courthouse	Superior Court	Spring 2024
Kaiser Permanente	Hospital	na
MLS Stadium	Sporting Venue	na
The Foundry	Office & Retail	na
Central Shops District	Retail & Entertainment	na

Source: The River District; railyards.com

TIME TO SHINE

It was a time of growth and new development in the River District in 2022, as several projects were completed or enjoyed their first full year of business.



Touchstone Brewing Co. offers a rotating tap of unique beers and offers cans for take-home.



Touchstone Brewing Co. is an extension of the popular Touchstone Climbing gym, Pipeworks, located at 116 N. 16th St. The brewery opened its doors in late 2021, and is currently completing construction on its own 2,600 SF taproom and restaurant, Pintworks.

Devin Strecker, River District Executive Director, spoke at the ribbon cutting event for the new Fire Station 14.



Until recently, Sacramento Fire Department's Station 14 was housed in the second-oldest operating firehouse in the city. On December 5, the brand new Station 14 was officially opened at 1400 N. B St. in the River District!



SMUD Museum of Science and Curiosity renovated a former PG&E power station built in 1912 into a world class hub for science education, exploration and promotion. While day time usually sees the museum full of young people on school field trips, the Museum opens its doors to the 18+ crowd for their exclusive MoSAC Night events, as well as their MoSAC Mixers each month.



River District Park is a brand new community space with a basketball court and other amenities such as a built-in ping pong table and futsal court.



In September, two large, winged sculptures were installed in the River District on Richards Blvd. at 12th St. Created by artist Vicki Scuri, the works are part of the City of Sacramento's metamorphosis-themed public art project. The sculptures join seven new murals that were painted throughout the 12th Street corridor. The project was funded through the US Dept. of Housing and Urban Development (HUD) Choice Neighborhood Initiative, in a partnership with Sacramento Housing Redevelopment Agency (SHRA).

CLEAN & SAFE

Year-end Reports

Private security patrols of the River District are provided through a contract with Sacramento Protective Services, with support from the City of Sacramento. Cleaning and Maintenance services are provided by our in-house Public Space Team, a rehabilitation work program employing 6 full time crew members.

	October	November	December	Q4 Total	2022 Total
Bags of Trash Collected	834	724	926	2,484	9,759
Bags of Green Waste Collected	166	496	221	883	1,778
Bulky Items Collected	125	224	62	411	4,808
Hazardous Items Collected	83	48	323	454	678
Security Dispatch Calls	175	134	130	439	1,575
Security Officer Observations	232	344	316	892	4,149
Incident Reports & Arrests	1	2	2	5	25

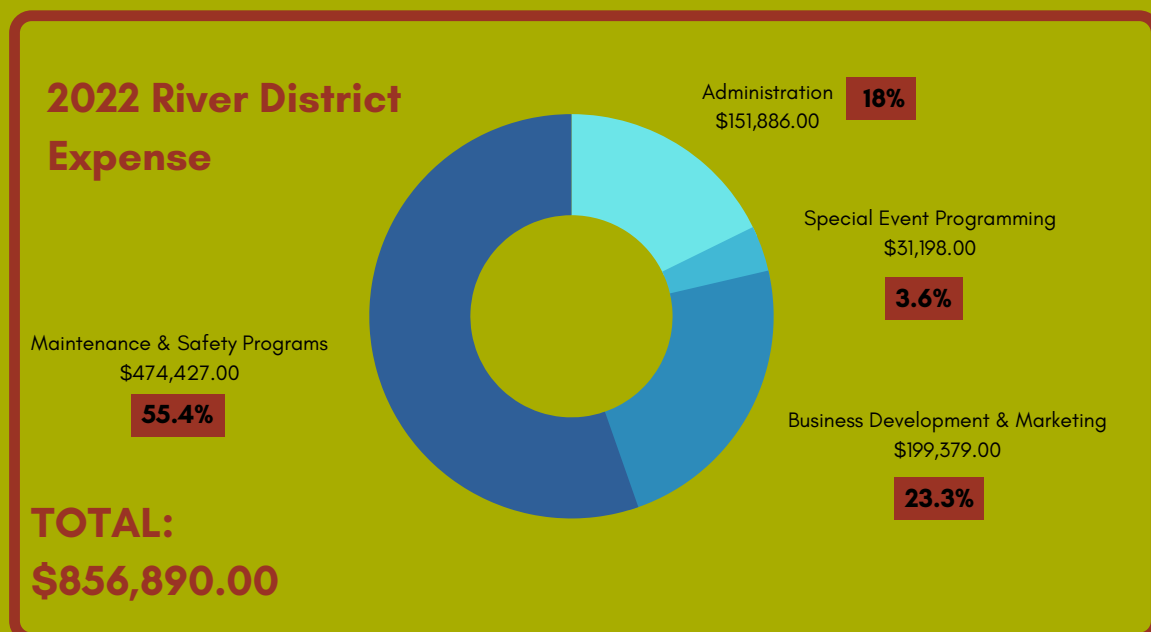
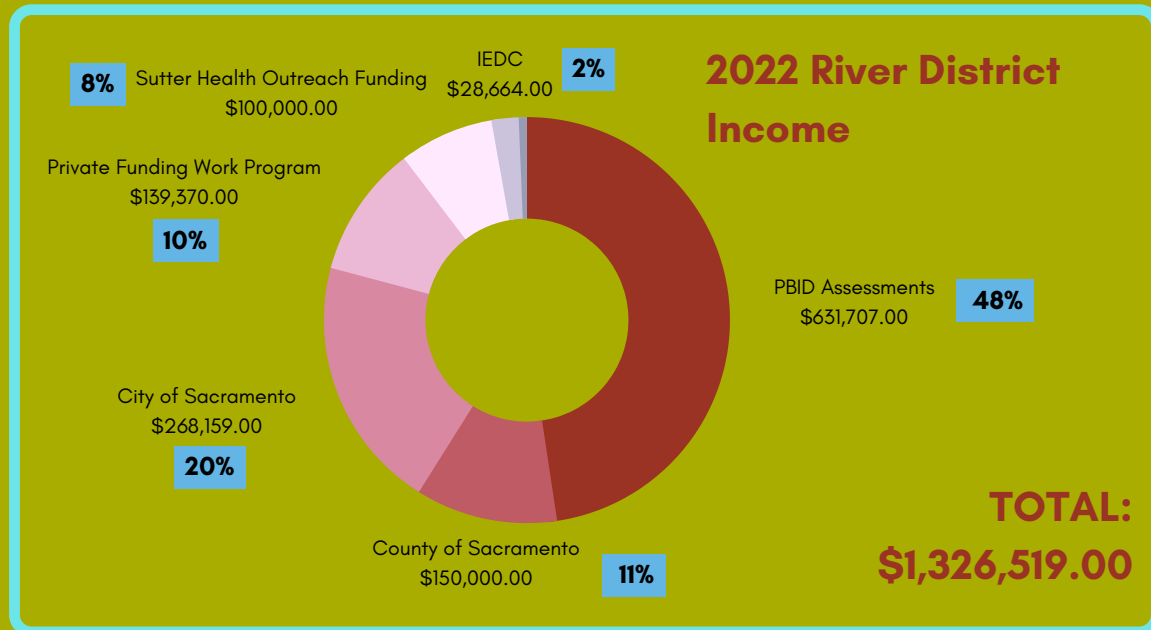
Sources: The River District, Sacramento Protective Services

The River District's Clean & Safe Team is an innovative work program that offers employment, training, and life skills coaching to individuals who are currently or formerly unhoused and often recovering from addiction. The team performs litter abatement, outreach to encampments, landscaping services, and general maintenance services within the PBID boundaries.

Pictured from left to right are Tim Hargis, Carl Rubalcava, Chris Evans (Public Space Manager), Shawna Bowman, and Jesse Yniguez. Not pictured are Walter Mullins and Carlos Rodriguez.

ADMIN & BUDGET

The River District's programs are provided directly to assessed parcels above and beyond those currently provided by the City of Sacramento and other public agencies. Service levels to individual parcels are based on the amount paid into the District. Financial oversight is provided by the Executive Director and the Board of Directors.



**Funding not utilized in the current year has been saved for on-going projects, necessary administrative processes, and improvement projects.*

ABOUT THE RIVER DISTRICT

The River District is a private, nonprofit 501(c)(6) business association charged with managing and promoting programs to strengthen the economic and cultural well-being of the area.

The 830-acre Property and Business Improvement District (PBID) was established in 1999 by a broad-based coalition of public and private property owners. Managed by The River District, the PBID is a special benefit assessment that supports enhanced services.

The PBID was approved for a ten-year term in 2014. The 2015–2024 Management District Plan outlines three categories of services to be provided by the PBID: public safety and maintenance; economic development; and planning, advocacy and physical improvements. The services and programs provided by the PBID are above and beyond those provided by the City and County of Sacramento.

Location: Approximately 830 acres bounded roughly by the American River to the north; Sacramento River to the west; Union Pacific rail berm and C/D streets to the south; and 27th Street to the east.

Activities: *Community Service Initiatives* provide daily private security patrol, weekday trash abatement and on-call graffiti removal. *Economic Development* activities convey a positive image for the area assisting to attract new jobs, businesses and investment resulting in an improved marketability and regional profile for the District. *Transportation/Public Projects/Infrastructure Advocacy and Planning* to advance the design and implementation of new roadway, transit, utility and streetscape projects.

Administration of District programs and activities is provided by The River District professional staff and Board of Directors.

River District Board of Directors

Greta Lacin, President, Lacin Family Trust

Ryan Loofbourrow, Vice President, Sutter Health

Kevin Smith, Treasurer, 29th Street Capital

David Padgham, Secretary, Separovich/Domich Real Estate

Gina Albanese, First Pointe Management Group

George Bernabe, Blue Diamond Growers

Mark Dutrow, US Glass

Ernie Gallardo, Meadows Asset Management

Steve Johns, SMUD

Harris Liu, McDonald's

Ahmed Hamdy, MatriScope Engineering Laboratories, Inc.

Lisa Nava, County Supervisor Serna - D1

Josh Kohlenbrener, Bauen Capital

Ryan Robinett, ZGF Architects LLP

Advisory Members

Bud Applegate, Applegate Properties

Susan Crane, The Party Concierge

Steve Goodwin, FTEnet

River District Staff

Devin Strecker, LPM, Executive Director
devin@riverdistrict.net

Chris Evans, Public Space Manager
cevens@riverdistrict.net

Cristina Navarro, Program Manager
cristina@riverdistrict.net

IEDC Support

Jennifer Harris, Program Assistant
bcl@riverdistrict.net

Maurice Scott, Business Community Liaison
maurice@riverdistrict.net

Clean & Safe Team

Shawna Bowman, Jesse Yniguez, Walter Mullins, Carlos Rodriguez, Carl Rubalcava, Tim Hargis

This report was composed by Devin Strecker, LPM. Photography by Kent Lacin and Devin Strecker. Copy editing by Cristina Navarro. If you have inquiries related to the data and information presented in this document, please email info@riverdistrict.net.

SOURCES:

The River District; CoStar, costar.com; Sacramento County Department of Airports, Sacramento Regional Transit, Visit Sacramento.

