211 N. 16TH STREET

# RULAND'S BUILDING

An ambitious reimagining of North Sacramento

TURTON
COMMERCIAL REAL ESTATE

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# THE OFFERING

*Value-add industrial opportunity surrounded by large infill projects!*

Turton Commercial Real Estate is pleased to offer the iconic Ruland property portfolio (the "Property") for sale. The portfolio includes four buildings totaling 45,887 square feet of industrial/office/retail that are located on eight parcels totaling 73,600 square feet of commercially zoned land. The largest building is the immediately recognizable Ruland's Office Supply building located at 211 N. 16th Street with over 25,000SF of brick masonry and wood frame building situated on the signalized hard corner of 16th & North B Street. The remaining three buildings and parcels are located at 1610-1616 N. C Street. The site offers three remaining structures with high quality and distinct architectural elements as well as a surface lot that can accommodate parking or infill development. The portfolio is located in the heart Sacramento's most dynamic infill development submarket with over THREE BILLION in investment underway.

The Subject Property is situated within an Opportunity Zone and on a 1.69 acre parcel and being offered at a price of $3,250,000 representing a $70 per building square foot and $44 per land square foot acquisition. The Property represents a true value-add opportunity for a range of commercial real estate investors: industrial add-value buyer, adaptive re-use for creative urban infill, infill development and much more. The Opportunity Zone tax advantages as well as the surrounding investment into the corridor present a truly unique purchase opportunity for the astute developer and/or investor. The multiple buildings with distinct architectural features and adjoining surface lots allow for one large project or multiple smaller projects. Sacramento continues to benefit from a significant migration from more expensive metros. The considerable development and investment into this submarket has cemented the trajectory of this part of Sacramento. There hasn't been a better time to be a part of this dynamic and growing submarket.

- *Urban Infill Development potential*
- *Surrounded by large infill projects*
- *Light Rail Extension X blocks from site*
- *Excellent visibility and identity*
- *Hard corner on signalized intersection*
- *Opportunity Zone project*

# THE PROPERTY

**1.69**
ACRE SITE

**~46,000**
SF OF INDUSTRIAL MIXED-USE SPACE

**UNLIMITED**
POSSIBILITIES

211 N. 16th Street, hereby the "Property", is comprised of four industrial buildings totaling 45,887 SF situated on eight parcels that total 1.69 acre site. The parcels are located in an Opportunity Zone as well as centrally located in Sacramento's vibrant and expanding urban core. The Property has long been the central hub of Sacramento's agricultural and industrial trade roots being across the street from the Sacramento Produce Terminal and Farmer's Market which then became the General Produce building (also available for sale with Turton Commercial). The subject property is surrounded by large infrastructure and urban core infill development, including but not limited to the new 1 million square foot Kaiser medical center, the new FC Republic MLS Stadium, the 1.25 million square foot Richards Boulevard Office Complex, Township 9 project, Twin River's project and the extension of the Regional Transit line. Millions of square feet, thousands of residential units and billions of dollars are being invested into the immediate vicinity of this property. There is no other area in the region that has the same concentration of investment and it will prove to be a total transformation in the coming years.

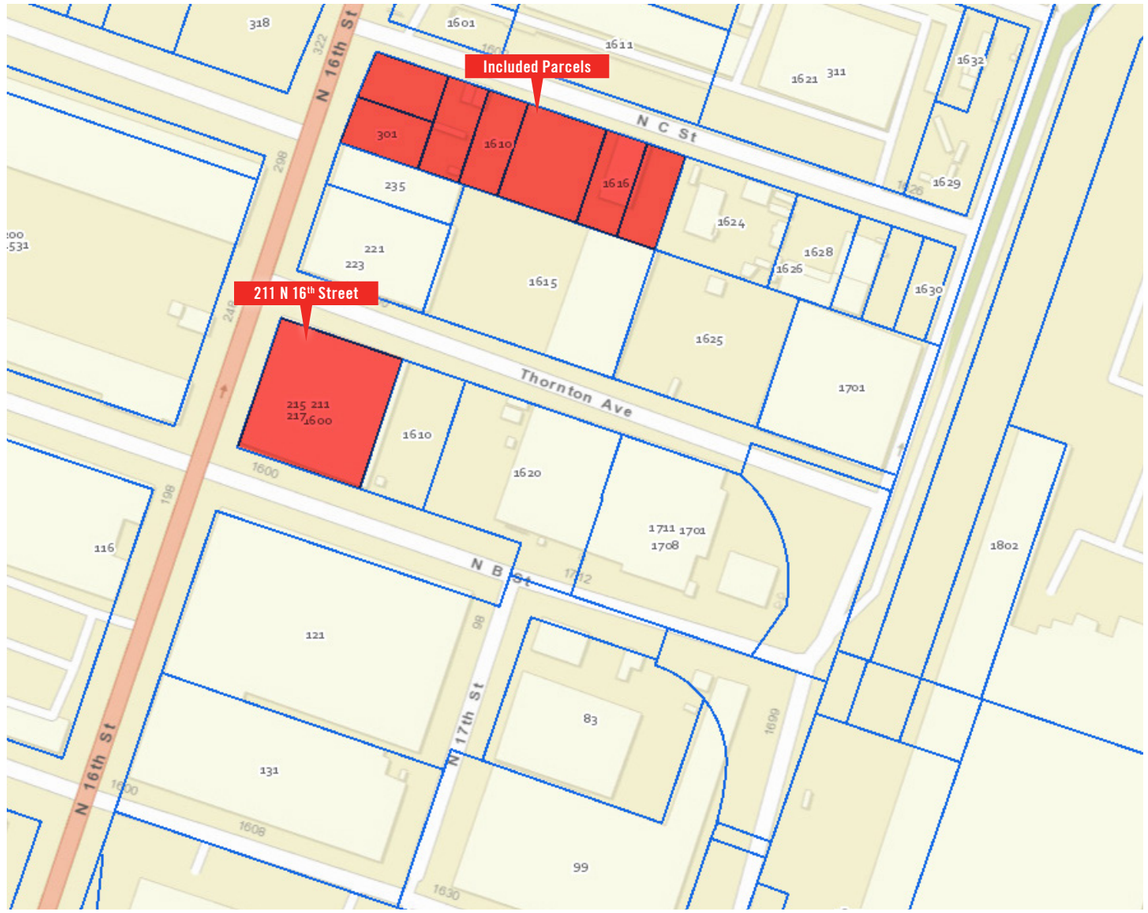
The Property is comprised of four small to medium sized industrial warehouse buildings situated on eight parcels totaling 1.69 acres of land. The property lends itself naturally to be reclaimed as the go to place for a mix of industrial, warehouse, logistics, makers, artisans and/or creative office. The larget Ruland's building has a number of natural places to demise the building into smaller spaces to accommodate a range of businesses, users and makers.

The Property benefits from being located on a signalized intersection of a main thoroughfare for Sacramento's urban core. The +- 332 linear feet of exposure along 16th Street, the main arterial road through the downtown core that connect Interstate 80 to Highway 160. Both tenants take advantage of prominent building signage visible to over 21,000 cars that pass the Property on 16th Street each day.

# PROPERTY DETAILS

| | |
|---|---|
| **Address:** | 211 N 16th Street, Sacramento, CA |
| **Price:** | $3,250,000 |
| **APN:** | 001-0153-001-0000 |
| | 001-0152-001-0000 |
| | 001-0152-002-0000 |
| | 001-0152-003-0000 |
| | 001-0152-004-0000 |
| | 001-0152-005-0000 |
| | 001-0152-006-0000 |
| | 001-0152-007-0000 |
| **Parcel Size:** | 1.69 Acres (186,872 SF) |
| | $44 per land square foot |
| **Zoning:** | C-4-SPD |
| **Rentable SF:** | 45,887 SF (Source: Assessor) |
| | $70 per building square foot |
| **Year Built:** | Varies |
| **Construction Type:** | Masonry & Wood |

# PARCEL MAP


Included Parcels
211 N 16th Street
N 16th St
N C St
Thornton Ave
N B St
N 17th St
318
1601
1611
1621
311
1632
301
1610
1616
235
1629
1624
221
223
1628
1626
1615
1630
1625
1701
215 211
217 1600
1610
1620
1711 1701
1708
1802
116
121
83
131
99

211 N 16th Street
Included Parcels

# BUILDING LOCATION

| 14 | 75+ | 1,000+ |
|---|---|---|
| NEARBY DEVELOPMENTS | NEARBY AMENITIES | NEW HOUSING UNITS |

The 16th Street corridor is enjoying a surge of development activity with new residents and new businesses opening in the area. Surrounding the property, Midtown Sacramento is the perfect fusion of multi-generational locally owned business and organic youth infused goods and services; a healthy dose of carefully selected national and regional retailers and an eclectic mix of high-end demographic occupations are embedded in a landscape of unique older buildings and mature trees. Business owners, residents and investors have flocked to the center of Sacramento's art, music, and cultural scene to cash in on the burgeoning and fruitful submarket. Many people consider Midtown to be the most centralized area in the City of Sacramento, with easy access to Downtown, Old Sacramento, West Sacramento and East Sacramento. Large infill housing and mixed-use development projects are scattered throughout the grid, indicating regional growth and an increased emphasis on inner-city living.

Midtown has emerged as one of the submarket's hottest micro-markets. 16th Street straddles the border between Midtown and Downtown which has an excellent daytime population and provides numerous eateries and professional amenities within easy walking distance. The downtown, East Sacramento and Campus Commons submarkets are only a short drive away via K Street or J Street - a popular thoroughfare and retail artery.

The 16th Street corridor is home to several high-end development projects with over 574 apartment units recently completed, under construction and nearing completion, and more proposed:

**H16 Midtown by SKK**
95 units completed April 2020 on NEC 16th & H St

**Manor Flats**
27 Victorian-style units completed SWC 16th & F

**Eleanor Apartments by SKK**
95 units nearing completion October 2020 on SEC 16th & E Streets

**17 Central by D&S**
111 units under construction on NWC 17th & K

**The Mansion by SKK**
186 units under construction delivering early 2022 on SWC 16th & H Streets

**16J and 17J**
147 units planned, start of construction early 2021

**Lavender Courtyard by Mutual Housing**
50 units planned for SEC 16th & F Streets

**Lotus Equity Partners**
60 units proposed for NEC 14th & H Streets

Mikuni Sushi
Lucca
Pieology
Burgers & Brew
Starbuck's
Bento Box
Station 16
Petra Greek
Squeezeburger

The Mansion
H16
Lavender Courtyard
Milka Coffee
Sac Music Circus
The Eleanor
211 N 16th Street
Included Parcels
16th
12th
North B
Courthouse Dev.
Railyards Dev.
Kaiser Dev.
Science Center
MLS Stadium
RBO Complex
Mirasol Village
Smart Foodservice
Township 9
Richards Blvd

# NEARBY DEVELOPMENTS

## Kaiser

The new 1,200,000 square foot Kaiser Permanente Medical Center is located on the northwest corner the Railyards on an 18 acre site and will replace the current hospital located at 2025 Morse Avenue location. The first phase of the project is underway and scheduled to open in 2025. The two phased project has an estimated cost of over $1,000,000,000.

## Township 9

The 65 acre infill site was recently acquired by 29th Street Capital, who has stated they plan to start on 900 multifamily units fall of 2020 with plans to eventually develop up to 1,400 units there in later phases. This same developer is responsible for the 752 homes that have been completed at the Mill at Broadway. There is no estimate of construction costs for the project.

## The Railyards

One of the largest urban infill sites in the Western States, this project is slated to double the size of Downtown Sacramento and act as a destination worthy extension of the urban core. Includes the new Kaiser Hospital, MLS Stadium and room for high quality mixed use office, retail and residential projects. The Foundry is one such proposed development of two six-story office buildings that total 313,350 square feet with ground floor retail. It is likely there will be many more exciting projects proposed on this large infill site.

## Powerhouse Science Center

50,000 square foot center with exhibition space, a planetarium and classrooms that's under construction and scheduled to be completed by the end 2020. Estimated costs are $84,000,000.

## MLS Stadium

Sacramento's FC Republic was awarded an MLS franchise in 2019 under the understanding that a new MLS Stadium will be constructed and completed in time for the 2023 season. The new stadium is scheduled to break ground Fall 2020 and be completed in December 2022. The 426,000 square foot stadium will accommodate up to 22,000 attendees for soccer matches, concerts and other events. Preliminary infrastructure work is underway. Estimated to cost are at $252,000,000

## Richards Blvd Office Complex

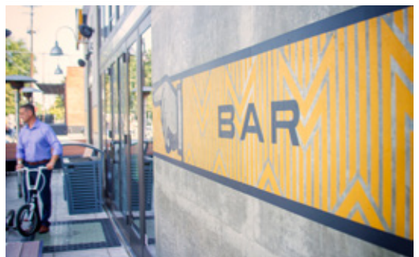
1,250,000 square feet of stunning offices for the State of California, expected to bring 4,650 daytime employees. Project is currently underway and anticipated completion of March 2024. Estimated cost are at $1,000,000,000.

## Mirasol Village

The project is a public-private partnership bringing 487 residential townhomes and apartments with amenities that include a park, community garden, walking paths and a light rail stop. Construction of the first phase of residential buildings is expected to begin in June and be ready for occupancy by January 2022. The second phase of residential construction is scheduled for late 2020 and total costs are estimated to be $310,000,000.

## Sac County Courthouse

Construction of an 18-story courthouse with 543,437 square feet and 53 courtrooms will allow the county court system to consolidate its operations from the existing courthouse a few blocks east and four leased locations. The state purchased the 2.4AC site in 2014 and it is estimated the construction of the courthouse to start in 2020 and to be completed in 2023. The project is expected to cost $450,000,000.



# SACRAMENTO

**15.3 MILLION**
ANNUAL REGIONAL VISITORS

**71,335**
DAYTIME EMPLOYEES

**215+**
BARS / RESTAURANTS

*California's fastest-growing metropolitan area!*

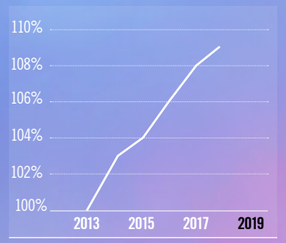
While the Golden 1 Center has expedited urban renovation on the K Street Grid, the renaissance of Sacramento's urban sectors surrounding the K Street Grid has been underway for several years now. Residential migration to the higher density urban cores is a phenomenon easily recognizable in Tier 1 population centers like New York, Chicago, Philadelphia, and in California, Los Angeles, San Francisco and San Diego. This same pattern is now beginning in Tier 2 population centers like Portland, Denver, San Antonio and Sacramento.

The urban core of Sacramento (Downtown and Midtown) is the most desirable business location the Sacramento region and easily boasts the lowest combined commercial vacancy rate, hovering between 5 – 8%. This figure is impressive when factoring in many buildings marketed as "available" that are functionally obsolete and non-compliant. The urban core is the perfect fusion of multi-generational locally owned business, organic youth infused retail and services, a healthy dose of carefully selected national and regional retailers, the best restaurants east of the Bay Bridge, an eclectic mix of high-end demographic occupations all magically embedded in a landscape of unique older buildings and mature trees and flora.

# 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 recent years, Bay Area residents have flocked to Sacramento to escape exorbitant housing costs.

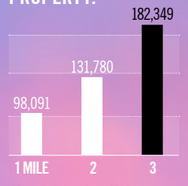
## FASTER GROWTH THAN AVG IN PROFESSIONALS WITH BACHELORS




## SACRAMENTO'S CITY RANKINGS

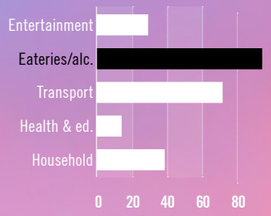
- **#1** Happiest workers in midsized cities
- **#2** Top 10 most fun, affordable U.S. cities
- **#4** U.S metro clean tech index
- **#4** Best cities for nerds
- **#5** Hot startup cities
- **#10** Best cities for women in the workforce
- **#10** Best cities for coffee snobs
- **#10** Lease Stressed-out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

## NUMBER OF EMPLOYEES WITHIN VARYING RADIUS OF THE PROPERTY:




*Based on data from 2019

## ANNUAL CONSUMER SPENDING WITHIN A ONE MILE RADIUS OF THE PROPERTY:

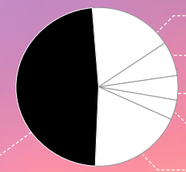



*Numbers in millions

## SACRAMENTO REGION ANNUAL SALARY BREAKDOWN:

**Over $100,000 - 17%**
$75,000 - $100,000 - **11%**
$60,000 - $75,000 - **10%**
$40,000 - $60,000 - **18%**
$30,000 - $40,000 - **12%**
Under $30,000 - **32%**

## LARGEST EMPLOYMENT INDUSTRIES WITHIN 1 MILE RADIUS OF THE PROPERTY:



**19%** Other
**7%** Hospitality & Food
**5%** Healthcare & Social
**4%** Information
**17%** Science & Tech.
**48%** Public Admin. & Sales

**WALK SCORE:** **90**

**BIKE SCORE:** **98**

**TRANSIT SCORE:** **69**

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