



Q3 2023 MARKET REPORT

October, 2023 | Sacramento, CA

Building



Investing



Connecting



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The 15,591 SF clubhouse for the Headwaters, the market-rate residential project currently under construction at Township 9 in the River District. Additional amenities in this phase include two dog parks, a central park, and swimming pool with deck and lounge.



 info@riverdistrict.net

EXECUTIVE DIRECTOR'S MESSAGE

A new day has arrived for my husband as I, as we have become residents of the River District. When we moved to Sacramento last year, it was always my intention to live in the district, but at that time there were no market-rate apartments available. On September 1, 2023, Track 281 began leasing as the first market-rate project in the neighborhood, and we quickly fell in love with the property after touring it. We are now proud to call the River District our home!

The excitement of being “pioneers,” and watching all of our new neighbors moving in at the same time, has been wonderful. The influx of residents has brought a new energy and life to a corner of the city that was previously one of our most challenging areas, as just months earlier we formed a task force to address the issues related to trespassing, vandalism and theft that had been regularly occurring here. While the neighborhood is still emerging, it has come a very long way in just a short amount of time. The best way to improve an area is the addition of eyes and ears on the street!

There are other exciting signs of life all around, from the construction of the Hanami Line at Matsui Waterfront Park and the new Headwaters development well underway at Township 9. Kaiser is performing geotechnic work at the site of their new hospital nearby in the railyards, and the community has rallied together in support of the Dos Rios Light Rail Station after learning that the grant intended to fund the project is in jeopardy. While the situation is alarming, the support and camaraderie that has formed has brought our community closer together.

Our focus remains on reclaiming and activating our riverfront, which was recently brought to life by music festivals Aftershock and Golden Sky, as well as Ironman California and our own Coming Out Day festival. There is more work to be done, but our mighty team is growing in strength and numbers every day!



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.*

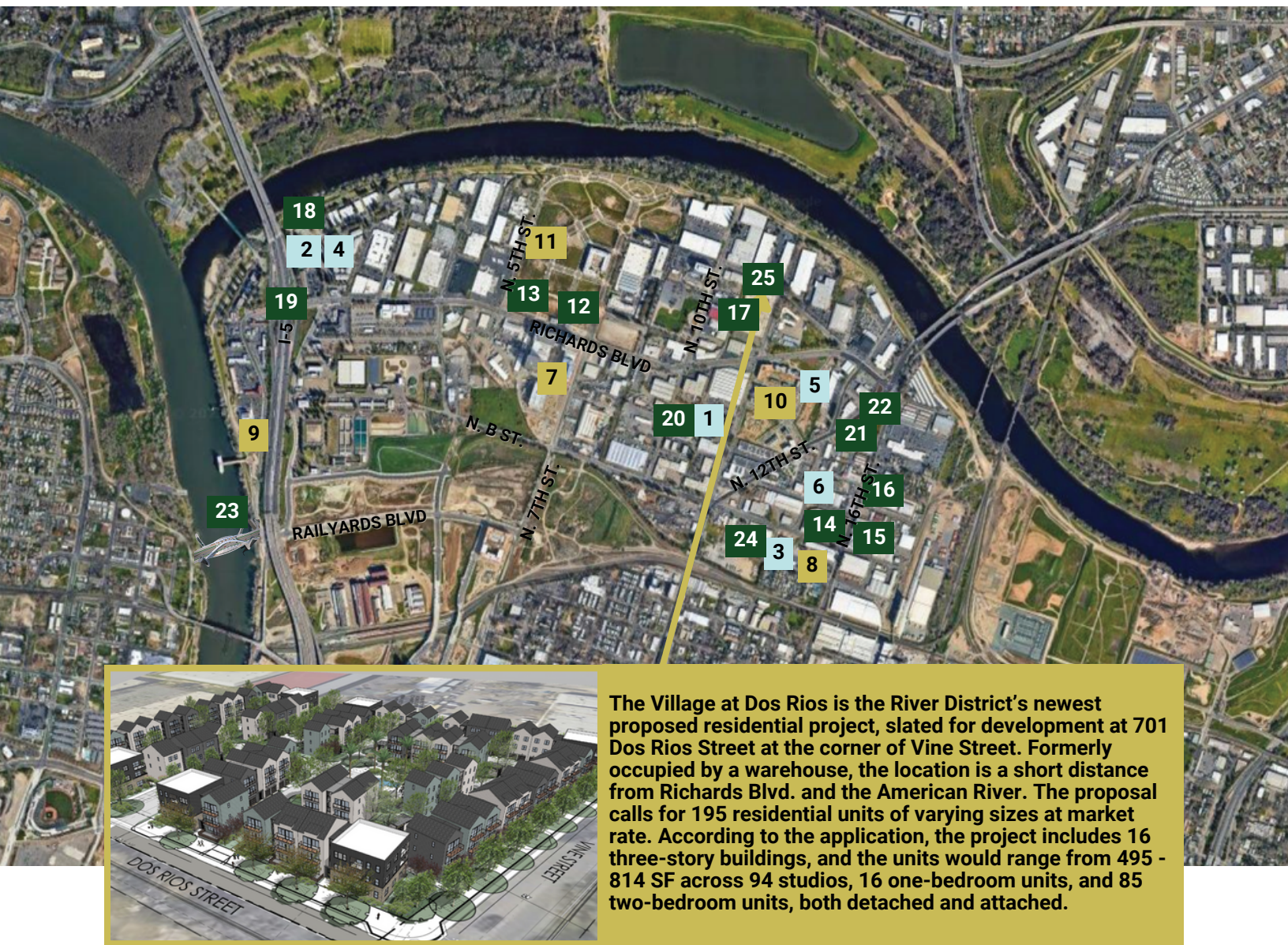
DEVELOPMENT MAP + SUMMARY

Recently Completed

Under Construction

Proposed

Summary on following page



The Village at Dos Rios is the River District's newest proposed residential project, slated for development at 701 Dos Rios Street at the corner of Vine Street. Formerly occupied by a warehouse, the location is a short distance from Richards Blvd. and the American River. The proposal calls for 195 residential units of varying sizes at market rate. According to the application, the project includes 16 three-story buildings, and the units would range from 495 - 814 SF across 94 studios, 16 one-bedroom units, and 85 two-bedroom units, both detached and attached.

DEVELOPMENT SUMMARY

Recently Completed

1	River District Park	1039 N. D St.	19289 SF	Public Park	Completed Q2 2022
2	ExtraSpace Storage	400 Bercut Dr.	149,346 SF	Commercial	Completed Q3 2023
3	Fire Station 14	1400 N. B St.	10,374 SF	Municipal	Completed Q4 2022
4	Track 281 Apartments	321 Bercut Dr.	155,074 SF	Residential	Completed Q3 2023
5	Mirasol Village + Community Garden*	1390 Swallowtail	100,000 SF	Residential	Completed Q3 2022
6	Sactown Eats	1501 N. C St.	11,376 SF	Commercial	Completed Q3 2023

*Blocks A, B, & E, 227 Units Complete as of 10/27/23

Under Construction

7	Richards Blvd Office Complex (State)	650 Richards Blvd.	1.25M SF	Office	2023 Completion
8	Pintworks (Touchstone Brewing Co.)	116 N. 16th St		Restaurant	2023 Completion
9	Hanami Line at Matsui Park	450 Jibboom St.	65,640 SF	Public Park	2023 Completion
10	Mirasol Village Blocks C & D	1390 Swallowtail	100,000 SF	Residential	2024 Completion
11	Township 9 Residential Phase 2	Township 9	1M SF	Residential	2024 Completion

Proposed

12	Caption by Hyatt Hotel	Township 9	110,468 SF	Hotel	2023 Start
13	Township 9 Office	Township 9	120,000 SF	Office	Unknown
14	Grower's District (Site 200)	200 N. 16th St	375,000 SF	Mixed Use	2024 Start
15	Grower's District (Site 211)	211 N. 16th St.	130,000 SF	Residential	2024 Start
16	Grower's District (Site 215)	215 N. 16th St.	80,000 SF	Residential	2024 Start
17	Hobby Condos	601 Dos Rios	50,000 SF	Residential	2023 Start
18	American River One	450 Bercut Dr.	693,913 SF	Mixed Use	Unknown
19	I-5/Richards Blvd Interchange			Roadway	2026 Start
20	Alchemist Public Market	341 N. 10th St.	10,000 SF	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
24	SMUD Station J (new substation)	1220 N. B St.	448,668 SF	Municipal	2026 Start
25	The Village at Dos Rios	701 Dos Rios	181,645 SF	Residential	Unknown

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 hosted the River District Rendezvous mixer on October 18, 2023. At 12% occupancy, the community has welcomed residents new to the area and state.

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	\$1358 avg rnt	Affordable
4	Track 281 Apartments	321 Bercut Dr.	281 units	\$1552 avg rnt	Market Rate
	TOTAL		748 units		

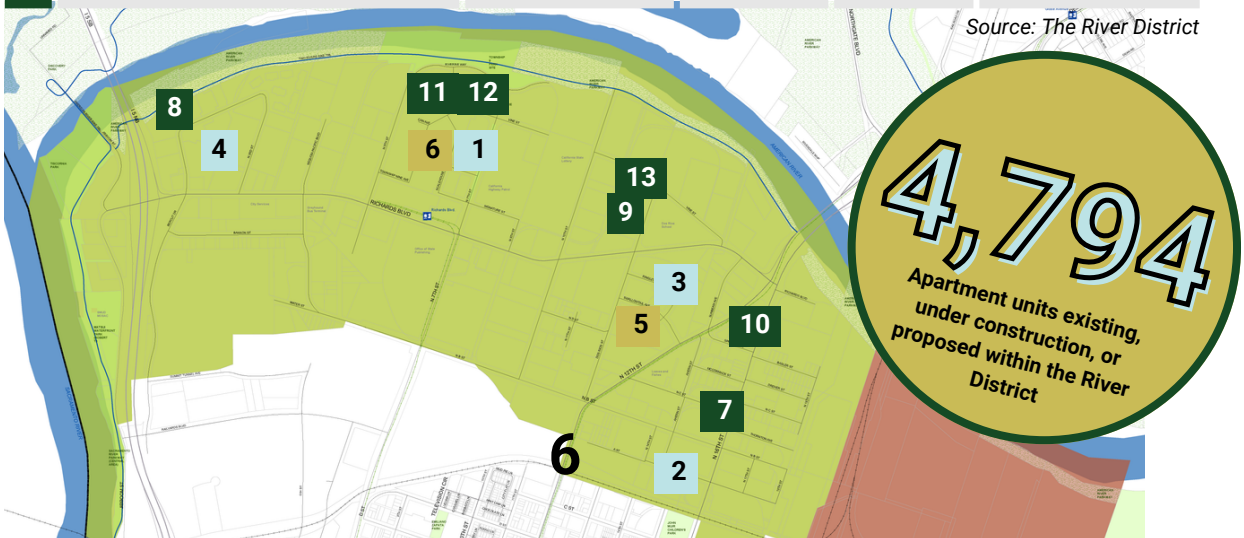
Under Construction

5	Mirasol Village Blocks C & D	1390 Swallowtail	200 units	na	Market Rate/Mixed
6	Township 9 - Phase A1	Township 9	372 units	na	Market Rate
	TOTAL		572 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
13	The Village at Dos Rios	701 Dos Rios	195 units	na	Market Rate
	TOTAL		3,474 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.



Bauen Capital, the developer of the Grower's District project, has been renovating and activating the old produce terminal at 200 N. 16th Street.

Featured Properties for Sale

1	900 Richards Blvd.	Warehouse	Industrial	39,040 SF	Undisclosed
2	1050 Richards Blvd.	Class A	Industrial	116,741 SF	\$8,310,000
3	819 N. 7th St.	Land	Mixed Use	221,285 SF	\$17,700,000

Featured Properties for Lease

4	819-849 N. 10th St.	Warehouse	Industrial	183,312 SF	\$.58/SF
5	1501 N. C St.	Kitchens	Commercial	11,376 SF	Negotiable
6	221-241 Richards Blvd.	Warehouse	Industrial	16,642 SF	\$.70/SF
7	Grower's District	Warehouse	Industrial	70,887 SF	Negotiable

Sources: CoStar & The River District

1050 Richards Blvd.



1050 Richards Blvd. is a Class A industrial flex building for sale, and is a 100% leased investment. With 46,478 SF of building and ±33,000 SF fenced/paved parking area, this property features a new roof as of October, 2023 and Close proximity to Downtown, State Capitol, and Golden One Arena. Listed with CBRE.

Sactown Eats



Now leasing commercial kitchen spaces for the purpose of "ghost kitchens," or restaurants that have no physical presence but rather exist as delivery services on apps such as GrubHub and DoorDash. Sactown Eats is a new concept, offering multiple rental facilities for food service entrepreneurs.



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.



Comfort Suites, 226 Jibboom St., is one of nine hotels currently operating in the River District. Constructed in 2000, it offers 52 guest rooms.

Hotel Market Conditions

Downtown Sacramento	Jul 23	Aug 23	Sep 23	YTD	% Change YTD
Occupancy	68.5%	66.8%	67.1%	70.1%	+4.4%
ADR	\$155.16	\$158.89	\$171.49	\$173.56	+11.5%
RevPAR	\$106.35	\$106.21	\$115.14	\$121.62	+16.4%

Source: Visit Sacramento

By The Numbers

15M

The Ironman California triathlon generated around \$15M in economic impact in its second year in Sacramento, bringing in athletes and spectators.

Source: Visit Sacramento

1.3B

Sacramento County is about to begin SMForward, a \$1.3 billion expansion of Sacramento International Airport, in the spring of 2024.

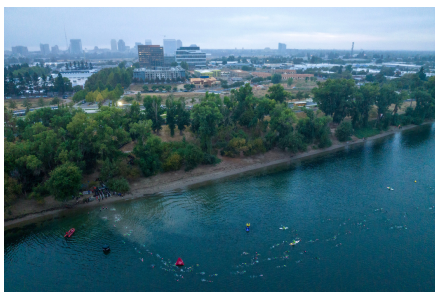
Source: Sacramento County Dept. of Airports

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. Southwest Airlines, accountable for about 50% of passenger arrivals and departures at the airport, is adding new nonstop flights and bringing back routes it had stopped flying during the pandemic.

Passenger Traffic	Q3 2023	Q2 2023	Q3 2022	QoQ% Change	YoY% Change
Domestic	3,285,843	3,304,622	3,330,099	-.57%	-1.33%
International	102,905	93,969	92,336	+9.51%	+11.45%
Total	3,388,748	3,398,597	3,422,435	-.29%	-.98%

Source: Sacramento County Dept. of Airports



Ironman California brought 3,000 athletes from 53 countries, as well as thousands of spectators, to the River District on Sunday, October 22 for the second annual competition. The race included a 2.5 mile swim in the American and Sacramento Rivers, with the starting point of the swim located at Township 9 Park in the River District, pictured at left. The event has now renewed its partnership with the city for another five years, through 2028. It is the only full-distance Ironman Triathlon in the state, and the largest in North America. Visit Sacramento estimates an economic impact of about \$15 million to the city as a result of the event, which followed the success of the recent Aftershock and Golden Sky music festivals, both held at Discovery Park. Photo by Donald Miralle

RIVERFRONT & RAILYARDS

Cherry Blossom Sculpture Approved for Hanami Line

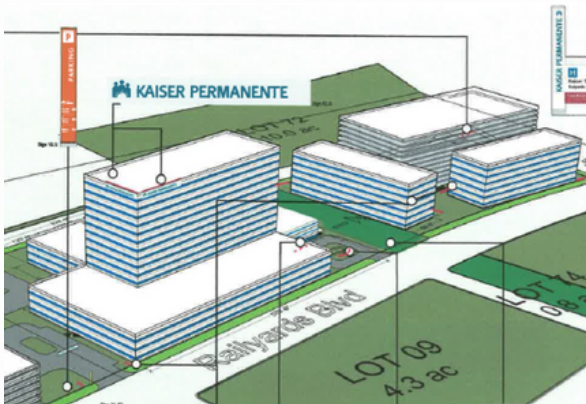


At left is an early draft rendering of the proposed Hanami Line sculpture by Reed Madden.

At right is a photo of the early stages of construction of the Hanami Line park on August 23, 2023.

Progress continues on the Hanami Line at Matsui Waterfront Park in the River District. While construction of the park began in August, the Sacramento City Council recently approved a contract with Reed Madden Designs for a 20-foot tall sculpture that evokes an open cherry blossom. The new piece of public art will anchor the park of 100 Japanese cherry blossom trees, a new performance space, and other landscaping improvements. "Public spaces are a wonderful opportunity to showcase something beautiful and tell a story," said Mayor Darrell Steinberg. "I am so excited to see this whole project come together." Architects Jeffery Reed and Jennifer Madden are a married couple who operate a metalworking shop in Richmond, CA, and have created public art for many Bay Area cities. They have also worked in Florida, Arizona, Southern California, and Iowa. Over 90 artists and design teams applied for the Hanami Line public art commission. The project total for the new sculpture is \$280,000 and is paid for in part by a donation from the Sacramento Tree Foundation. "It's a pleasure working with this team. Jennifer and Jeff care deeply about their work in Sacramento and have been connecting with our community, particularly our Japanese-American community, in an ongoing dialogue that has influenced the design of the sculpture," said Donald Gensler, manager of Art in Public Places for the City of Sacramento. The initial concept presented by Reed Madden celebrates the Japanese tradition of cherry blossom viewing (Hanami 花見) with a sculpture that can both be a tree and an oversized cherry blossom flower. The 'blossom' will turn gently in the wind and will have colorful LED lights and colored glass that will provide pools of light and color regardless of the time of day. The artists estimate that the sculpture will be completed and installed in April of 2024.

Kaiser Permanente Hospital Moving Forward at The Railyards



At left is a rendering of the planned Kaiser Permanente medical center at the Railyards, courtesy of Kaiser Permanente.

At right is a photo of recent geotechnic work being done on the site in preparation for construction.

Earlier this year at the annual State of Downtown event, James "Jay" Robinson III, senior vice president and area manager for Kaiser in Sacramento and South Sacramento's Kaiser, announced that his organization had made a down payment to begin scoping and design work for the first phase of a planned medical center in the Railyards. The future medical center will be an addition to other local Kaiser facilities, such as an existing medical office building and sports medicine center in Downtown Sacramento. Now, exploratory geotechnic work is being performed on the site, the first visible progress on the project's proposed location since it was announced about a decade ago. While there has been no official groundbreaking announced, nor a timeline given for the construction, the new facility is meant to replace Kaiser's existing campus on Morse Avenue in Arden-Arcade, which must close by 2030 due to non-compliance with state earthquake safety guidelines.

COMING OUT DAY



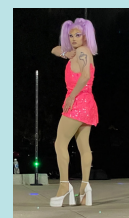
On October 11, the River District's community foundation hosted its inaugural celebration of National Coming Out Day at Township 9 Park. The event featured local nonprofits providing services to the LGBTQ+ community and celebrated the courage it takes individuals to live their authentic lives. The event connected community members to resources for mental and sexual health.

Event highlights included a performance by the Sacramento Gay Mens Chorus; Atrium 916's Mobile Art Cafe, Giggle & Riot's photobooth, local drag performers, and the resources from local nonprofits.

Food vendors included participants of the Alchemist Microenterprise Academy: Real Mojo Foods, Southern Hospitality Eats, Puzz E Gata Jamaica, as well as local vendor Popcorn Baby, Touchstone Brewing Co., and The Teetotalist.

Coming Out Day was sponsored by Councilmember Katie Valenzuela; One Community Health, Sacramento Regional Transit, River City Bank, Sacramento LGBT Community Center, and 29th Street Capital.

The event was made possible with support from partners including Atrium 916, Broad Room, Gender Health Center, Love Liberated, WEAVE, Sacramento County Public Health, Sacramento Native American Health Center, the American Foundation for Suicide Prevention, Veterans Affairs, and City of Sacramento.



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 8 full time crew members.

	July	August	September	Q3 Total	2023 Total
Bags of Trash Collected	1,450	1,538	1,424	4,412	13,707
Bags of Green Waste Collected	132	133	138	403	1145
Bulky Items Collected	550	808	646	2,004	5,192
Hazardous Items Collected	18	43	30	91	449
Security Dispatch Calls	181	213	214	608	1,642
Security Officer Observations	440	432	516	1,388	3,010
Incident Reports & Arrests	3	2	2	7	27

Sources: The River District, Sacramento Protective Services

The International Downtown Association recognized the River District with the Downtown Achievement Award of Excellence for its resourceful approaches related to its Public Spaces Team. A jury of peer professionals reviewed, deliberated and evaluated all entries in the 2023 Downtown Achievement Awards. The Award of Excellence acknowledges an excellent response to an urban place management challenge, demonstrating application of industry knowledge and exceeds the jury criteria.

The River District's Public Spaces Team was entered in the category of Public Space Management and Operations which IDA identifies as one of the seven professional urban place management practice areas. This category features unique organizational approaches and projects in the areas of clean, safe and hospitality, placemaking and activation, and facilities management.

"We are immensely proud of our Public Spaces Team, which is supported by the City of Sacramento. This innovative program employs individuals with lived experience being unhoused in our district, and helps them navigate the challenging course back into employment. This program offers not only workforce training but life skills, as team members work towards their own goals, all while helping to keep our district clean and safe," Greta Lacin, President of the River District, said.

Initiated during the Covid-19 pandemic by previous River District executive director, Jenna Abbott, the Public Spaces Team is a collaboration between private property and business owners in the River District PBID (Property and Business Improvement District) and the city of Sacramento. The team members work full time in the district, providing litter abatement, general cleaning and maintenance, and light landscaping services within the geographic boundaries of the PBID. Due to their previous lived experience, often including homelessness and struggles with addiction, the team members are uniquely qualified to interact with residents of encampments, encouraging them to keep their areas cleaned up and to seek assistance with housing, mental health and addiction treatment.

"The River District has demonstrated skillful application of urban place management principles with their project, the Public Spaces Team," said David Downey, IDA President and CEO. "The River District Public Spaces Team should serve as a framework to all member communities within IDA."



An IDA Award of Excellence was presented to the River District Public Spaces Team



Members of the River District's Public Spaces team include Tim Hargis, Bernard Cooper, Darrell "Mo" Moore, and Kile Sullivan.

ABOUT THE RIVER DISTRICT

The River District is a private, nonprofit 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.



Cristina Navarro, program manager for the River District, organized our local site of the Great American River Clean-Up on Saturday, Sept. 23 in conjunction with the American River Parkway Foundation. During this cleanup, 22,142 lbs of trash were removed by 1,266 volunteers lending 3,798 hours of service in total among all 23 sites.

River District Board of Directors

Greta Lacin, President, Lacin Family Trust

Ryan Loofbourrow, Vice President, Sutter Health

George Bernabe, Treasurer, Blue Diamond Growers

David Padgham, Secretary, Separovich/Domich Real Estate

Gina Albanese, First Pointe Management Group

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Ahmed Hamdy, MatriScope Engineering Laboratories, Inc.

Lisa Nava, County Supervisor Serna - D1

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Ryan Robinett, ZGF Architects LLP

Advisory Members

Bud Applegate, Applegate Properties

Susan Crane, The Party Concierge

Steve Goodwin, FTENet

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Public Spaces Team

Shawna Bowman, Jesse Yniguez, Tim Hargis, Darrell Moore, David Bowman, Bernard Cooper, Kile Sullivan, Santos Peinado, Michael Smith.

This report was composed by Devin Strecker, LPM. Photography by Kent Lacin, Maurice Scott, Corey Besmer, Chris Evans, Donald Miralle, 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.



River District

★ Community Extravaganza

Dec. 8, 2023
5-7 p.m.

Mirasol Village Park

400 Pipevine St.
Sacramento, CA 95811