

River District 2024

Q2 Market Report

Sacramento, CA

August, 2024



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 celebrated the grand opening of ExtraSpace Storage, located at 400 Bercut Dr., along with the Sacramento Metro Chamber of Commerce, city officials and neighbors, on July 9, 2024.

River District Board of Directors

Ryan Loofbourrow, President, Sutter Health

Ahmed Hamdy, Vice President, MatriScope

George Bernabe, Treasurer, Blue Diamond Growers

David Padgham, Secretary, Separovich/Domich Real Estate

Greta Lacin, Immediate Past President, Lacin Family Trust

Gina Albanese, First Pointe Management Group

Spencer Applegate, Applegate Properties

Eric T. Crane, SMUD

Andrea Durham, SMUD Museum of Science & Curiosity

Mark Dutrow, US Glass

Ernie Gallardo, Meadows Asset Management

Kesha Harris, July Forward

Rob Hedrick, 29th Street Capital

Lisa Nava, County Supervisor Serna - D1

Josh Kohlenbrener, Bauen Capital

Ryan Robinett, ZGF Architects LLP

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This report was composed by Devin Strecker, LPM. Photography by Corey Besmer, Madelyn Barbour, 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

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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

Upon my initial visit to the River District back in the summer of 2022, my predecessor, Jenna Abbott, first took me to Matsui Waterfront Park, where she described the Hanami Line that was planned for the space. I was so excited at the thought that someday, there would be over a hundred cherry blossom trees at this beautiful location, on the banks of the Sacramento River and next door to the impressive SMUD Museum of Science and Curiosity.

So, to be able to sit under the stars and enjoy a delicious meal and incredible company at the Hanami Line Campaign Celebration on June 20 was perhaps my first big “full circle” moment here in Sacramento. It’s almost impossible to believe that in the relatively short time I have been here, this park went from an idea to a reality, and now it’s open for the public to enjoy. We are very much looking forward to cherry blossom season!

Not only was the Hanami Line completed this quarter, but the May Lee State Office Complex celebrated its ribbon cutting on April 24, opening its doors to state employees and tenants of the new campus.

As an organization, we completed our strategic plan and vision, titled “Confluence: The Joining of Sacramento and its Riverfront,” and the City of Sacramento began its update of the River District Specific Plan. We also held our second annual State of the River District, celebrating not only our 25th anniversary, but the successful renewal of the district for another ten years.

While many construction projects have been halted or postponed due to high interest rates, difficulty with financing, and increased materials and labor costs, it’s full steam ahead for some very important projects here in the district, including The Hayley Apartments at Township 9 and Mirasol Village (blocks C & D). Both projects are expected to be completed by the end of the year, and we are hopeful that Alchemist Public Market, which recently installed perimeter fencing, will break ground very soon.

Devin Strecker, LPM
Executive Director

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Councilmember Katie Valenzuela presented the River District with a resolution recognizing the River District’s Public Spaces Team at the April, 2024 board meeting. From left to right are Ryan Loofbourrow, board president; Chris Evans, public space manager; Councilmember Valenzuela; and Devin Strecker, executive director.

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
8	Pintworks (Touchstone Brewing Co.)	116 N. 16th St	2,600 SF	Restaurant	Completed Q2 2024
9	Hanami Line at Matsui Park	450 Jibboom St.	65,640 SF	Public Park	Completed Q2 2024

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

Under Construction

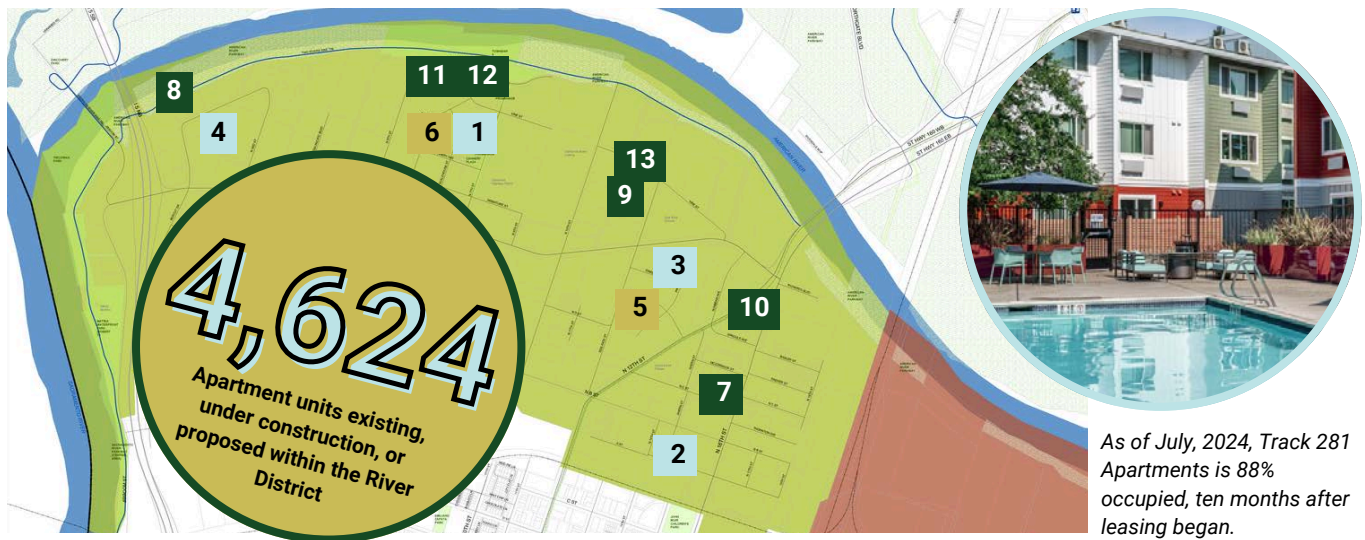
10	Mirasol Village Blocks C & D*	1390 Swallowtail	100,000 SF	Residential	2024 Completion
11	The Hayley Apartments	Township 9	1M SF	Residential	2024 Completion
12	Early Childhood Education Center	Mirasol Village	600 SF	Educational	2025 Completion

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

Proposed

13	Caption by Hyatt Hotel	Township 9	110,468 SF	Hotel	2023 Start
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	Q3 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	Township 9 Office	Township 9	120,000 SF	Office	Unknown

Source: The River District



RESIDENTIAL MARKET

The River District is evolving from a predominantly industrial and commercial distribution center into a lively, mixed-use neighborhood. The most noticeable sign of this transformation is the expanding 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	\$1,417 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	95 units	na	Affordable
11	Township 9 - Phase A2	Township 9	72 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		3,304 units		

INDUSTRIAL & COMMERCIAL

Large lots and warehouses abound in the River District, now being transformed for modern purposes. From commercial kitchens to sports facilities, these spacious areas are perfect for innovative businesses and are prime candidates for redevelopment and new construction.

Featured Properties for Sale

1	200 North 12th St	Retail	Commercial	.33 AC	Negotiable
2	<u>1151 North D St</u>	Office/Warehouse	Industrial	7,500 SF	\$1,500,000
3	<u>Township 9/Lot 3</u>	Land	Residential	5.08 AC	\$11,064,200

Featured Properties for Lease

4	<u>1099 Vine St</u> (sublease)	Office	Industrial	6,300	Upon Request
5	<u>455 Bannon St</u>	Paved Yard	Industrial	3.5 AC	\$0.18/SF NNN
6	<u>Grower's District</u>	Warehouse	Industrial	70,887 SF	Negotiable

Sources: LoopNet & The River District

1151 North D St



This new listing offers flexibility for an owner-occupant to utilize all of the building, or lease out a portion for income. Highlights include a fenced and secured parking/loading area, concrete tilt-up construction with 16' ceiling in warehouse, multiple loading doors, fire sprinklers and 400 amps of power.

651 Bannon St



This property features 3.5 acres of secured paved yard approved for truck use with a 1,517 SF shop with two 12' x 16' grade level doors, three office trailers, electric gates, exterior lighting, and a 20,000 gallon above ground fueling tank. It is located .5 miles to I-5, 3 miles to highway 50, and 2.5 miles to I-80.



\$2.7M

Sales Tax Income generated by River District businesses throughout 2023.

Source: City of Sacramento

TOURISM & HOSPITALITY

Just ten miles from Sacramento International Airport and steps away from the vibrant attractions of Old Sacramento, Capitol Mall, DOCO, and the Golden 1 Center, the River District's central location offers an unbeatable hub for an exciting visit to the region.

Hotel Market Conditions

Downtown Sacramento	Apr 24	May 24	Jun 24	YTD	% Change YTD
Occupancy	72.4%	70.7%	71.4%	69.9%	-0.9
ADR	\$192.86	\$189.84	\$178.69	\$189.44	+0.8%
RevPAR	\$139.60	\$134.13	\$127.52	\$132.50	-0.1%

Source: Visit Sacramento

Sacramento Air Travel

Sacramento International Airport (SMF) recently broke ground on its \$1.3 billion expansion program called SMForward. The plan, first announced in early 2023, will bring new developments including new gates and a pedestrian walkway in Terminal B, a new parking garage, new car rental center and ground transportation center. The improvements are expected to be completed by the end of 2028. A new art program is also being implemented, with a call for artists going out in April for the first four opportunities, including artwork for the new pedestrian walkway and the new parking garage.

Passenger Traffic	Q2 2024	Q1 2024	Q2 2023	QoQ% Change	YoY% Change
Domestic	3,471,356	2,817,109	3,304,622	23.22%	5.05%
International	94,947	110,608	93,969	-14.16%	1.04%
Total	3,566,303	2,927,717	3,398,591	21.81%	4.93%

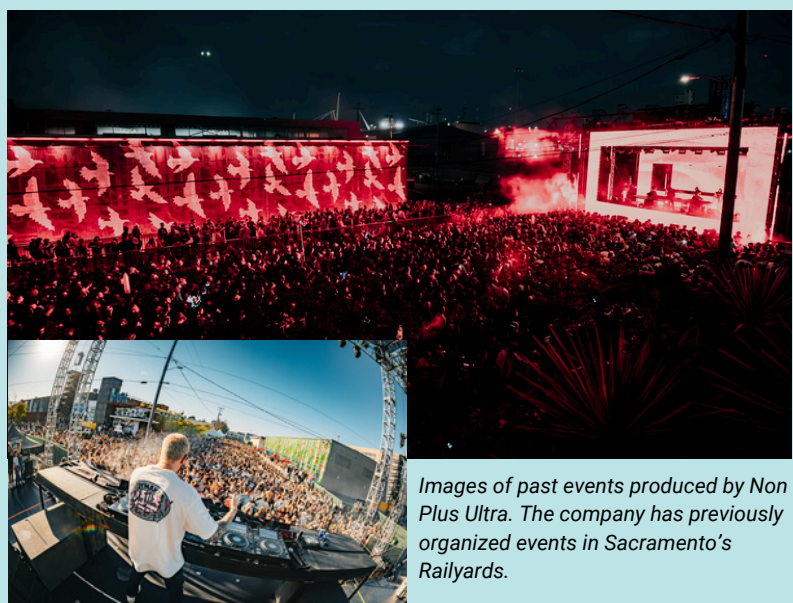
Source: Sacramento County Dept. of Airports

Outdoor Concert Series Coming to 7th and Richards

Non Plus Ultra (NPU), an entertainment and events company out of San Francisco that includes The Midway, a creative complex in the Dogpatch neighborhood, is planning to bring an outdoor concert series to the River District.

Working with Visit Sacramento, the city's office of nighttime economy, and the River District, NPU looked at several sites in the area before moving forward with planning and permitting for the empty lot at 425 N. 7th Street.

While NPU is still in the process of working with city agencies to secure permits and finalize traffic plans, they are hoping to have their first event on site in early November, 2024. The events will most likely take place on Saturday evenings, with an average of two events per month, focusing on bringing a variety of talent to this unique outdoor space. There will also be food vendors and other amenities offered to attendees.



Images of past events produced by Non Plus Ultra. The company has previously organized events in Sacramento's Railyards.

RIVERFRONT & RAILYARDS

Hanami Line at Matsui Park Completed

Hanami (花見) means *flower viewing* in Japanese. The newly opened Hanami Line along the Sacramento River will offer just that. Next spring, the park will come alive with hundreds of delicate blooms, drawing visitors and locals alike to marvel at the beautiful cherry blossom trees. Over one hundred pink flair cherry blossom trees were planted at Hanami Line.

Hanami Line promises to be a vibrant civic gathering place throughout the year, celebrating the rich cultural contributions of Japanese Americans in Sacramento.



A view of Hanami Line from Robert T. Matsui Park with MOSAC behind it.

This stunning new landmark enhances the city's natural beauty and also fosters a deeper appreciation for the cultural heritage that shapes our community.

A kinetic structure of a cherry blossom towers above the park. Each gust of wind from the delta breeze moves the flower's petals. Each petal is made of carefully blown glass and casts shadows of pink hues onto the ground day and night. After sunset, the sculpture is illuminated with LED lights that bring the cherry blossom to life.

The park's inauguration was a memorable event, marked by the presence of Japanese Consul General from San Francisco, Osumi Yo; Congresswoman Doris Matsui; and other elected officials. The Consul General, Congresswoman Matsui, and leaders from the Sacramento Tree Foundation, smashed a ceremonial keg of sake and a toast was made to the success of the project.



Over a hundred cherry blossom trees were planted by Sacramento Tree Foundation.



The Hanami Line Ribbon Cutting Ceremony was held on June 21, 2024 at the newly completed park.



Above: A view of the cherry blossom sculpture with the Matsuyama Dori in the foreground.



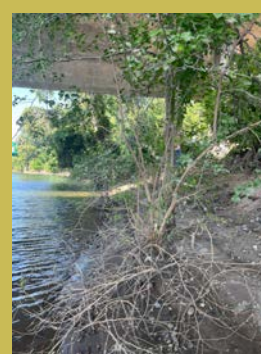
Left: This manhole cover was a gift from Sacramento's Sister city, Matsuyama, Japan

River District Goes Green for Earth Day Cleanup



Special thanks to Spiritual Life Center, an interfaith unity community, for bringing many of the volunteers to the River District's Earth Day cleanup.

The River District organized over 50 volunteers who gathered for an Earth Day clean-up at Tiscornia Park on Saturday, April 20, 2024. Due to recent flooding, Tiscornia Park was closed and volunteers were moved across the River to Discovery Park. Over 500 pounds of waste were removed by dedicated community volunteers, keeping our waterways clean and healthy!



The American River as seen from Discovery Park.



CLEAN & SAFE



The River District Public Spaces Team was honored with a special presentation at City Council on April 2, 2024.

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.

	April	May	June	Q2 Total	2024 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



Let's hear from the team!



"We're really family oriented here and I've only worked at two jobs like this where we could actually go to the boss, and have something to say and get some feedback, or let him know that something's wrong, and they always have my back."

-Jesse, Public Spaces Team Leader



"What I like best about my days here is it keeps me busy all day long. I don't have the opportunity to get into any trouble, it's straightforward, and it makes sense. I'm doing something progressive for my life. I'm moving forward."

-Santos, Public Spaces Team Member

In May, councilmember-elect Phil Pluckebaum visited the Public Spaces Team and served as our celebrity BBQ chef. Pluckebaum will take office in December as the district's new councilmember.



STATE OF THE RIVER DISTRICT



Far left: the audience listens to keynote speaker, DA Thien Ho. Left: Kimberly Garza, founder and principal, Atlas Lab.

The River District has been hosting its annual stakeholder event for years, but was recently rebranded as State of the River District in 2023. The event is open to all property and business owners in the District, as well as elected officials, government and nonprofit partners, residents, and real estate brokers. *Photos by Tia Gemmell*

Right: Sacramento County District Attorney Thien Ho was the event's keynote speaker. Below left: Liz Williams, Sac Metro Chamber and Jim Alves, SMUD. Below right: Rob Hedrick, 29th Street Capital and Devin Strecker, River District executive director.



The River District celebrated its 25th anniversary, and recent renewal and expansion for an additional ten years, at the second annual State of the River District on Thursday, April 25, 2024. The event was hosted at the Sacramento Police Officers Association and powered by SMUD. Attendees heard from keynote speaker, Sacramento District Attorney Thien Ho, as well as the president of the River District Board, Ryan Loofbourrow with Sutter Health. Executive Director Devin Strecker presented on the 2023 Q4/Annual Market Report, and Kimberly Garza with Atlas Lab presented the River District's Strategic Plan and Vision. At the event, it was announced that the organization would soon be moving its office to the new May Lee State Office Complex at Richards Blvd. and N. 7th St. The organization has a newly revamped website, riverdistrict.net, which now includes a virtual tour of the district.



City Councilmember Eric Guerra, District 6; and Lisa Nava, chief of staff for county supervisor Serna.



Winnie Comstock-Carlson, president and publisher of Comstock's Magazine; Donna Sutherland, River City Bank.



Ryan Loofbourrow with Sutter Health serves as the president of the River District's board of directors.



Above: Brad Barnett, director of urban design with Cooper Robertson. Below: Maurice Scott, business community liaison and Cristina Navarro, events and placemaking manager for the River District.



Former River District board members Steve Ayers and Bud Applegate.

COMING OUT DAY

LGBTQ BE YOU

OCTOBER 11, 2024

5:30-8:30 P.M.

LIVE PERFORMANCES | ART | FOOD | LGBTQ+
VENDORS | MENTAL HEALTH RESOURCES |
HARM REDUCTION SERVICES

SPONSORED BY



River City Bank



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TOWNSHIP 9 PARK
SACRAMENTO, CA

ON THE COVER

The new Hanami Line at Matsui Park features a 20-foot tall sculpture that evokes an open cherry blossom, created by Reed Madden Designs. The new piece of public art anchors the grove of over 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.

The sculpture celebrates the Japanese tradition of cherry blossom viewing (Hanami 花見) as it can be viewed as both be a tree and an oversized cherry blossom flower. The 'blossom' turns gently in the wind and has colorful LED lights and colored glass that provides pools of light and color regardless of the time of day.

The project total for the new sculpture was \$280,000 and was funded in part by a donation from the Sacramento Tree Foundation.

