818 K STREET SITS AT THE CONFLUENCE OF ENERGETIC PEDESTRIAN TRAFFIC FROM THE GOLDEN 1 CENTER, AN ADJACENT LIGHT RAIL STOP, AND K STREET ITSELF.

Section One: The Property

Turton Commercial Real Estate is pleased to present the opportunity to acquire the 100% fee simple interest in the building located at 818 K Street (the “Subject Property”). The Subject Property represents one of the most high-profile redevelopment, investment, or owner-user opportunities in the Downtown grid, touted as one of the most robust urban redevelopment markets in the country. The Property is also located in a highly desirable Opportunity Zone. As such, the redevelopment opportunity represents one of the rarest and most sought-after investment opportunities in California and the United States.

The 59,921 SF building is comprised of five floors of approximately 9,200 SF each. Beneath this is a larger, finished subterranean floor with generous 12-foot ceilings. The building features two operable elevators, one of which being the primary elevator with original KRESS shopping center finishes, floor and one services elevator located in the rear portion of the building.

The Subject Property is ideally positioned in the heart of the K Street Entertainment Zone just one block from the pedestrian entrance to the Golden 1 Center, three blocks from the front lawn of the State Capitol, and five blocks to the Convention Center.

Additionally, the Subject Property is surrounded by five major hotels, over 40 restaurants, a myriad of watering holes and coffee bistros. The Subject Property is zoned C-3-SP, which can accommodate a variety of dense commercial uses including, but not limited to, residential mixed-use, retail, and office. The property is also unique in that it has a full condominium map divided by floor. The estimated value of condominium floors in warmshell condition at this location is approximately $300 per square foot. This provides investors with a strong alternative disposition / investment strategy in future years.

THE PROPERTY

59,291 SF OF SPACE
3 BLOCKS FROM THE CAPITOL
1 BLOCK FROM THE GOLDEN 1 CENTER

Rare large renovation opportunity in Downtown Sacramento!
<table>
<thead>
<tr>
<th><strong>PROPERTY DETAILS</strong></th>
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<tbody>
<tr>
<td><strong>Address:</strong> 818 K Street, Sacramento, CA 95814</td>
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<tr>
<td><strong>APN:</strong> 006-0098-025</td>
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<tr>
<td><strong>Year constructed:</strong> 1940</td>
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<td><strong>Year renovated:</strong> Early 2000's</td>
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<tr>
<td><strong>Parcel Size:</strong> 9,600 SF</td>
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<tr>
<td><strong>Number of floors:</strong> Six (6)</td>
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<td><strong>Zoning:</strong> C-3-SP</td>
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<tr>
<td><strong>Construction type:</strong> Wood, concrete, glass, reinforced masonry.</td>
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<tr>
<td><strong>Parking:</strong> No on-site parking</td>
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<tr>
<td><strong>Power:</strong> 1600A, 120A/208A, 3 Phase</td>
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<tr>
<td><strong>Fire Sprinklers:</strong> Basement only</td>
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<tr>
<td><strong>Opportunity Zone:</strong> Yes</td>
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<td><strong>Condominium Map:</strong> Yes</td>
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<td><strong>Load Factor:</strong> 16%</td>
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Section Two: The Location

“The K Street Grid” is the Downtown micro-market bounded by 3rd Street to the west, 12th Street to the east, J Street to the north and L Street to the south. For two decades public officials have been strategically acquiring property, instituting redevelopment guidelines, establishing development incentives and making public policy changes to attract retail, residential, and office tenants while simultaneously encouraging high density projects. Through 2013, the results of these efforts had been slow but steady. The redevelopment of the Citizen and Sheraton hotels (at 10th and 12th on J Street respectively), The Forum Building at 9th and K Street, 630 K Street and the former Woolworth’s, and Ross Atkins department stores at 10th and K Street being the foremost examples. In 2014, these efforts were expedited by the approval of the new multi-purpose 780,000 SF, 17,500 seat Golden 1 Center to be developed in the former Downtown Plaza. In 2019, the Golden 1 Center has proven to be a transformative project for downtown. The new “Home of the Sacramento Kings” attracts over 1.7 million attendees to over 190 annual events and generates over $230 million in annual economic activity. As a result, developer interest in properties surrounding the Golden 1 Center has been robust. The Kimpton Hotel, Downtown Commons, 600 J Street Kaiser Building, The Hardin Mixed Use Project are a few of the most significant ground-up and renovation projects complete in the last 3 years. In addition, 731, 830 and 1130 K Street buildings totaling over 200,000 SF are under renovation and several major ground up mixed use residential projects are planned at 16th and Capitol Mall, 10th and K Street, 10th and J Street and the 600 Block of K Street. This does not even touch upon the blockbuster projects planned for the Railyards just a few blocks north of the Subject property. These include a new Major League Soccer Stadium for the Sacramento Republic FC soccer franchise, a 17 acre Kaiser Campus, 1,200,000 square foot state office building, 50/100 of state courthouse and some exciting potential developments in the five 80,000 railyard shop buildings called “The Shops.”

BUILDING LOCATION

Downtown Sacramento’s entertainment and retail corridor!
Section Two: The Location

- Golden 1 Center
- State Capitol
- Capitol Mall
- K Street Mall
- Downtown Commons
- Hyatt Centric Dev.
- K Street Mall
- 818 K Street
- 800 K Dev.
- Convention Center Dev.
NEARBY AMENITIES

The property benefits from high pedestrian counts on the bustling K Street Corridor. And, of course, the ultra centralized location provides easy access to every corner of the city.

POPULAR RESTAURANTS NEAR 818 K STREET (not all are mentioned here):

- 58 Degrees & Holding Co.
- Ace of Spades
- Ace Rojo Bistro & Bar
- Art of Toys
- Azul Mexican
- Badlands
- Bar West
- Berto’s Bin
- Bowa
- Black Dog
- Black Butcher Bar
- Bottle & Barlow
- Block Butcher Bar
- Bonefish Grill
- Buckhorn Grill
- Burger Patch
- Burgers and Brew
- Cafe Bernardo
- Cantina Alley
- Centro Cocina Mexicana
- Chipotle
- Cornerstone
- Crepeville
- Der Biergarten
- Eatuscany Cafe
- Elixir Bar & Grill
- Faces
- Federalist Public House
- Fiddlin’ Thlew Co.
- Fish & Co. Public House
- Ginger Elizabeth Chocolates
- Grange
- Highwater
- Holli Italian
- I Love Tots & Kids
- Identity Coffee
- Iron Horse Tavern
- Jamie’s Broadway Eats
- Kansas Bistro
- Kim’s Japanese
- Lupa
- Madrona Craft House
- Manger’s B&B
- Masa Fish
- Massarelli’s Pizza
- Metal Kitchen & Drinkery
- Miko’s Sushi
- Monkey Bar
- Momma Mia’s By The Bay
- N Street Cafe
- Nido
- Niko
- Nishiki Sushi
- Nola
- Nola Poké
- Old Soul Coffee
- Paragary’s
- Pizzeria Urbana
- Portofino’s
- Press Bistro
- Pushkin’s Baking Co.
- Q Street Bar & Grill
- R Savings
- Red Rabbit
- Rick’s Dessert Diner
- Riverside Clubhouse
- Shady Lady
- Shoki Ramen House
- Squeeze Inn
- Sunny Side Up Juice
- Tank House BBQ
- Tapa the World
- Tea Cup Cafe
- Temple Coffee
- Thai Basil
- Thai Canteen
- The Bread Store
- The Golden Bear
- The Mill Coffee House
- The Porch
- The Press
- The Real
- The Waterbar
- Tower Theatre Cafe
- Truitt Bark Park
- University of Beer
- Uncle Vito’s Pizza
- Uncle Tito’s
- Vinny’s Ice Cream
- Waffle Square Country Kitchen
- Yogurt a GoGo
- Zocalo
- Zelda’s Pizza
K Street

The property is situated on the thriving K Street corridor, just one block from Downtown Commons and Golden 1 Center, and has the best amenities immediately accessible in the entire urban core. In addition, the property is located in the K Street Redevelopment Zone which was implemented to create a mixed-use live/work entertainment zone along K Street. Patterned in similar fashion to the Pearl District in Portland, the City of Sacramento saw the vacant, blighted buildings along K Street as an opportunity to create a dynamic entertainment grid that would encourage residents to live in the area, retailers and restaurateurs to invest into their businesses, and form a vibrant, energized urban core that allowed for an 18 hour daily economic cycle.

<table>
<thead>
<tr>
<th>SF of New Development</th>
<th>Awesome Bars</th>
<th>Daily Visitors</th>
<th>Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td>270,000</td>
<td>8</td>
<td>7,000</td>
<td>14</td>
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Section Two: The Location
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 Mid-town) is the most desirable business location in 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.

Developers are now highly focused on the “cool” vacant buildings and key infill properties within the downtown grid to further capitalize on this increasing demand. Unique historical buildings and warehouses, multi-story downtown midrise structures with impressive window lines and ceiling heights, multi-generational businesses with local ownerships, mature landscape with generous tree lines and an impressive, yet eclectic, residential and workforce demographic create the foundation for amazing opportunity. Having the Capitol of the world’s 7th largest economy located five blocks from the new Golden 1 Center provides even more demand and market stability.

Office and retail vacancy has traditionally hovered at a steady 8 – 11%, much of which is due to chronic vacancy in the form of non-compliant blighted buildings. Even then, residential vacancy is virtually non-existent. Recent new construction projects have leased up faster than pro-forma. Virtually every vacant building within the Grid or immediately surrounding area has activity. If one looks at the history of urban development in Sacramento along with current composition of activity, momentum and demand, the most attractive opportunities reside within the Grid, and the opportunity with the most versatility, best location and greatest upside with least risk are properties located on the K Street grid.
Sacramento is the country’s farm to fork capital, has world class coffee and sports, huge river parkways 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. Recent growth continues to be fueled by the sale of single-family and apartment deliveries. In recent years, Bay Area residents have flocked to Sacramento to escape exorbitant housing costs.

Sacramento's City Rankings

1. Happiest workers in residuum cities
2. Top 10 most fun, affordable U.S. cities
3. U.S. metro clean tech index
4. Best cities for seniors
5. Hot startup cities
6. Best cities for women in the workforce
7. Best cities for coffee lovers
8. Lease Stressed-out cities
9. America's coolest cities
10. Best cities for millennials

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%

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FLOOR PLANS

1-6 AVAILABLE FLOORS
3,000-58,000 SF OF SPACE AVAILABLE
UNLIMITED POSSIBILITIES

SUBTERRANEAN SPACE:

GROUND LEVEL (1ST FLOOR) SPACE:

2ND - 5TH FLOOR SPACE (SHELL IS SAME ON EACH FLOOR):

6TH FLOOR SPACE:
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