

# 22,320 SF Industrial/Retail Investment Opportunity

8571 Richards Blvd, Sacramento CA 95811

## OFFERING MEMORANDUM

Leased 6,862 SF Gentlemans Club CUP on 1.4 Acres



*Prepared By:*

**Lu Ann Henderson**  
GQ North Real Estate  
Senior Vice President  
(916) 798-8559  
Luann@GQNorth.com  
Lic: DRE# 01912126

**MatrixCRE AI**

(415) 982-9496  
Luann@GQnorth.com



**GQ**North  
real estate

# 22,320 SF Industrial/Retail Investment Opportunity

## CONTENTS

- 01 **Executive Summary**
  - Investment Summary
- 02 **Location**
  - Location Summary
  - Drive Times (Heat Map)
- 03 **Property Description**
  - Property Features
  - Property Images
- 04 **Rent Roll**
  - Rent Roll
  - Lease Expiration
- 05 **Financial Analysis**
  - Income & Expense Analysis
  - Cash Flow Analysis
  - Financial Metrics
- 06 **Company Profile**
  - Advisor Profile

*Exclusively Marketed by:*



### Lu Ann Henderson

GQ North Real Estate  
Senior Vice President  
(916) 798-8559  
Luann@GQNorth.com  
Lic: DRE# 01912126



MatrixCRE.AI

### MatrixCRE AI

(415) 982-9496  
Luann@GQnorth.com



**GQ**North  
real estate



01

Executive Summary

Investment Summary

## OFFERING SUMMARY

ADDRESS	851 Richards Blvd Sacramento CA 95811
MARKET	The River District
SUBMARKET	Close to Downtown
GLA (SF)	22,320 SF
PROPERTY TYPE	Industrial Retail
LAND SF	60,983 SF
PROPERTY SUB TYPE	Warehouse / Retail
CONDITIONAL USE PERMIT	Gentlemen's Club and Bar
APN	001-0020-013-0000

## FINANCIAL SUMMARY

PRICE	\$3,300,000
PRICE PSF	\$147.85
OCCUPANCY	30.00%
NOI (Current Income)	\$197,357
NOI (Pro Forma)	\$401,711
CAP RATE (CURRENT INCOME)	5.98%
CAP RATE (PRO FORMA)	12.17%

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2023 Population	11,472	168,919	381,500
2023 Median HH Income	\$49,910	\$79,224	\$78,769
2023 Average HH Income	\$79,509	\$110,114	\$109,596

## LU ANN HENDERSON

### SENIOR VICE PRESIDENT

DRE# 01912126

Commercial Real Estate Sales And Leasing

-  San Francisco (415) 982-9496
-  Los Angeles (310) 367-8933
-  Sacramento (916) 798-8559
-  info@matrixcre.ai

## For Sale and For Lease

- 12.17% cap rate year two and a current cap rate of 6% with only 30% of the 22,320 SF occupied, with over \$20K in revenue, leaving 70% to lease or owner-user—Pro forma at 15% cap rate. The property currently has 15,458 SF available for lease. \$1.00 PSF / NNN. Income details:  
Current tenant HQ Nightclub income: \$3,810.52 NNN / Rent: \$17,775, 3% annual increase, Leaving 15,458. Currently vacant for future premium-added income or owner-user investment.

Fantastic Location! Location!!

Located on the corner of Richards Blvd & N 8th St. between the I60 and the I5 Freeway, it is two minutes down 12th Street from Downtown Sacramento and neighboring West Sacramento. The building is right across the street from the police station and Highway patrol. A yellow cab is also conveniently located across the street!

The future of the industrial/retail real estate mix is where ROI meets opportunity in the upcoming development area. The location is premium, just a few minutes from Downtown Sacramento and centrally located near the West Sacramento and Natomas sectors.

## 15,458 SF Vacant unit / Owner User / Investment

- The 22,320 SF property sits on 1.4 acres with plenty of shared parking and a small private yard for the 15,458 SF vacant unit. The vacant property features barbed wire fencing, a sturdy cinder block building, a split-level warehouse with a pit area, and two rollup doors (drive-in). It has enclosed drive-in docks inside the building. There is a small private yard on the west side of the building where the property features two drive-up docks. There is also ample shared common area parking behind the building, and the hours of the club are 6 pm to 4 am, so the common area parking lot is shared in passing. This vacant unit has approximately 3,000 SF of office space: fantastic location, space, and growth potential. Invest confidently and unlock the financial rewards of owning a prime industrial property as an owner user or investor.

## HQ Gentlemen's Club, Higher Income Producing Tenant

- Discover the hidden gem of industrial real estate at 851 Richards Blvd! This property presents a lucrative opportunity for savvy investors seeking to maximize their return on investment. With its prime location and versatile space, this deal is not to be missed.

The building offers 22,320 square feet, with one tenant, HQ Gentlemen's Club / Bar, leasing 6,862 square feet until January 31, 2030. HQ is Sacramento's premier adult nightclub, catering to individuals seeking a great experience. They operate from 6 pm to 4 am and would likely only use the shared parking lot in passing so it's perfect for accommodating two- or three-day time tenants or owner user.

This rare property offers a winning conditional use permit (CUP) for adult entertainment, including bars, which are not easily given out. A combination of gentlemen's club and bar are a gem for ensuring a tenant with this CUP will ensure a premium tenant in place; however, this tenant has lease options for added income security. The location is premium, just a few minutes from Downtown Sacramento and centrally located from West Sacramento, and Natomas sector.

## Possible Future Dispensary / Cigar Lounge Option

- This property presents a great opportunity for smart investors aiming to take advantage of the increasing demand for retail / industrial spaces in the growing area. Previous discussions have explored the potential of adding a cannabis dispensary to further enhance the profitability rental rates of this already promising investment. Buyers, Please make sure to verify with Sacramento city for any listed potential opportunities. While it's a great idea, it's essential to check with the city while exploring potential future opportunities.

For example, a dispensary could occupy 5,000 square feet, leaving 10,458 square feet for a possible VIP cigar lounge or other uses (if use is approved). This property is in the early stages of something unique for highly profitable existing and future price per square foot. The police station and Highway patrol are also located on Richards Blvd. Yellow cab is conveniently located across the street! The future of possibilities are unknown however, working in the right direction with the city is always a plus.





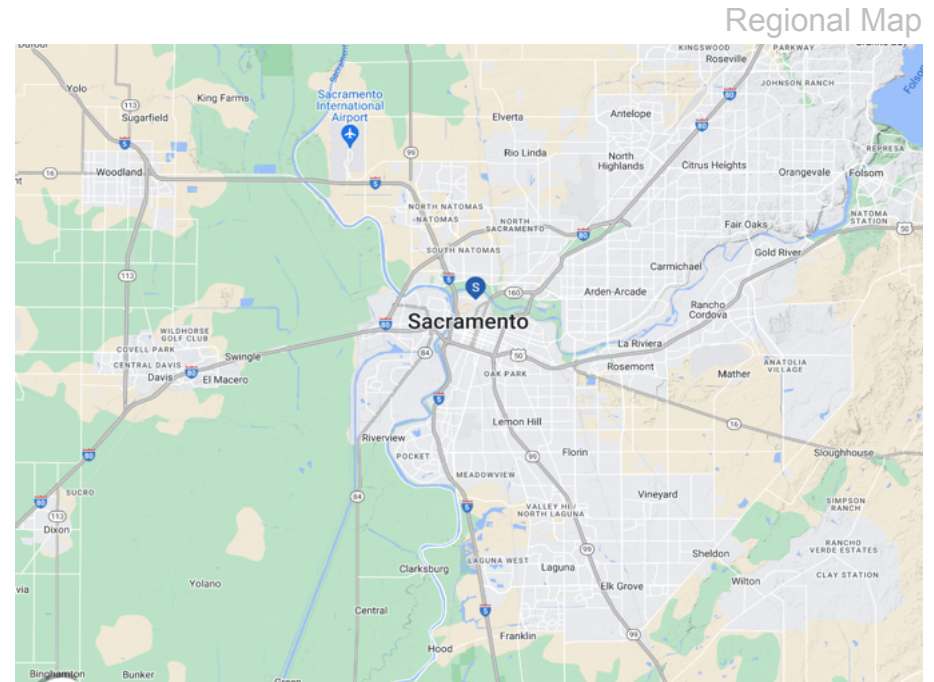
02

Location

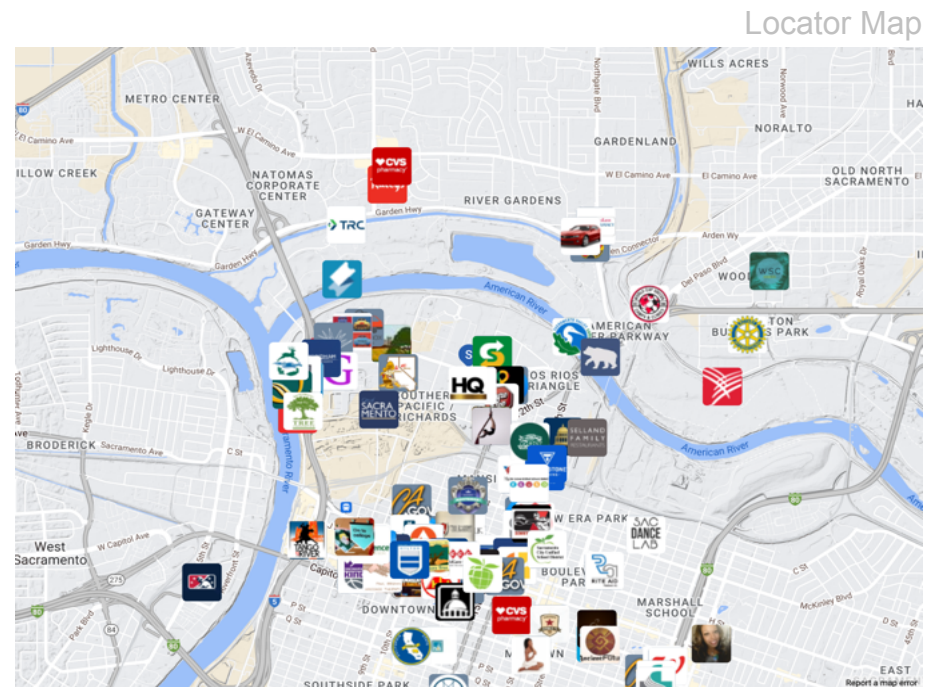
- Location Summary
- Drive Times (Heat Map)

# The River District

- The River District is dramatically transforming from a formerly isolated industrial distribution center into a vibrant mixed-use community. Residential projects like Mirasol Village, Township 9, and Track 281 Apartments have created a sense of community. The State of California has made catalytic investments in projects like the CA Lottery Headquarters and the May Lee State Office Complex – the largest all-electric, carbon-zero building complex in the country. Now, innovative projects harnessing the power of diverse entrepreneurs and designed for sustainability are moving forward, with the imminent groundbreaking of the Alchemist Public Market and the adaptive reuse of the historic old produce terminal and surrounding brick warehouses into the Grower’s District. The River District’s new website documents the rapidly changing environment in this neighborhood on the banks of the American and Sacramento Rivers, just blocks away from Capitol Mall, DOCO, and Old Sacramento and ten minutes from Sacramento International Airport. [www.riverdistrict.net](http://www.riverdistrict.net).



- **River District Specific Plan Update**  
The River District Specific Plan Update kicked off in March 2024, and is scheduled to take approximately 2 years to complete. The existing Specific Plan was adopted in 2011, and a lot has changed in the last 13 years. This update is an opportunity to evaluate goals, policies, and actions against an updated vision for the area. About the River District  
The River District Specific Plan area (River District) is located just north of downtown Sacramento and includes around 773 acres of mostly developed land. It is bounded by the Sacramento and American Rivers to the north and west, a rail line along the east boundary, and North B Street and another rail line along the southern boundary. See the map showing the study area boundary.



The River District is home to a number of long-established industrial businesses, restaurants, hotels, and social services organizations. The area also includes a middle school, several parks, a museum, and City and State government offices. In recent years, the area has seen an increase in development interest and has welcomed several major developments, such as the May Lee Office Complex, Township 9, Track 281, and Mirasol Village.

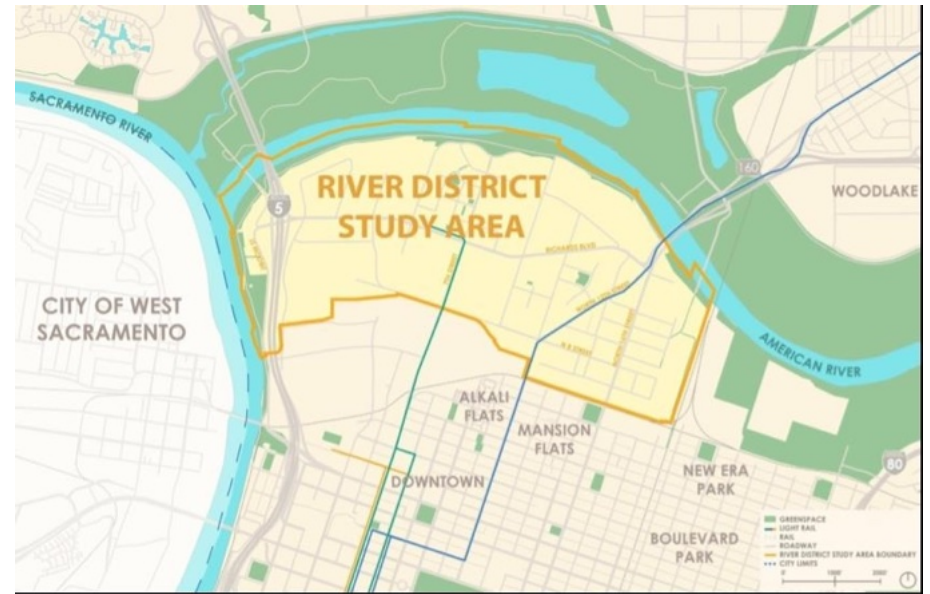
# Permitting Cannabis Social Consumption Lounges

- Permitting Cannabis Social Consumption Lounges  
The Office of Cannabis Management is working towards developing the requirements to permit cannabis social consumption lounges. Add-on permits for consumption lounges are anticipated to become available after the City Council reviews cannabis land-use and zoning amendments, expected in early 2025. Following this, administrative steps such as a fee study will be completed, with permits likely to be available to begin issuing in summer 2025.

## Title 17 Cannabis Amendments Project

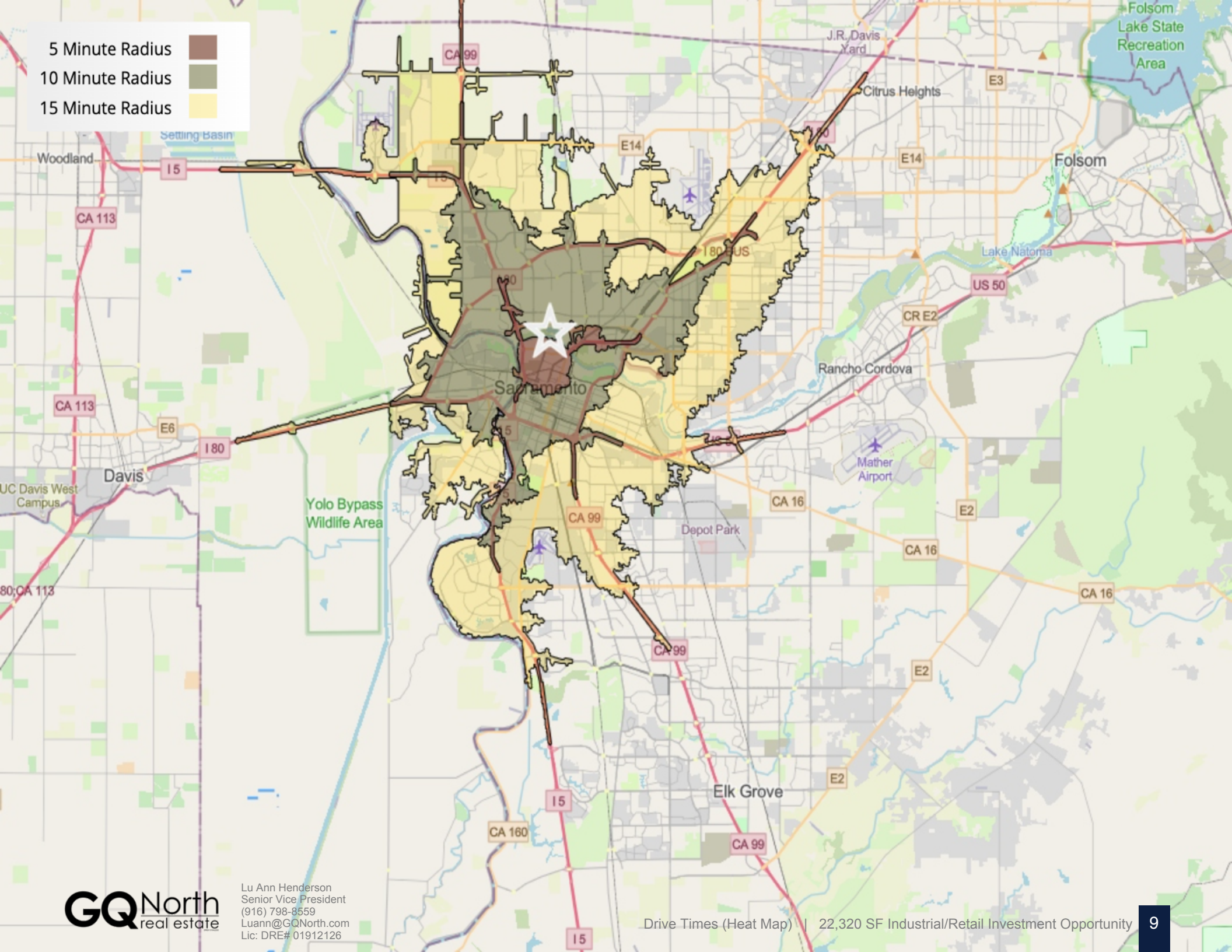
The Community Development Department is preparing proposed amendments to Title 17 (Planning & Development Code) of the City Code for all cannabis business types (i.e., storefront dispensaries, delivery-only dispensaries, cultivation, manufacturing, distribution, and testing). This website provides information about the project to help you both understand and participate in the preparation and adoption of code amendments.

\*\*\* Please check with the city of Sacramento's zoning and planning department.





5 Minute Radius  
 10 Minute Radius  
 15 Minute Radius





03

### Property Description

Property Features

Property Images

## PROPERTY FEATURES

CURRENT OCCUPANCY	1
GLA (SF)	22,320
LAND SF	60,983
PROPERTY TYPE	Industrial Retail
PROPERTY SUB TYPE	Warehouse / Retail
CONDITIONAL USE PERMIT	Gentlemen's Club and Bar
# OF PARCELS	1
ZONING TYPE	C2-SPD
TOTAL TENANTS	2
NUMBER OF STORIES	1
NUMBER OF BUILDINGS	1
PRIVATE YARD	Yes / Optional
ACRES	1.4 Acres
PARKING RATIO	Shared Use
CORNER LOCATION	Yes
HIGHER LEVEL CEILING HEIGHT	13 feet
LOWER LEVEL CEILING HEIGHT	15 feet
GRADE LEVEL DOORS	2
DRIVE IN DOCK	1
DRIVE UP DOCK SIDE BUILDING	2
SKYLIGHTS	Yes
FENCED YARD	Yes
OFFICE SF	3,000

## NEIGHBORING PROPERTIES

NORTH	Office
SOUTH	Yellow Cab
EAST	CRESCO restaurant Equip
WEST	Sacramento HWY Patrol Station

## MECHANICAL

FIRE SPRINKLERS	Yes
-----------------	-----

## CONSTRUCTION

FOUNDATION	Concrete Slab
FRAMING	Cinder Block
ROOF	Wood

## TENANT INFORMATION

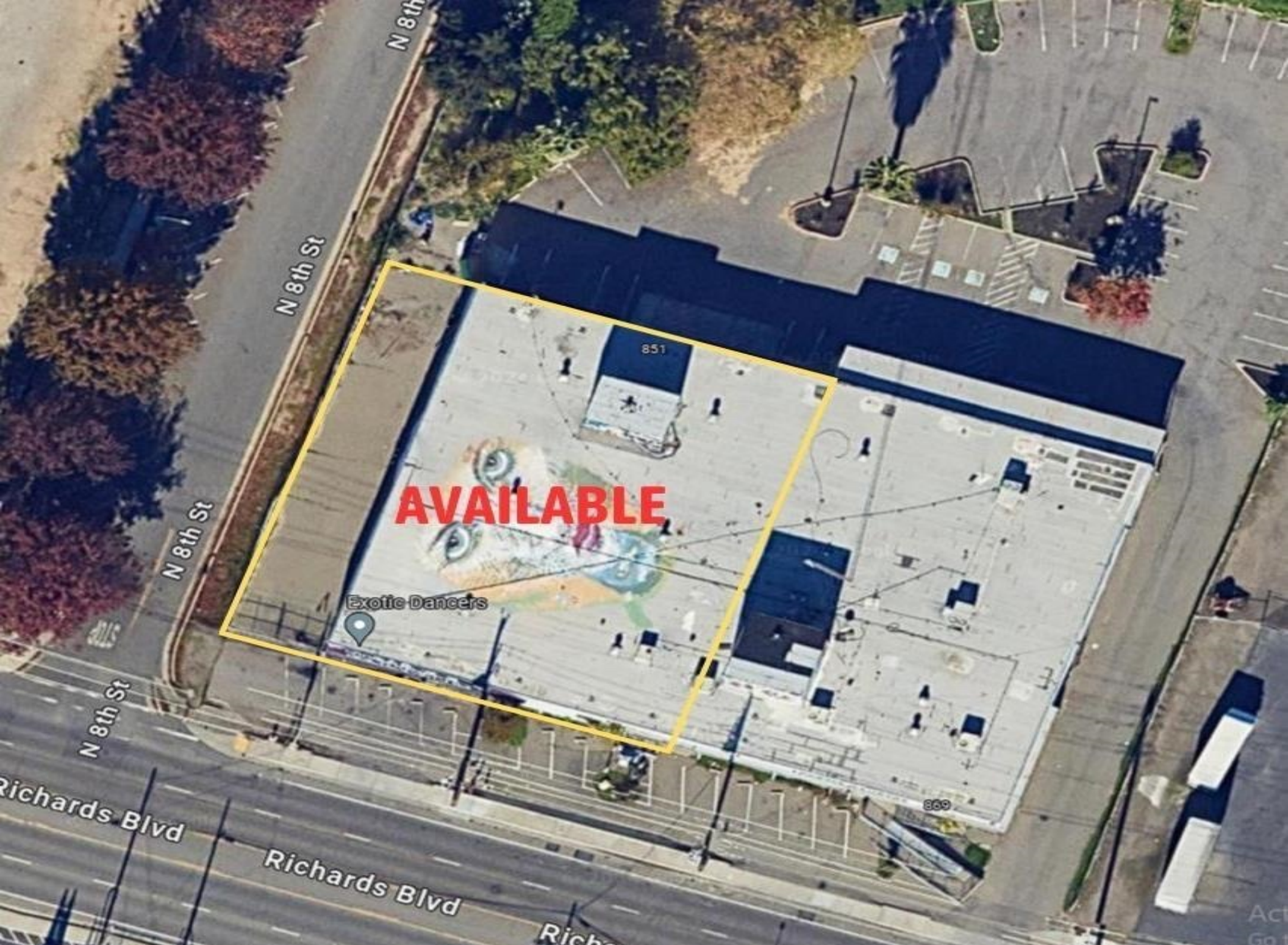
MAJOR TENANT/S	HQ gentlemen's club
LEASE TYPE	NNN



Take an Instant Walkthrough

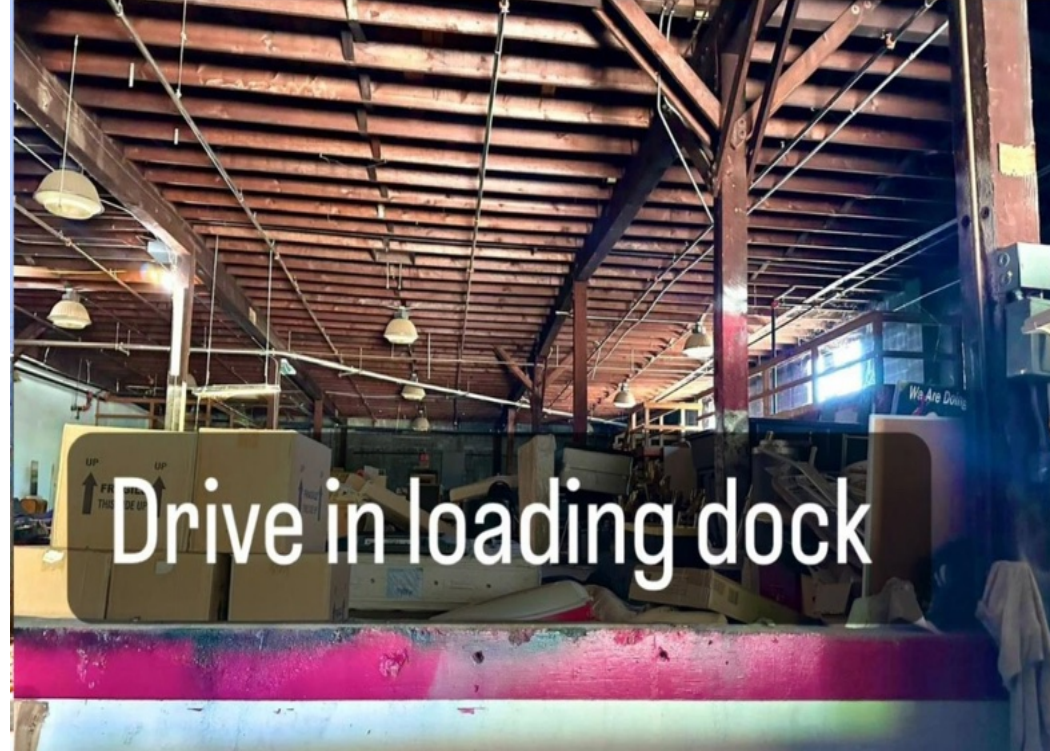
<https://www.youtube.com/@matrixCREAI>

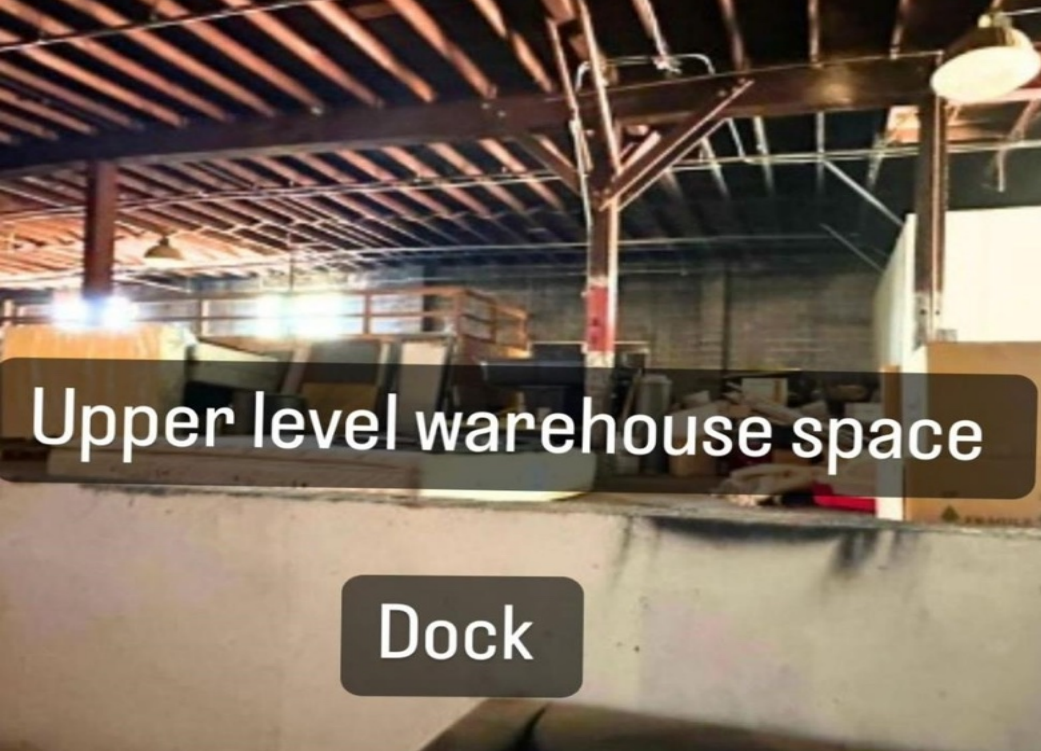




**AVAILABLE**

Exotic Dancers

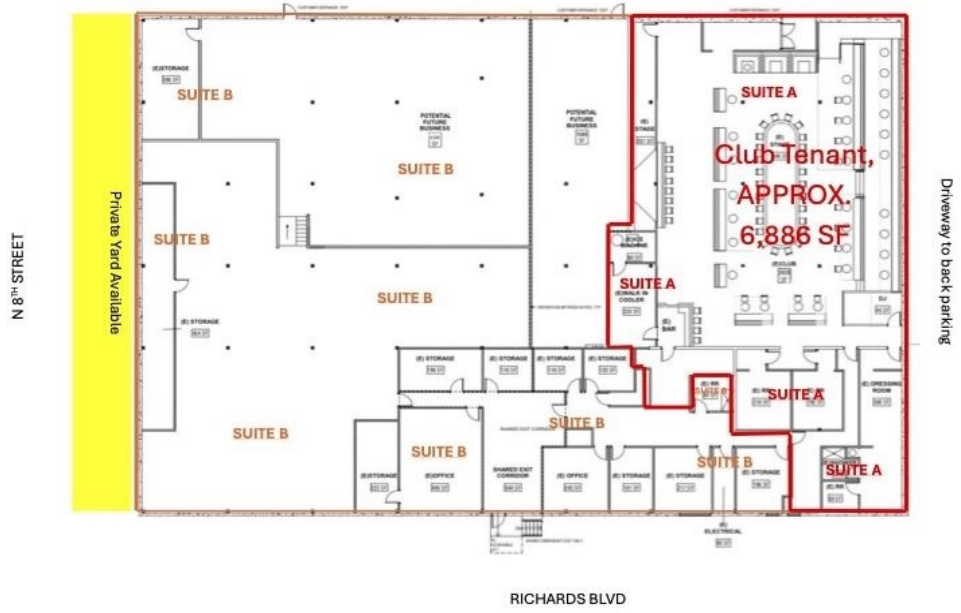








851 RICHARDS BLVD, SACRAMENTO, CA 95811  
 Bldg. Sq Ft. 22,320 With Approx. 15,458 SF Available  
 \*\*\* Floor plan not to scale, approximate estimate







04

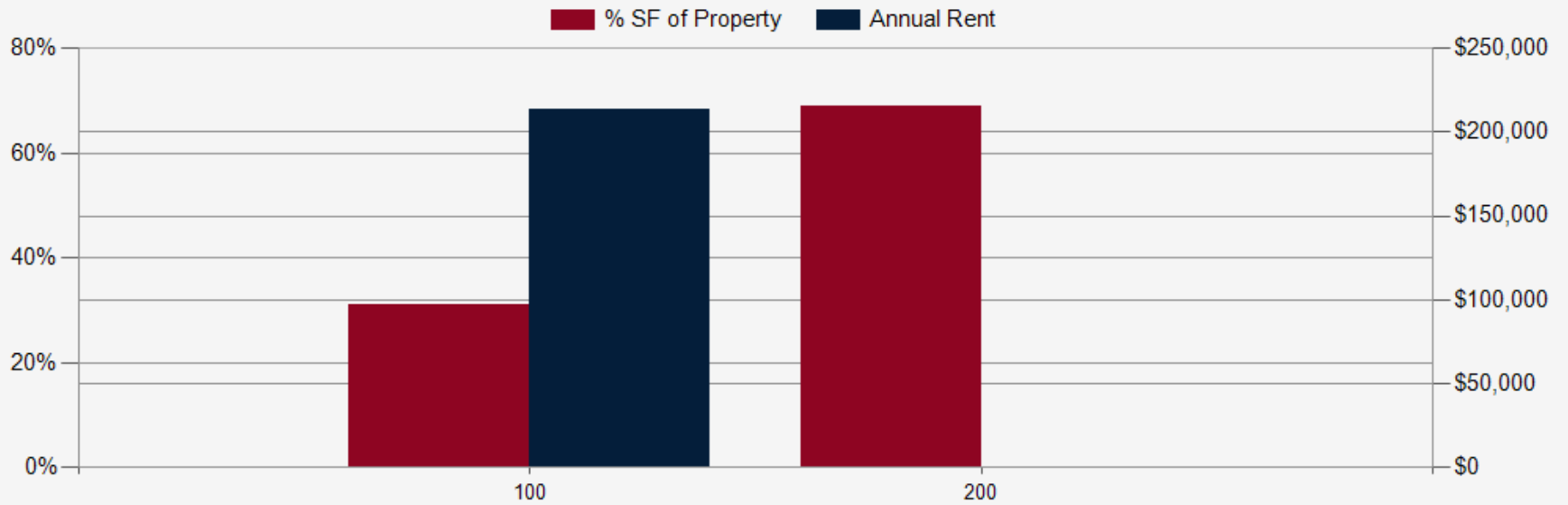
Rent Roll

Rent Roll

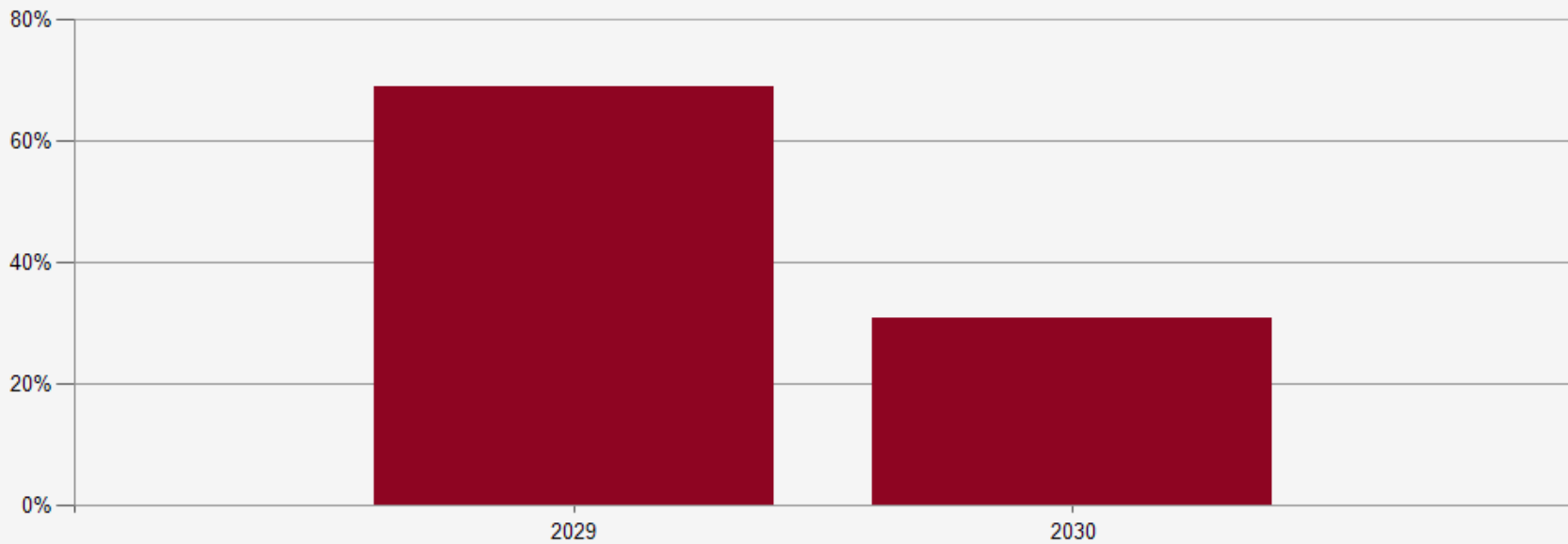
Lease Expiration

Suite	Tenant Name	Square Feet	% of NRA	Lease Term		Begin Date	Rental Rates				Lease Type	Options/Notes	
				Lease Start	Lease End		Monthly	PSF	Annual	PSF			CAM Revenue Annual
100	HQ Gentlemen's Club	6,862	30.74%	07/01/19	01/31/30	CURRENT	\$17,775	\$2.59	\$213,300	\$31.08	\$45,732	NNN	The building has a conditional Use permit for Adult Entertainment Topless club and Bar. A rare and profitable CUP.
						07/01/2025	\$18,308	\$2.67	\$219,699	\$32.04			
200	Available / Owner User	15,458	69.26%	10/01/24	09/30/29	FUTURE	\$15,458	\$1.00	\$185,496	\$12.00	\$14,400	NNN	The is a vacant unit perfect for owner user or investment income producing.
						10/01/2025	\$15,922	\$1.03	\$191,061	\$12.36			
Totals:		22,320					\$17,775		\$213,300		\$45,732		
Totals (Includes Vacant Space)							\$33,233		\$398,796		\$60,132		

### Tenant SF Analysis



### Lease Expiration Summary





05

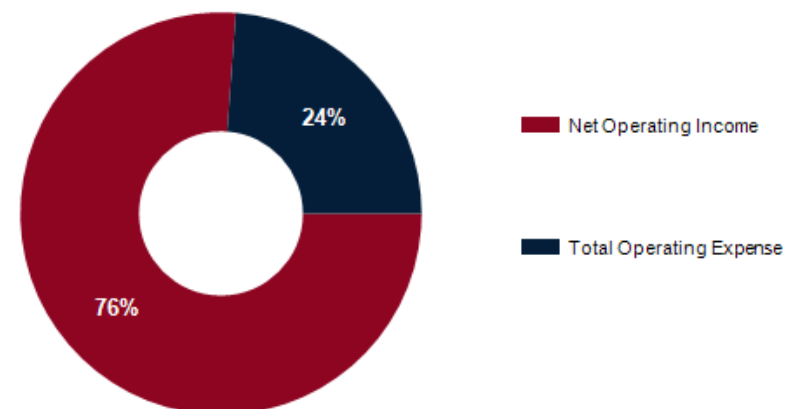
Financial Analysis

- Income & Expense Analysis
- Cash Flow Analysis
- Financial Metrics

REVENUE ALLOCATION  
CURRENT INCOME

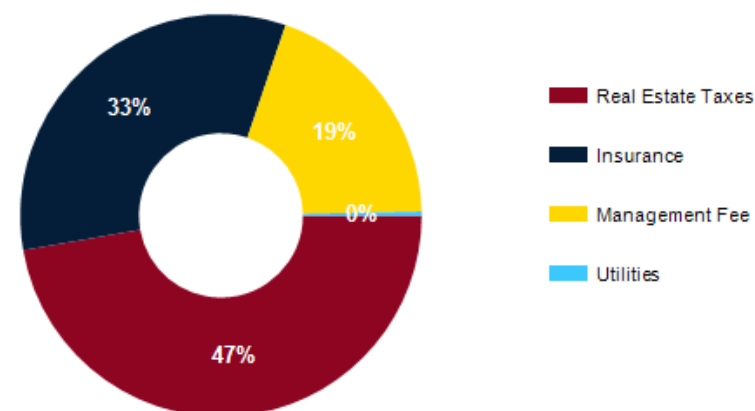
INCOME	CURRENT INCOME		PRO FORMA	
Gross Scheduled Rent	\$213,300	82.3%	\$403,386	87.1%
CAM Revenue	\$45,732	17.7%	\$60,000	12.9%
General Vacancy *	-70.00%			
<b>Effective Gross Income</b>	<b>\$259,032</b>		<b>\$463,386</b>	
Less Expenses	\$61,675	23.80%	\$61,675	13.30%
<b>Net Operating Income</b>	<b>\$197,357</b>		<b>\$401,711</b>	

\* vacancy amount factored into gross revenue



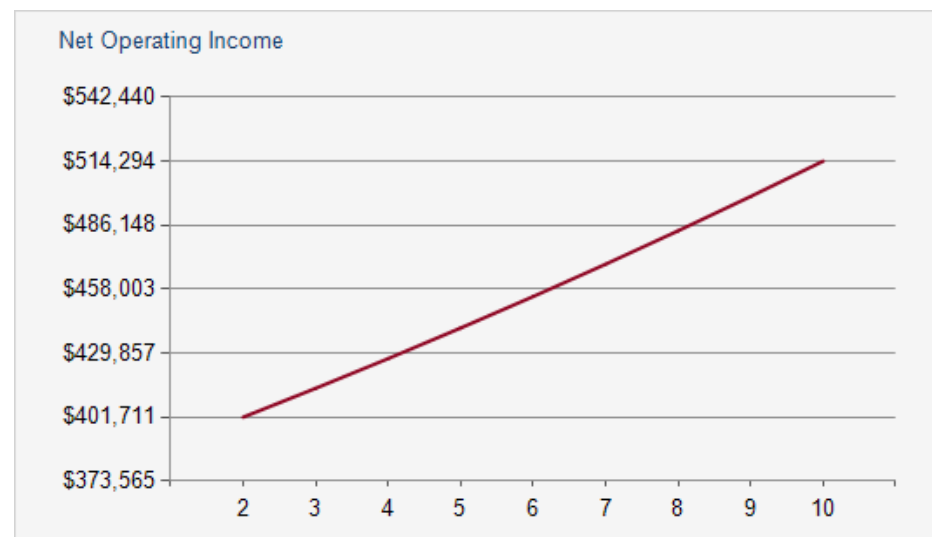
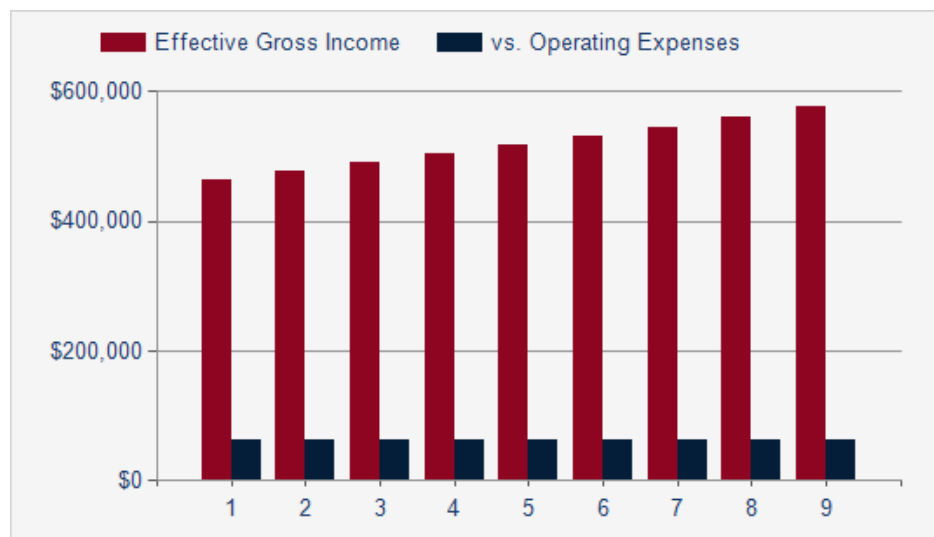
EXPENSES	CURRENT INCOME	PRO FORMA
Real Estate Taxes	\$29,132	\$29,132
Insurance	\$20,344	\$20,344
Management Fee	\$12,000	\$12,000
Utilities	\$199	\$199
<b>Total Operating Expense</b>	<b>\$61,675</b>	<b>\$61,675</b>
Expense / SF	\$2.76	\$2.76
% of EGI	23.80%	13.30%

DISTRIBUTION OF EXPENSES  
CURRENT INCOME

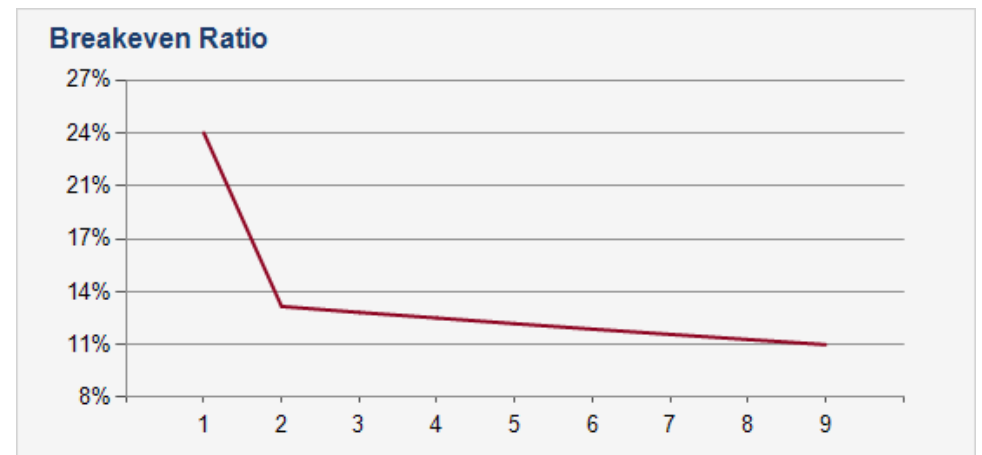
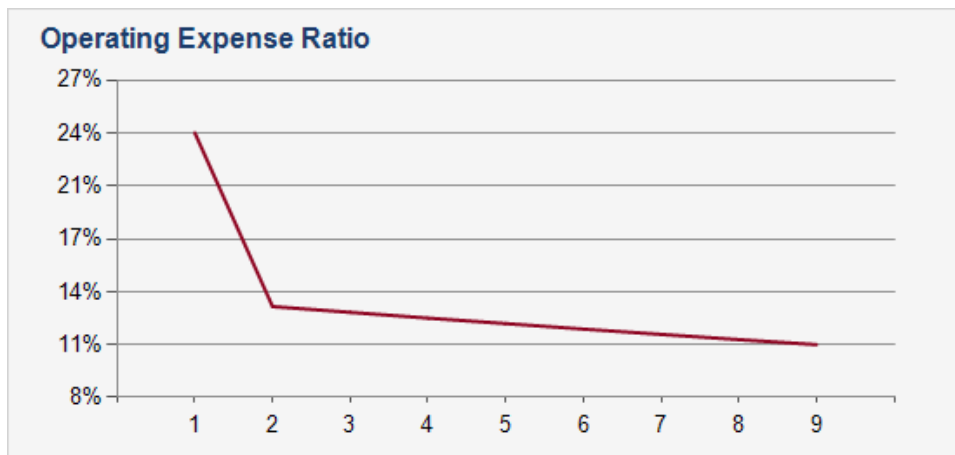
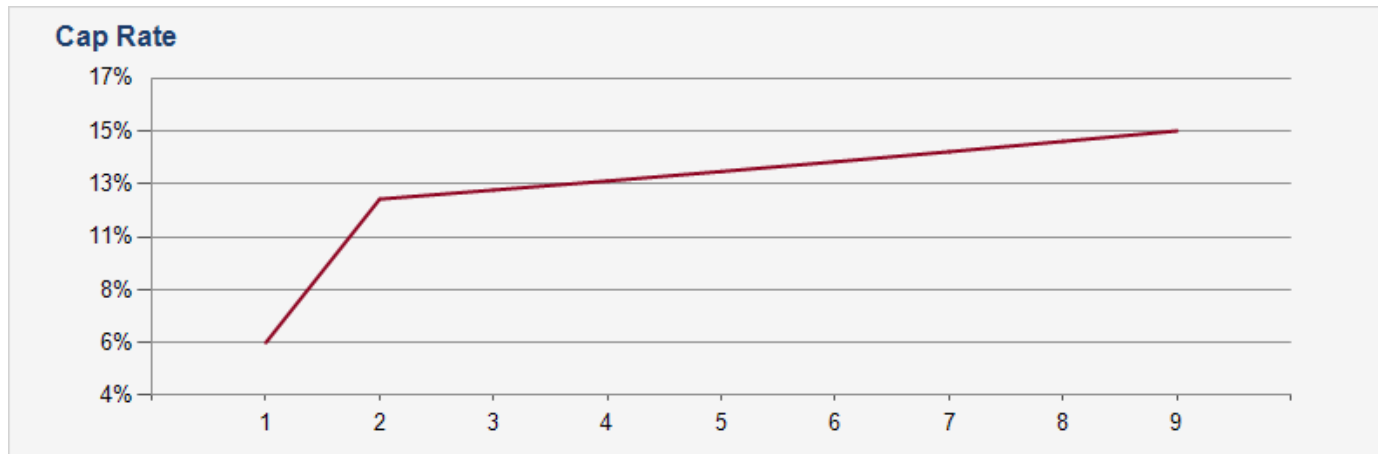


Calendar Year	Current Income	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Gross Revenue</b>										
Gross Scheduled Rent	\$213,300	\$403,386	\$415,488	\$427,952	\$440,791	\$454,014	\$467,635	\$481,664	\$496,114	\$510,997
CAM Revenue	\$45,732	\$60,000	\$60,600	\$61,206	\$61,818	\$62,436	\$63,061	\$63,691	\$64,328	\$64,971
General Vacancy*	-70.00%	-0.00%	-0.00%	-0.00%	-0.00%	-0.00%	-0.00%	-0.00%	-0.00%	-0.00%
<b>Effective Gross Income</b>	<b>\$259,032</b>	<b>\$463,386</b>	<b>\$476,088</b>	<b>\$489,158</b>	<b>\$502,609</b>	<b>\$516,451</b>	<b>\$530,696</b>	<b>\$545,355</b>	<b>\$560,442</b>	<b>\$575,969</b>
<b>Operating Expenses</b>										
Real Estate Taxes	\$29,132	\$29,132	\$29,132	\$29,132	\$29,132	\$29,132	\$29,132	\$29,132	\$29,132	\$29,132
Insurance	\$20,344	\$20,344	\$20,344	\$20,344	\$20,344	\$20,344	\$20,344	\$20,344	\$20,344	\$20,344
Management Fee	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Utilities	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199
<b>Total Operating Expense</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>	<b>\$61,675</b>
<b>Net Operating Income</b>	<b>\$197,357</b>	<b>\$401,711</b>	<b>\$414,413</b>	<b>\$427,483</b>	<b>\$440,934</b>	<b>\$454,776</b>	<b>\$469,021</b>	<b>\$483,680</b>	<b>\$498,767</b>	<b>\$514,294</b>

\* vacancy amount factored into gross revenue



Calendar Year	Current Income	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
CAP Rate	5.98%	12.17%	12.56%	12.95%	13.36%	13.78%	14.21%	14.66%	15.11%	15.58%
Operating Expense Ratio	23.80%	13.30%	12.95%	12.60%	12.27%	11.94%	11.62%	11.30%	11.00%	10.70%
Breakeven Ratio	23.81%	13.31%	12.95%	12.61%	12.27%	11.94%	11.62%	11.31%	11.00%	10.71%
Price / SF	\$147.85	\$147.85	\$147.85	\$147.85	\$147.85	\$147.85	\$147.85	\$147.85	\$147.85	\$147.85
Price / Unit	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000
Income / SF	\$11.60	\$20.76	\$21.33	\$21.91	\$22.51	\$23.13	\$23.77	\$24.43	\$25.10	\$25.80
Expense / SF	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76





06

Company Profile

Advisor Profile





**Lu Ann Henderson**  
Senior Vice President

Lu Ann is an exclusive listing agent based in California, serving the Sacramento, Bay Area, and Los Angeles markets. She has a diverse network of local and international investors. 85% of her boutique sales and leasing transactions involve dual agency, as she excels at securing buyers and tenants and achieving high closing rates. Lu Ann achieved top producer status in her company in 2016, 2017, and 2018. She was also recognized as the top producer by Costar/LoopNet for the second quarter of 2020. In March 2023, Lu Ann was honored as a top-performing broker in Crexi's annual Platinum Broker Awards. Her overall transaction volumes rank in the top 5% of brokers.

With significant experience brokering multimillion-dollar transactions, Lu Ann specializes in industrial, retail, mixed-use residential, office, land development, and specialty assets in California. Her expertise stems from two years as an intern for an investor with commercial assets worldwide, where she learned from experienced commercial investors and incorporated their strategies into her transactions.

Lu Ann sought to modernize brokerage methods. Despite lacking knowledge of building a WordPress website, she self-taught and envisioned leveraging technology for her clients and created HendersonCRE.com, eventually evolving into MatrixCRE.ai. Embracing versatile technology for efficient communication of her listings, she adopted texting and directly answering her phone for listing information and appointments, setting new standards in the industry. In 2017, her brokerage company won the Power Brokerage in Leasing Transaction award, and she was recognized as the top producer of the company.

Amid the COVID-19 pandemic in 2020, Lu Ann identified a continued demand for commercial space, especially from small businesses on the verge of closure. Showing compassion and entrepreneurial spirit, she launched a new YouTube channel, MatrixCREai, becoming the first local commercial agent to integrate texted walk-through videos and drone footage into property presentations. Her innovative approach streamlined the commercial real estate brokerage process, optimizing efficiency and client response.

Lu Ann's journey in commercial real estate began in 2005 when she obtained her Nevada Real Estate License. Joining the Blasco Development group, focused on various development–transnational projects and assisting the sellers with The Spanish Palm Apartments located at 5250 S. Rainbow Blvd., Las Vegas, NV. Additionally, she is facilitating the buyers with the sales of the condo conversions first two phases. Closing the 376-unit Apartment transaction for \$52.6 million.

In 2012, after obtaining her California Real Estate license, Lu Ann played a crucial role in the nine-month due diligence for AG-80, 277 acres at Larry Bell Dairy Farm, \$3.8 million. The AG-80, 277 acres, and the 12 residential properties at 11318 Franklin Blvd, Elk Grove, CA.

In 2015, the City of Sacramento established industrial-approved zoning for cannabis cultivation. Lu Ann was among the first commercial agents in the region to venture into this uncharted territory. Actively engaging in city ordinance meetings and ensuring compliance with new regulations, she became a successful entrepreneur and representing top investors in the industrial industry.

Despite facing attempts to tarnish her reputation in early 2020, Lu Ann relied on the support of loyal clients, colleagues, friends, and family, refusing to be affected by negative attempts. Her dedication to technology-driven client services earned her the recognition of Costar Power Broker in the Second Quarter of 2020, a testament to her resilience and success in the industry. As of 2023, she has facilitated over \$30 million in sales, most of which are dual agencies.

In 2023, Lu Ann created MatrixCRE.ai to support San Francisco, which has experienced a downturn due to significant tech companies and families leaving the area. Lu Ann, a California native, is committed to preserving San Francisco's historical memories and aiding in listing more challenging transactions. She is recognized for her role as a real estate advocate for the elderly and misinformed.

# 22,320 SF Industrial/Retail Investment Opportunity

## CONFIDENTIALITY and DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from GQ North Real Estate and it should not be made available to any other person or entity without the written consent of GQ North Real Estate.

By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to GQ North Real Estate. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. GQ North Real Estate has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, GQ North Real Estate has not verified, and will not verify, any of the information contained herein, nor has GQ North Real Estate conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

*Exclusively Marketed by:*



### Lu Ann Henderson

GQ North Real Estate  
Senior Vice President  
(916) 798-8559  
Luann@GQNorth.com  
Lic: DRE# 01912126



MatrixCRE.AI

### MatrixCRE AI

(415) 982-9496  
Luann@GQnorth.com

