

Offering Memorandum

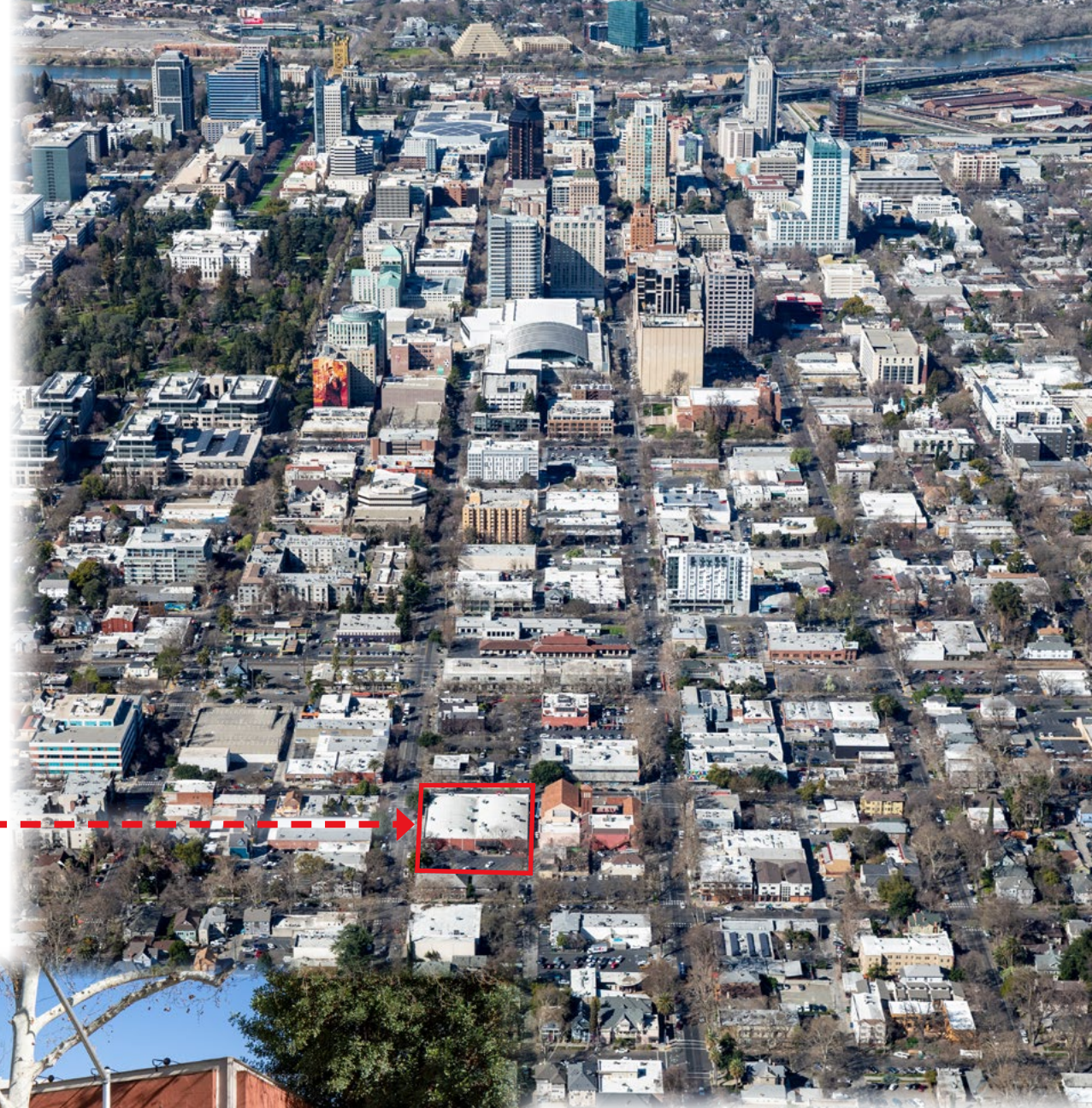
# 2101K

MIDTOWN SACRAMENTO

Offered at \$7,900,000

±1.044-acre rare redevelopment site in  
the heart of booming Midtown

±25,600 sq. ft. office/retail building is a  
perfect owner/user opportunity



Capital Markets | Investment Properties

**CBRE**



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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. **ALL INFORMATION IS PRESENTED “AS IS” WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND.** Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner. 40221248-453788

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# EXECUTIVE SUMMARY



# The Offering

CBRE is pleased to offer for sale a ±25,600 square foot office/retail building on a prime ±1.04-acre parcel in the heart of Sacramento's Midtown neighborhood. The property is zoned C-2-SPD and is improved with a single-story building with ±18' barrel truss roofs that create visually exciting space for future office or retail uses.

The property is offered at \$7,900,000 and represents a tremendous owner/user or redevelopment opportunity in Midtown, a much sought-after neighborhood that has spawned many new residential and mixed-use developments over the last five years.



2101 K Street | Sacramento



21st at K is one of Midtown's busiest intersections with ADT of ±16,200 vehicles. The site is only a few blocks from the Capitol, Downtown Commons, and Golden 1 Center which puts it within walking distance of every major downtown office building, most State office buildings, and many shopping and dining venues. Regional Transit has a bus stop (route 62) at 21st and K and other routes can be accessed on both J and L Streets, only one block away to the north and to the south, respectively.

*Expressions of interest should be directed to Randy Getz, Executive Vice President, whose contact information can be found on page 4 of this offering. All tours will be coordinated by CBRE.*



J Street

21st Street

K Street

# Offering Summary

**Address** 2101 K Street  
Sacramento, CA 95816

**Offering price** \$7,900,000

**Site** ±1,044 acres at the northeast  
corner of 21st and K Streets

**Improvements** ±25,600 square foot single-story  
retail or office building

**Zoning** C-2-SPD

**Permitted uses** Office, retail, and mixed-use with  
residential up to 85 feet in height

**Year built** circa 1947

**Years renovated** 1993 and 2011

**Opportunity Zone** No



2101 K Street | Sacramento





# Investment Highlights

- + Prime redevelopment opportunity on a spacious site with flexible zoning
- + “Main & Main” location in the heart of Midtown at the NEC of 21st and K Streets
- + The \$7,900,000 offering price values the building at \$309/sf and the land at \$174/sf
- + Versatile C-2-SPD zoning permits multi-story office, retail, and mixed use with residential up to 85 feet in height



- + One block from the MARRS (Midtown Arts, Retail & Restaurant Scene) Building, the cultural and entertainment hub of the neighborhood.
- + The ±1.04-acre site is improved with a single-story ±25,600 square foot office building suitable for retail or office use.
- + Walking distance to Downtown Commons, Golden 1 Arena, the State Capitol, and countless dining and shopping venues
- + Regional access via the two-minute drive to Capitol City Freeway
- + Regional Transit bus stop (route 62) at 21st and K and other routes on both J and L Streets, each one block away.





to San Francisco >  
80

Sacramento River

Golden 1 Arena

Railyards Project

CA State Capitol

Sacramento  
Convention Ctr.

16th Street

MARRS Building

21st Street

2101K

R Street

N Street

Capitol Mall

L Street

K Street

J Street

Sutter Foundation Health Campus

Capital City Freeway





# PROPERTY OVERVIEW



# Property Summary

2101 K Street | Sacramento

<b>Address</b>	2101 K Street, Sacramento, California 95816
<b>County / parcel numbers (4)</b>	Sacramento. 007-0091-007; -008; -009; -010
<b>Land area</b>	±1.044 acres (per ALTA survey map)
<b>Parking spaces</b>	49 on-site and 10 on-street spaces
<b>Zoning</b>	C-2-SPD
<b>Year built</b>	circa 1947
<b>Square footage</b>	±25,600
<b>Foundation</b>	Concrete slab on grade
<b>Roof</b>	Maintenance provided by Kodiak Roofing. See roof analysis by Kodiak dated 2/16/22
<b>HVAC</b>	Maintenance provided by Scruggs Environmental Controls
<b>Security/Fire</b>	See AA Fire Systems report dated 11/5/21. Monitoring provided by Valley Fire; AT&T has phone lines.
<b>Confidentiality Agreement and Due Diligence Access</b>	A website containing documents and additional information about the property has been set up. Please contact us to receive a link to the Confidentiality Agreement and access to the due diligence site.





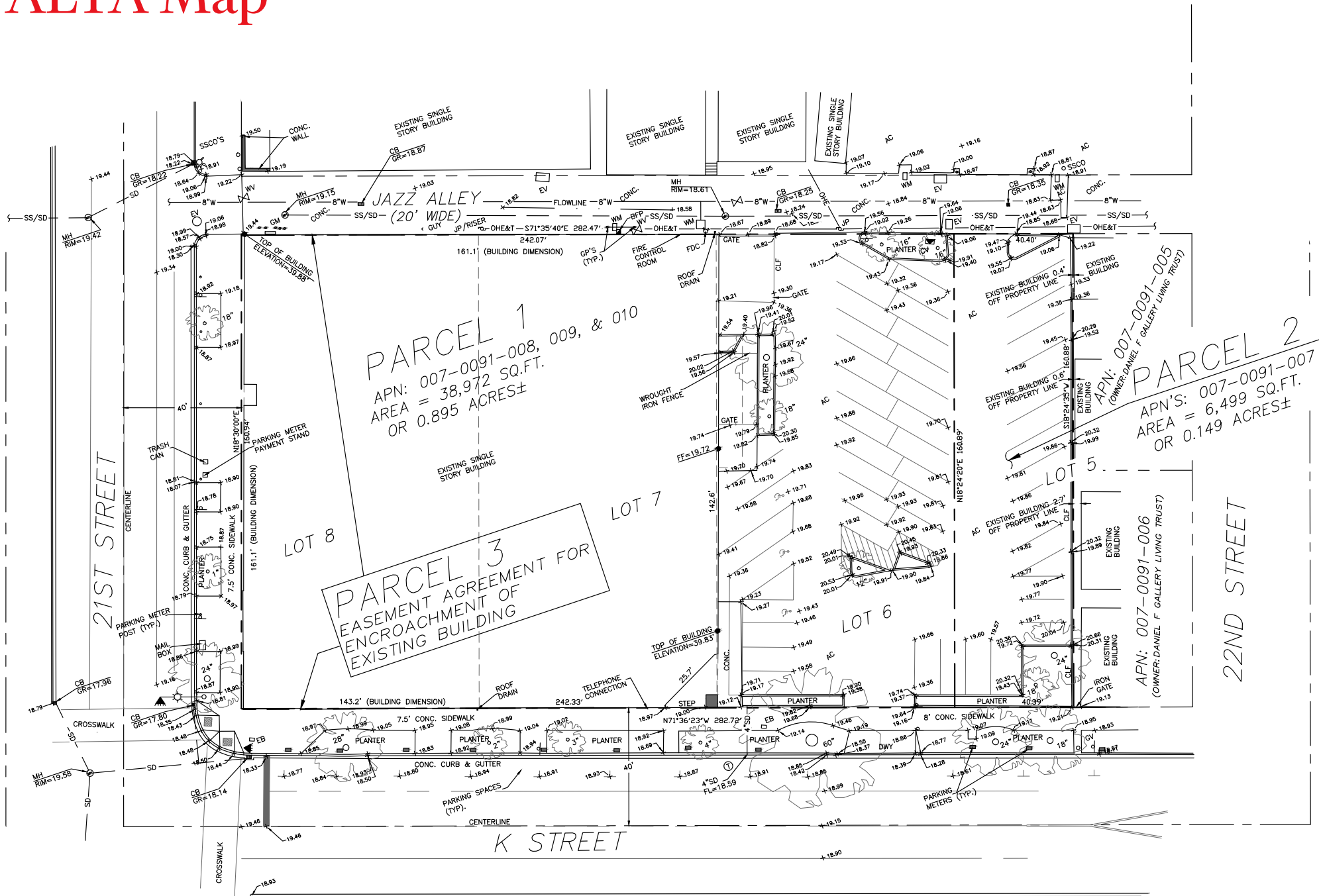
# The Site

The property consists of four assessor's parcels totaling just over one acre at the NEC of K Street and 21st Street. An available site of this size is rare in Midtown. The site is rectangular with  $\pm 280'$  of frontage on K Street and  $\pm 160'$  of frontage on 21st Street. Jazz Alley borders the property on the north with access from both 21st and 22nd Streets. A paved parking lot on the east side of the property has 49 stalls, with on-street metered parking for an additional 10 vehicles. Two small privately-owned parcels to the east of Subject are improved with retail/residential buildings and a four-car garage.

Due diligence documents will be provided to Buyer, including a Phase I ESA dated 09/14/15 by EEI, outlining recognized environmental conditions. The building has lead/asbestos that requires remediation prior to demo, per an Asbestos Sampling & Lead Testing Report dated 08/31/15 by Alter Testing & Engineering, Inc.







MAP NOT TO SCALE





# AREA OVERVIEW



# Sacramento

With nearly 40-million residents California is the most populous state in America with an economy that would rank as the fourth largest in the world. Situated at the junction of Interstates 5 and 80, Sacramento is a logistics hub for the entire western United States. The Sacramento Metropolitan Statistical Area – consisting of seven counties – is the cultural and economic center of the region, and its 2.3 million residents make Sacramento the 25th largest market in the country. Its economy is characterized by a stable base of government employment, a well-educated labor pool, and a more affordable cost of living than San Francisco Bay Area or Silicon Valley.

Sacramento's proximity to the San Francisco Bay Area, its lower cost of living and abundant cultural and entertainment amenities have not gone unnoticed by residents in more expensive locales. Forbes dubbed Sacramento the "Best Place to Live in California in 2024" and WalletHub ranked the Farm-to-Fork Capital third on its list of "Best Foodie Cities in America." More people looked to move to Sacramento than anywhere else in the country in November 2023, according to Redfin, with the most in-state migrants from San Francisco and out-of-state from New York City.

*(continued on next page)*



For many years Sacramento’s government and business leaders have focused on increasing the number of private sector jobs to achieve a more optimal balance of private- and public-sector employment. Many Bay Area tech companies that established a presence in Sacramento in the last few years cited both its lower cost of living and its relative freedom from the threat of potentially disruptive seismic activity. Public/private partnerships have been successful in helping the region publicize its competitive advantages and grow its technology community. Health care companies such as Sutter, Kaiser, Dignity Health, Centene and Blue Shield of California have thrived in Sacramento. Other key areas of growth are in the fields of agricultural/food sciences, biotechnology, and renewable energy.

*(continued on next page)*



## Major Employers

State government (non-education)	88,700
State government (education)	31,300
Local government (non-education)	47,200
Local government (education)	59,200
Federal government	16,200
Sutter Health Sacramento Region	15,014
Kaiser Permanente	14,368
U. C. Davis Health System	10,149
Dignity Health	7,853
Intel, Corp.	6,000
Raley’s, Inc.	5,597
Apple, Inc.	4,000
Safeway	3,917
VSP Global	2,906
Wells Fargo	2,891

Sources: Sacramento Business Journal; CA Dept. of Labor Statistics

# Sacramento *(continued)*

Some of Sacramento's competitive advantages include:

- + Home of the state's executive, legislative and judicial branches of government
- + Concentration of federal and state regulatory agencies and trade associations.
- + Low costs of living and doing business, with lower home prices and business occupancy costs than many other California cities.
- + Well-educated workforce. In addition to the University of California Davis and California State University Sacramento, the region has a robust system of community colleges and vocational schools. The University of the Pacific's highly regarded McGeorge School of Law has a Sacramento campus, as well.
- + Sacramento enjoys a strategic location at the intersection of Interstates 80 and 5, at the western terminus of Highway 50 and alongside Highway 99. Sacramento is two hours by car northwest of San Francisco, two hours west of more than 40 ski resorts, two hours or less from the Napa Valley and three hours from Carmel and Pebble Beach.
  - The junction of Interstates 5 and 80 just north of Downtown puts most of the western U.S. within one day by truck – a key logistics advantage.
  - Sacramento is well served by Sacramento International Airport and Amtrak.



# Developments North of the CBD

In addition to the rapid growth of Downtown itself, new developments are under way in several master-planned neighborhoods adjacent to and north of Downtown.

- + **Sacramento Railyards**, which had historically been a busy Union Pacific rail yard, is currently the largest infill redevelopment undertaking in the United States. This 244-acre project sits at the northern edge of the city where substantial infrastructure construction is underway. When complete The Railyards will nearly double the size of “downtown”, with planned developments to include housing, parks, retail, entertainment, office space, theaters, and hotels. Kaiser Permanente has acquired 18 acres near Interstate 5 in the northwest corner of the Railyards for a new medical campus.
- + **The River District** is located in the area between Richards Boulevard on the south, the American River on the north, and the Sacramento River to the west. Being at the confluence of the rivers, the area is sometimes called Twin Rivers. Historically the River District is home to some of the city’s oldest businesses, including Blue Diamond Almonds (1910), General Produce (1932), Capital Machine (1936) and Sacramento Theatrical Lighting (1947). Predominantly industrial, the area began to change about 15 years ago as offices were added and people began to realize that Sacramento’s growth should take advantage of land that fronted on the two rivers to create comfortable environments for work and play.



- + **Township Nine** is a 65-acre mixed-use development that extends from Richards Blvd. north to the American River. The California Highway Patrol headquarters, an adaptive reuse of the Continental Can building, was completed in 2009. and the Cannery Apartments, completed in 2014, are fully leased. Other River District projects include the Township 9 light rail station and the California Lottery Headquarters on N. 10th St. At the southwest corner of Richards Blvd. and 7th Street a 17-acre site is being cleared and prepared for a new \$915 million state office “mega-campus” which will ultimately host roughly 6,000 employees. Agencies expected to populate the new campus will come from Business, Consumer Services, and Housing departments, and the Department of Tax and Fee Administration.<sup>1</sup>

<sup>1</sup> *The Sacramento Bee*, June 17, 2019



# MARKET TRENDS



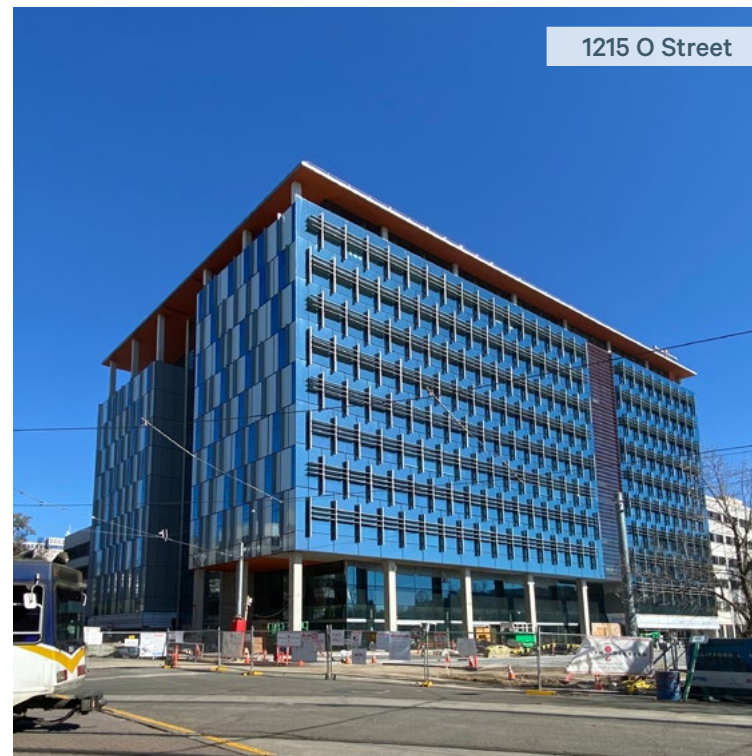
# Market Trends

The State of California recently completed three major high-rise office buildings, adding nearly 1,700,000 square feet of Class A office space downtown and further stimulating the need for increased residential construction.

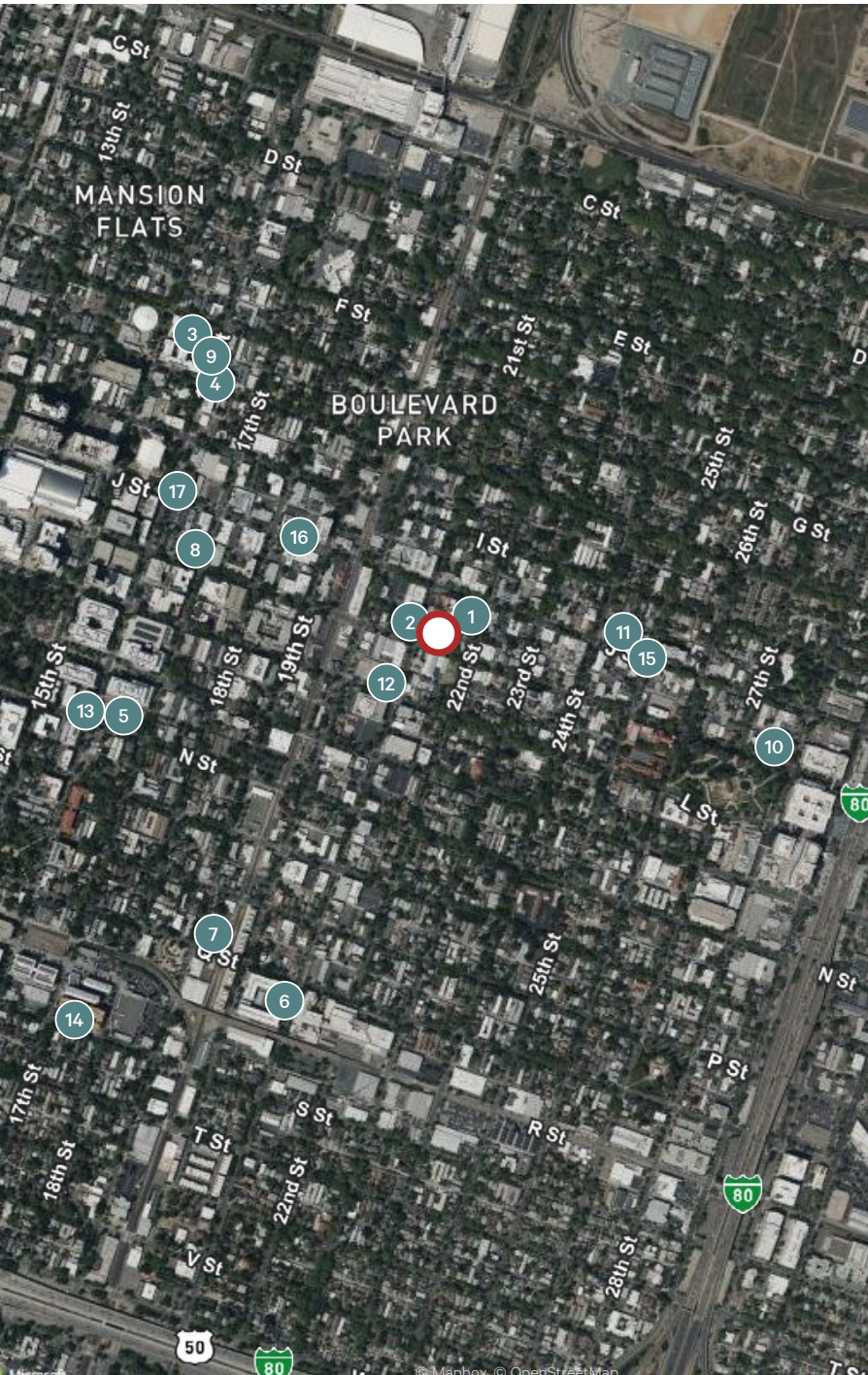
- + Resources Building, 715 P Street: The 21-story office building was completed in 2021, contains 834,000 square feet and houses over 4,000 employees.
- + The Clifford L. Allenby Building, 1215 O Street: 11-story Health and Human Services building opened in 2021 and contains 374,000 square feet.
- + 1021 O Street: This 10-story building was completed in 2022. It has 472,600 square feet and is used primarily as office space for legislative and executive employees.

Over the last eight years Downtown and Midtown Sacramento have enjoyed steady growth in occupancy, rents and new development of office, retail and multifamily real estate. The City continues to encourage urban residential development with more than 1,600 units completed since 2015 and more than 1,000 more either proposed or under construction. Refer to the table on the following page for a partial list of new projects in proximity to Subject.

The downtown area's population growth adds vitality and creates a steady, reliable customer base for services, restaurants and other types of retail. Most of these new developments feature multiple stories of apartments over street-level retail.



# Map: New Developments Near 2101 K Street

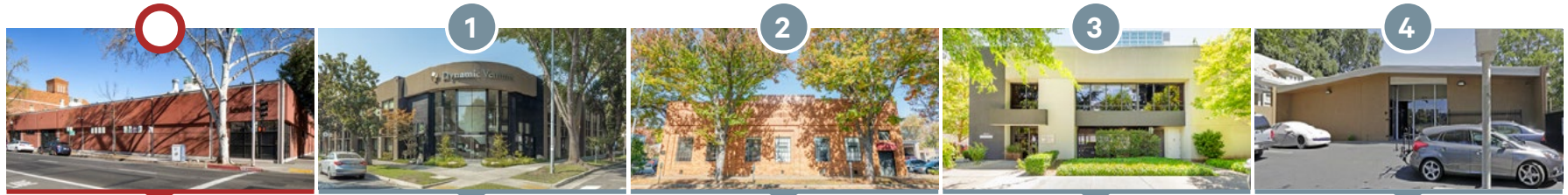


Map #	Property Name	Address	Units/SF		Status
			Residential	Retail	
1	22J Apartments	2130 J St.	91	Yes	Proposed
2	K21	2031 K St.	296	Yes	Proposed
3	The Mod at Midtown	728 16th St.	129	No	Under Construction
4	H16	1613 H St.	95	Yes	Complete
5	Jefferson Block	1619 N St.	108	TBD	Planned
6	The Press *	1714 21st St.	253	Yes	Complete
7	Q19 Apartments *	1907 Q St.	68	Yes	Complete
8	17 Central	1631 K St.	107	Yes	Complete
9	The Mansion	700 16th St.	186	Yes	Complete
10	Hyatt House Midtown	2719 K St.	Hotel	Yes	Complete
11	2413 J	2413 J St.	No	Yes	Complete
12	2025 L	2025 L St.	93	Yes	Planned
13	Eviva Midtown *	1531 N St.	118	Yes	Complete
14	Ary Place	1717 S St.	159	Yes	Complete
15	Yamanee	2500 J St.	134	Yes	Planned
16	19J	1831 J St.	175	Yes	Complete
17	Juno Mixed-Use	1601-17 J St.	198	Yes	Planned

\* indicates sales comp on page 26




## Comps: CBD Owner-User Sales










	2101 K Street	1730 I Street	723 S Street	1030 G Street	1821 Q Street
<b>Date Sold</b>	Subject	9/8/23	6/7/22	12/3/21	5/20/21
<b>Purchaser</b>	TBD	CAL FIRE Local 2881	LPAS Architects	Kwong	Aguirre
<b>Seller</b>	K Street Highland	Dynamic Healthcare Solutions	Calmettes	Family Trust	Miller
<b>Built / Renovated</b>	1947 / 2011	1986	1918 / 2019	1985 / 2016	1989
<b>Price</b>	\$7,900,000	\$5,800,000	\$3,200,000	\$2,170,600	\$1,900,000
<b>Use / Zoning</b>	C-2-SPD	C-2-NC	RMX-SP	Office RO	Office C-2-SPD
<b>Building SF</b>	25,600	20,186	10,717	6,402	6,000
<b>Building Price/SF</b>	\$309	\$287	\$299	\$339	\$317
<b>Notes</b>	Zoning allows office, retail or mixed use / multifamily		To be used as an office for architecture and design		

# Comps: Sacramento Apartment/Mixed-Use Property Sales

We've summarized below five apartment and mixed-use property sales over the last five years using information from CoStar. Per square foot and per unit prices are at an all-time high.

	 1	 2	 3	 4	 5
	<b>Onyx Apartments</b> 1818 X Street	<b>The Press</b> 1714 21st Street	<b>Q19 Apartments</b> 1907 Q Street	<b>Powerhouse 16</b> 1606 P Street	<b>Eviva Midtown</b> 1531 N Street
Date Sold	9/8/21	9/30/20	4/19/19	3/6/18	9/1/17
Purchaser	Knott Trust San Diego	Oakmont Properties Folsom	Woodmont Belmont, CA	Demmon Partners Sacramento	Sequoia Equities Walnut Creek
Seller	Rockworth Holladay, UT	SKK Developments Sacramento	SKK Developments Sacramento	D&S Development Rancho Cordova	LDK Ventures Sacramento
Built	2020	2020	2018	2015	2016
Price	\$13,980,000	\$118,000,000	\$26,800,000	\$32,500,000	\$53,000,000
Cap Rate	4.75%	unreported	4.65%	5.06%	4.78%
No. Of Units	41	277	68	50	118
Price/Unit	\$340,976	\$425,993	\$394,118	\$650,000	\$449,153
Property SF	28,773	200,616	46,170	71,929	165,300
Price/SF	\$486	\$588	\$580	\$452	\$321
Notes		DeBartolo partnered	Grupe partnered		Integral Group of Atlanta partnered

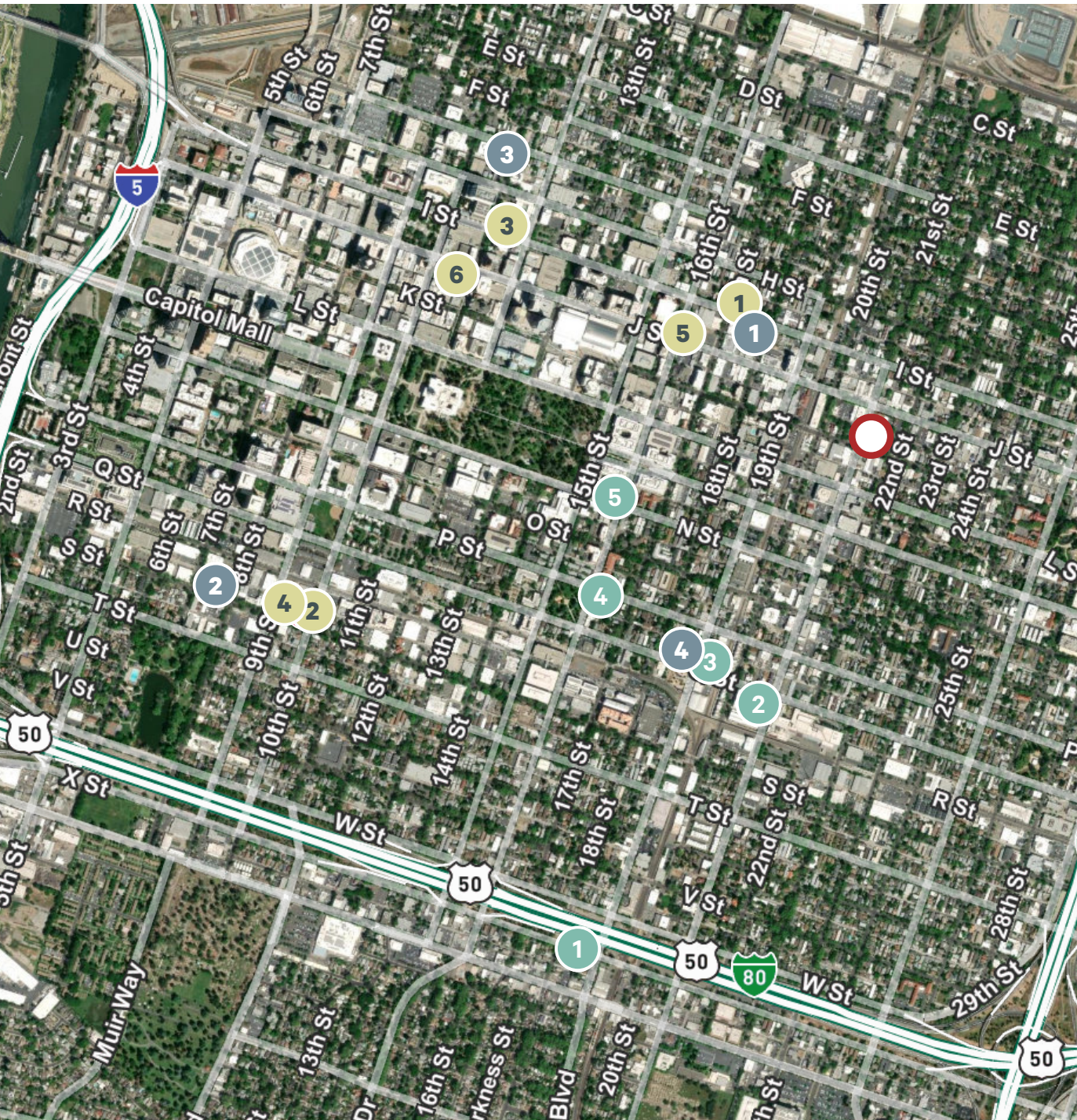
## Comps: CBD Land Sales

							
	<b>NEC 21st &amp; K Streets (1)</b>	<b>1705 I Street</b>	<b>925 S Street</b>	<b>1121 I Street (2)</b>	<b>905 S Street</b>	<b>NEC 16th &amp; J Streets</b>	<b>Cathedral Square 1018-1030 J St. (3)</b>
Status / Date Sold	<i>Subject</i>	Nov-22	Jun-22	May-22	Jan-22	Jan-22	Sep-18
Sale Price	<b>\$7,900,000</b>	\$5,000,000	\$2,900,000	\$6,470,000	\$5,000,000	\$3,700,000	\$5,250,000
Seller	<b><i>K Street Highland</i></b>	D&S	Lasher	Scurfield Co.	Naify	Fischer Trust	St. Anton Investors
Purchaser	<b><i>TBD</i></b>	SKK Developments	Anthem Properties	Brian Dror Los Angeles	Anthem	SKK Development	Anthem Properties
Zoning	<b><i>C-2-SPD</i></b>	C-2-SPD	RMX-SPD	C-2-SPD	RMX-SPD	C-2	CBD C-3
Density Maximum	<b><i>150 du/acre</i></b>	150 du/acre	150 du/acre	150 du/acre	150 du/acre	150 du/acre	450 du/acre
Max units	<b><i>157</i></b>	unk.	62	128	110	63	298
Site Size - Acres	<b><i>1.044</i></b>	0.59	0.41	0.85	0.73	0.42	0.66
Price/unit allowable	<b><i>\$50,318</i></b>	unk.	\$46,774	\$50,745	\$45,662	\$58,396	\$17,646
Site Size - SF	<b><i>45,477</i></b>	25,700	17,860	37,026	32,007	18,400	28,800
Price PSF	<b><i>\$174</i></b>	\$194.55	\$162.37	\$174.74	\$156.22	\$201.09	\$182.29

(1) One block from MAARS Building (2) Goodyear Tire site

(3) Effective price shown above. \$5,000,000 sales price adjusted for estimated cost of demolition. 25-story condos over retail.

# Comps Locator Map



**Map #**

**Subject - 2101 K St.**

**Comps: CBD Owner-User Sales**

- 1 1730 I Street

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- 2 723 S Street

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- 3 1030 G Street

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- 4 1821 Q Street

**Comps: Apartment/Mixed-Use Property Sales**

- 1 Onyx Apartments - 1818 X St.

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- 2 The Press - 1714 21st St.

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- 3 Q19 Apartments - 1907 Q St.

---

- 4 Powerhouse 16 - 1606 P St.

---

- 5 Eviva Midtown - 1531 N St.

**Comps: CBD Land Sales**

- 1 1705 I St.

---

- 2 925 S St.

---

- 3 1121 I St.

---

- 4 905 S St.

---

- 5 NEC 16th & J Streets

---

- 6 Cathedral Square, 1018-1030 J St.



# 2101K

MIDTOWN SACRAMENTO

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