CASCADE

Fully Entitled 208 Unit Development Site in Midtown, Sacramento

Located in an Opportunity Zone Corner of 17[™] & I Street





Section One: The Property

CASCAD=



THE PROPERTY

208
UNITS ENTITLED

3,052 SF OF RETAIL

8 STORIES

±25,600 se of land

\$5,544,000

PURCHASE PRICE

Cascade, an architecturally stunning, fully entitled eight (8) story, 208 unit with 3,052 square feet of retail, mixed-use development site in Midtown Sacramento (the "Property"), is +/- 25,6000 square feet of high-visibility opportunity zoned development land (with an existing 17,883 square foot building), located on the north east corner side 17th and I Streets in Midtown Sacramento. The property consists of two (2) parcels with C-2 SPD zoning with a commercial building. The property is square, measuring approximately 160 feet long and 160 feet wide.

Cascade is an incredibly rare, fully entitled Midtown infill development site, located in a Sacramento's most desirable neighborhood. Some of the nearby recently completed or underway mixed-use properties include The Mansion, a premier high-density mixed-use project of 186 units, currently under construction for delivery in early 2022, H16 Midtown (95 units recently completed), 17 Central (111 units under construction), 16J and 17J (currently under development) and Eleanor Apartments at 16th and E Streets (95 units).

The Property conveniently sits in the epicenter of Midtown Sacramento. The Property is two blocks from J Street and less than 10 blocks from the Golden 1 Center and DoCo, Ice Blocks, and is near more than 100 restaurants, bars, art galleries and entertainment venues. The Property provides walkability to the entire urban core, without sacrificing ancillary parking options, privacy, or noise.

The Property is the only fully entitled prime development opportunity on the market in midtown Sacramento.









PROPERTY DETAILS

APNs: 006-0065-023 (1705 | Street)

006-0065-022 (1715 | Street)

Lot Sizes: ±25,600 SF

Each parcel is $\pm 12,600$ SF

Building Size: ±17,883 SF (existing)

Entitled Units: 20

130 studio

57 one (1) bedroom 21 two (2) bedroom

Entitled Retail SF: 3,05
Entitled Parking: 105

73 basement 32 level 1

Zoning: C-2 SPD

Opportunity Zone: Yes, qualified zone
Nearby Developments: In path of development



CASCADE Section Two: The Location



BUILDING LOCATION

ONE FOOT IN MIDTOWN; ONE FOOT IN DOWNTOWN

Midtown Sacramento is the perfect fusion of successful 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 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. The midtown neighborhood has emerged as urban Sacramento's most popular live, work and play destination. The hubs of this exciting district are the Elliot Building and the MARRS building. The neighborhood features Sacramento's most successful restaurants and nightlife venues and has an eclectic mix of local restaurants, art galleries, coffee houses and boutiques. The Midtown market has high foot traffic both day and night, and is a hot-spot for those who

love to eat and drink, and enjoy many of Midtown's most popular establishments. While it is an excellent starting location for the popular Second Saturday festivities, this area is home to many additional noteworthy events such as the Midtown Farmers' Market, THIS Sacramento block parties, PARK(ing) Day, and more.

The property sits in the middle of numerous infill commercial and mixed-use development projects are well under development along the 16th Street



































NEARBY AMENITIES

Midtown to the east; Downtown to the west. Tenants of this property enjoy a highly centralized location giving them easy access to every corner of the city.

Kru Japanese

Bombay Bar & Grill

POPULAR RESTAURANTS NEAR 17TH & I STREET (NOT ALL ARE MENTIONED HERE):

Ace of Spades Crepeville Aioli Bodega Espanola Amaro Italian Bistro & Bar Art of Toys Azul Mexican Faces Badlands Bar West Bento Box BevMo Fit Eats Bike Dog Block Butcher Bar Bottle & Barlow Grange Broderick Midtown Highwater Hot Italian Buckhorn Grill Burger Patch I Love Teriyaki **Burgers and Brew Identity Coffee** Cafe Bernardo Iron Horse Tavern Jack's Urban Eats Cantina Alley Centro Cocina Mexicana Jamie's Broadway Grill Chipotle Karma Brew

58 Degrees & Holding Co.

Cornerstone Der Biergarten Eatuscany Cafe Elixir Bar & Grill Federalist Public House Fieldwork Brewing Co. FishFace Poke Bar Fox & Goose Public House Ginger Elizabeth Chocolates

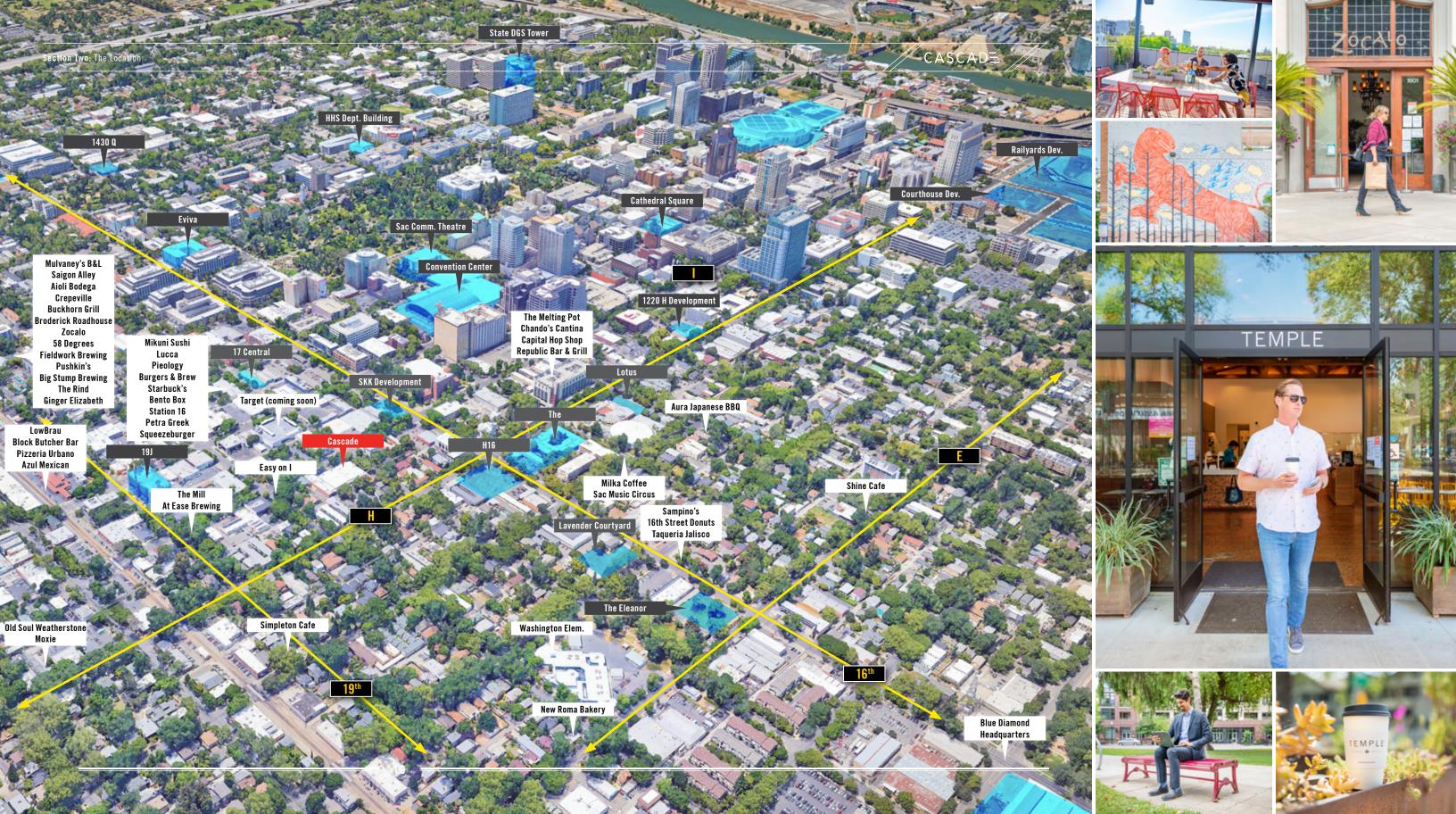
Lucca Luna's Cafe & Juice Bar Mango's/Burgertown Make Fish Massulo Pizza Mercantile Saloon Mikuni Sushi Monkey Bar Mulvaney's B&L N Street Cafe Nekter Nido Nishiki Sushi Old Soul Coffee Pachamama Coffee Coop

Paesano's

Kupros Craft House Lowbrau Metro Kitchen & Drinkery

R15

Tapa the World Paragary's Tea Cup Cafe Pizzeria Urbano Portofino's Temple Coffee Press Bistro Thai Basil Pronto Pizza Thai Canteen Pushkin's Bakery The Bread Store Q Street Bar & Grill The Golden Bear The Mill Coffee House Red Rabbit The Porch Rick's Dessert Diner The Press Riverside Clubhouse The Rind Roxie Deli and Barbecue The Waterboy Saddle Rock **Tower Theatre Cafe** Sakamoto Tres Hermanas See's Candies Uncle Vito's Pizza Selland's University of Beer Shady Lady Vic's Ice Cream Shoki Ramen House Waffle Square Country Kitchen Yogurt a GoGo Squeeze Inn Sun & Soil Juice Zelda's Pizza Tank House BBQ Zocalo



Section Two: The Location CASCAD=



NEARBY REDEVELOPMENT PROJECTS

Cascade also benefits from proximity to several nearby development projects which will serve tenants near the Property for years to come.

Convention Center

To keep Sacramento competitive in the convention industry, the City of Sacramento has approved the expansion of the Sacramento Convention Center and will be spending more than \$100 million to complete this incredible project. Plans for the project include additional ballrooms, larger exhibit hall and more meeting space. It is part of a 3-project renovation/modernization that includes the Memorial Auditorium and the Community Center Theatre.

Fort Sutter Hotel

The hotel is located at the corner of 28th Street and Capitol Avenue and was developed by local restauranter Randy Paragary. Fort Sutter Hotel is part of the Tapestry Collection, a brand by Hilton Hotels and is home to 114 rooms and multiple restuarants and bars.

16th & J

SKK Developments has applied for a 73-unit project with ground-floor retail at 925 16th St., the northeast corner of 16th and J streets and across from Sacramento Memorial Auditorium.

800 Block

CFY Development's 800 Block mixed-use project will feature 150 residential units with another 25,600 f of new retail on K and L Streets.

DOCO and Golden 1 Center

Golden 1 Center seats 17,500 and hosts hundreds of days of events a year. The development project adds up to 1.5 million square feet of additional development, branded as DOCO, that includes 250,000 square feet of office, 630,000 square feet of retail, a 250-room Kimpton hotel, and 45 residential units.

Cathedral Square (at 11th and J)

Cathedral Square, one of the largest and highest profile mixed-use project under development in Sacramento's urban core, will provide 153 new multi-family apartments, 102 parking stalls with and 10,320 square feet of retail space in a new 7-story building located at the southwest corner of 11th and J Streets, along urban Sacramento's busiest thoroughfare.

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

Lavender Courtyard by Mutual Housing

50 units planned for SEC 16th & F Streets

Lotus Equity Partners

60 units proposed for NEC 14th & H Streets













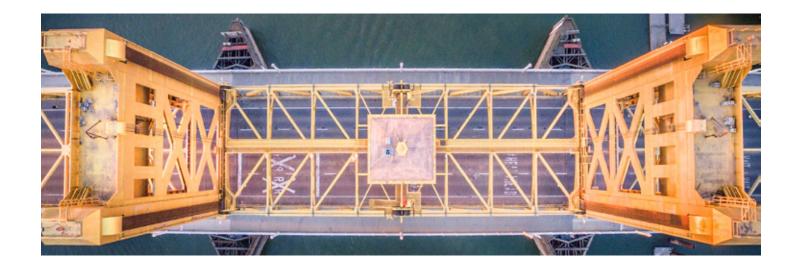








Section Three: Sacramento



SACRAMENTO

15.3 MILLION

ANNUAL REGIONAL VISITORS DAYTIME

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 short ride from the Subject Property).























Section Three: Sacramento

Sacramento is the country's farm to fork capital, has world class coffee, and sports a huge river parkway perfect for running, riding, and hiking. The city is a short drive from Lake Tahoe, the Napa Valley, and San Francisco.

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 (all types)	Vacancy (all types)	Absorption* (units)	Under Const. (units)
A	1,996	\$2,047	19.8% **	284	809
В	2,624	\$1,586	8.0%	(21)	286
C	10,585	\$1,045	4.9%	(137)	
All Types	15,235	\$1,392	7.4%	(123)	1,095

* Past 12 Months, 11/2020

**4 brand new class A projects recently completed adding to this vacancy rate

Source: Costar Multifamily All Unit Miyes

SACRAMENTO'S CITY RANKINGS

#1 Happiest workers in midsized cities

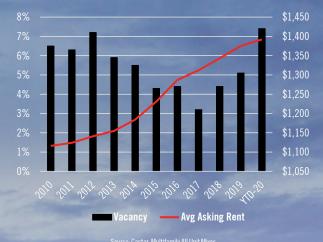
- **#2** Top 10 most fun, affordable U.S. cities
- #2 in the U.S. for net millennial migration
- #4 U.S metro clean tech index
- **#4** Best cities for nerds
- **#5** Hot startup cities
- **#10** Best cities for women in the workforce
- **#10** Best cities for coffee snobs
- **#10** Least Stressed-out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

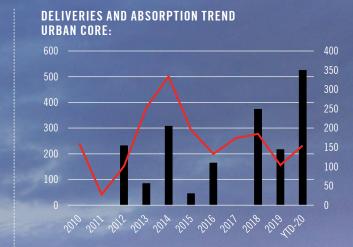
34.3%

Of population had a bachelor's degr

Sources: SmartAsset 20

VACANCY AND AVERAGE RENT TREND URBAN CORE:





WALK SCORE:

BIKE SCORE:

TRANSIT SCORE:

Source: Costar, Multifamily All Unit Mi

SACRAMENTO: OWNERS VS. RENTERS



CASCADE Section Three: Sacramento



LOCAL MULTIFAMILY MARKET

The Sacramento Urban Core apartment market is bordered by American River (North), HWY 50 (South), to CSUS (East) and I-5 (West). The market consists of 806 total properties (five units and greater) and a total of 13,028 rental units. These communities benefit from being in close proximity to plentiful urban amenities and the CBD of Sacramento.

At the close of 2020, the Urban Core vacancy rate stood at 7.9%, inflated by more than 700 units delivered over the past two years. The average asking price across all unit types in the Urban Core was \$1,442 and \$2,277 for newer product. Despite the rise in vacant units, leasing activity proved to be strong in 2020—in the middle of a global pandemic—as the year reported the second highest annual absorption on record at 252 units (compared to 307 in 2014).

The Urban Core has witnessed a dramatic

increase in its apartment stock over the past eight years in response to the recent revitalization throughout. What was historically a B & C market until recently, saw a dramatic shift in the development of Class A communities. Represented by just two properties 20 years ago. The Urban Core has ballooned to 22 properties or nearly 2,000 units by year-end 2020, with more right around the corner. This shift was predicated on the growing number of millennials or younger and higher income earning individuals in search of enhanced onsite and local amenities

The newer, "urban" package resembles more of what vou'll find in a hip, boutique hotel including smart home integration, WiFi lobby/ communal areas, roof deck lounges, micro-mobility. Amazon lockers, state-of-the-art fitness centers with Peloton bikes, etc. Coupled with

the best in restaurants, entertainment, and nightlife night life only found in the Urban Core, it's no surprise millennials fit right in and why we've also seen a strong in-bound migration from the Bay Area.

Recent construction further demonstrates the double-down on the millennial population, as 78% of units delivered since 2012 were in the studio and one bedroom unit mixes. These tenants are likely to be either single or couples without children. Rents in these two categories and vintage are seeking on average \$1,788 and \$2,282 per unit, respectively. Currently in the construction pipeline are 7 more projects underway slated to be delivered over the next three to 24 months. In total, this will bring another 1.300 units to the Urban Core.

Multifamily Deliveries

Sacramento GRID - 2020



The Press, Sacramento SKK, DeBartolo Dev.

277 Units: 200.616 SF Studio (20): 1BR (137):

2BR (44); & 3BR (7) Current Avg. Rent: \$2,256



H16, Sacramento SKK, Guardian Capital 95 Units: 60.000 SF

Studio (42): 1BR (40): & 2BR (13)

Current Avg. Rent: \$2,108



1430 Q, Sacramento

D&S Development 73 Units: 72,000 SF

1BR (33); 2BR (39); & 3BR (1)

Current Avg. Rent: \$3,603



The Carlaw, Sacramento

James Cordano

26 Units: 45,000 SF

Studio (8): 1BR (10): & 2BR (8)

Current Avg. Rent: \$2,735

Source: Costar, Multifamily All Unit Mixes

Multifamily Trophy Sales

Sacramento GRID - 2020



	Conductive Conductive
perty Name:	The Press
lress:	1714 21st St
reloper:	SKK / DeBartolo Dev.
ner / Buyer:	Oakmont Properties
r Built:	2020
Size SF:	110,642
ss Building Area SF:	200,616
al Units:	277
rent Rent Avg:	\$2,385
rent Vacancy:	61.0%
ding Sale Price:	\$118,000,000
e / SF:	\$588.19
e / Unit:	\$425,993
ancy:	70.0%
Rate:	N/A
e Date:	9/30/2020



Q19 Apartments	
1907 Q St	
SKK / Grupe Company	
Woodmont Real Estate	
2018	
25,700	
46,170	
68	
\$1,899	
7.4%	
\$26,800,000	
\$580.46	
\$394,118	
0.0%	
4.65%	
4/19/2019	



	STATE OF THE PARTY
werhouse	Eviva Midtown
06 P St	1531 N St
evelopment	LDK Ventures / Integral
on Partners	Sequoia Equities
2015	2016
9,166	30,492
1,929	180,000
50	118
3,341	\$2,226
5.7%	4.2%
500,000	\$53,000,000
51.83	\$294.44
50,000	\$449,153
0.0%	0.0%
050/	4 789/





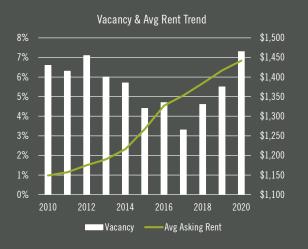


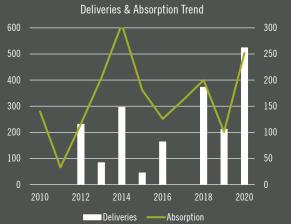




Multifamily Rental Trends

Sacramento GRID





Source: Costar, Multifamily All Unit Mixes

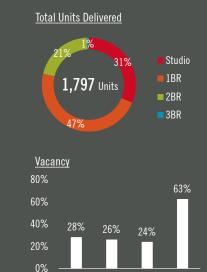
Multifamily Rental Trends

Sacramento GRID - New Construction Since 2012

21.5%
Vacancy
\$2,277
ΨΖ,ΖΙΙ
Avg Rent / Unit
40.40
\$3.16
Avg Rent / SF
7116 HOILE? OI
4.1%
Concessions
0011000010110

Source: Costar, Multifamily All Unit Mixes

All Unit Types







ECONOMICS

Acquisition Costs

 Purchase Price
 \$5,544,000.00

 Price Per Land SF:
 \$216.56

 Price Per SF (FAR):
 \$27.07

 Price Per Door:
 \$26,653.85

Development Costs

Hard Costs \$41.343.252 * Price Per Building SF Gross: \$228.14 Price Per Building SF Net (Est.) \$304.19 \$2,718,225.00 Architectural Costs Price Per Building SF Gross: \$15.00 \$20.00 Price Per Building SF Net (Est.) \$4,160,000.00 Permit/Impact Fees Price Per Building SF Gross: \$22.96 Price Per Building SF Net (Est.) \$30.61 **Total Development Costs** \$48,221,477.00 Total Acquisition and Development Costs
Price Per Building SF Gross:
Price Per Building SF Net (Est.)
\$53,765,477.00
\$296.69
\$395.59

Disposition Value

Estimated Net Operating Income (Resi) @ 95% \$3,975,813.06 **
Estimated Net Operating Income (Retail) @ 95% \$113,076.60 ***
Estimated Net Operating Income (Parking) \$315,000.00 ****

Total Net Operating Income (Est.) \$4,403,889.66

Capitalized Value at 4.5% \$97,864,214.583

Value Per Building SF Gross
Value Per Building SF Net (Est.) \$720.06

Capitalized Value at 5.0% \$88,077,793.125

Value Per Building SF Gross \$486.04

Value Per Building SF Net (Est.) \$648.05

Net Profit Before Carry Costs @ 4.5% Cap \$44,098,737.583 Net Profit Before Carry Costs @ 5.0% Cap \$34,312,316.125

^{*} prepared by DesCor Builders

^{** \$3.60} per sf gross, 25% opex

^{*** \$3.25} per sf NNN

^{**** \$250} per stall per month (double parking day/night)



208
UNITS ENTITLED

3,052 SF OF RETAIL

8 STORIES 105
PARKING STALLS

BUILDING BREAKDOWN

BUILDING SUMMARY:

15.451	GROSS AREA GARAGE AREA	COMMON	PRIVATE PATIO/	NUMBER OF UNIT TYPES			TOTAL	
LEVEL		GARAGE AREA	OPEN SPACE*	BALCONIES*	STUDIO	ONE BED	TWO BED	UNITS
BASEMENT	25,020 SF	25,020 SF		-	-	-	-	-
LEVEL 1	23,500 SF	11,725 SF	-	-	-	-	-	-
LEVEL 2	21,410 SF	-	1,980 SF	1,450 SF	22	9	2	33
LEVEL 3	22,220 SF	-	-	150 SF	23	10	2	35
LEVEL 4	22,220 SF	-	-	150 SF	23	10	2	35
LEVEL 5	18,910 SF	-	1,300 SF	2,230 SF	23	7	2	32
LEVEL 6	18,675 SF	-	-	150 SF	23	7	2	32
LEVEL 7	15,660 SF	-	930 SF	1,920 SF	8	7	6	21
LEVEL 8	13,600 SF	-	680 SF	1,410 SF	6	7	5	18
TOTAL	181,215 SF	36,745 SF	4,890 SF*	7,460 SF*	128	57	21	206

^{*} COMMON OPEN SPACE AND PRIVATE PATIOS ARE NOT INCLUDED IN GROSS AREA TOTALS.

UNIT SUMMARY:

UNIT TYPE	TOTAL UNITS	MIN. SF	MAX. SF	PERCENT
STUDIO	130	309 SF	734 SF	63 %
ONE BED	57	502 SF	704 SF	27 %
TWO BED	21	783 SF	961 SF	10 %
TOTAL	208	-		100 %

PARKING SUMMARY:

LEVEL	STALLS	RATIO TO UNITS
BASEMENT	73	
LEVEL 1	32	105/208= 50%
TOTAL	105	

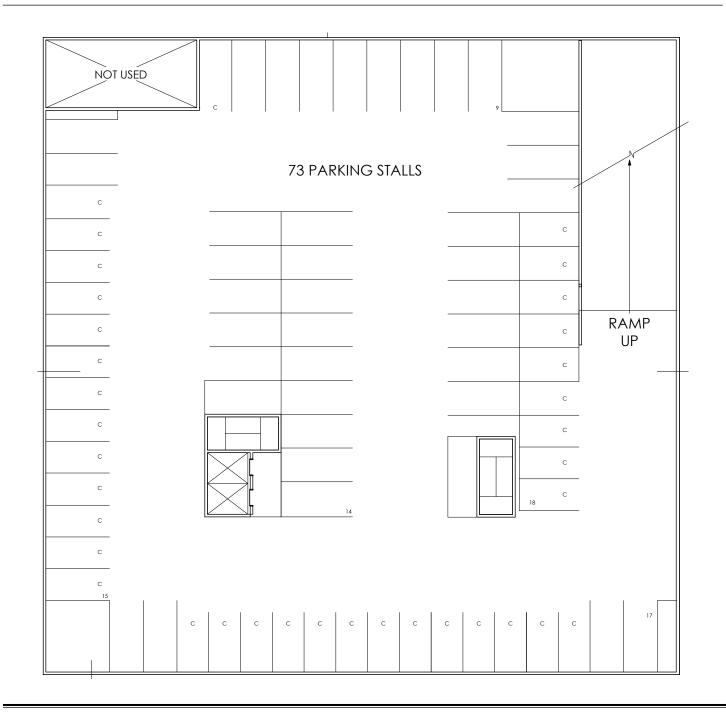
^{*11} EV Capable parking spaces are required. 11 EV Capable parking space are provided.

BIKE PARKING SUMMARY:

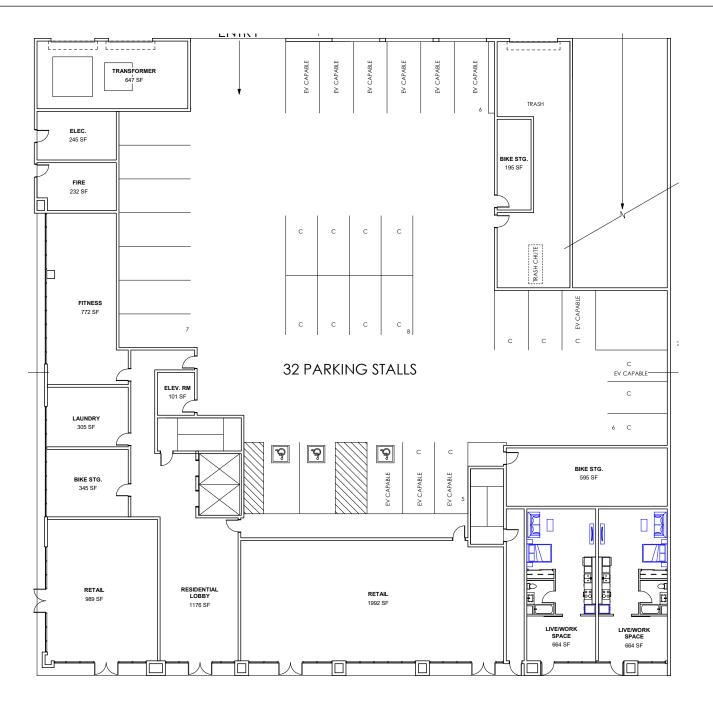
<u></u>							
PROGRAM	LONG TERM REQUIRED	LONG TERM PROVIDED	SHORT TERM REQUIRED	SHORT TERM PROVIDED			
RESIDENTIAL	208/2 = 104	104	208/10 = 21	22			
RETAIL	2 MIN (3,052SF)	2	3,052/2,000 = 2	2			
TOTAL	106	106	23	24			

^{**} GROUND FLOOR INCLUDES TWO LIVE/WORK UNITS AND 3,052SF OF RETAIL SPACE

BASEMENT



FIRST FLOOR



SECOND FLOOR



THIRD - FOURTH FLOOR



FIFTH FLOOR



SIXTH FLOOR



SEVENTH FLOOR

TRELLIS ABOVE TRELLIS _____ABOVE PRIVATE PATIO 88 00 STUDIO

EIGHTH FLOOR



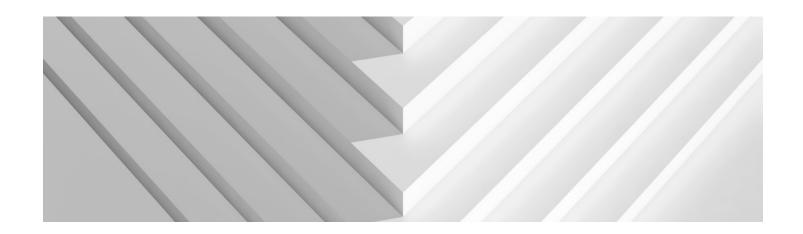
ROOF

PATIOS BELOW--PATIOS BELOW ROOFTOP PATIO

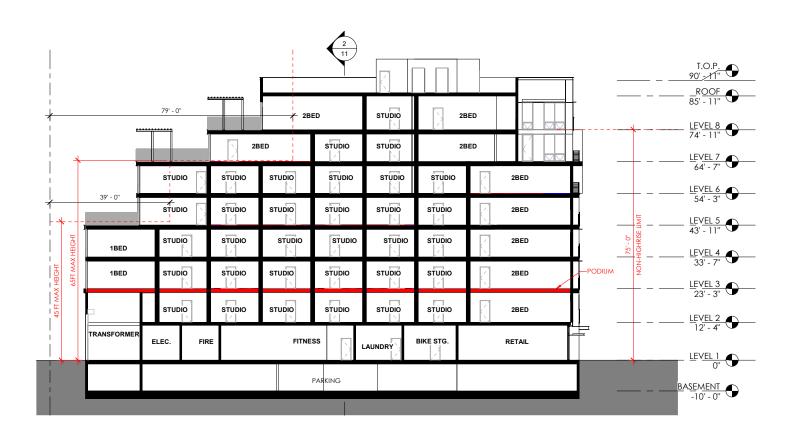
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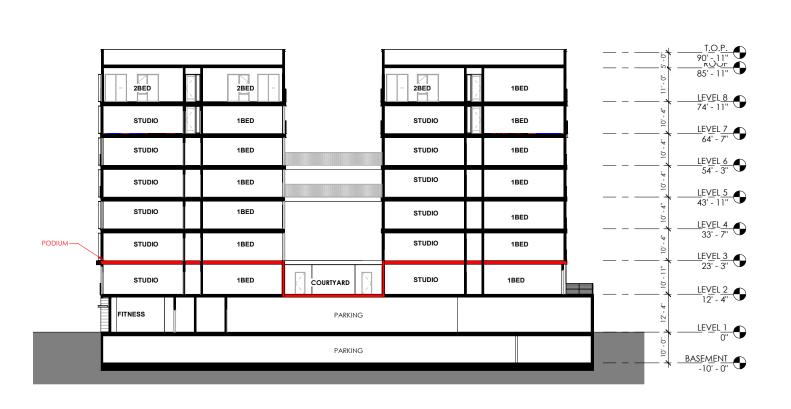




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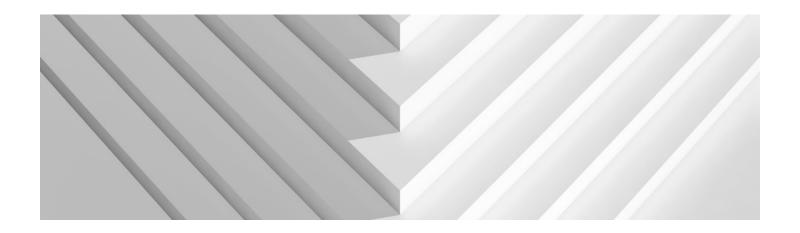
WEST ELEVATION





SOUTH ELEVATION





NORTH ELEVATION





EAST ELEVATION



