

2024

Q1 Market Report





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.*

EXECUTIVE DIRECTOR'S MESSAGE

After a year of progress, the first quarter of 2024 began with a bang, most notably with the State of California receiving a certificate of occupancy for their 1.25M square foot project, recently christened the May Lee State Office Complex. Signs of life are already apparent on the campus, which is the largest all-electric, carbon zero building complex in the country. Later this summer, the complex's food hall will open, with seating for up to 900 people. The food hall will be open to the public and features the largest all-electric commercial kitchen in the country.

Other great signs of life included the arrival of over 100 cherry blossom trees at Matsui Waterfront Park. The trees are being planted to create the Hanami Line, honoring the rich cultural contributions Japanese Americans have made to our region.

Meanwhile, construction continues at Mirasol Village and The Hayley at Township 9, which will both be delivering brand-new, market rate apartment units, with some of the units at Mirasol being affordable.

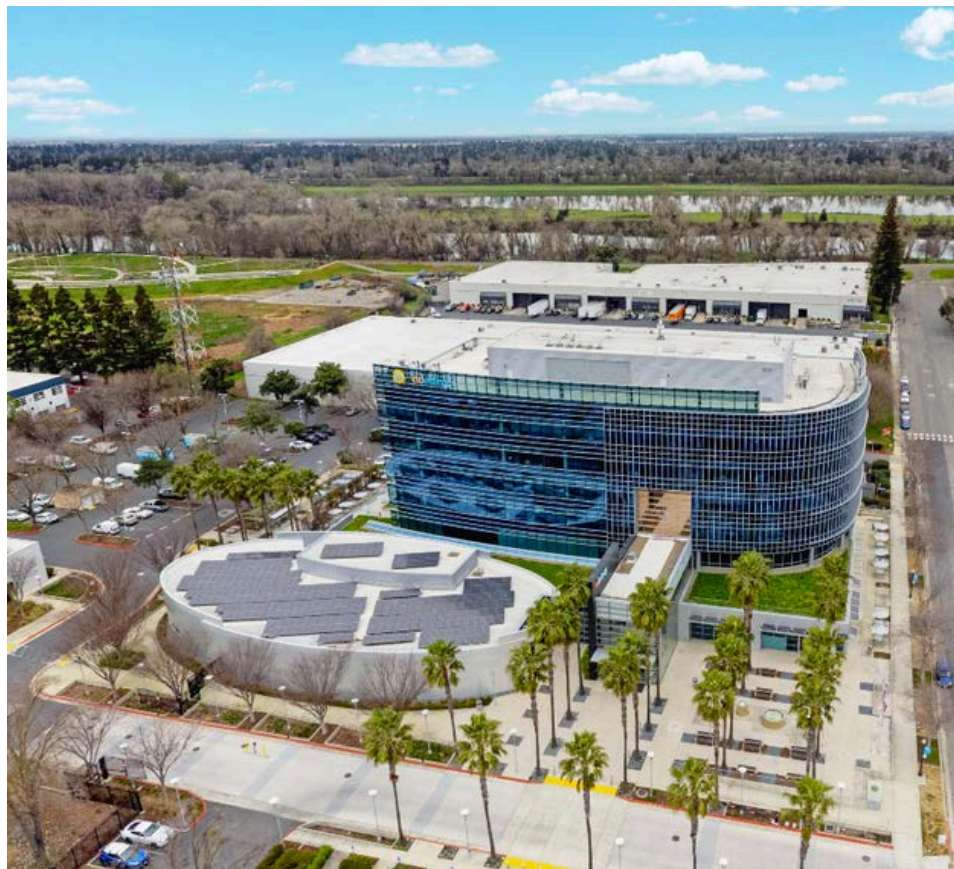
Our first community cleanup was held in March, with volunteers coming together to remove litter and debris from the American River Parkway by Township 9 Park. Also in March, we convened our hotel operators for a Hotelier's Roundtable, hosted by the Howard Johnson by Wyndham Hotel. Participating in the roundtable were representatives from Visit Sacramento, Sacramento Protective Services, Animal Services, and Councilmember Katie Valenzuela. The safety and comfort of our hotel guests is one of the highest priorities of the River District.

Lastly, we are excited to announce that the city has selected Cooper Robertson to conduct the update of the River District Specific Plan. Cooper Robertson has been working with the River District and Atlas Lab on our own Strategic Plan + Vision and we look forward to our continued partnership. To sign up for more information about the update, visit www.cityofsacramento.gov/RiverDistrictSP

Devin Strecker, LPM
Executive Director

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The California Lottery Headquarters was constructed in 2013 and has been certified as LEED Silver. The facility includes a 400-seat pavilion available for public use.

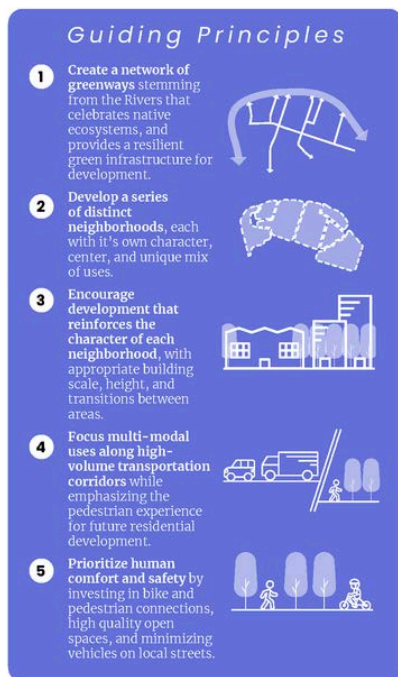
STRATEGIC PLAN & VISION

Beginning in March, 2023, the River District launched an initiative to develop a strategic plan and vision for the organization. Working with Atlas Lab and Cooper Robertson, two separate committees worked in tandem to gather feedback from property owners, business leaders, residents, and governmental agencies. Incorporating past planning documents and reports, hosting public workshops, walking tours and surveying stakeholders over the course of a year, ideas were coalesced into a plan that was recently shared at the State of the River District.

CONFLUENCE

The joining of Sacramento and it's Riverfront

With Confluence, the River District has developed a framework for the future: a network of greenway corridors that unite the expansive riverfront parkway with the city, supporting a healthy, distinct, and connected district.



The goals for the project included the following:

1. Define a cohesive VISION for the River District in 2035 that aligns with state, regional, and city-wide goals.
2. Establish GUIDING PRINCIPLES that address existing issues and inform future decision-making and prioritization.
3. Develop a UNIQUE VISUAL IDENTITY and PUBLIC REALM CHARACTER for neighborhoods within the district.
4. Create a DEVELOPMENT FRAMEWORK to guide future investments.
5. Identify STRATEGIC WINS that can catalyze improvements for the district.

Three project areas were identified, including the entire riverfront, the "Innovation District" which encompasses the central portion of the River District, and the Grower's District/North 16th Historic District. These three project areas were studied to provide examples of development consistent with our vision.

In addition, special focus was paid to creating 'cool corridors' to combat the urban heat island effect and better connect the city with our rivers.

Striving for organic and inclusive growth, the plan includes an updated circulation plan, guidelines for development that respects the rivers, native greenways, opportunities for diverse programming, and new access points for people to engage with the rivers. Bike connection alternatives were also studied to improve connections to existing bike lanes and trails.

Stakeholders said the most important issues for the district are activation and pedestrian experience; mix of development uses, and access to riverfronts, and felt that the plan should balance short-term and long-term strategies. Other waterfront cities, especially those with formerly industrial areas near railroad tracks and waterways, were studied for best practices and inspiration, including Medellin, Colombia; Denver, CO; and the Pearl District in Portland, OR.



"The river is a cooling environment, which provides a lot of breezes. We have the idea of making Cool Corridors that will bring those breezes right into the Downtown area. We can design a landscape around those that will incorporate some of our native plants, including the native Western Redbud and wildflowers, to create a place that people will stroll and bike, and bring their families and visitors from out of town. This could be something that distinguishes us." - Greta Lacin, River District Immediate Past-President

DEVELOPMENT MAP + SUMMARY

Recently Completed

Under Construction

Proposed



DEVELOPMENT SUMMARY

Recently Completed

1	River District Park	1039 N. D St.	19289 SF	Public Park	Completed Q2 2022
2	Mirasol Village + Community Garden*	1390 Swallowtail	100,000 SF	Residential	Completed Q3 2022
3	Fire Station 14	1400 N. B St.	10,374 SF	Municipal	Completed Q4 2022
4	ExtraSpace Storage	400 Bercut Dr.	149,346 SF	Commercial	Completed Q3 2023
5	Track 281 Apartments	321 Bercut Dr.	155,074 SF	Residential	Completed Q3 2023
6	Sactown Eats	1501 N. C St.	11,376 SF	Commercial	Completed Q3 2023
7	May Lee State Office Complex	651 Bannon St	1.24M SF	Office	Completed Q1 2024

*Blocks A, B, & E, 227 Units Complete as of 4/1/24

Under Construction

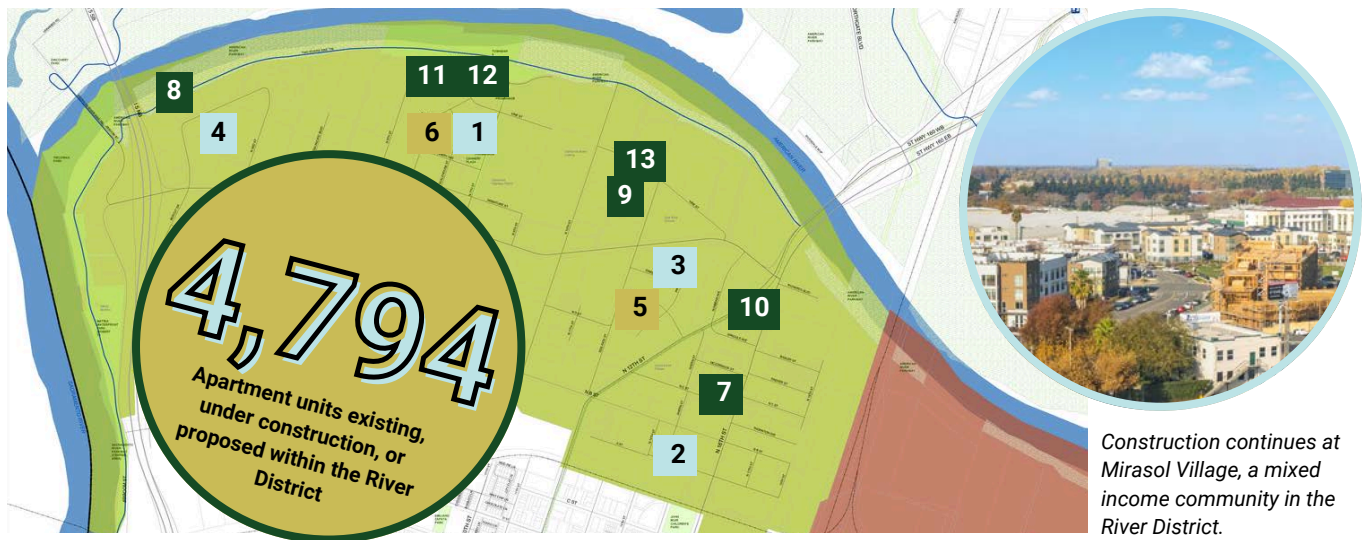
8	Pintworks (Touchstone Brewing Co.)	116 N. 16th St	2,600 SF	Restaurant	2024 Completion
9	Hanami Line at Matsui Park	450 Jibboom St.	65,640 SF	Public Park	2024 Completion
10	Mirasol Village Blocks C & D*	1390 Swallowtail	100,000 SF	Residential	2024 Completion
11	The Hayley Apartments	Township 9	1M SF	Residential	2024 Completion

*Phase 3 (84 units) complete by June; Phase 4 (116 units) complete by Q2 2025

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	Q2 2024 Start
21	Dos Rios Light Rail Station	515 N. 12th St.	na	Municipal	2024 Start
22	Mirasol Village Block F	515 N. 12th St.	na	Residential	Unknown
23	New I Street Bridge	Railyards Blvd.	na	Municipal	2025 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	2025 Start
26	Early Childhood Education Center	Mirasol Village	600 SF	Educational	Q2 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.

Multi-Family Residential

1	Cannery Place Apartments	Township 9	180 units	\$477 avg rent	Affordable
2	Quinn Cottages	1500 A St	60 units	\$498 avg rent	Affordable
3	Mirasol Village Blocks A, B & E	1390 Swallowtail	227 units	\$1,460 avg rent	Affordable
4	Track 281 Apartments	321 Bercut Dr	281 units	\$1,413 avg rent	Market Rate
	TOTAL		748 units		

Under Construction

5	Mirasol Village Blocks C & D	1390 Swallowtail	200 units	\$1,460 avg rent	Mixed
6	The Hayley at Township 9	571 Cannery Ave	372 units	\$2,460 avg rent	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.

Featured Properties for Sale

1	<u>221-241 Richards Blvd</u>	Warehouse	Industrial	57,586 SF	\$7,400,000
2	<u>100 Township 9</u>	Office/Warehouse	Industrial	4.43 AC	\$7,995,000
3	<u>900 Richards Blvd</u>	Commercial/Yard	Industrial	39,040 SF	\$1,800,000

Featured Properties for Lease

4	<u>400 Bercut Dr</u>	Office	Commercial	974 SF	Negotiable
5	<u>651 Bannon St</u>	Retail	Office	2,500 SF	Negotiable
6	<u>Grower's District</u>	Warehouse	Industrial	70,887 SF	Negotiable

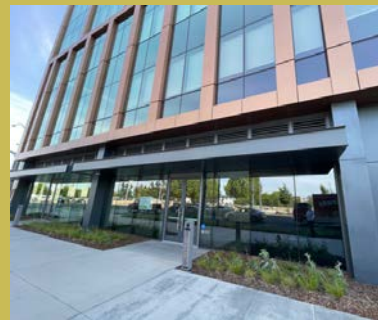
Sources: LoopNet & The River District

100 Township 9



Phase C of Township 9 is on the south side of the site located at the light rail stop and runs along Richards Boulevard directly across the street from the May Lee State Office Complex. The west half of the Phase C is available for sale and entitled for a 120,000 SF office building.

651 Bannon St



The Department of General Services (DGS) is seeking Bid Proposals for a Retail Space Lease at the May Lee Office Complex. This ground floor space faces Richards Blvd. and would be suitable for retail or office use. Rent to be determined by proposal; utilities to be included in the rental rate proposed and will not be metered separately.



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.

Hotel Market Conditions

Downtown Sacramento	Jan 24	Feb 24	Mar 24	YTD	% Change YTD
Occupancy	61.6%	72.3%	71%	68.1	-0.8
ADR	\$177.93	\$186.07	\$199.98	\$191.90	+2.8%
RevPAR	\$109.54	\$134.53	\$142.04	\$130.76	+2%

Source: Visit Sacramento

Sacramento Air Travel

Sacramento International Airport (SMF) was recently named the top airport in the nation for "stress-free travel" by AirHelp, an airfare claims management company. Just this month, getting to the airport was made even easier by the completion of a \$15 million project, paid for by state grants, creating a new four-lane, one-mile roadway connecting Elkhorn Blvd and Interstate 5 to the airport. Later this fall, construction is expected to begin on a new 5,500-car parking structure, along with other planned upgrades as part of a \$1.3 billion expansion program called SMForward.

Passenger Traffic	Q1 2024	Q4 2023	Q1 2023	QoQ% Change	YoY% Change
Domestic	2,817,109	3,226,943	2,776,708	-12.7%	1.5%
International	110,608	88,971	97,040	24.3%	14%
Total	2,927,717	3,315,914	2,873,748	-11.7%	1.9%

Source: Sacramento County Dept. of Airports

Groundbreaking for Caption Hotel Expected in July



A new 201-key, five-story hotel, one of the first Caption by Hyatt locations in the country, is planned for the southeast corner of the Township Nine infill development in Sacramento.

The developer of Township 9, 29th Street Capital, is expecting to break ground on its Caption Hotel project in July. The proposed five-story, upscale hotel would include 155,000 square feet with 201 rooms and 119 parking spaces at the northwest corner of Richards Blvd. and North 7th St., behind the light rail station. The hotel will feature amenities such as a full-service bar, coffee shop, meeting spaces, a fitness center, and a rooftop deck. The lobby/lounge seating space is designed to encourage lingering by guests and neighbors. The project is directly across the street from the new May Lee State Office Complex and The Hayley Apartments, currently under construction with leasing to begin in July. It would be the third project built in the Township 9 infill development.

RIVERFRONT & RAILYARDS



A rendering of the front of Kaiser Permanente's proposed Railyards hospital, prepared by the SmithGroup, was included in the plans submitted with the city planning division.

Kaiser Permanente submitted plans to the city on March 1, 2024 for a proposed eight-story, 312-bed hospital to be located at 105 Bercut Drive in the Railyards. The campus would also include a medical office, utility plant, 200-car surface parking lot, and a 1,500-car parking structure. The project includes plans for future phases, which could provide for an expansion of the hospital and two additional medical clinic buildings. Kaiser has been working towards this project for almost ten years, and are now planning for a potential groundbreaking later this year. This medical campus would replace the existing Kaiser Permanente facility on Morse Avenue in Arden-Arcade, which is required to close by 2030 due to non-compliance with current seismic building standards.

Railyards Projects *Updates on some of the other projects under construction or proposed*



Criminal Courthouse

18-story courthouse with 543,000 SF and 53 courtrooms. Under construction and estimated to be completed in October, 2024.



The AJ

Residential project with 345 units, including 69 affordable units, plus approximately 5,000 SF of retail space on the ground floor. Estimated completion in December 2024.



Wong Center

Four-story affordable housing for seniors with 150 units. Construction is nearing completion with leasing already underway and an opening expected in June.



The Foundry

Consisting of two mixed use buildings with office and retail space totaling over 300,000 SF, a central courtyard, and parking structure. Construction to begin in 2026.



Soccer Stadium

The dream of a soccer stadium with seating for 12,000 to 15,000 is still alive despite the previous investor falling out. Republic FC and the city continue their pursuit.

Parkway Cleanups



The River District held its first community cleanup of the year at Township 9 on March 9, in collaboration with Briotix Health and the American River Parkway Foundation. Briotix Health is the volunteer mile steward for this stretch of the parkway, while the River District is the financial steward, also providing volunteer hours. In 2023, through 10 clean-ups, over 77,520 lbs of waste were removed by over 1,100 hours of volunteer service. Working together, we are protecting our waterways and making the river a safe and clean place for all who live and work nearby to enjoy.

CLEAN & SAFE



Members of the River District's Public Spaces team celebrate Shawna Bowman's graduation from the program. Shawna started with the River District in 2021 as one of the first team members.

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 up to 8 full time crew members.

	January	February	March	Q1 Total	2023 Total
Bags of Trash Collected	1,714	1,193	1,449	4,356	17,167
Bags of Green Waste Collected	90	207	108	405	1,453
Bulky Items Collected	868	845	485	2,198	6,904
Hazardous Items Collected	53	105	84	242	565
Security Dispatch Calls	258	247	239	744	2,281
Security Officer Observations	432	401	410	1,243	4,232
Incident Reports & Arrests	6	3	6	15	32

Sources: The River District, Sacramento Protective Services



In January, Congressman Ami Bera visited the Public Spaces Team during one of the weekly appreciation BBQs. Bera spoke with team members, listening to their stories and offering words of encouragement.



What is CPTED?

Crime Prevention Through Environmental Design, known as CPTED, focuses on creating environments that naturally reduce the incidence of crime and improve the quality of life for residents. CPTED aims to minimize opportunities for criminal activity while promoting positive social interactions.

Key principles of CPTED include natural surveillance, territorial reinforcement, access control, and maintenance. By integrating these principles into their daily work, the River District Public Spaces team fosters safer, more vibrant communities where residents can thrive. Under the guidance of Chris Evans, a certified practitioner of CPTED, the team learns how to analyze conditions in the district and make recommendations for improvements.

The River District also collaborates with local arts organizations to beautify the area and create a sense of pride and ownership among residents. Community gardens and interactive play areas are introduced to encourage social interaction and physical activity, further enhancing the liveliness and safety of the neighborhood.

The River District stands as a testament to how urban planning and community involvement can come together to create a harmonious and flourishing community.

River District Board of Directors

Ryan Loofbourrow, President, Sutter Health

Ahmed Hamdy, Vice President, MatriScope

George Bernabe, Treasurer, Blue Diamond Growers

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Kesha Harris, July Forward

Rob Hedrick, 29th Street Capital

Lisa Nava, County Supervisor Serna - D1

Josh Kohlenbrener, Bauen Capital

Ryan Robinett, ZGF Architects LLP

River District Staff

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

Cristina Navarro, Events & Placemaking Manager
cristina@riverdistrict.net

Chris Evans, Public Space Manager
cevens@riverdistrict.net

Maurice Scott, Business Community Liaison
maurice@riverdistrict.net

Public Spaces Team
Jesse Yniguez, Tim Hargis, Darrell Moore, Bernard Cooper,
Kile Sullivan, Santos Peinado.

This report was composed by Devin Strecker, LPM.
Photography by Corey Besmer, Rebekah Evans, and Devin Strecker. If you have inquiries related to the data and information presented in this document, please email info@riverdistrict.net.

SOURCES:
The River District; LoopNet; City of Sacramento Office of Innovation & Economic Development, Sacramento County Department of Airports, Sacramento Regional Transit, Visit Sacramento.

River District
651 Bannon Street, Suite 1200
Sacramento, CA 95811
(916) 321-5599
www.riverdistrict.net

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.



The River District office is now located in the new May Lee State Office Complex at the corner of Richards Blvd. and North 7th Street. It is the largest all-electric, carbon zero building complex in the nation.



River District

