

2601 5TH ST

BROADWAY CORRIDOR

INFILL
DEVELOPMENT
SITE IN
SACRAMENTO
OPPORTUNITY
ZONE



TURTON
COMMERCIAL REAL ESTATE

2601 5TH



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THE OPPORTUNITY

2.27

ACRE SITE

99,033

SF SITE

4.0

FAR

110

UNITS PER NET AC

250+

MULTIFAMILY UNITS

The Property is a high quality urban infill opportunity within Sacramento's emerging Broadway corridor in an Opportunity Zone.

Prominently situated on the corner of 5th Street and 1st Avenue, the rectangular shaped site consists of six (6) adjoining parcels, combined approximately 2.27 acres of land, 510 feet long by 197 feet wide, and zoned for medium density multi-family residential.

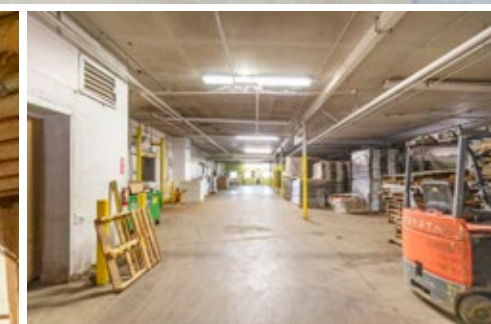
The existing improvements consist of a two-story 30,039 square foot industrial food production facility with cold storage capability, two (2) cold storage

freezers with 1.6-1.7 million pounds of total capacity, a saw tooth dock high loading bay, a depressed dock loading bay, numerous grade level roll-up doors, administrative office space, approximately 0.92 acre of yard space, and four (4) sheet metal buildings totaling 29,088 square feet, according to tax assessor records.

Broadway is the next major downtown corridor to modernize now that K Street and R Street in Midtown are maturing corridors, and the Property is in the path of development of several transformational projects.

The Property benefits from proximity to new amenities including a beautiful four acre public park, two dog parks, bike paths to the American River Bike Trail, riverfront access and art murals.

Already, this burgeoning area is undergoing an insurgence of new vibrance on the heels of Downtown Sacramento's renaissance. And in the next few years, you will see from the corner of the Property thousands of new residential units, a 19,000 square foot public market, more recreational amenities, and new life coming back to our city's original boulevard,





PROPERTY DETAILS

Address: 2601 5th St, Sacramento, CA 95818

Total Land Area (AC): 2.27 Acres

Total Land Area (SF): 99,033 Square Feet

Zoning: R-4A - Multi-Family

General Plan Designation: Urban Neighborhood Medium Density

Density: 110 units per net acre

Potential Unit Yield: 250+ units

Floor-to-Area Ratio (FAR): 4.0

Height: 75 feet

Opportunity Zone: Yes

Existing Cold Storage Bldg: 30,039 Square Feet

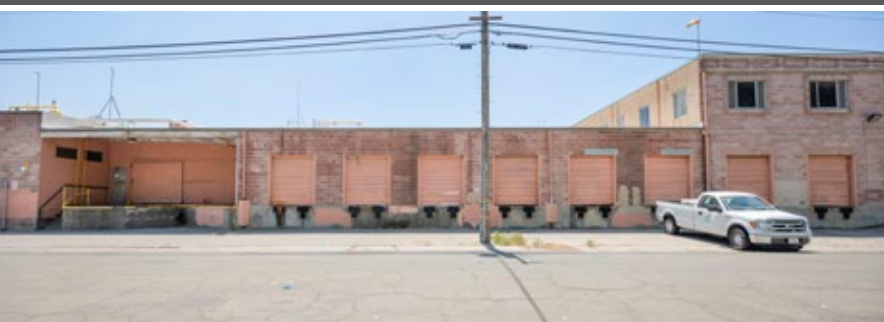
Existing Metal Buildings: 29,088 Square Feet

Parcel Numbers: 009-0286-007-0000;
009-0286-008-0000;
009-0286-024-0000;
009-0286-025-0000;
009-0286-009-0000;
009-0286-010-0000

Asking Price: \$5,750,000

Price per SF Land: \$58.06

ACROSS FROM THOUSANDS OF NEW RESIDENTIAL UNITS AT THE MILL AT BROADWAY





YOUR NEIGHBOR

THE MILL AT BROADWAY

470
HOMES

32
ACRES

3.5
ACRE PARK

70
MILES OF TRAILS

The Mill at Broadway is one of the most transformative development projects in urban Sacramento. Before Downtown had high-rises, before Broadway was Broadway, before hops farms were transformed into Land Park, a young man opened a sawmill. Nestled on the southern border of downtown where the river curves and heads south, this sawmill brought new life to the region. The warm rich smell of pine and the bright metallic whir of saw blades flourished. There, they turned the raw felled trees

of the Sierra Nevada into fruit crates that travelled the world. These crates were filled with tomatoes, almonds, pears, asparagus, peaches, and much more. Some crossed the country by train, others ventured to Europe by boat, and many filled the tables of Sacramento homes. As time progressed, Sacramento's grid filled out and Land Park spread north to meet it at Broadway. The sawmill began to evolve, making door and window frames, then lumber and ornate crown molding, and

the company continued to grow. Today, The Mill at Broadway completes the metamorphosis as beautiful new homes inherit the sawmill's site. Like the final piece in a jigsaw puzzle, it weaves the grid and Land Park communities back together bringing a sense of completeness and renewed life. In total, The Mill at Broadway has more than 470 for sale homes and numerous shared amenities creating a Sacramento landmark community.



TAP INTO THE HIGH DEMAND FOR URBAN SACRAMENTO HOUSING





THE LOCATION

BROADWAY IS SACRAMENTO'S NEXT MAJOR DOWNTOWN CORRIDOR

On the cusp of Land Park and Southside Park neighborhoods, but soon to be a destination all its own, Sacramento's East Marina district, as a portion of the Broadway Corridor, is coming alive. Several key investment/developments have been

made nearby and the path of progress is beginning to accelerate. The street improvement program, the Broadway/WestSac Bridge, development of numerous high-end mixed-use projects and new retail/restaurant amenities are all helping to

breathe new life into this iconic blvd. Broadway is the next major downtown corridor to modernize now that K Street and R Street are maturing corridors.



NEARBY DEVELOPMENT PROJECTS

Below are some of the exciting developments and amenities advancing the greater Broadway region and the entire urban core.

GREAT FOOD

Broadway is home to an eclectic and multicultural culinary scene with some of the most-loved restaurants in Downtown Sacramento, some with a long and unique local history. These include Tower Café, Willie's Burgers, Iron Steakhouse, Jamie's Broadway Grille, and other Ethiopian, Thai, Indian, Japanese, Vegetarian, and Mexican restaurants. Just off Broadway down Riverside Avenue, you will find old favorites like the Riverside Clubhouse and Vic's Ice Cream, as well as new up-and-coming places like Massulo Pizza.

BROADWAY BRIDGE

The Broadway Bridge is a government-led improvement that will connect Broadway to West Sacramento over the Sacramento River. This will allow convenient walkable access to the various amenities available in West Sacramento.

SELLAND'S MARKET CAFE

Selland's Market Cafe – a Sacramento favorite – opened their Broadway location in late 2017. This provides an additional place to eat and enjoy along Broadway, just a short walk or ride from the subject property. Whether dining in or bringing food back home, Selland's is sure to impress.

WEEKLY FARMERS MARKET

Sacramento's largest weekly farmers market is held right off of X Street in the Broadway Corridor. A unique selection of items are available, including: the finest fruits, vegetables, baked goods, flowers, herbs, juices and cheeses.

PEDESTRIAN IMPROVEMENTS

The city has plans to narrow the busy thoroughfare from two lanes in each direction to one with center turn lanes in order to slow traffic and encourage a main-street feel where people can ride bikes and restaurants can use the sidewalks to create patio seating. The early reaction among business, property owners and nearby residents has been largely positive.

BROADWAY REDUX PHASE I & II

Local infill builder Indie Capital is nearing completion of Phase II of their Broadway Redux project, a 9-home urban infill project. They are completing the remaining 5 units and have sold out prior to completion. Designed by Johnsen Schmalig Architects., the award-winning designs are helping to bolster the Broadway corridor as an exciting place to be.

ONYX BOUTIQUE APARTMENTS

Directly north of (and essentially adjacent to) the subject property is ONYX, a new 41-unit boutique apartment development that features modern design, a community courtyard for gathering, and is tailored to foodies and urban enthusiasts.

THE TOWER THEATRE

The Tower Theatre is one of Sacramento's most iconic landmarks that opened its doors in 1938. More than 75 years later, it is still the premier place to catch some of the best independent and foreign films within 100 miles.

1817 BROADWAY

Local developers will develop a 74 unit over 8,500 square feet of retail mixed-use development at the northwest corner of 19th and Broadway.

16TH AND BROADWAY

Local developer Jon Gianulias plans to construct a five-story, 60,00 square foot mixed-use development on the iconic corner where Tower Records used to be. This project includes 14,205 square feet of retail space and 53 multi-family units.

1901 BROADWAY

Bay Area-based affordable housing developer EAH Housing has submitted plans for two five-story buildings at 1901 Broadway, with 150 apartments and about 1,700 square feet of retail space.





NEARBY AMENITIES

Located on the Broadway Corridor - Sacramento's up-and-coming submarket. Residents of the Penthomes at The Mill will enjoy being near the urban core with easy access to every corner of the city.

POPULAR RESTAURANTS NEAR THE MILL AT BROADWAY (NOT ALL ARE MENTIONED HERE):

- | | | | | |
|----------------------------|-----------------------------|-------------------------|-------------------------|-------------------------------|
| 58 Degrees & Holding Co. | Der Biergarten | Kupros Craft House | Paesano's | Tank House BBQ |
| Ace of Spades | Dim Sum House | Kyoto Sushi Bar | Paragary's | Taste of Thai |
| Aioli Bodega Espanola | Elixir Bar & Grill | La Garnacha | Pizzeria Urbano | Temple Coffee |
| Amaro Italian Bistro & Bar | Ella Dining | Le Croissant | Portofino's | Thai Basil |
| Andy Nguyen's | Ernesto's Mexican | Lowbrau | Press Bistro | Thai Canteen |
| Azul Mexican | Federalist Public House | Lucca | Pushkin's Bakery | The Bread Store |
| Bar West | Fieldwork Brewing Co. | Luna's Cafe & Juice Bar | Q Street Bar & Grill | The Coconut on T |
| Bike Dog | FishFace Poke Bar | Make Fish | Queen Sheba | The Golden Bear |
| Bombay Bar & Grill | Fox & Goose Public House | Mango's/Burgertown | R15 | The Mill Coffee House |
| Bottle & Barlow | Frank Fats | Mas Taco Bar | Red Rabbit | The Porch |
| Broderick Midtown | Ginger Elizabeth Chocolates | Massulo Pizza | Rick's Dessert Diner | The Press |
| Buckhorn Grill | Grange | Masullo Pizza | Riverside Clubhouse | The Rind |
| Burger Patch | Highwater | Mathmandu Kitchen | Roxie Deli and Barbecue | The Waterboy |
| Burgers and Brew | Hook & Ladder | Mikuni Sushi | Saddle Rock | Tres Hermanas |
| Cafe Bernardo | Identity Coffee | Miso Japanese | Sakamoto | Uncle Vito's Pizza |
| Cantina Alley | Iron Horse Tavern | Mulvaney's B&L | Selland's | Vic's Ice Cream |
| Centro Cocina Mexicana | Jack's Urban Eats | N Street Cafe | Shady Lady | Waffle Square Country Kitchen |
| Chada Thai Cuisine | Jamie's Bar & Grill | Nekter | Shoki Ramen House | Willie's Burgers |
| Cornerstone | Jin Jin Noodle | Nishiki Sushi | Slice of Broadway | X O Lounge |
| Crepeville | Karma Brew | Old Soul Coffee | South | Zelda's Pizza |
| Dad's Sandwiches | Kru Japanese | Pachamama Coffee Coop | Sun & Soil Juice | Zocalo |

Section Three: The Location

2601 5TH





THERE'S A REASON EVERYONE IS COMING HERE.

SACRAMENTO

15.3 MILLION
ANNUAL REGIONAL VISITORS

71,335
DAYTIME EMPLOYEES

215+
BARS / RESTAURANTS

CALIFORNIA'S FASTEST GROWING METROPOLITAN

The word "renaissance" is often overused and inappropriate to describe economic improvement in the urban core of cities throughout the United States. However, that's not the case for Sacramento. Since the formal approval to construct Golden 1 Center, the floodgates have figuratively

opened to the urban migration of retailers, businesses and residents. Huge chunks of the urban core have been revamped, with more redevelopment currently underway. New projects surrounding the property, namely the Downtown Commons and The Railyards, are contributing to this an

exciting time for the city. In California, nowhere is the word "renaissance" more applicable and demonstrable than in Downtown Sacramento, and 2601 5th Street is situated in the middle of everything.



SACRAMENTO DATA BITES

Sacramento's relative affordability versus amenities remains one of its biggest draws. Population growth is expected to average about 1% (20,000 annually for the region) over the next five years and is expected to outpace the national average. Household growth continues to far outpace the rate of single-family and apartment deliveries. In July 2020 Sacramento was the most popular migration destination in the U.S., with more than half of home searches from buyers outside of the area (Redfin).

MULTIFAMILY RENTAL TRENDS URBAN CORE:

Class	Inventory (units)	Avg Rent	Vacancy	Absorption* (units)	Under Const. (units)
A	1,993	\$2,053	14.5%	328	1,154
B	2,172	\$1,677	9.8%	36	140
C	8,864	\$1,041	4.4%	40	0
All Types	13,029	\$1,442	7.3%	252	1,294

Costar, Multifamily All Unit Mixes

SACRAMENTO'S CITY RANKINGS:

- #1 in the U.S. for net migration
- #1 Happiest workers in midsized cities
- #2 Top 10 most fun, affordable U.S. cities
- #4 U.S. metro clean tech index
- #4 Best cities for nerds
- #5 Hot startup cities
- #10 Best cities for women in the workforce
- #10 Best cities for coffee snobs
- #10 Least Stressed-out cities
- #14 America's coolest cities
- #16 Best cities for millennials

\$3,123 AVERAGE RENT PER MONTH BAY AREA

\$1,838 AVERAGE RENT PER MONTH SACRAMENTO

Zillow, August 2020

PERCENTAGE OF POPULATION WITH A BACHELORS DEGREE:

34.3%

SmartAsset 2018

SACRAMENTO: OWNERS VS. RENTERS



GSEC 2020
Applied Geographic Solutions & GIS Planning





DEMAND

Sacramento's strong economic momentum has continued through 2020. Apartment demand began in 2012 driven by distress in the housing market, forcing many former homeowners to become renters, in addition to a steady rebound in employment beginning that same year. The metro's vacancy recovery has not yet been burdened by large-scale supply additions, which has allowed vacancies to remain near historical lows. Greater net in-migra-

tion, particularly from the Bay Area, and solid demographics have helped boost demand. Covid-19 has accelerated this migration with urban Sacramento living being one of their top choices/ Improving economic conditions have supported steady demand. Construction, Education and Health services led the way in job growth year-to-date and this trend is expected to continue in Sacramento's urban core with Kaiser expected to

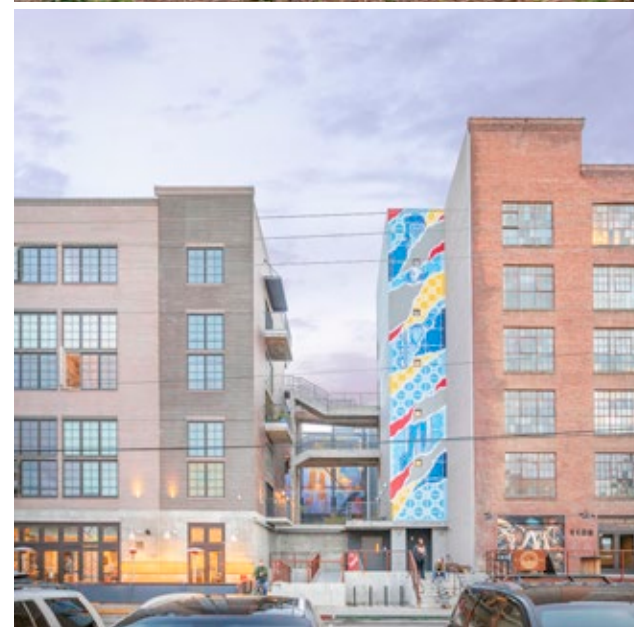
occupy their new 200,000 sf location at 6th and J Street as well as their new medical campus spread out over 17 acres in the Railyards over the next decade. Above-average employment growth is also expected to continue in the leisure and hospitality sector, thanks in large part to the new retail and hotels opening in relation to the Golden 1 Center development.

SUPPLY

A few developers have focused on market rate urban core properties such as 19J, a 160 unit development in Midtown, Ice House, a 146-unit development, (occupancy October, 2017), Q19 (44 units occupancy Q2/2018), the 700 Block of K Street (136 units on K Street occupancy Q2/2018), Eviva (118-unit modular development) and the 800 Block of K Street (170

units scheduled for Q3/2019). This does not even come close to supplying the apparent demand for urban core apartments as most of these projects have waiting lists at rents above pro forma (and pro forma is over \$3 per sf). As stated earlier and pointed out in the recent study completed by Bay Area Economics, the pending demand for higher end fair market

apartments is at least 2,000. Given the scarcity of available land, the emphasis at the City level for providing "low income" housing options, the increasing cost of permit fees and the ever-extending construction timelines for project completions, it appears the supply of market rate housing in urban Sacramento will be constrained for the foreseeable future.

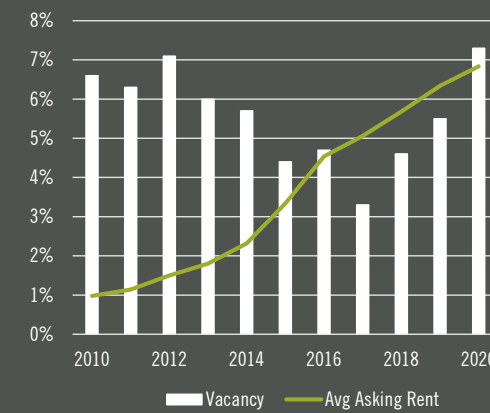




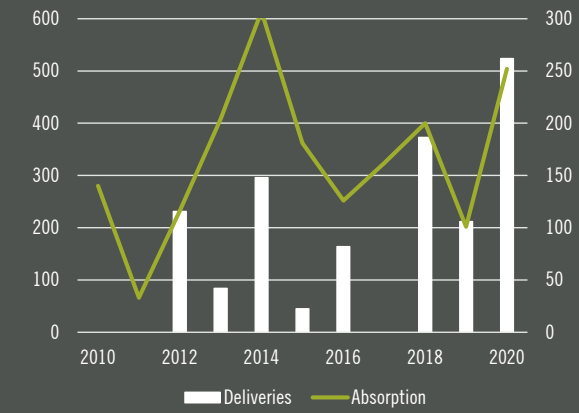
Multifamily Rental Trends

Sacramento GRID

Vacancy & Avg Rent Trend



Deliveries & Absorption Trend



Source: Costar, Multifamily All Unit Mixes

Multifamily Rental Trends

Sacramento GRID – New Construction Since 2012

All Unit Types

27.9%

Vacancy

\$2,277

Avg Rent / Unit

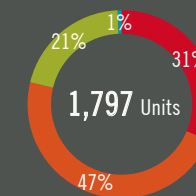
\$3.16

Avg Rent / SF

4.1%

Concessions

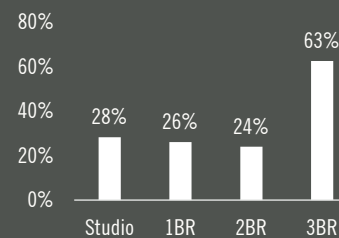
Total Units Delivered



Avg Rent / SF



Vacancy



Avg Rent / Unit

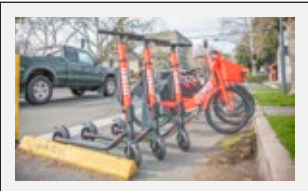


Source: Costar, Multifamily All Unit Mixes



WHAT TENANTS WANT

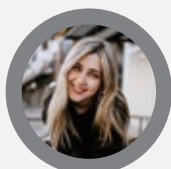
We did what many multifamily developers landlords don't have time to do: directly ask apartment tenants in the urban core what they want. **2601 5th Street has the potential to have it all.**



Easy to live car-free

SCOTT POLASKE

"Four years ago, I sold my car and moved to the Grid. I needed to live in a highly walkable part of town. I remember studying the area on Google Maps, noting the distance of prospective apartments to the locations of grocery stores, restaurants, exciting bars, parks, river entrances, and my office. Living in the Grid without a car is so normal to me now, everything I could ever need or want is within walking distance."



KYRA KLOPP

"I really try to limit my driving, so having walkable access to coffee shops, restaurants, and my work was important to me. As someone that's an avid cooker, I also consider the usability of the kitchen - I NEED a gas range and big kitchen to cook, so that's one of my priorities."

In the action VS. On the outskirts



CASSIE MANCINI

"I moved to Midtown because I love being in the middle of everything! I like the energy and activity, of all the people walking around and going out at night. Since I go out pretty often, I don't mind the music and revelry. I'm so happy that I found an apartment that was centrally located and close to public transit!"



PHILIP PETERSON

"I love how cool Midtown is as much as the next guy, but living outside of Midtown fits my lifestyle better with less noise and action. I love getting a great night of sleep and catching a run at Sutter's Landing before the sun comes up, so the quiet outskirts neighborhoods are my preference."



Common Room at Warehouse Artist Lofts

Communal hangout space



MORGAN CONLEY

I like the location to either be close to my work or to close to the areas of town I like to frequent in my free time. I also really enjoy having communal / public space that I can host in without having to dirty up my own apartment. My friend lived in a really cool complex which had a rooftop deck with a barbecue and couches. I like the idea of having that option!

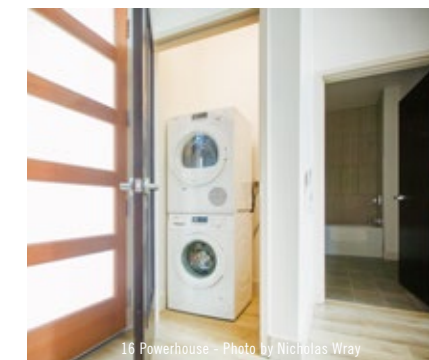


Living room at Q19

It's gotta be nice

GARRETT HANKS

"I know this sounds a little high-maintenance, but I vastly prefer brand new modern apartments and condos to older ones. I like stuff that's clean and works well. Also, I like high ceilings or else I feel cramped."

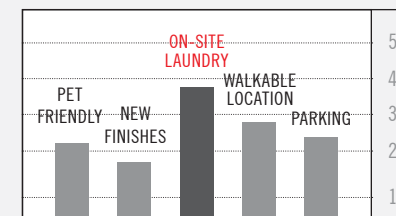


16 Powerhouse - Photo by Nicholas Wray

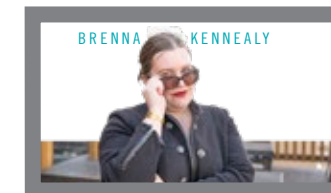
luxury service down there. To top it off, half of the places WITH on-site laundry have coin-operated machines that take like three dollars to do a load. If I do two loads a week, that means I'm spending an extra \$300 per year on laundry. Nonsense! I confess that my perception may be skewed by my Cameron Park upbringing, but still. Dang."

Dataphilia: WHAT MATTERS MOST IN A RENTAL?

For your consumption, we gave our local friends 10 points to distribute amongst qualities they value most in a rental and averaged them! n=16



BRENNA KENNEALY



OOH,
SHE
MAD

"I've got a lot to say about one thing: laundry. Why do so few apartments have on-site laundry? I have been trying to move to urban Sac for over a year and very few decent one-bedrooms with on-site laundry are in my price range. How do people deal with leaving the house to wash their clothes? It's become a

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