

R Street corridor redevelopment taking shape after years of effort

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It's a sunny late Saturday afternoon, two hours before doors open at the Ace of Spades nightclub in downtown Sacramento, and people are already lining up across R Street to try to snag a prime spot inside to see Canadian-American singer Jonny Craig.

It's a young crowd, although the occasional 30-something couple wedges into the line. Practiced patience is the order of the day, with most patrons busying themselves with their cellphones. The veterans are used to this – Ace of Spades routinely draw lines of customers stretching far down the block.

As daylight fades, the energy along this 1400 block of R Street ratchets up. The Shady Lady Saloon, Magpie Cafe and Burgers & Brew fill with customers. Inside the R15 bar, built into Café Bernardo at 15th and R streets, red light bathes customers nursing drinks and loudly rooting for various sports teams.

This is the bustling hub of R Street, a partial payoff for decades of work by Sacramento city officials, developers and others to turn an old rail corridor lined with warehouses into a bustling arts, entertainment, shopping and residential district.

Pockets of new vitality can now be found up and down the street. The R Street Market, anchored by Safeway in the block between 18th and 19th streets, is perpetually busy. At 10th and R streets, where the Fox & Goose Public House has long served up beer and bangers, the formerly gritty surroundings have been spruced up with street improvements and oversized statues of a fox and a goose.

An archway spanning R Street at the 10th Street intersection welcomes all to the “Historic R St. District, established 1855.”

Away from downtown, the eastern end of R Street – for decades a dead zone on either side of the light rail tracks – is coming to life as well. The 2500 R Midtown development includes 34 energy-efficient, single-family homes now under construction. Another developer is pursuing plans to renovate an empty warehouse at 26th and R streets into a commercial complex that would include a brewery.

Also nearby, at R and 28th streets, the Sacramento Natural Foods Co-Op plans to break ground soon on a two-story, 42,446-square-foot grocery complex to replace its current cramped store at S Street and Alhambra Boulevard. It will include a new co-op retail space, a kitchen, classrooms, offices and a café.

Between these busy blocks, R Street remains unfinished and largely uninhabited, but redevelopment officials say change is coming there as well.

Wendy Saunders, executive director of the Capitol Area Development Authority, pointed to construction currently underway at the Warehouse Artist Lofts, or the WAL for short. The two-building complex on R Street between 11th and 12th streets will include 116 apartments, retail shops, restaurants and offices. The project had numerous false starts dating back more than a dozen years, but it gained traction in 2012 after the development authority joined with CFY Development to win \$18 million in federal tax credits.

About 75 percent of the 116 units will be rented at below-market rate. A restaurant with outdoor seating at the 11th Street corner will be run by the owners of Burgers & Brew. Development authority officials expect tenants to occupy the WAL by the third quarter of 2014.

“I think we have fabulous momentum on R Street right now,” Saunders said. “A lot of things are hitting the sweet spot already. When the 11th and R housing project gets done, I think that will really blow it up.”

Shelly Willis, executive director of the Sacramento Metropolitan Arts Commission, agrees: “I think the project is really important for the arts community, to have that option for affordable housing. It will bring a vitality in that neighborhood. We’re very supportive.”

Work also is ongoing at 15th and R streets, across the street from Ace of Spades, where Sacramento's Cordano family is renovating a former state office building, with plans for restaurants and retail shops. Earlier this year, Mark Cordano, a Cordano Co. principal, said the goal was to turn the site "into a state-of-the-art retail project."

Todd Leon, the development authority's R Street manager, said the developers have been tight-lipped about prospective tenants, with Dos Coyotes Border Café reportedly signed on so far.

"I've heard some very interesting concepts, but I think they're waiting because that is such a hot spot (and) they want to keep their options open," Leon said, adding that plans for the corner should be much clearer by spring next year. At this point, he said, "we're just needing to fill in the gaps" along the R Street corridor.

The development authority, a joint state-city agency that manages state-owned land around the capital, has worked for years to make the area more attractive for developers. Since 2002, Leon said, nearly \$15 million in city, state and federal funds have been poured into sewer and water improvements, light rail, street-scaping and other infrastructure.

"A lot of people are sniffing around for property right now, probably more than I can remember in the previous six or seven years," Leon said.

Even in its current mixed-bag state of busy haunts, loft living spaces, construction sites and dilapidated warehouses, some waiting outside the Ace of Spades last weekend said they find the area appealing.

"Yeah, it does have kind of Bohemian feel to it, but I kind of like it," said 24-year-old Kim Peterson of Sacramento.

Tom Simon, a 26-year-old Sacramentan, offered this: "You can see the dead spots where they're doing work, but I don't really worry about it. When it all gets built, it will be even cooler down here. ... I can wait."

Saunders understands that outlook, contrasting the R Street corridor's warehouse district vibe with that expected to accompany the construction of a new arena for the Sacramento Kings at Downtown Plaza.

I think (R Street) has an established identity right now. It's young and trendy, and there's a lot of building to do on that," she said. "If you look at the arena project, I think you can expect a lot of high-profile retail there. And that's fine. But (R Street) is the kind of place where you and I might ride our bikes to on the weekend, and where our kids want to go."

Bret Bair, who partnered with Eric Rushing to open the Ace of Spades in February 2011, says the warnings he heard about the R Street corridor two years ago have not materialized: "I remember people saying, 'Don't go downtown. It's too dangerous,' and all that. ... It just hasn't happened. We have good, strong acts and good crowds. It has been great. And things will get better when things build out."

The sprawling, boarded up-Crystal Ice and Cold Storage plant, looming just behind the Safeway complex, remains the largest and most stubborn reminder of the street's gritty past. But here, too, city officials say they are hopeful.

Local developer Mark Friedman bought the two-block-long property in 2005 with plans for a housing and retail complex, a vision that was beaten down in the recession. These days, Friedman is deeply involved in the Kings downtown arena project, but he formed a partnership with Sacramento developer Michael Heller, who is taking the lead role in evaluating the Crystal building's potential. Leon and Friedman said Heller, who heads Heller Pacific Inc., is studying the most feasible approach for developing the two blocks.

Sacramento Assistant City Manager John Dangberg is encouraged by Heller's involvement, pointing to his past work in converting the old Mayflower moving company building at 20th and J streets into a modern mix of shops, restaurants and art galleries known as the MARRS building.

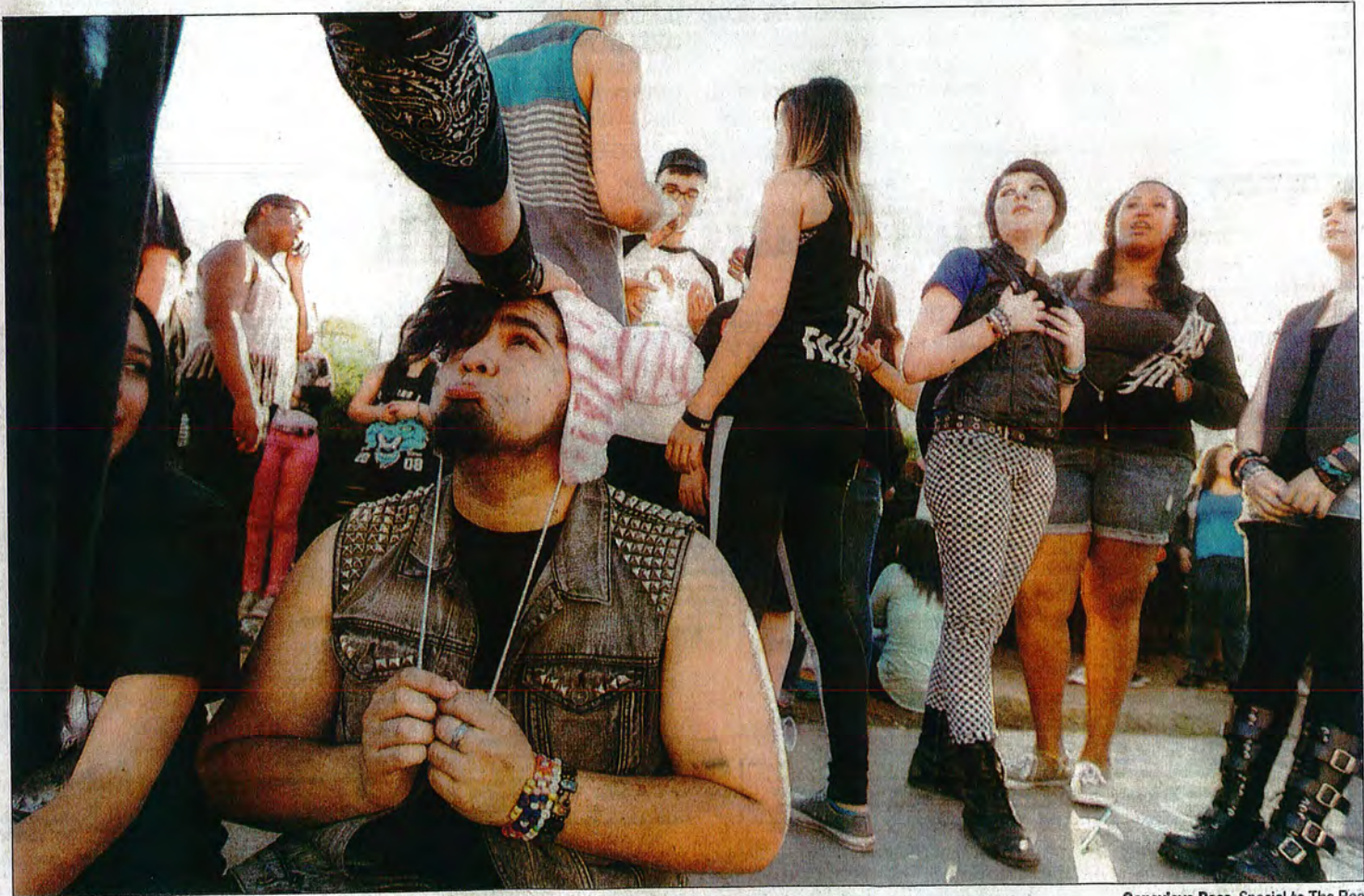
"I think that Heller's taking the lead on that is very positive. He has a penchant for adaptive reuse, and with the creativity he brings to the table, it's great to see him at the helm," Dangberg said.

“I think we have fabulous momentum on R Street right now. ... When the 11th and R housing project gets done, I think that will really blow it up.”

WENDY SAUNDERS, *executive director of the Capitol Area Development Authority*



Concert-goers cross R Street to the Ace of Spades music venue on R Street last month. Fans line up across the street for hours before the club opens.



Genevieve Ross Special to The Bee

Harley Berger, 18, of Sacramento hangs out with friends across the street from the Ace of Spades nightclub on R Street in midtown.

Renaissance for R Street corridor



FROM THE COVER



A skateboarder rides by Fox & Goose on the R Street corridor in downtown Sacramento last month. The city has been working for decades to make the area a bustling work-live-play district.



Alex Lokteff, center, shares a laugh with Kayla Jenkins, right, Crystal Holman, left facing, and Melanie Tannehill on the patio of Burgers & Brew on the 1400 block of R Street.

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