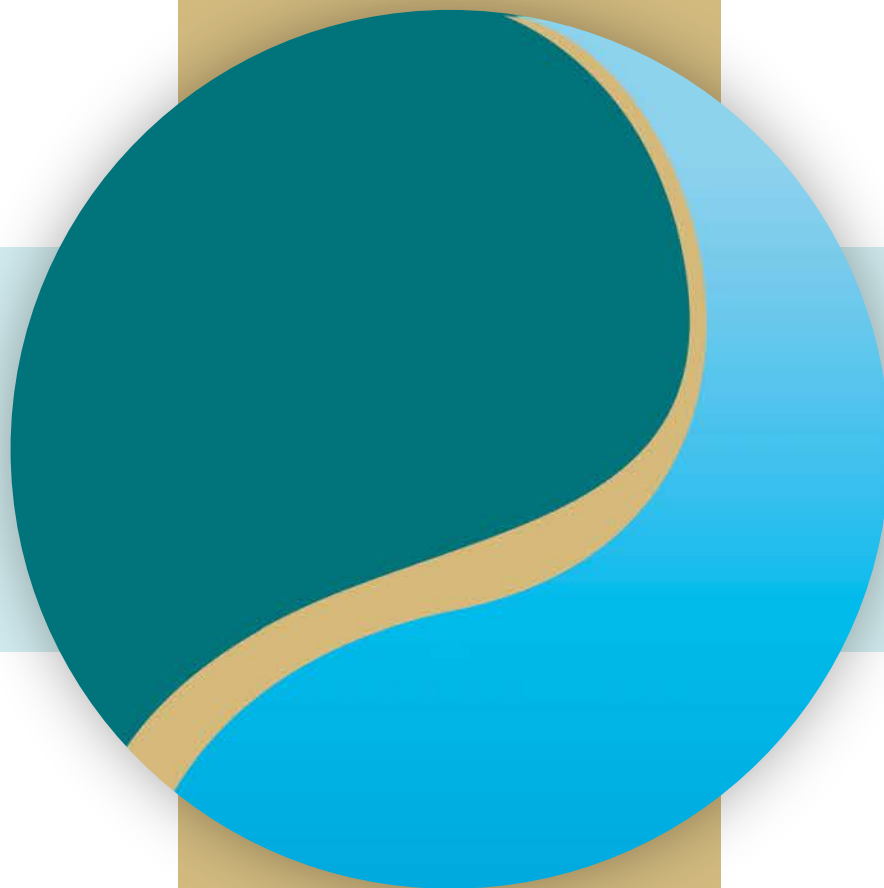


RIVER DISTRICT



Q1 2023 MARKET REPORT

May 2023
Sacramento, CA



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EXECUTIVE DIRECTOR'S MESSAGE

2023 is in full spring, literally, as the harsh winds and rain have given way to pleasant, sunny days and green everywhere you look! Downtown Sacramento has been booming, thanks in large part to the winning season of the Kings, who made it to the playoffs for the first time since 2006.

We celebrated at the State of the River District on March 22, hosted by the SMUD Museum of Science and Curiosity. The lively evening was attended by nearly 150 guests and included remarks from Mayor Darrell Steinberg, Councilmember Katie Valenzuela, and our River District Board President, Greta Lacin. Optimism was the theme of the night, as we highlighted completed and ongoing development projects as well as our strategic plan + vision initiative and the PBID renewal process.

There is certainly no shortage of things to look forward to here in the River District, as Track 281 Apartments prepares to welcome our first market-rate residents and ExtraSpace Storage nears completion on its brand new facility across the street. Perhaps the biggest sign of progress is the fencing, construction office, and heavy equipment that has overtaken three blocks of Township 9! Yes, after many years of roadblocks and set backs, the project is finally moving forward with 29th Street Capital at the helm.

There looks to be plenty more announcements and milestones coming up this summer, so please continue to follow our progress during this time of rapid transformation. We will continue to issue these quarterly market reports to articulate all that is happening here as the Railyards and the River District double the footprint of downtown Sacramento.

We are thrilled to be reviving our Rio Velo bicycle festival on June 3 at Mirasol Village; see the final page of this report for details. We hope to see you there!



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

Summary on following page



Township 9, the long-stalled infill project at Richards and N. 7th Street on the southern bank of the American River is moving forward. Developer 29th Street Capital has broken ground on its next phase of construction, which will deliver over 700 new units of market-rate housing as well as a clubhouse and other amenities. The total capital investment for this first phase is over \$140M - evidence of 29th Street Capital's commitment to grow Township 9 within the River District!

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

*Blocks A, B, & E, 227 Units Complete as of 5/1/23

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	ExtraSpace 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 Blocks C & D	1390 Swallowtail	100,000 sq ft	Residential	2024 Completion
11	Township 9 Residential Phase 2	Township 9	1M sq ft	Residential	2024 Completion

Proposed

12	Caption by Hyatt Hotel	Township 9	110,468 sq ft	Hotel	2023 Start
13	Township 9 Office	Township 9	120,000 sq ft	Office	Unknown
14	Grower's District	200 N. 16th St	375,000 sq ft	Mixed Use	2024 Start
15	Grower's District	211 N. 16th St.	130,000 sq ft	Residential	2024 Start
16	Grower's District	215 N. 16th St.	80,000 sq ft	Residential	2024 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
22	Mirasol Village Block F	515 N. 12th St.	n/a	Residential	Unknown
23	New I Street Bridge	Railyards Blvd.	n/a	Municipal	2024 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.



Track 281 Apartments, the River District's first market rate project, is now pre-leasing.

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 Blocks A, B & E	1390 Swallowtail	227 units	na	Affordable
	TOTAL		467 units		

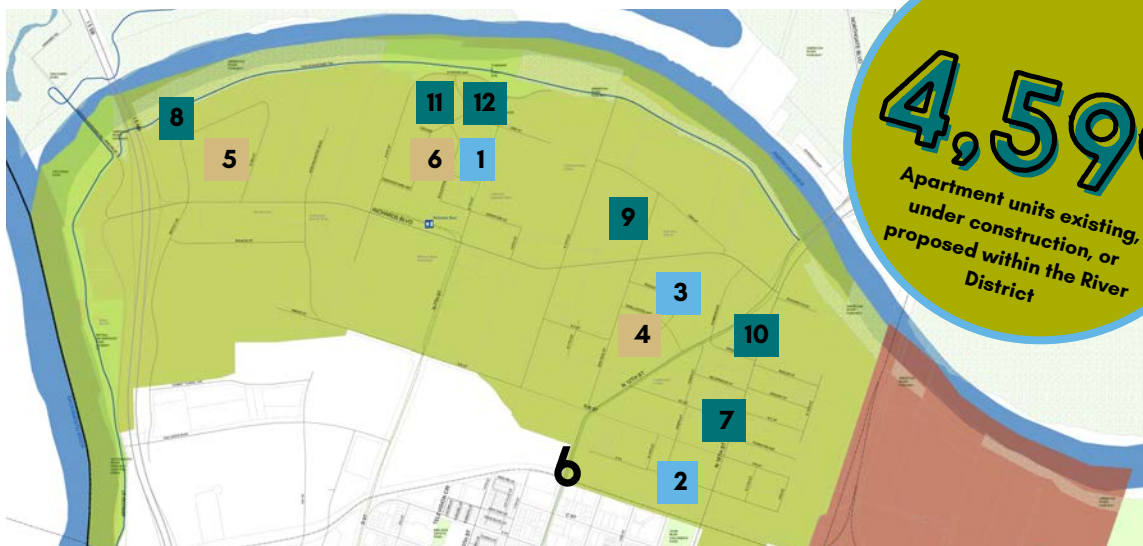
Under Construction

4	Mirasol Village Blocks C & D	1390 Swallowtail	200 units	na	Market Rate/Mixed
5	Track 281 Apartments	321 Bercut Dr.	281 units	na	Market Rate
6	Township 9 - Phase A1	Township 9	372 units	na	Market Rate
	TOTAL		853 units		

Proposed

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
10	Mirasol Village Block F	515 N 12th St	72 units	na	Affordable
11	Township 9 - Phase A2	Township 9	170 units	na	Market Rate
12	Township 9 - Phase A2 (remainder) + B	Township 9	1,620 units	na	Market Rate
	TOTAL		3,279 units		

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.



ExtraSpace Storage is a new ground-up construction project nearing completion at 400 Bercut Drive. It features four stories of climate-controlled storage units.

Featured Properties for Sale

1	900 Richards Blvd.	Automotive	Commercial	6,439 SF	\$2,250,000
2	1441 Richards Blvd.	Warehouse	Industrial	407,286 SF	\$5,250,000
3	605 Sunbeam Ave.	Warehouse	Industrial	1,795 SF	\$650,000

Featured Properties for Lease

4	601 N. 10th St. (Sublease)	Warehouse	Industrial	8,000 SF	\$18/SF
5	200 N. 12th St.	Land	Commercial	14,375 SF	Negotiable
6	660 Bercut Dr.	Office	Office	14,415 SF	\$15/SF
7	Grower's District	Warehouse	Industrial	70,887 SF	Negotiable

Sources: CoStar & The River District

1441 Richards Blvd.



This 6.5-acre industrial lot features two buildings, one measuring 29,105 sq ft and the other measuring 9,000 sq ft. It is ideally located at the corner of Richards Blvd. and Highway 170, just south of the American River. An excellent opportunity for investors looking to capitalize on the growth in the River District.

200 N. 12th St.



Located at the gateway of the Railyards development and within walking distance of the future soccer stadium, this high exposure hard corner location features ingress/egress on both N 12th Street and Dos Rios Street. Grandfathered pylon signage available. Although a former gas station, that use is no longer permitted.



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.

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	Jan 23	Feb 23	Mar 23	YTD	% Change YTD
Occupancy	62.1%	71.4%	76.1%	69.8%	+13%
ADR	\$171.92	\$176.50	\$189.12	\$179.84	+18.5%
RevPAR	\$106.69	\$125.98	\$143.97	\$125.53	+33.9%

Source: Visit Sacramento

By The Numbers

1006

In addition to 805 existing hotels rooms in the River District, the proposed Caption by Hyatt Hotel will bring the total number of rooms to 1,006

70

Q1 2023 saw a nearly 70% occupancy rate for Downtown Sacramento's hotels, up 13% year to date, with a Revenue per Available Room at \$125.

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. While domestic travel in Q1 saw a dip from the busy holiday season in the previous quarter, traffic is up over 19% this quarter compared to the same quarter in the 2022.

Passenger Traffic	Q1 2023	Q4 2022	Q1 2022	QoQ% Change	YoY% Change
Domestic	2,776,708	3,625,106	2,326,572	-23.40	+19.35
International	97,040	89,911	80,953	+7.93	+19.87
Total	2,873,748	3,715,017	2,407,525	-22.65	+19.37



Developer 29th Street Capital continues to make progress on the proposed Hyatt Caption Hotel at Township 9. The proposed 201-key mid-rise hotel. Plans are currently being reviewed by the city with construction set to begin before the end of the year, and completion scheduled for 2025. According to the plans submitted, "In addition to lively guest rooms, the project includes full-service bar, food service, coffee shop and mid-size meeting spaces. The lobby lounge seating is tuned to travelers staying a few nights and neighbors who want to hang out all day."

RIVERFRONT & RAILYARDS

RCWA in the River District

The River District partnered with the River City Waterway Alliance to conduct river clean-ups along the American River, from Tiscornia Beach up to a quarter mile upriver of Township 9 Park. The River District and River City Waterway Alliance have removed up to 75,080 lbs. of trash and debris from the parkway. Bulky items and hazardous waste are removed by Sacramento County Parks staff and Forensiclean. Hundreds of needles and hazardous waste have been removed from the parkway through this collaboration. The final RCWA clean-up in Township 9 was on April 7, 2023.



Ongoing Clean-Ups

The River District partnered with the American River Parkway Foundation to host community clean-ups along the parkway. These clean-ups are paid, in part, by a Community Action Grant which the River District was awarded. The clean-ups include a BioBlitz component which helps to document the biodiversity of the parkway. The final clean-up is scheduled for July 1, 2023.



The Railyards

The first residential project at the Sacramento Railyards, just south of the River District, is set to begin leasing in June. The pair of 5 and 6-story towers are known as The A.J., named for A.J. Stevens, deemed the "Father of Innovation" at the Sacramento Railyards in the late 1800s. The project offers a total of 345 units with studio, one, and two-bedroom apartments. Select homes are reserved for those who earn less than 50% of the area median income. Sustainably built, the fresh design pays subtle homage to the neighborhood's roots, while embracing modern design cues. With elevated amenities and stylish finishes, the homes are pet-friendly and just blocks from all that downtown has to offer. Visit www.liveattheaj.com for more information.



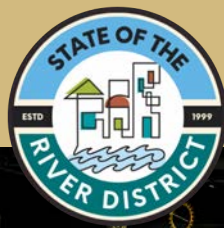
Renderings provided by The Railyards

STATE OF THE RIVER DISTRICT

On March 22, the Museum of Science & Curiosity hosted the River District's first in-person annual stakeholder event since 2019. The audience of nearly 150 learned about our 2022 annual market report and kicked off our Strategic Plan + Vision Initiative, as well as our PBID renewal process. The enthusiasm and passion demonstrated for this district was refreshing and inspiring.



River District Public Spaces Team Leader Jesse Yniguez meets Sacramento Mayor Darrell Steinberg at the State of the River District event.



River District board president Greta Lacin spoke of her long history with the area, recalling a time when the building now known as the Museum of Science & Curiosity was an abandoned power plant.

"All of this growth, although it seems to be happening recently, in reality, took decades of effort by many people who took a stake in the district. People who knew it was a long game, who took risks, and believed in our future."

-Greta Lacin
Board President,
River District

"The River District has demonstrated so much resilience over these past few years and you are continuing to create an environment that attracts more and more economic investment. The City of Sacramento is better because of the hard work you have done in the River District. Thank you!"
- Mayor Darrell Steinberg



"The River District is the gateway to our City. Between the projects planned and the ones already underway, it's quickly becoming one of our city's most remarkable neighborhoods."
- Councilmember
Katie Valenzuela
District 4

CLEAN & SAFE

Public Spaces Teams Report

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 Spaces Team, a rehabilitation work program employing 6 full time crew members.

	January	February	March	Q1 Total	2022 Total
Bags of Trash Collected	2,080	957	1,416	4,453	9,759
Bags of Green Waste Collected	28	114	216	358	1,778
Bulky Items Collected	491	196	504	1,191	4,808
Hazardous Items Collected	72	33	15	120	678
Security Dispatch Calls	160	138	188	486	1,575
Security Officer Observations	348	277	342	967	4,149
Incident Reports & Arrests	2	1	3	6	25

Sources: The River District, Sacramento Protective Services



Pictured from left to right are Public Spaces Team members Tim Hargis, Shawna Bowman, Jesse Yniguez, and Carl Rubalcava.

The River District's Public Spaces 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.

Chris Evans, National Business Improvement District Association, serves as the Public Space Manager for the River District. In this position, Chris advocates for high quality maintenance and the best use of public spaces in the River District. He oversees the work of the Public Spaces Team and security vendor. He works with the team members on their individuals goals and helps prepare them for their future once they graduate from the program.



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

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

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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.

RIO VELO

A SACRAMENTO BICYCLE FESTIVAL



MUSIC•FOOD•GAMES•BIKE RODEO

JUNE 3, 2023

**FREE COMMUNITY
EVENT**

400 PIPEVINE ST. 11A.M.-4 P.M.

Join us for a celebration of all things bicycle at this year's Rio Velo. Featuring live performances, music, food vendors, healthy living exhibitors, a beer garden, and free, family fun.

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