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A new neighborhood rises from the empty blocks of midtown's southern edge

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Sneak preview of Sacramento's "Ice Blocks" 1:19



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Along R Street between 16th and 18th streets, a village of offices, shops and apartments called Ice Blocks is rising fast on the site of the former Crystal Ice plant, which burned to the ground in November 2015. **Tony Bizjak** - The Sacramento Bee

BY RYAN LILLIS AND TONY BIZJAK
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It is one of midtown Sacramento's quietest corners, a world away from the hopping nightclubs, restaurants and stores of J and K streets. The industries that once occupied the blocks along Q, R and S streets east of 15th Street mostly departed long ago, leaving a legacy of weedy vacant lots and train tracks.

Now this overlooked part of the central city is about to get a major influx of development. If all goes as planned, it will emerge as one of Sacramento's most densely populated neighborhoods.

More than 650 apartments and town homes are either under construction or in final planning stages within three blocks of 19th and Q streets. The wave of housing construction – much of it to be offered at upper-end rents and prices – represents the largest concentration of new housing injected into Sacramento's central

city in decades, and promises to turn the area surrounding the midtown Safeway into a teeming village of 1,200 or more residents within the next couple of years.

Two development groups, one home-grown, the other locally led but financed by outside real estate investors, say they have their eyes on young professionals and empty-nesters who want to rent or buy near downtown and can afford higher prices, but have been stymied because of the lack of available housing.

The neighborhood will be anchored by two ambitious projects.

To the west, along R Street between 16th and 18th streets, a village of offices, shops and apartments called Ice Blocks is rising fast on the site of the former Crystal Ice plant, which burned to the ground in November 2015. A few blocks to the east, near The Sacramento Bee's headquarters at 21st and Q streets, developer Sotiris Kolokotronis is leading a group building several clusters of town houses and apartments.

In between, the city is turning a vacant lot at 19th and Q streets into a community park.

"I'm always a little cautious, but this is huge," said Councilman Steve Hansen, who represents the central city. "There's nowhere else in the central city where land is available the way it is here. And one thing has become clear: people want to live closer to where they work."

As cities around the nation experience urban building booms, Sacramento City Hall has launched an initiative to attract 10,000 units of housing to the central city over the next decade. Developers, city officials and affordable housing advocates say Sacramento is only now catching up to the national trend.

Many projects remain stalled as developers struggle to find financing or face legal challenges. That makes the momentum near 19th and Q striking.

After years of planning and the devastating fire, Ice Blocks has sprung up in recent months. The project is led by developer Michael Heller, whose partners include developer Mark Friedman and Sacramento Republic FC principal Kevin Nagle.

The first residents of a 150-unit apartment complex dubbed Ice House should move in this summer. The building will have market-rate apartments and an outdoor courtyard inspired by a Japanese zen garden.

Outdoor gathering spots and public art, some of it created from the remains of the ice plant,

will line the street. Yoga studios, coffee shops, art galleries and restaurants are expected to fill the many retail spots. A four-story office building will house the headquarters of Sacramento Republic FC and, potentially, design and architectural firms.

Festivals and art fairs will begin to launch on the block this spring; bollards have been installed to allow for the street's closure during special events.

Heller compared the project to Berkeley's upscale Fourth Street shopping district. It's also been described as a much larger version of Heller's MARRS complex at 20th and K streets, which he transformed from a bland office building into a hub of activity that includes the popular LowBrau restaurant and a weekly farmers market.

Heller said his project will be "infinitely better" off by having Kolokotronis' project nearby. The sudden influx of apartments and entertainment destinations will transform a car-oriented neighborhood into something different.

"It will feel like a city," Heller said, adding, "We went from famine to feast it seems overnight."

Heller and others say the area had to wait its turn, though, until the neighborhood to the west developed, first with the state's East End office complex and then with the state- and city-assisted redevelopment of 16th Street and the western portion of R Street.

While all three phases of Ice Blocks could be finished by the end of the year, Kolokotronis' project may not be far behind. Kolokotronis was once among the city's most prominent urban infill developers, whose projects include the 1801 L apartment building, which houses Buckhorn Grill and Saddle Rock restaurants, and the L Street Lofts across the street. But he filed for personal bankruptcy in 2012 and has been relatively quiet until recently.

The developer said he expects to break ground as early as this week on Q19, a 68-unit apartment building at 19th and Q streets. The four-story building will fill a lot left empty for more than a decade after a row of homes was removed. He said he would have begun construction already, if not for the wet weather.

A block away, construction of his 20 PQR project has been underway for months. The row of 32 town homes will be priced from the low- to mid-\$600,000s, and the first occupants could move in by May or June.



Notably, both projects will back up to freight rail tracks. Kolokotronis said the proximity could deter some people, but most prospective residents will likely accept it as part of midtown living.

His most ambitious plan is for The Press, which would be one of the largest residential projects in the central city. The 250-plus unit apartment building would be constructed on the site of The Sacramento Bee parking garage at 21st and Q streets, and work could begin by midyear. Kolokotronis' group bought the garage from The Bee last month. In addition to the apartments, the complex will have stores and restaurants lining 21st Street.

"It is the biggest (housing) project that's hit midtown in many years," said city community development director Ryan DeVore. "It shows we are there. We can make those types of projects work in Sacramento again."

With a combined price tag of \$120 million, financed by out-of-town investors, the trio of projects seems ambitious. But Kolokotronis dismissed that view in an interview last week, saying his work and Heller's nearby buildings represent only a small slice of the housing needed for an urban core that has fallen years behind other cities in creating housing.

"People are rediscovering the urban core," Kolokotronis said. "People want to be closer to where the action is."

It's been a long time coming, says Lucy Eidam Crocker, who moved her public relations company, Crocker & Crocker, to midtown 17 years ago, having heard the development was about to happen. Instead, she and employees spent years staring at a weedy lot behind a cyclone fence until Kolokotronis' group finally committed.

"I'm excited," she said. "We're finally going to get to see it come alive here."

Two other empty lots in the neighborhood are slated for development. The 12 homes making up the California Brownstones project are under construction at the corner of 17th and Q streets. Developer Ali Youssefi and the Capitol Area Development Authority, or CADA, also are exploring plans for a 150-unit apartment building on an empty lot directly behind Ice Blocks, at the corner of 17th and S streets.

Youssefi said he and CADA are working to determine the extent of groundwater contamination at the former site of a metal-plating firm. If the contamination can be dealt with at a reasonable price, Youssefi said he's "excited to add more housing, especially affordable housing, to this growing neighborhood." He estimates 40 percent of the apartments will be affordable to low-income residents.

The rest of the units being built in the neighborhood will be "market rate," ranging from \$1,200 a month for a studio to \$2,500 or more for two-bedroom apartments.

Darryl Rutherford, executive director of the Sacramento Housing Alliance, said it is "pretty disappointing" more emphasis is not being placed on building affordable housing in the area. Developers are no longer required to set aside a percentage of units in large housing projects for low-income residents. Rutherford said the impact won't just be felt "by people on fixed incomes or people struggling with homelessness."

"We're talking about people who are working in the midtown community that are baristas or line cooks," he said. "It could be a huge issue."

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