

AS THE RIVER DISTRICT EMERGES, A COMPLICATED FUTURE AWAITS

While challenges remain, new construction projects suggest the overlooked urban area is gaining momentum

Mirasol Village River District at 12th Street and Richards Boulevard.

DENNIS MCCOY | SACRAMENTO BUSINESS JOURNAL



By [Ben van der Meer](#) – Staff Writer, Sacramento Business Journal
2 hours ago

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Most of Sacramento's River District is still industrial, with decades-old warehouses and light industrial buildings along streets with relatively little foot traffic, other than people who don't have homes.

Like shoots through a crack in the sidewalk, though, there are signs of changes coming. Years of planning and then demolition has given way to several new multistory housing structures at Mirasol Village, southwest of where Richards Boulevard meets 12th Street. Similarly, the former state printing plant at Seventh Street and Richards Boulevard is gone, with dirt moving for what will be a \$1 billion, four-building state office complex project.

Combined with planned projects and investor interest in other properties, the construction activity suggests the River District is turning the corner from an overlooked stepchild among urban core areas to an emerging neighborhood of new buildings alongside re-imagined older ones, and work/play/live options within blocks of each other.



[Enlarge](#)

Jenna Abbott is executive director of The River District's property business improvement district.

“From where I’m sitting, the view is pretty darned exciting,” said [Jenna Abbott](#), executive director for the River District’s property business improvement district. “It makes my heart happy when you see warehouses and empty land starting to turn heads toward it.”

But Abbott and others who are bullish on the area’s future acknowledge it’s likely to come with some growing pains. In the case of the River District, disagreements and even legal disputes have popped up in the last year over how far the district’s progress will go alongside established social services and a noticeable existing population of people without homes.

It’s a sensitive topic, but the area’s future rides on addressing it, say the same proponents.

A working-class history

For much of its history, the River District was a working-class counterpart to the state government headquarters and private office towers found to the south in Downtown. Most of it wasn’t developed until about a century ago, after issues with flooding and drainage were solved. The proximity to rail, roads and the Sacramento River’s shipping traffic made the area a hub for agricultural production and packing companies.

With relatively little population, the area wasn’t actually annexed to the city until the 1950s and early ‘60s. The River District PBID, formed in 1999, covers an 830-acre area between the rivers on the north and west, Union Pacific Corp.’s rail berm and C and D streets to the south and 27th Street on the east.

During the mid-2000s surge in housing and commercial development, the River District first emerged as a potential redevelopment area. Not coincidentally, that was the same time as its blank-slate redevelopment area neighbor to the south, the Railyards, also began drawing interest.



[Enlarge](#)

This rendering shows one of the apartment blocks 29th Street Capital is planning at Township Nine.

JDA ARCHITECTS AND QUADRIGA DESIGN

For the River District, a new future was exemplified by Township Nine, a plan to redevelop a 65-acre industrial area between the American River and Richards Boulevard into multifamily housing, office and retail space. A planned light-rail line from Downtown to Sacramento International Airport began with a stop at the project's southern end.

But during both the Great Recession and the new interest in Downtown Sacramento afterward, the River District remained largely the same. New investors in Township Nine couldn't make progress beyond a 250-unit affordable housing project and ultimately lost the site and its entitlements to foreclosure.

In the last couple years, though, the interest pattern changed. The state of California confirmed plans for its campus at Seventh and Richards, and 29th Street Capital [announced it was taking over](#) Township Nine on the north side of Richards. Construction of new apartments there is expected to start in early 2021.



[Enlarge](#)

A state office complex project broke ground this fall at Seventh Street and Richards Boulevard in Sacramento's River District.

CA DEPARTMENT OF GENERAL SERVICES

"We have the opportunity to be the housing with no commute," said [Kevin Smith](#), 29th Street Capital's vice president for development in Northern California, in July. "You don't even have to get on light rail. You just walk across the street."

Again not coincidentally, interest in the River District has picked up as the Railyards has begun seeing its own new development. But Abbott said she also thinks, at least before the Covid-19 pandemic, there was also a cost factor at work.

"For out-of-the-region developers, they look at what cities have in terms of upside," she said, noting that the River District has large blocks of available land at generally cheaper prices than Downtown. "Downtown is built out, so you have to look at what's close to Downtown."

The reason some of those large lots are available, of course, is because the River District isn't entirely about everyone moving in. Some longtime businesses, like General Produce Co., are moving out, as they see the neighborhood change.

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Company CEO [Jeff Sacchini](#) said in October that was one of the reasons the produce wholesaler decided after 35 years in the district to [relocate to a new site](#) next year in the Metro Air Park development outside Sacramento.

One of the properties General Produce leased, a full city block at 200 N. 16th St., is now listed for sale by Turton Commercial Real Estate. Brokerage founder [Ken Turton](#) said he believes the property has the potential to help transform a neighborhood.

“You could argue it has the best structural bones of anywhere in the urban core,” he said. The property has 85,000 square feet of leasable space, much of it in 1920s-brick construction. With more than 4 acres in all, there’s also enough room for new development.

Turton, whose firm specializes in urban core properties with adaptive reuse possibilities, said he’s been passionate about seeing new investment in the River District’s 16th Street area in the last few years. The firm is also listing another historic industrial building of more than 45,000 square feet, at 211 N. 16h Street, for sale. General Produce’s headquarters is expected to eventually come to market as well.

“It it’s done right, it could be highly competitive with Old Sac,” he said of the River District. “You can create something no one can compete against.”

Of more than a dozen parties who’ve looked at 200 N. 16th, Turton said, he’d estimate half were serious about buying it.

Abbott said in her office, she can also detect rising interest. In recent months, she’s fielding one or two calls a month from prospective River District investors, a significant jump from the beginning of the year, she said.

Even so, the amount of interest hasn’t directly translated into projects yet. On Bercut Drive, an investor bought former restaurant properties and announced plans for an upscale apartment project there, but nothing concrete has emerged. And another large, underused site at 701 Dos Rios St. had an owner who appeared to be interested in a housing project, but also never moved forward.

Both sites are now being eyed for self-storage businesses, typically considered less desirable in many jurisdictions because they don’t produce much in the way of jobs, tax revenue or street activation.



[Enlarge](#)

The map illustrates current and future plans as approved in the River District Specific Plan, according to The River District.

THE RIVER DISTRICT | MAPS4NEWS | SBJ ILLUSTRATION

A visible issue threatens progress

To advocates like Abbott and Turton, there's no question what will be the biggest obstacle to the River District continuing to evolve. A concentration of social services makes parts of the district a gathering spot for people without homes, and many spend much of the day there.

The most visible is Loaves & Fishes, a nonprofit providing meals and other services to the needy on a 4.5-acre campus at 1351 North C St. A couple blocks north, Mirasol Village is planned to be a mixed-income housing development replacing the public housing project Twin Rivers. The Sacramento Housing and Redevelopment Agency will manage it.

Other property owners reacted with alarm, then, when affordable housing developer Jamboree Housing Corp. announced plans earlier this year to convert the Hawthorn Suites hotel on Bercut Drive into apartment units for people who were homeless. Both the owner of property to the north and the River District itself filed suit to stop it, though Jamboree Housing ultimately walked away because the financial picture didn't work.

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City Council member [Jeff Harris](#), whose district includes the River District, said he thinks the solution is for the city to look at providing services on an equitable basis across the entire city.

“If we’re able to do that, it will take pressure off the River District,” he said. Harris added that he’s planning to introduce a proposal in January for people without homes to camp safely in cars.

Within the River District, though, the issue won’t go away. Turton said he supported Project Homekey, the state hotel conversion program Jamboree would’ve used to transform Hawthorn Suites.

“The single biggest attraction is a clean and safe environment, and people are compassionate in general,” he said. But Loaves & Fishes’ presence, as well as its clients, tests the resolve of someone who thinks about investing nearby, he added.

For her part, Abbott said addressing the concentration of social services is an ongoing conversation. That’s going to continue as the area changes, she said, but that’s to be expected.

“You always hit stumbling blocks,” she said. “Change is always hard.”



Image: Sacramento Business Journal

[Enlarge](#)

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Banners unfurled revealed the new name of the science museum at 400 Jibboom St. in Sacramento: SMUD Museum of Science and Curiosity.

BY BEN VAN DER MEER

But if issues like that keep her up at night, she said, she looks to the riverfront on Jibboom Street near the water intake facility. There, a former PG&E powerhouse is in the last stages of conversion into a science museum, recently branded the Museum of Science and Curiosity, or MOSAC.

Projects like that, she said, enable the River District to use more of its greatest natural feature, extensive river frontage on two sides.

“Those are the things that make me turn over and go right to sleep,” she said. “I’m excited that I get to be part of it.”