

1490

MERKLEY  
AVENUE

WEST SACRAMENTO

Urban Infill Site Located in Opportunity Zone





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# THE PROPERTY

± 16,000 LAND SF	1 PARCEL	\$500,000 PURCHASE PRICE	CBD ZONING
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1490 Merkley Avenue (the “Property”) is an attractive opportunity for development of residential multifamily, single-family homes, or commercial mixed-use project. The Property consists of one (1) parcel, APN: 067-290-007-000, approximately ± 16,000 square feet of land centrally located in the Civic Center area of West Sacramento. The Property is a vacant and rectangular shaped lot, measuring approximately 160 feet frontage along Merkley Ave and approximately 100 feet deep. The Property is zoned Central Business District (CBD). Development standards, allowable

uses, etc. are available via the City’s zoning portal online. Development fees schedule is also available online - Connection, Impact and Flood Fees.

Located in a Qualified Opportunity Zone, the Property is one of the few, rare undeveloped lots that neighbor both businesses and neighborhood developments in West Sacramento. The Property benefits from proximity to major development projects underway in West Sacramento’s Central Business District, high-end residential development projects recently completed in The Bridge District and Washing-

ton District. Nestled between Interstate 80, West Capitol, and Jefferson Blvd, access to all major freeways is just moments away.

The Property is an excellent development opportunity that can potentially yield up to ± 30 units (per seller). The Property provides many viable options for a project, highlighted by a city preferred use of multifamily with creative and architecturally pleasing ground level retail.

As West Sacramento continues to grow, 1490 Merkley Ave will serve as a focal point where north meets south and east meets west.



# PROPERTY DETAILS

**Address:** 1490 Merkley Avenue, West Sacramento, CA 95691,  
Yolo County  
**Parcel Number:** 067-290-007-000  
**Price:** \$500,000  
**Lot Size (SF):** 16,000 SF  
**Lot Size (AC):** .3673 AC  
**Zoning:** Central Business District (CBD)

## Investment Highlights:

- Opportunity Zone Infill Development Site
- Rare Vacant Lot on High-Traffic Corridor
- High Density Zoning Allows for Potential Project of up to 30 units (Per Seller)
- Seller is Highly Motivated for Quick Cash Close. All Offers Will be Considered.
- Central Location to Downtown and Midtown
- Proximity to CalSTRS, Railyards, Golden 1 Center, DOCO
- Near Significant Infill Development Sites





# BUILDING LOCATION

40,000+  
SF OF NEW DEVELOPMENT

58  
AWESOME BARS

75,000+  
DAILY VISITORS

145  
RESTAURANTS

Located just across the river from Downtown Sacramento, West Sac is hot, and the Washington District is on fire. It is one of the region's most up-and-coming real estate markets. The new Golden 1 Center set off a development boom in downtown Sacramento, and several of the most innovative projects are taking shape in West Sacramento. The Good Project, across the street from the Property, recently sold out all 27 homes in this eco-chic modern urban infill community. Capitol Yards, down 5th Street, is a premier 270-apartment multifamily community built in 2015. The 301 D St. Apartments project is under construction of 40 residential units, including multi-level lofts and large outdoor terraces on the upper floors. The 218 4th Street Townhomes, around the corner from the Property, proposes a 25 unit

condominium row-house style project, and at 550 C Street is a planned mixed use project of a restaurant, retail space, 14 residential units and a rooftop terrace. The Savoy at 641 5th Street will be 22 luxury single-family homes. This is in addition to housing developments built before the boom, like IronWorks, Metro Lane, and River's Side at Washington Square. The City of West Sacramento has targeted the Washington District for significant infrastructure improvements. The area is designated for pedestrian-oriented, transit served development due to its large commercial developments and proximity to downtown Sacramento employment centers. Revitalization plans feature 3,300 residences, 2.4 million square feet of commercial office and 350,000 square feet of retail.

As further testament to the growing real estate market in West Sac, Sacramento-based Fulcrum Property recently completed the 980 Central, an architecturally unique 55-unit apartment complex, The Park Moderns community of very high-end single family homes, Drake's: The Barn tap house, pizza restaurant and beer garden. Fulcrum is under construction on The Foundry project of 69 apartments with bocce ball courts, an edible landscape, and outdoor decks, with two more projects of 52 units and 64 units in planning. The housing market is booming and at development capacity, The Bridge District has the potential to house 12.5 million square feet of residential and commercial development – 5,210 residential units and 7,290,000 square feet of commercial development.





## OPPORTUNITY ZONE

The Property is situated within an Opportunity Zone, an economic development tool added to the tax code by the Tax Cuts and Jobs Act of 2017. The tool, which was created to spur development in underserved communities, provides attractive capital gains deferment for qualifying properties.

While the program was designed to help underserved

and blighted communities, the legislature also extended the zones in growing and robust markets, such as Midtown, Sacramento. As such, an investor can realize the tax benefits of the Opportunity Zone, but with little risk or downside, because the project is located in the epicenter of Midtown.

To qualify for the tax benefits, an Opportunity Zone

investor must make improvements to the property equal in cost to the acquisition price within 30 months. Whether the buyer redevelops the existing building or constructs a new building on the land, the influx of new capital into the project will surely match the acquisition price, thus making the Property a perfect Opportunity Zone redevelopment project.

## TAX BENEFITS

### TEMPORARY DEFERRAL

Capital Gains from the sale of any asset (if reinvested in 180 days) are deferred until the sale of the new investment, or December 31, 2026, whichever is earlier.

### STEP-UP IN BASIS

Any investment reinvested and held for 5 years gets a tax basis increase of 10% and any investment held for 7 years gets a tax basis increase of 15%.

### PERMANENT EXCLUSION

Investments held for 10 years will pay no capital gains tax on the post acquisition gains. This permanent exclusion applies only to the gains accrued in the OZ Fund.



# NEARBY DEVELOPMENTS

## River One



The River One Project will be a unique, irreplaceable asset given its unrivaled location, design, and amenities, featuring a 199-room upscale hotel with 55 luxury for-sale residential units, an exclusive restaurant, 222 space parking garage with valet parking, swimming pool, hot tub and fitness center. Groundbreaking is planned for mid 2020 with an opening in the first half of 2022.

## 301 D Street



De Bartolo and Rimanic Design Studio on behalf of the owner American National Investments submitted a design review application for a 40 unit, four story multifamily project at 301 D Street. The design includes multi-level loft units and large outdoor terraces on the upper floors.

## CalSTRS Phase 2



Increased staffing demands and the desire for more efficient, collaborative work space has prompted CalSTRS to move forward with the planned Phase II expansion. A fundamental goal of the project is a consistent, seamless extension of the materials, details and character of the original building.

The Phase II building program extends the existing 5-level parking podium totaling 430 new spaces and 236,000 sf. The office program accommodates 1,185 new work stations in 272,000 sf on 5 levels. 40,000 sf of active ground floor uses include childcare, food service, coffee shop and building lobby.

## 218 4<sup>th</sup> Street



Kuchman Architects, on behalf of the owner Next Generation Capital, LLC, have submitted an application for a 25 unit condominium row-house style project at 218 4th Street and 407 B Street.

## I Street Bridge Replacement



The I Street Bridge Replacement Project will include the construction of a new bridge upstream of the existing I Street Bridge. The bridge will provide a new connection across the Sacramento River between the Sacramento Railyards and the West Sacramento Washington Neighborhood planned developments. It will serve automobile, bicycle, transit, and pedestrian users.

## Ro Homes



These 19 3-story residences line both sides of the South end of Central Street. The contemporary floorplans offer a ground level, two-car garage and flex room/study, a communal second floor for living, dining and kitchen and third floor dedicated to bedrooms, all bathed in natural light. Outdoor spaces include an edible landscape upon entry and a second floor balcony allowing indoor/outdoor living in the heart of the homes.

## Recently-completed projects:

### The Foundry

Located in The Bridge District in West Sacramento, The Foundry is home to 69 studio and one bedroom modern residences. Woven into the community design are communal bocce courts, an edible landscape, outdoor decks.

### 980 Central

980 Central is the latest addition to The Bridge District. This architecturally unique, 55-unit apartment complex offers micro-studios, studios, 1 bedroom, lofts and 2 bedroom townhomes.

### The Barn

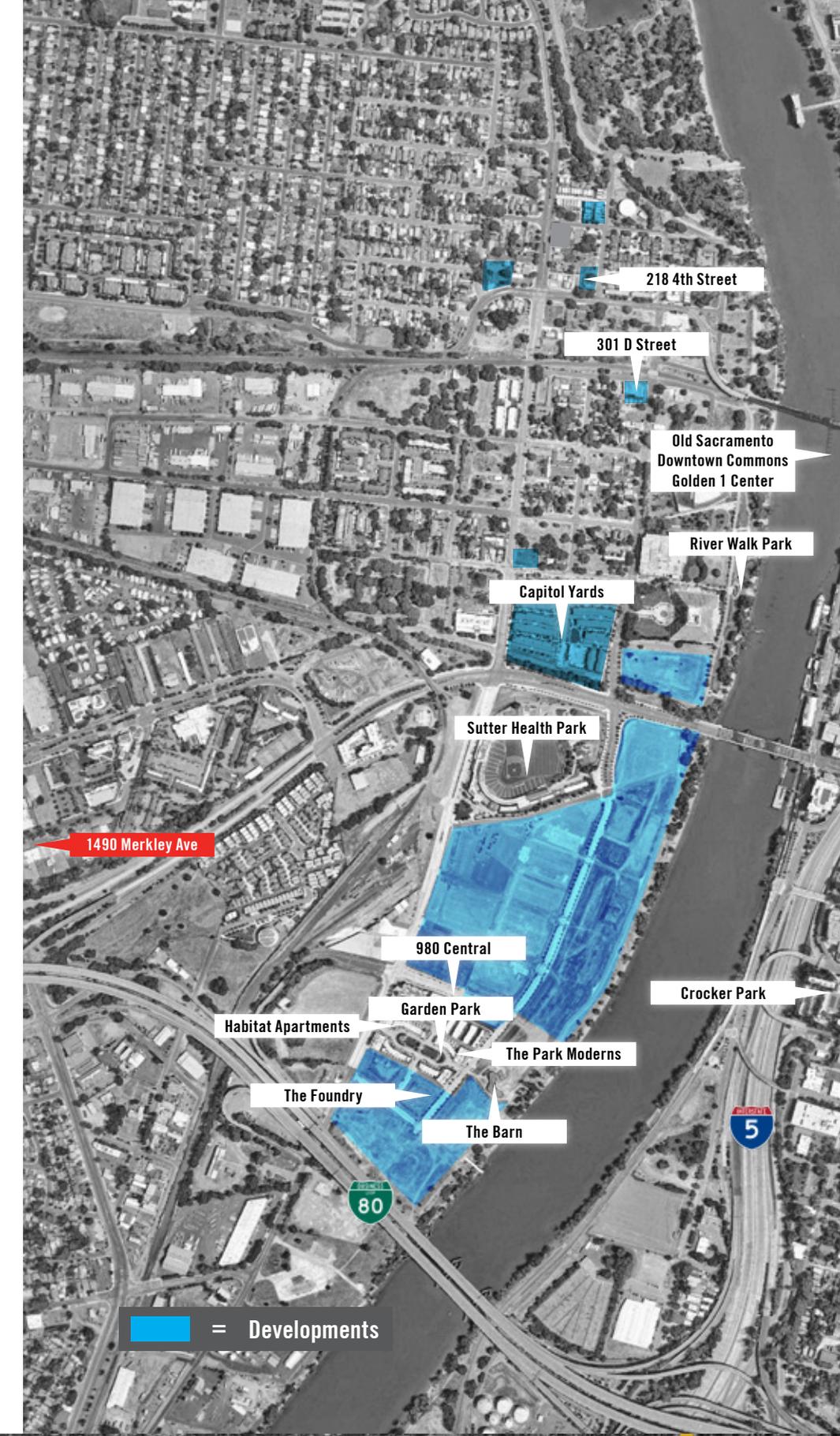
The Barn, literally a bridge on land, provides 6,000sf under canopy shade anchored by approximately 3,000sf of interior usable space, occupied by Drake's Brewing.

### Habitat Apartments

The Habitat Apartments frame the four corners of Garden Park and are just steps away from a 1-mile long stretch of West Sacramento's Riverwalk Promenade.

### The Park Moderns

These 32 single-family homes surround Garden Park to create the sense of an outdoor room. At the heart of this neighborhood park is a massive sierra granite community table under the leafy canopies of four ancient olive trees.





## THE WASHINGTON DISTRICT

The revitalization of the City's most historic, walkable, riverfront mixed-use district is well underway with new homes, parks, trails, streetscaping and public art. The West Sacramento River Walk is the neighborhood jewel – a 1.2 mile recreational trail along the

Sacramento River that links offices with nearby homes, retail and restaurants. New street segments now connect the City's two riverfront districts – the Bridge District and the Washington District with Downtown Sacramento, Golden One Center and the State

Capitol. A new Sacramento River Bridge at C Street will improve pedestrian, bicycle and transit access for downtown workers and residents and enhance vital connections between West Sacramento and Downtown Sacramento.

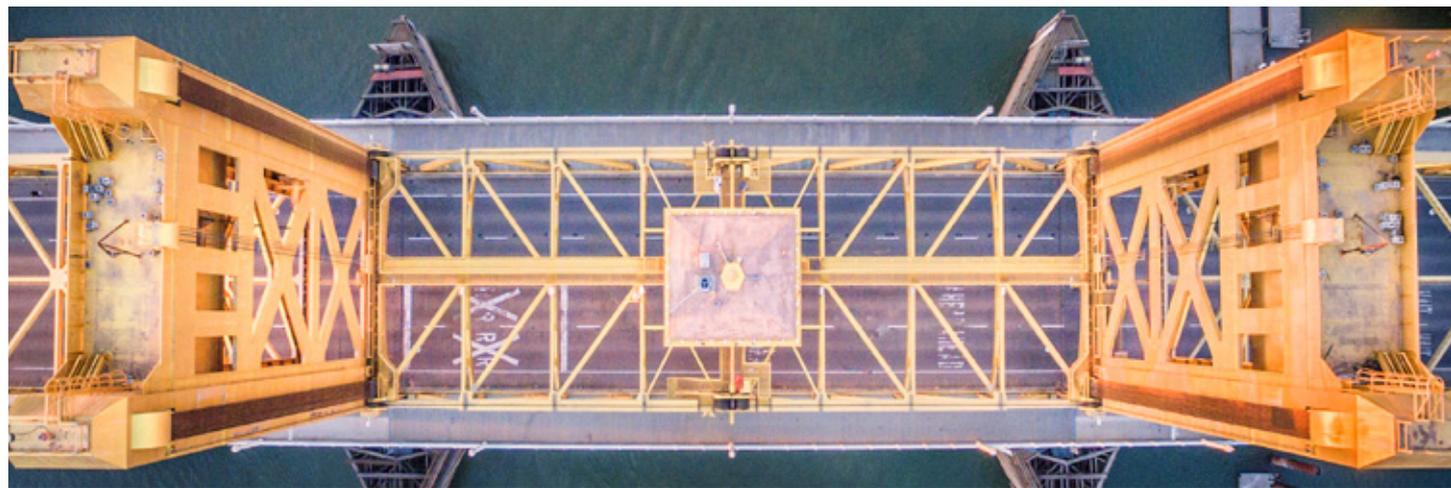
## THE BRIDGE DISTRICT

The Bridge District is a waterfront orientated urban mixed-use district located along the West Sacramento side of the Sacramento River. This district includes recreational amenities such as River Walk Park, Raley Field, Mill St.

Pier, The Barn, and the newly installed Subtile art piece. The housing market is booming with the addition of Capitol Yards, Park Moderns, Habitat apartments, and the newly constructed 980 Central apartments. At development

capacity, The Bridge District has the potential to house 12.5 million square feet of residential and commercial development (5,210 residential units and 7,290,000 square feet of commercial development).





# SACRAMENTO

15.3 MILLION  
ANNUAL REGIONAL VISITORS

71,335  
DAYTIME EMPLOYEES

215+  
BARS / RESTAURANTS

## CALIFORNIA'S FASTEST-GROWING METROPOLITAN AREA

Sacramento is the Capitol of California, the fifth largest economy in the world. While perhaps not considered as prolific as many of the tourism-based cities in California such as San Francisco, Los Angeles and San Diego, being the hub of California's governmental structure provides an incredible amount of economic stability throughout the region. In addition, Sacramento is being increasingly recognized as an outdoor enthusiast's dream city with its remarkably

central location to Lake Tahoe, the Sierra's, Yosemite and the Coast.

In a recent study completed by WalletHub for National Nutrition Month, Sacramento was ranked the 5th healthiest city in the United States among 100 large cities (ranking higher than the likes of Denver, Colorado Springs, San Francisco, Portland, Austin, San Antonio and Seattle). Forbes magazine ranked Sacramento as the 10th healthiest city in the United

States versus all cities. A big part of this recognition stems from the cities' proximity to the American River. Hiking trails and white-water rafting abound along the American River as well as one of Sacramento's crown jewels - the 32-mile American River Bike Trail which runs entirely along the river from Beal's State Park to Discovery Park where it conjoins with the Sacramento River to Old Sacramento on the riverfront (only a few blocks from the Subject Property).



# 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).

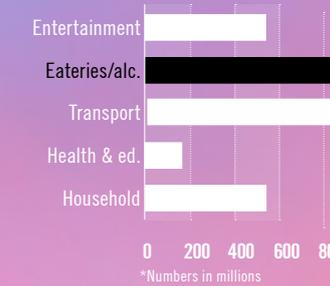
## SACRAMENTO OFFICE VACANCY:



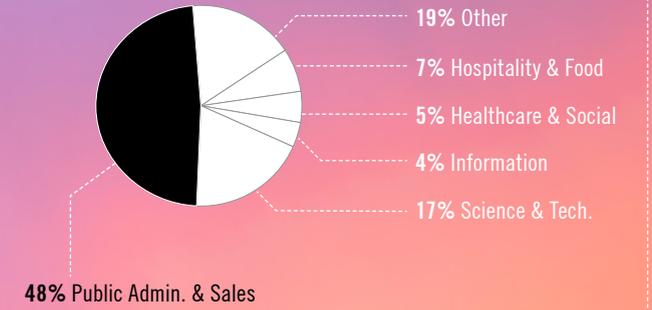
## NUMBER OF EMPLOYEES WITHIN VARYING RADIUS OF THE PROPERTY:



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



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



WALK SCORE: 97

BIKE SCORE: 98

TRANSIT SCORE: 55

## SACRAMENTO'S CITY RANKINGS

- #1 Happiest workers in midsized cities
- #2 Top 10 most fun, affordable U.S. cities
- #2 in the U.S. for net millennial migration
- #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

## SACRAMENTO REGION ANNUAL SALARY BREAKDOWN:



**34.3%** Of population have a bachelor's degree

Sources: SmartAsset 2018  
Emsi 2019



**TURTON**  
COMMERCIAL REAL ESTATE

