

Industrial building sells on Sacramento's suddenly hot R Street

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Another industrial building has sold on Sacramento's R Street, setting the stage for more redevelopment in what is becoming one of the city's trendiest commercial districts.

Michael Heller, president of developer Heller Pacific Inc., said Friday his firm purchased the former Capital Wholesale Electric building at 12th and R streets for an undisclosed price.

Heller said he and his partner in the project, a company called Ridge Capital, have already lined up two office tenants and hope to attract a restaurant to fill out the rest of the 25,000-square-foot building. Capital Wholesale, which owned the property, has relocated to a spot off Bradshaw Road.

"It could be a restaurant, could be a brew pub, could be a coffee shop," Heller said. "It's a really cool spot for a restaurant."

The purchase is the latest example of the revival taking place on the industrial corridor on the southern edge of downtown. The Capital Wholesale building sits across the street from a pair of major redevelopment projects that will include restaurants, clothing boutiques, office space and 116 residential units known as the Warehouse Artist Lofts. Barely a week ago, a developer snapped up the building that houses New Helvetia Theatre at 11th and R streets but is mostly vacant. Plans for that property haven't been announced.

A few blocks to the east, Heller Pacific is working with developer Mark Friedman on a major face-lift of the century-old Crystal Ice and Cold Storage plant. Plans call for a 200,000-square-foot complex featuring shopping, dining and residential.

“R Street is going to be a special corridor,” Heller said. “It’s going to happen much sooner than later.”

Heller is probably best known for his development of the MARRS project, or Midtown Art Retail Restaurant Scene, a popular restaurant and retail complex at 20th and J streets. He said he and Ridge Capital expect to spend about \$2 million renovating the Capital Wholesale building.

Two tenants have already committed to the site: HGA, a national architecture firm that will relocate its regional office from Roseville, and Market One Builders, a construction firm that will move from Natomas.

“It’s evidence of the flight to infill,” Heller said. “The flight to the city.”

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