



Haley Bros
BUILDING

825 K STREET, SACRAMENTO, CA 95814

HISTORIC CHARACTER. MODERN POTENTIAL. PRIME LOCATION.

CITY OF SACRAMENTO SURPLUS ASSET SALE

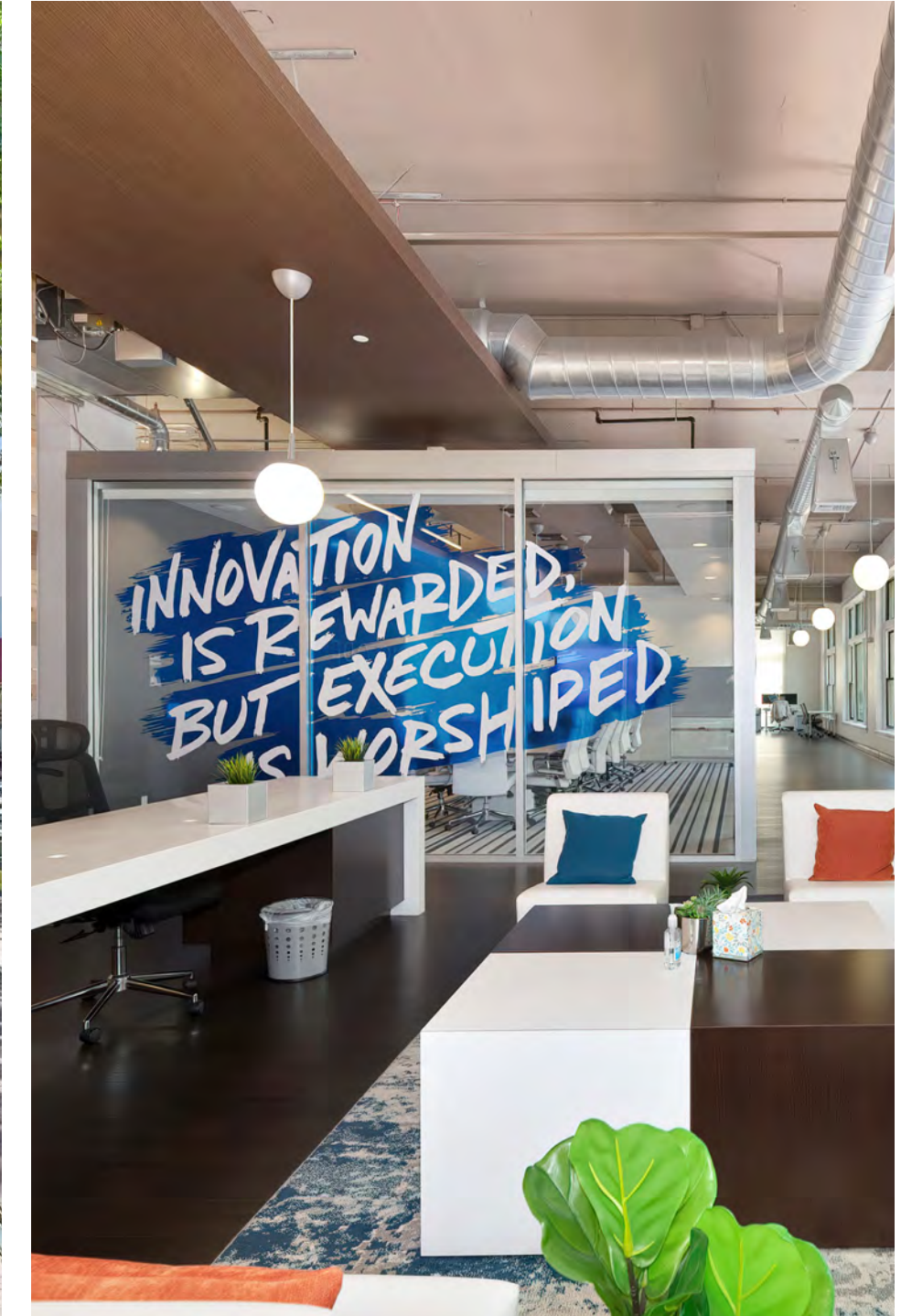
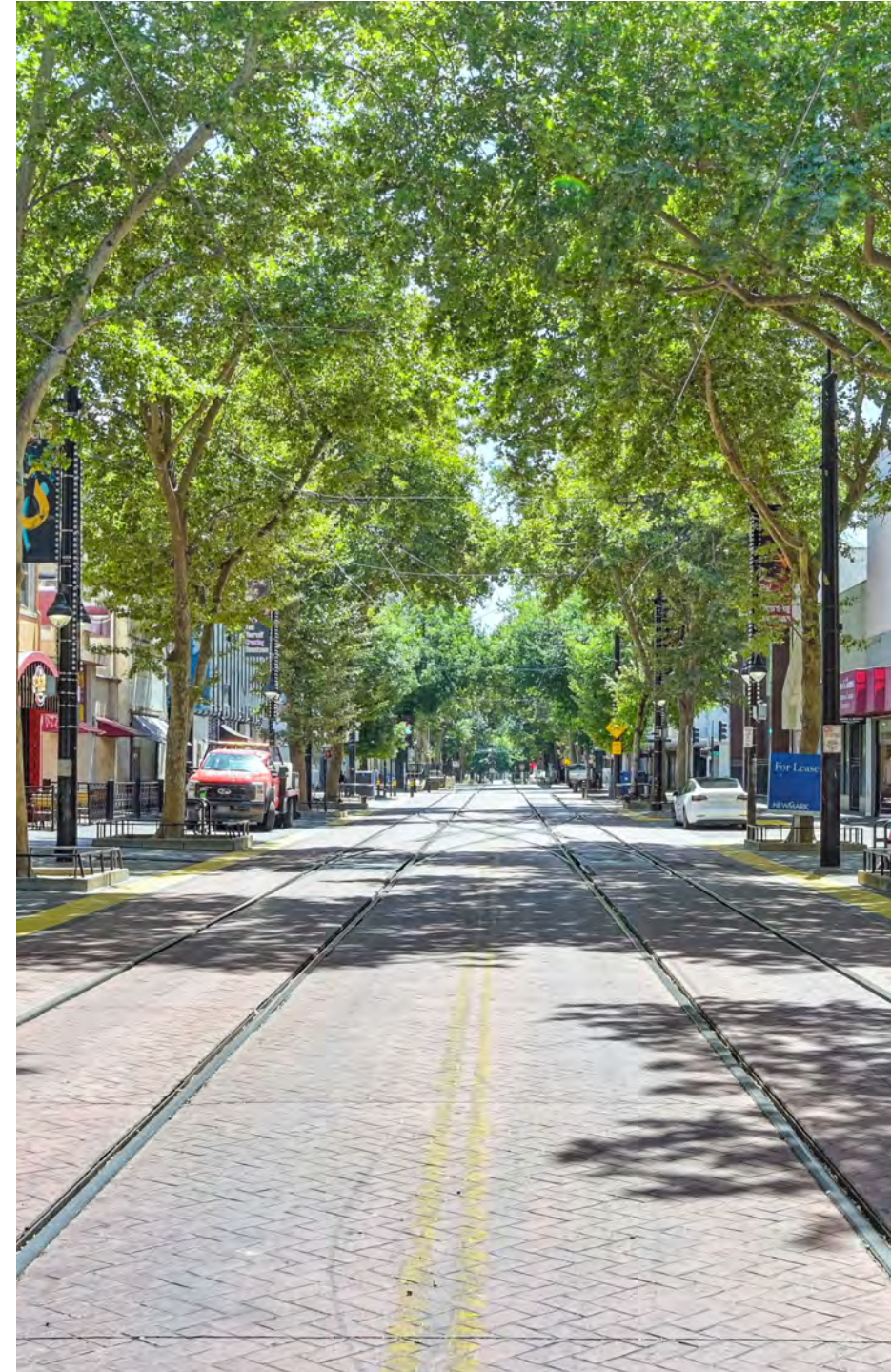
CALLING ALL VISIONARIES! SUBMIT YOUR PROPOSAL BY OCTOBER 3, 2025



Jones Lang LaSalle Brokerage, Inc. RE Lic #01856260

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THE OFFERING

HALE BRO'S BUILDING - 825 K STREET: A HISTORIC GEM OF ENDLESS POSSIBILITIES

Submit your vision by October 3, 2025. A formal Request for Proposals (RFP) is included in the Appendix of this offering memorandum, detailing the City's specific goals for the property and evaluation criteria for potential buyers.

JLL, as exclusive advisor on behalf of the City of Sacramento, is pleased to present the exceptional opportunity to acquire the 100% fee simple interest in 825 K Street (the "Property"), a historic, three-story mixed-use building located at the heart of Sacramento's vibrant downtown. The Property offers a rare investment opportunity where potential knows no bounds. Originally developed in 1881 as the Hale Brothers Department Store, this architectural treasure now presents the perfect canvas for your vision.



With over 75,000 SF of building area spanning retail, office, and convertible spaces, the Property invites you to SHOP. WORK. PLAY. LIVE. - all under one roof. The property's current partial occupancy offers immediate income while providing ample opportunity to reimagine unutilized spaces.

Strategically positioned at the northwest corner of K & 9th Street, this prime location places you just two blocks east of Sacramento's vibrant Downtown Commons (DOCO) entertainment district and Golden 1 Center, two blocks northwest of the State Capitol Building, and direct access to light rail, restaurants and shopping along K and L Streets.

Situated within a designated Qualified Opportunity Zone, 825 K Street presents a rare opportunity for investors to deploy significant capital into an asset and location with exceptional near and long-term prospects for capital appreciation.

The property's versatile layout and historic character provide the perfect foundation for a dynamic mixed-use transformation. Maintain the street-level retail to capitalize on pedestrian traffic, preserve the character-rich office spaces, or convert the third floor into residential units with spectacular downtown views. Few properties offer such flexibility in such a premium location.

INVESTMENT HIGHLIGHTS

The Hale Bros. Building offers a truly unique investment opportunity with its versatile, multi-functional spaces across all three floors:



GROUND FLOOR: PRIME RETAIL CANVAS

The street-level retail space offers a blank slate with excellent visibility at the K & 9th Street corner. Benefitting from steady foot traffic between the Golden 1 Center and State Capitol, this flexible space can accommodate various retail concepts, restaurants, or service businesses in downtown Sacramento's growing market.



SECOND FLOOR: LEASED, CORPORATE-CALIBER OFFICE SPACE

Currently home to Skyslope Inc., a subsidiary of Fidelity National, FNF(NYSE), the second floor exemplifies modern workplace design with open ceilings, abundant natural light, and robust technology infrastructure. This proven environment demonstrates the property's ability to attract and retain quality long-term tenants.



THIRD FLOOR: PREMIUM OFFICE SPACE ADAPTABLE TO RESIDENTIAL

Featuring stunning Chicago-style windows that flood the space with natural light and commanding downtown views, this versatile floor presents two exceptional options: maintain as contemporary open-plan office space or transform into distinctive residential units in a prime location. The generous ceiling heights and historic character provide the perfect foundation for luxury urban living.



QUALIFIED OPPORTUNITY ZONE INVESTMENT

Located within a designated Opportunity Zone, the Property offers substantial tax advantages including capital gains tax deferral, reduction, and potential elimination on new investments. The property's mixed-use potential perfectly aligns with Opportunity Zone objectives of community revitalization through diversified development.



PROPERTY SUMMARY



Address 825-831 K Street, Sacramento, California



APN 006-0097-012



Gross Building Area 76,320 SF



Current Occupancy 35% - Partial 1st Floor and Complete 2nd Floor leased



Building type Mixed Use Office and Retail



Floors Three stories plus subterranean parking level



Zoning C-3 SPD



Year Built/Renovated 1880/2008



Parking 32 secured stalls (accessible via alley and elevator served)



Site Size +/- 19,680 square feet (approximately 0.45 acres)



PROPERTY INFORMATION

This Property is a fascinating blend of history and modernity. The historically designated building has undergone significant renovations in 1980 and 2008, bringing it into the present while preserving its classic architectural roots.

The property now houses office and retail spaces, boasting a total of three stories over 75,000 square feet. Its design embraces an “industrial chic” aesthetic, characterized by soaring 14-foot ceilings and exposed hard duct HVAC systems. Natural light floods the interiors through numerous “Chicago-styled” arch windows and upgraded dual-pane windows, which also contribute to noise reduction and comfort. Two long window lines stretch along 9th Street and K Street, further enhancing the bright and airy feel.

Beyond its striking interior, the property offers practical amenities like secure lobby access and underground parking. Its prime location across from a light rail station makes it exceptionally convenient for commuters, and a loading zone in the alley provides easy access for deliveries. The property has even achieved LEED Silver certification, indicating its commitment to environmental sustainability.

Known in some contexts as the Hale Bro’s Building, the Property stands as a testament to adaptive reuse, skillfully merging its historic past with the demands of contemporary urban life. It’s a structure that speaks of both enduring charm and forward-thinking design.



SITE DESCRIPTION

Address	825 -831 K Street, Sacramento, California 95814
Property Description	Office {Mixed-use (office + retail)} Low-rise office building
Year Built	1881
Year Renovated	2008
Number Of Buildings	1
Number Of Stories	3 + Basement Level
Building Construction Class	B
Net Rentable Area	57,112 SF (Not Including Basement Level)
Gross Building Area	76,320 SF
Floor-Area Ratio	0.35
Elevator(s)	1
Coverage Ratio	100% (19,680 SF building footprint + 19,680 SF primary site)
Total Parking Spaces	32
ADA Compliance	The property was constructed prior to implementation of Federal ADA Regulations; we assume the property is not fully ADA compliant

BUILDING SPECIFICATIONS

CONSTRUCTION DETAILS

General Layout	Multi-tenant office with retail space on the first floor and office space on upper floors. There is a small common area lobby/area and corridor on the first floor. The first floor space is divisible. The existing layout of the upper floors is most conducive to full floor tenants.
Foundation	Poured concrete slab on grade
Construction	Reinforced concrete & brick
Exterior Walls	Painted brick & concrete
Roof Type	Flat, build up

INTERIOR DETAILS

Interior Walls	Primarily painted drywall with accent areas of exposed brick
Ceilings	Exposed to ductwork in office area. Retail suites have drop ceiling tile
Floor coverings	Including a mix of tile, finished concrete and commercial grade carpet
Lighting	Suspended fixtures
Restrooms	One set per floor

MECHANICAL DETAIL

HVAC	Rooftop mounted package units
Plumbing	Assumed to code and adequate
Electrical	Assumed to code and adequate
Fire Protection	Wet pipe system

GROUND FLOOR: RETAIL OPPORTUNITY

18,941 SF

17,397 SF Vacant

Partially Leased to MetroPCS and Wayport LLC

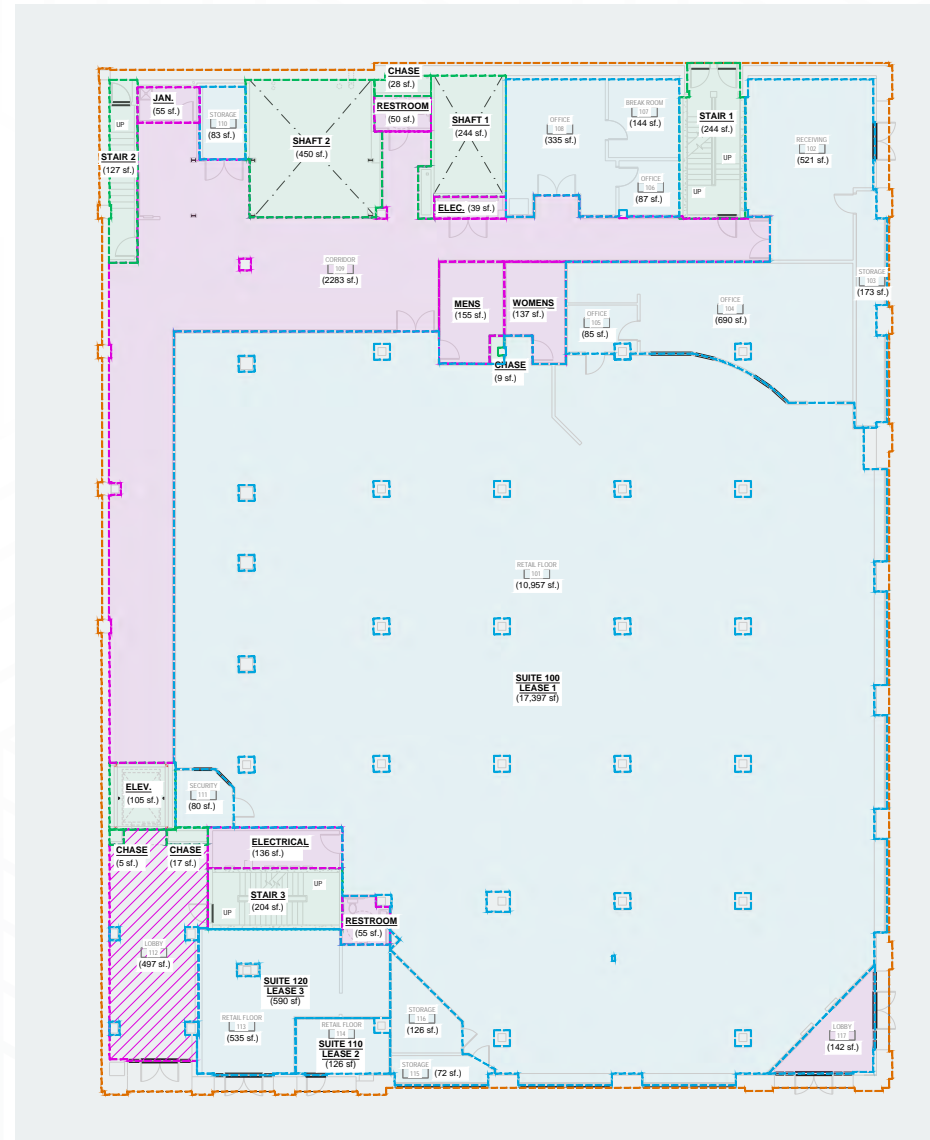
Premium retail opportunity with direct K Street frontage and exceptional visibility at the 9th & K intersection. Situated directly across from the light rail stop, the space benefits from superior transit accessibility and constant pedestrian flow between the Golden 1 Center and the State Capitol.

The ground floor features:

- Flexible floorplate divisible into multiple retail configurations
- Expansive storefront windows on both K Street and 9th Street
- Prominent corner position with multiple entrance possibilities
- High ceilings with modern infrastructure
- Existing roll-up door on 9th Street for additional access options

Ideal for restaurant concepts, boutique retail, service businesses, or innovative mixed retail uses seeking to capitalize on downtown Sacramento's revitalized K Street corridor. The space's versatility and transit-adjacent location make it perfectly positioned to capture the growing downtown consumer base.

Previously occupied by Rite Aid Pharmacy, the ground floor space features high ceilings, existing roll-up door on 9th Street, expansive store front windows on 9th and K Street with prominent building signage opportunities. An existing small wireless phone retailer is located on 9th Street in approximately 300 square feet on a month-to-month basis.



SECOND FLOOR: LEASED CREATIVE OFFICE

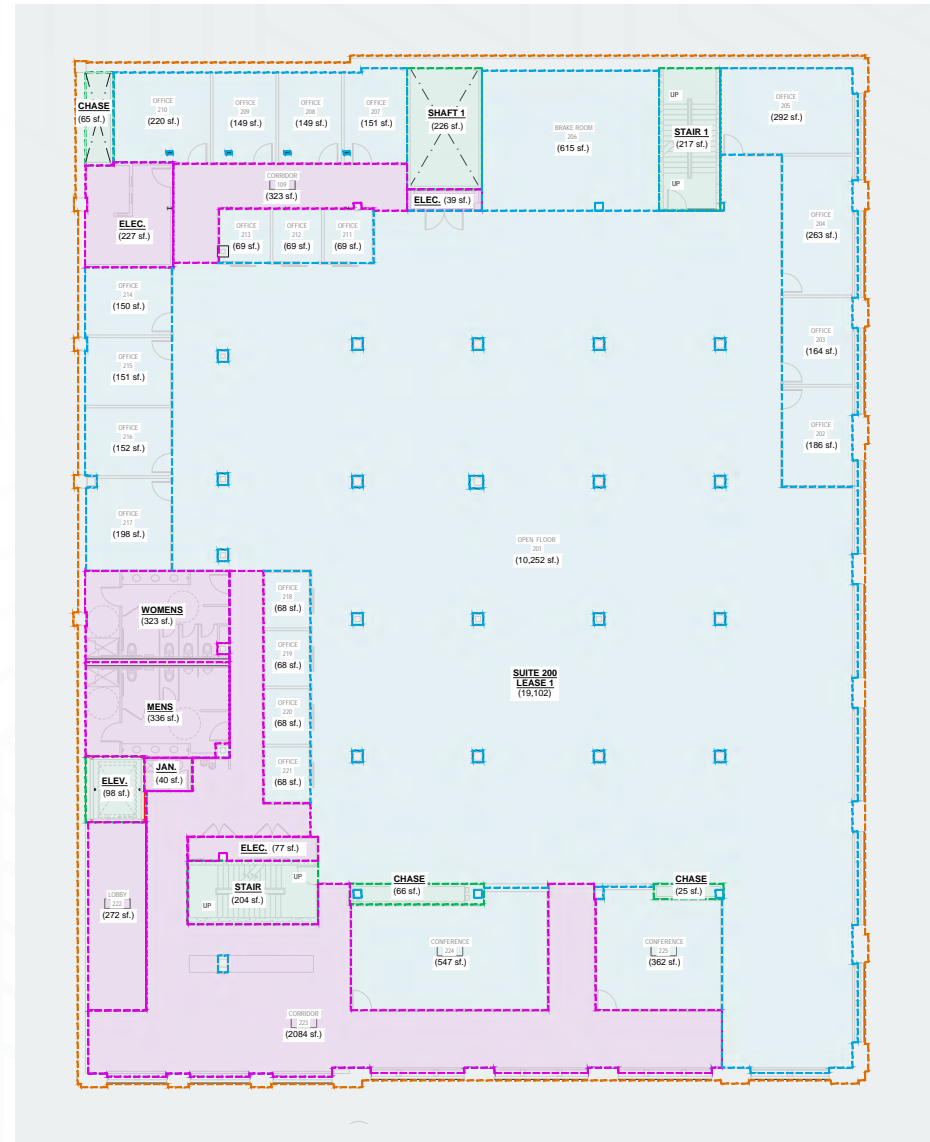
19,102 SF

Premium creative office environment currently occupied by a technology company, Skyslope Inc., a subsidiary of Fidelity National Financial. This space masterfully balances historic architecture with contemporary workplace design.

The space showcases:

- Soaring exposed ceilings with concrete beams and modern ductwork creating a distinctive industrial-chic aesthetic
- High-end designer finishes including glass-walled conference rooms that preserve the open, collaborative atmosphere
- Floor to ceiling windows flooding the space with natural light while highlighting the historic façade
- Thoughtfully designed collaborative zones supporting modern work patterns
- Custom lighting solutions that enhance original architectural features
- Premium amenities including an all hands meeting space, phone rooms and quiet rooms

This exemplary renovation demonstrates how the Property's historic character can be reimagined for today's premium office users - striking the perfect balance between preserving architectural integrity and creating a forward-thinking workplace environment that attracts top-tier tenants.



THIRD FLOOR: VACANT

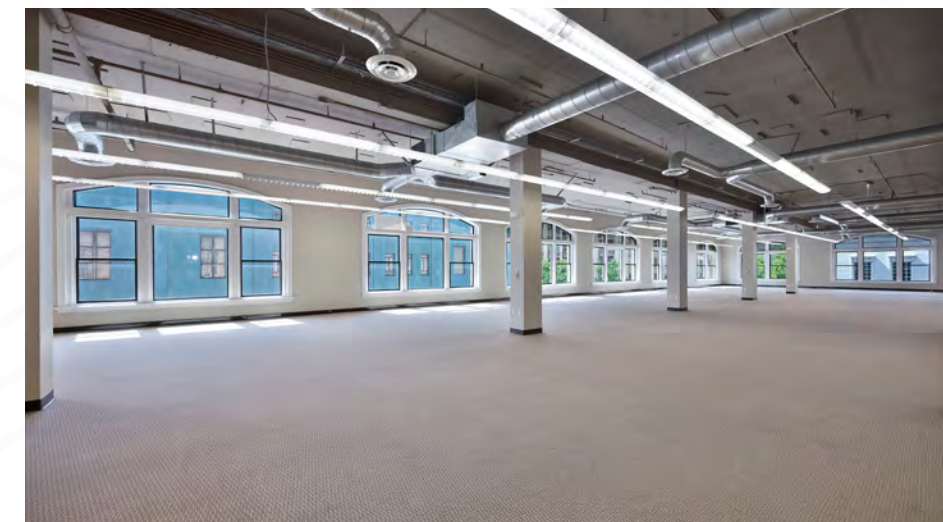
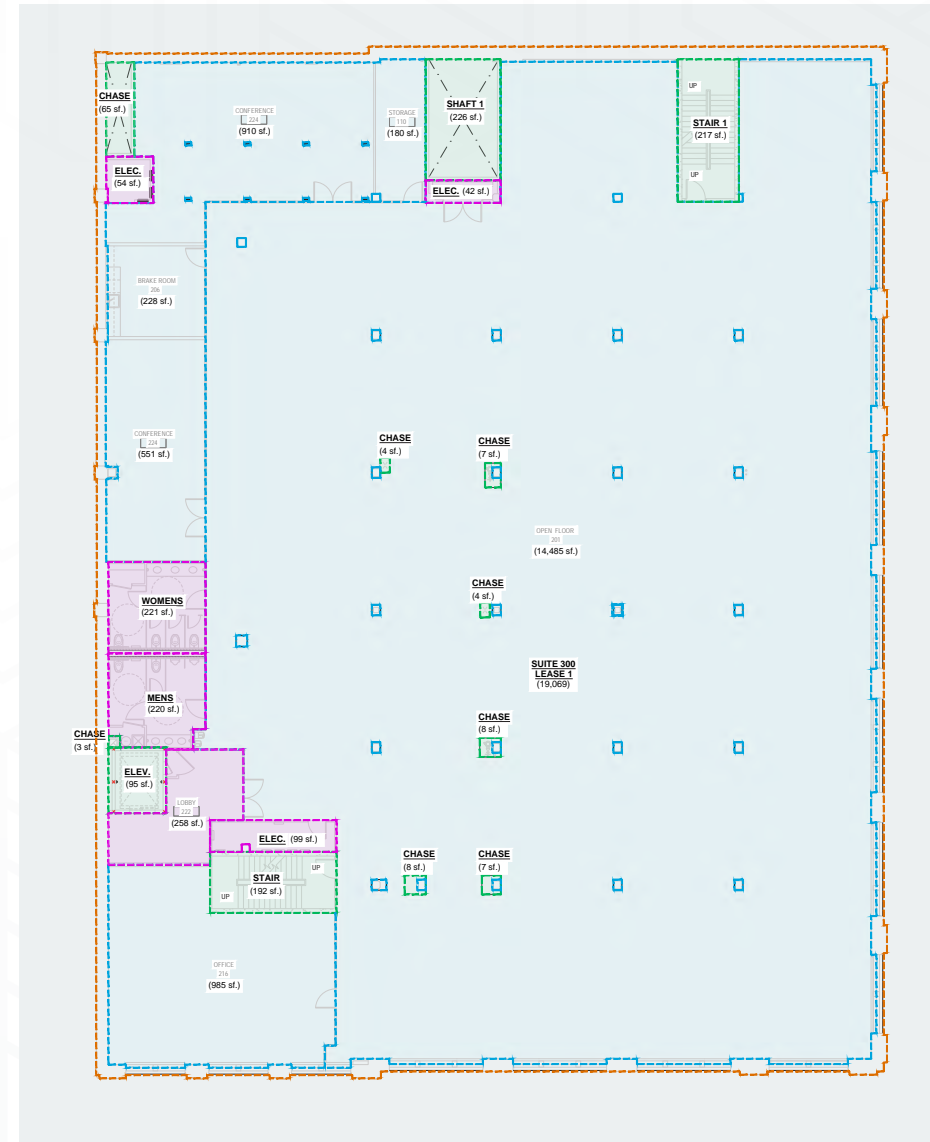
19,069 SF

Discover a blank canvas of architectural distinction with unmatched character and versatility. This expansive floor showcases the building's industrial heritage through its magnificent open ceiling structure, where exposed concrete and natural brick create a dramatic overhead canopy.

The space showcases:

- Soaring open ceilings with exposed structural elements that celebrate the building's historic bones
- Original brick walls creating an authentic backdrop for any design vision
- Impressive Chicago-style windows that flood the space with natural light from both K Street and 9th Street exposures
- Flexible open floorplate ideal for creative office, residential conversion, or mixed-use concepts
- Updated core elements including modern restrooms and break room infrastructure
- Exposed ductwork and dropped pendant lighting that provide distinctive architectural character

This premium floor presents limitless possibilities for an ambitious tenant or visionary owner looking to capitalize on downtown Sacramento's renaissance. Whether maintained as distinctive office space or transformed into luxury residential units, this raw yet refined environment offers the perfect foundation for creating a signature downtown destination.



BASEMENT LEVEL

19,208 SF

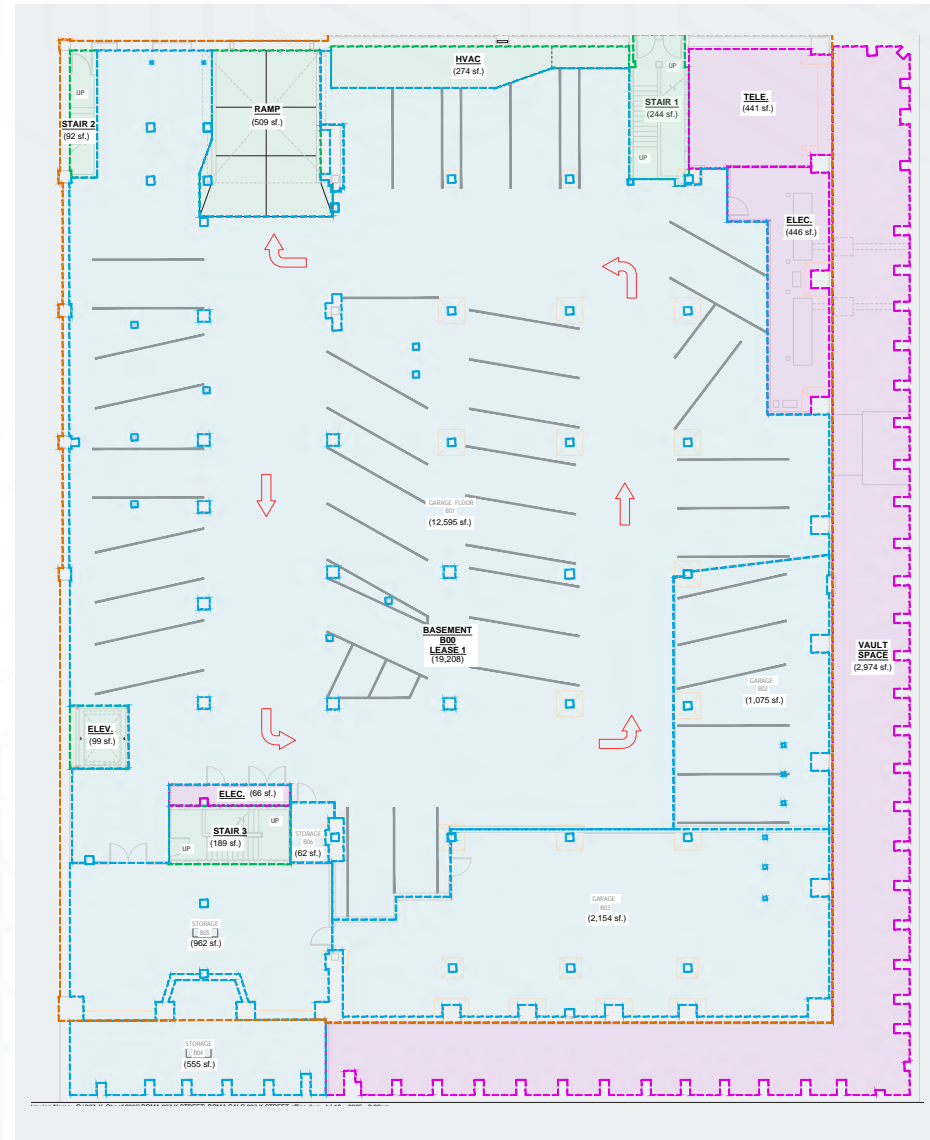
32 Parking Spaces

Premium secured parking and storage facility accessible exclusively through the building's controlled access elevator system and secure automated rollup door on the alley side.

The basement features:

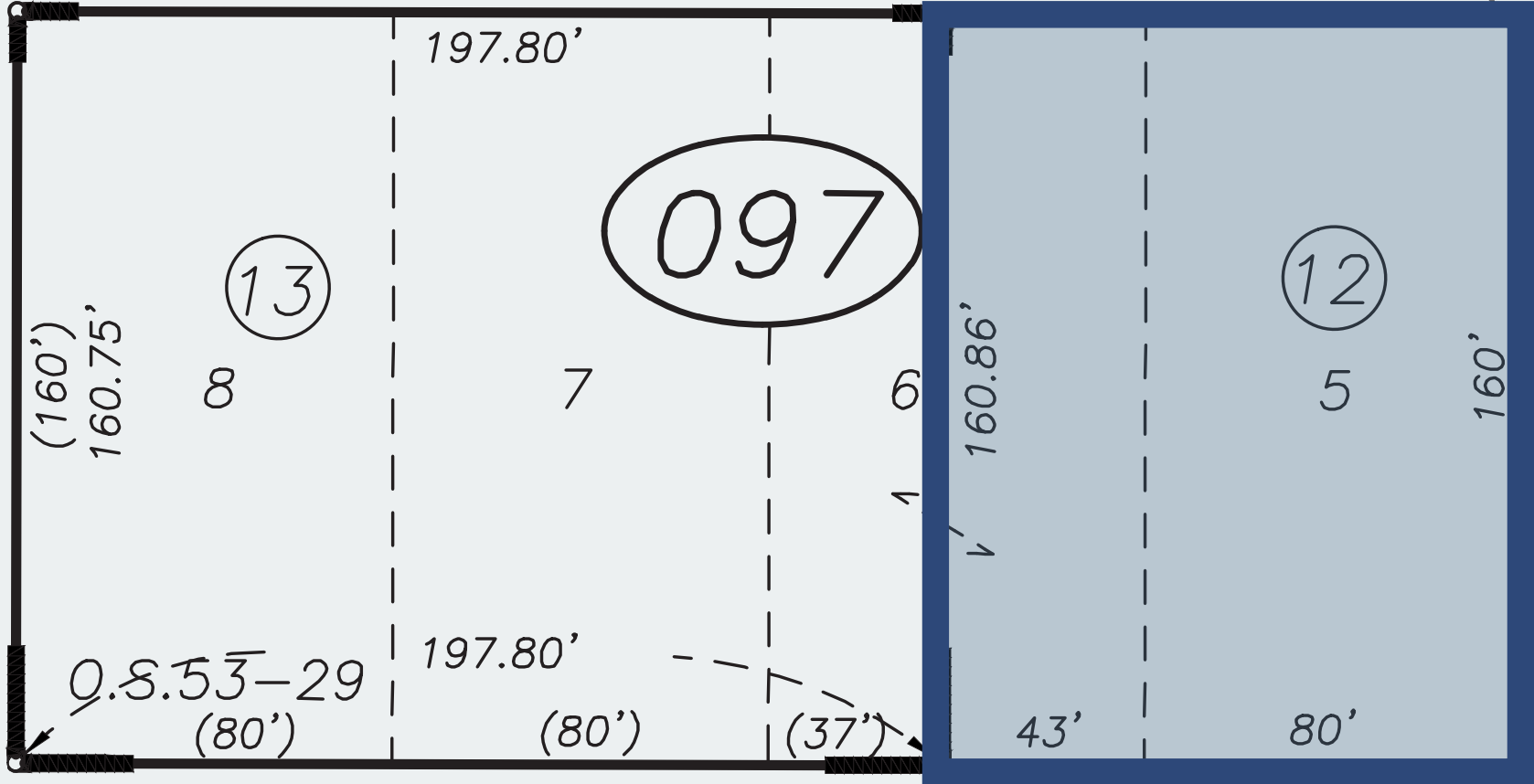
- Direct elevator access from all floors providing seamless vertical connectivity
- Advanced security system with controlled entry points ensuring 24/7 protection
- Pristine concrete flooring with clear traffic markings and designated parking spaces
- Multiple dedicated storage areas totaling over 4,500 SF with lockable enclosures
- High ceilings accommodating larger vehicles and storage needs

This exceptional amenity provides tenants with downtown Sacramento's most coveted asset - secure, private parking directly beneath their workspace. The additional secured storage areas offer valuable auxiliary space for business inventory, records, or equipment in a controlled environment rarely found in historic downtown properties.





PARCEL MAP















HaleyBro's
BUILDING

825 K STREET, SACRAMENTO, CA 95814









THE LOCATION

Downtown Commons (DOCO)

-  Golden 1 Center
-  Sauced BBQ & Spirits
-  Yard House
-  Punch Bowl Social
-  Polano Cantina
-  Starbucks
-  Echo & Rig
-  Con Azucar Cafe
-  24 Hour Fitness
-  Estelle Bakery & Pâtisserie
-  Kimpton Sawyer Hotel
-  Topsy Putt
-  Urban Outfitters
-  Insomnia Cookies
-  Pressed Juicery
-  Haagen Dazs Ice Cream
-  Kings Team Store

Old Sacramento

-  The Firehouse Restaurant
-  Bear & Crown
-  Joe's Crab Shack
-  Riverfront Dock
-  Blueprint Coffee Project
-  California State Railroad Museum
-  Evangeline's

K Street Corridor

-  Tiger Restaurant & Lounge
-  Koja Kitchen
-  KBAR.DOCO
-  Kodaiko Ramen & Bar
-  Beach Hut Deli
-  Taco Bell Cantina
-  Crest Theatre
-  Dive Bar
-  Fire & Crisp
-  Maya's Kitchen
-  Ella Dining Room & Bar
-  Esquire IMAX Theatre
-  Café À Côté
-  The Boiling Crab
-  Osaka Sushi
-  Thee Upper Crust Pizza
-  Crest Cafe
-  Empress Tavern



FINANCIAL INFORMATION

TENANT OVERVIEW

The property currently hosts a mix of established tenants that provide stable rental income while offering a new owner flexibility to gradually reposition the property:

SKYSLOPE INC, SUBSIDIARY OF FIDELITY NATIONAL FINANCIAL FNF (NYSE) Occupying the second floor, this Fortune 500 subsidiary brings corporate stability and creditworthiness to the rent roll. As a technology-focused real estate solutions provider, Skyslope exemplifies the type of modern office tenant drawn to the Property's blend of historic character and contemporary features.

ULTIMATE WIRELESS (METROPCS FRANCHISEE) This established retail tenant occupies a small portion of the ground floor, providing essential telecommunications services to the downtown community while generating consistent foot traffic. Their presence demonstrates the property's viability for street-level retail operations.

WAYPORT LLC (WIFI BROADBAND PROVIDER) This technology service provider enhances the tenant mix with complementary business operations that align with the property's modern infrastructure capabilities.

This diversified tenant base currently generates sufficient rental income to cover the property's operating expenses, creating a favorable scenario for a new owner. The stable income stream allows for strategic flexibility, providing time to thoughtfully reposition vacant spaces, explore conversion opportunities for the third floor, or implement value-add improvements without immediate financial pressure.

RELEVANT SALES COMPARABLES



1100-1106 11th St – The Regis Bldg



700 J St – Capital Bank Building



630 K St



629 J St

Size

±31,388 SF

±92,000 SF

±86,244 SF

±49,906 SF

Price

\$3,750,000 (\$119.47/SF)

\$11,060,000 (\$120.22/SF)

\$10,300,000 (\$119.43/SF)

\$8,500,000 (\$170.32/SF)

Sale Date

January 2025

November 2024

July 2024

January 2024

Notes

Historic, partially renovated. Mostly vacant office near capitol

Partially vacant historic office. Sold for conversion

Retail ground floor, high vacancy office

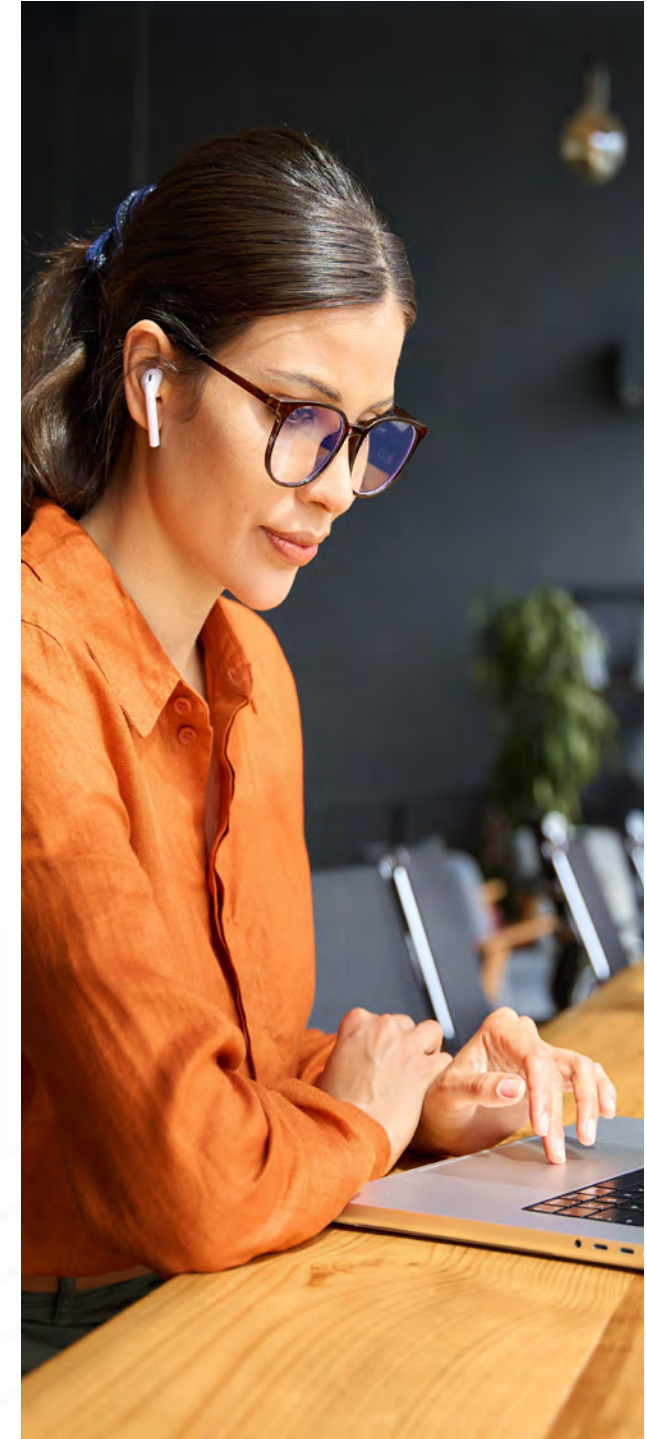
Nearly renovated retail concept. Renovated food hall and event

DOWNTOWN SACRAMENTO: SHOP. WORK. PLAY. LIVE.

Downtown Sacramento's balanced "Shop. Work. Play. Live." ecosystem provides remarkable economic resilience during market fluctuations. Unlike more vulnerable suburban areas where office vacancy rates can exceed 25%, properties in Downtown have maintained relative stability with a 13.1% average vacancy rate in the Government Affairs District. This resilience stems directly from the district's diversified economic foundation and employment stability of the California state government.

The urban core's walkable amenity package features a growing collection of local, authentic businesses, restaurants, and cultural attractions. With over 90 restaurants, frequent farmers' markets, park concerts, and entertainment venues, Downtown offers an experience-based lifestyle that continues to attract both businesses and residents even during challenging economic periods.

Recent years have seen substantial growth in retail establishments and dining options, particularly around the Golden 1 Center and DOCO (Downtown Commons) development. Simultaneously, residential transformation is underway with numerous apartment developments catering to the influx of professionals seeking Sacramento's unique blend of urban amenities and relative affordability. This population growth, part of a 20% increase over the last decade, continues to fuel demand across all sectors of Downtown's integrated ecosystem.



DOWNTOWN SACRAMENTO: RETURN TO WORK MOMENTUM

The steady return-to-office movement provides a powerful tailwind for Downtown Sacramento’s commercial real estate market, particularly for strategically positioned mixed-use assets like 825 K Street. Unlike many secondary markets still struggling with remote work challenges, Downtown Sacramento has shown remarkable resilience.

Foot traffic data reveals a consistent upward trajectory since the pandemic’s initial impact, with current measurements showing a 9% year-over-year increase. This growth significantly outpaces many comparable urban cores across California and reflects Sacramento’s unique position as both a government center and an emerging lifestyle destination.

This foot traffic renaissance directly supports ground-floor retail viability while reinforcing the demand for quality office space with character and flexibility, precisely what the Property offers. As Downtown Sacramento continues its evolution into a true 24/7 district where people shop, work, play, and live, properties that can accommodate this multi-dimensional approach are uniquely positioned to capitalize on the market’s continued recovery and growth.

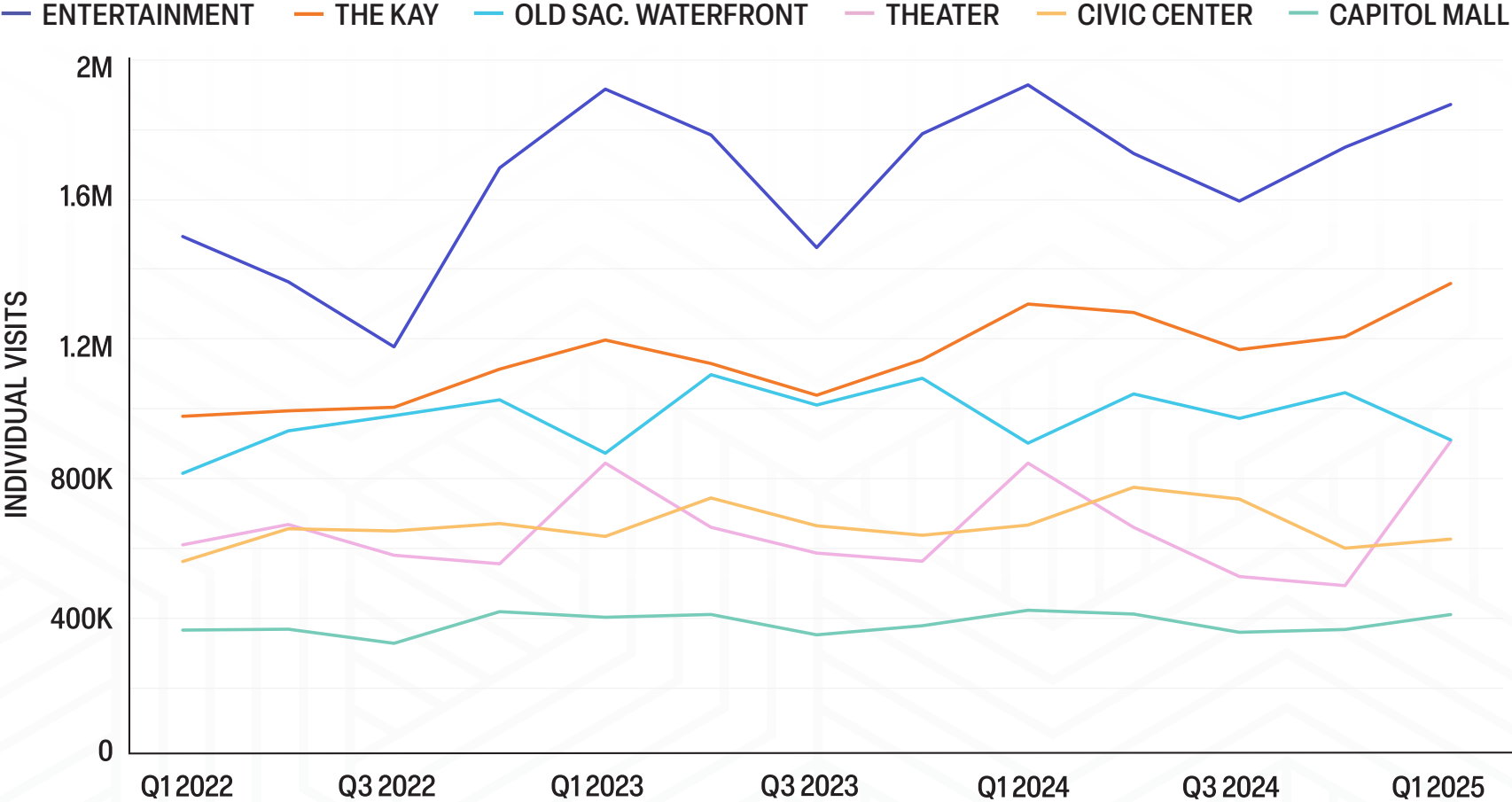


FOOT TRAFFIC CONTINUES TO INCREASE

Foot traffic levels are expected to continue to increase as State employees return to work. Recovery has been led by the Government Affairs Districts.

PEDESTRIAN TRENDS Source: Placer.AI

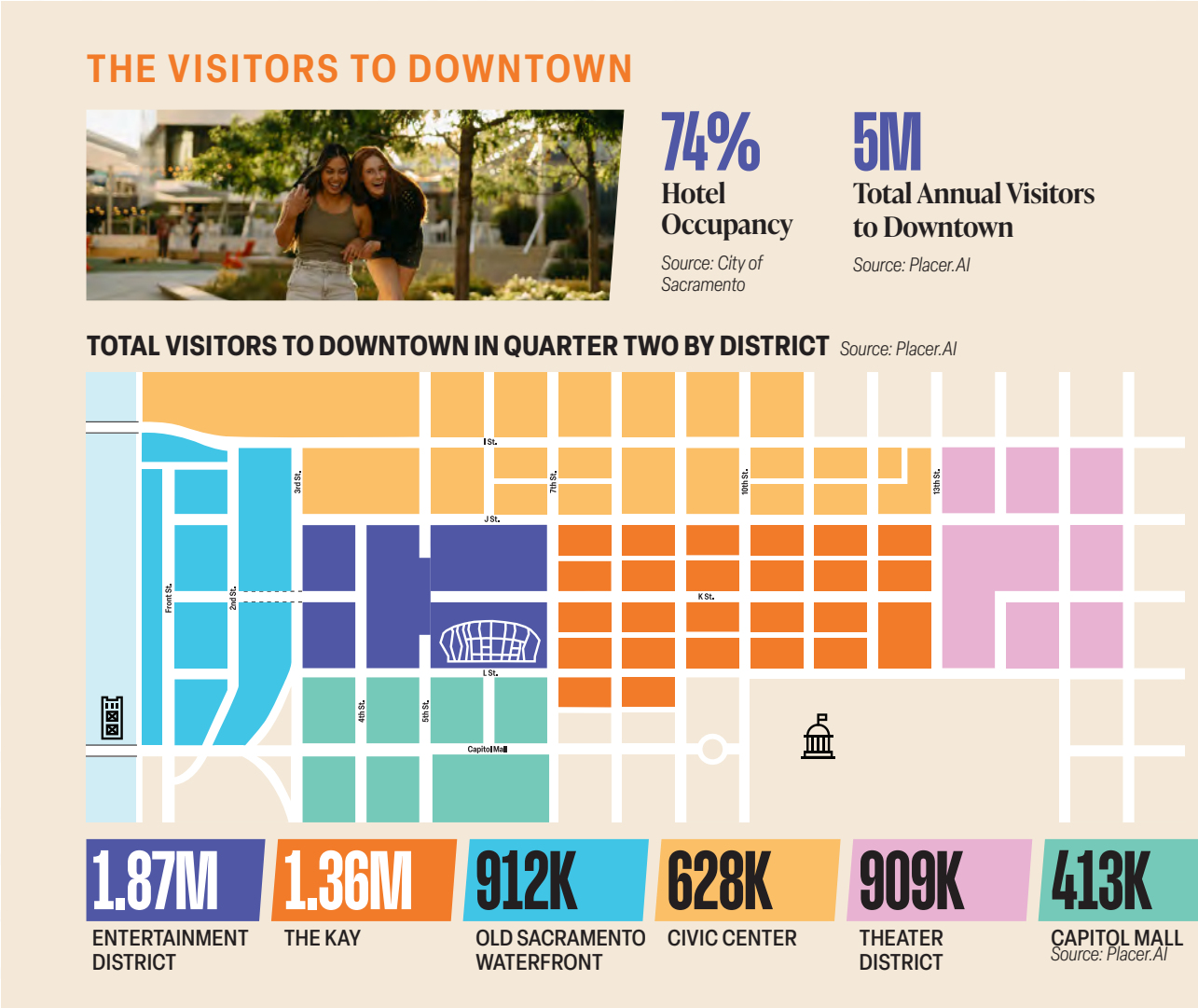
TOTAL PEDESTRIAN VISITS TO EACH DOWNTOWN DISTRICT BY QUARTER



DOWNTOWN SACRAMENTO'S RENAISSANCE

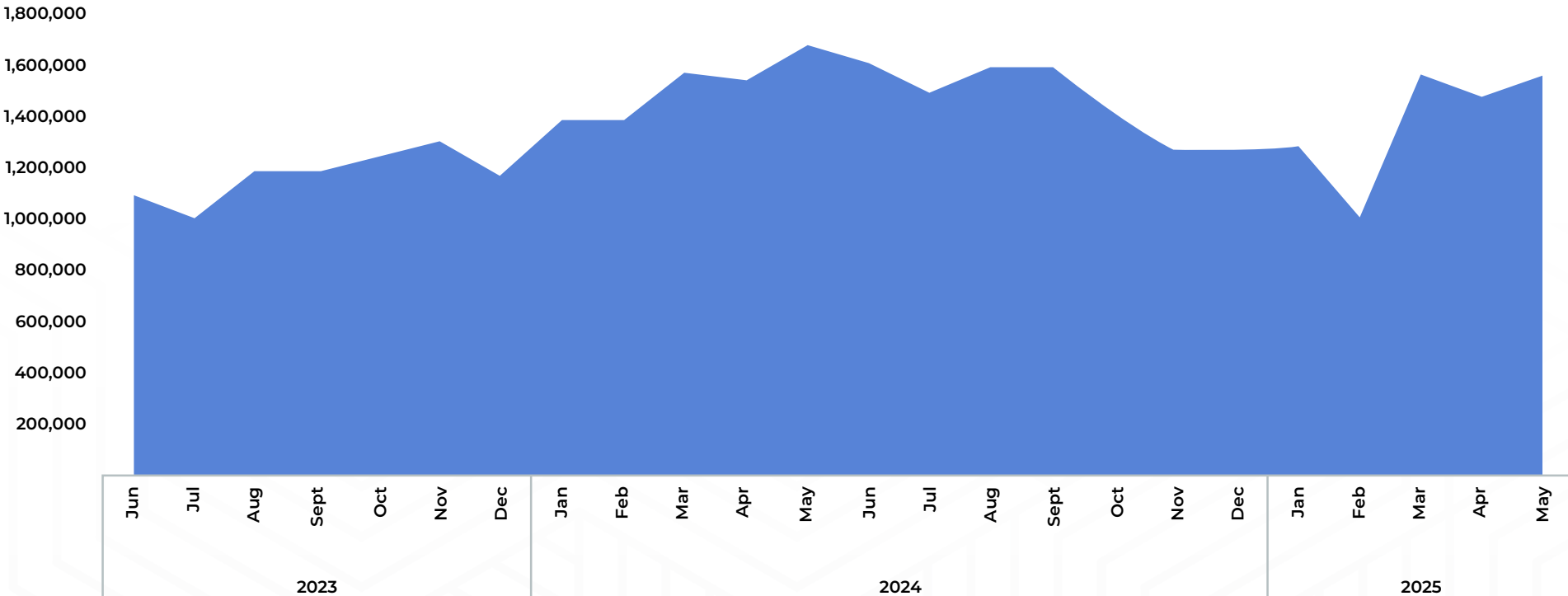
Since opening in October 2016, the Golden 1 Center has catalyzed significant development throughout Sacramento's CBD, transforming the area into an innovative, vibrant destination for living, working, and entertainment.

- **660 J Street:** Recently acquired by Sutter Health for conversion into an Advanced Orthopedics & Sports Medicine Care Complex, scheduled to open late 2027.
- **Golden 1 Center:** This LEED Platinum venue hosts the Sacramento Kings and approximately 200 annual events attracting over two million visitors.
- **Downtown Commons (DOCO):** This 630,000 SF development features more than a dozen popular eateries, a Century Theater, 24-hour Fitness Super Sport facility, and expanding retail offerings.
- **Kimpton Sawyer Hotel & Residences:** This 16-story development includes a 250-room luxury hotel and 45 upscale condos (87% sold), featuring a rooftop restaurant, lounge and pool overlooking the Arena.



SACRAMENTO TOTAL TENANT DEMAND

Total tenant demand across the region has increased 23% year-to-date and 3% year-over-year.



REGIONAL MARKET OVERVIEW

Sacramento is a leading business location in California largely because it offers employees an excellent quality of life and access to the best that California has to offer, all at a price point that is increasingly attractive. Its growing, well-educated populations, relatively affordable cost of living, and proximity and access to the Bay Area, Lake Tahoe, Napa Valley and beyond will continue to fuel Sacramento's above average growth in the years ahead.

Sacramento is the sixth largest city in California, and the capital of the fifth largest economy in the world, California. Located at the north end of California's expansive Central Valley, one of the richest agricultural regions in the world, the four-county Sacramento MSA has 2.3 million residents making it the fifth largest MSA in California behind greater Los Angeles, the San Francisco Bay Area, the Inland Empire and San Diego.

Situated 85 miles northeast of San Francisco, the City sits at the junction of Interstate 5 and Interstate 80, is served by several rail lines and airports, and has a deep-water port at the confluence of the Sacramento and American rivers.

“ *The Sacramento region will add 162,000 jobs this decade, a growth rate of 16% according to new projections from the California Employment Development Department.*

– Sacramento Bee, 2023

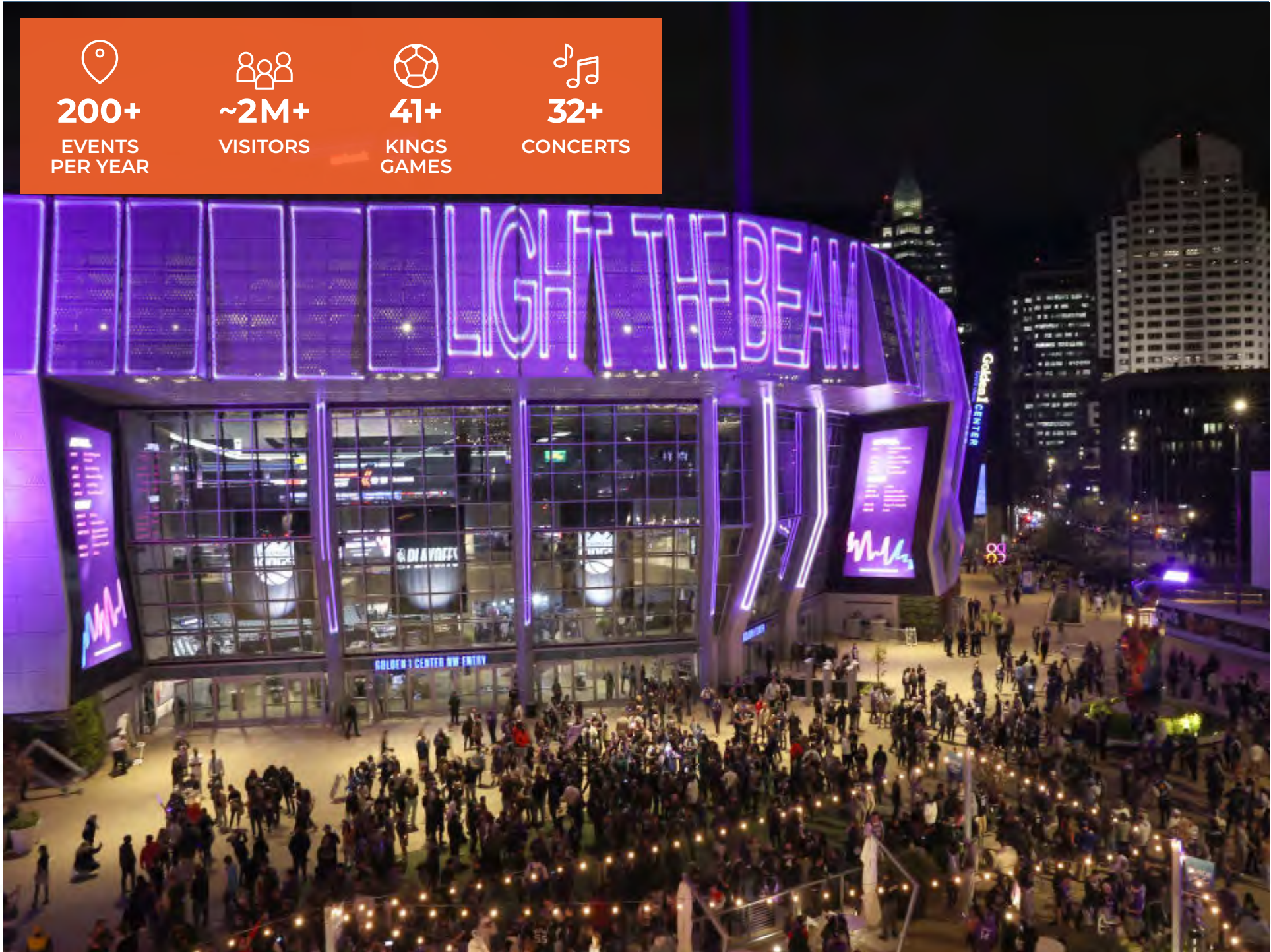
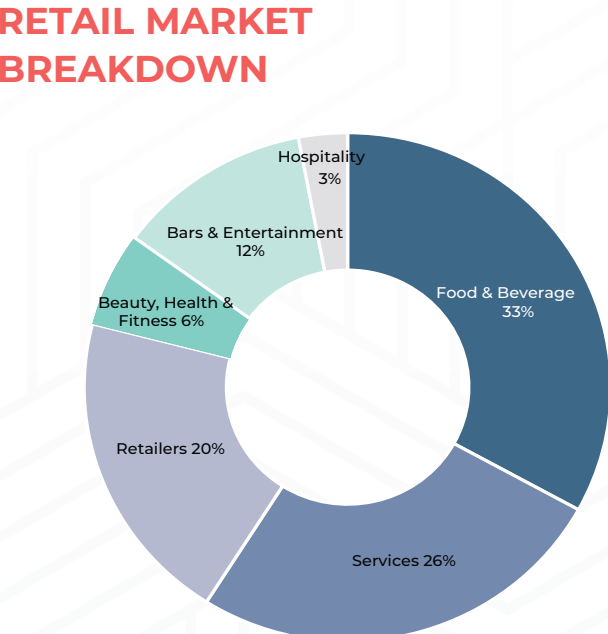
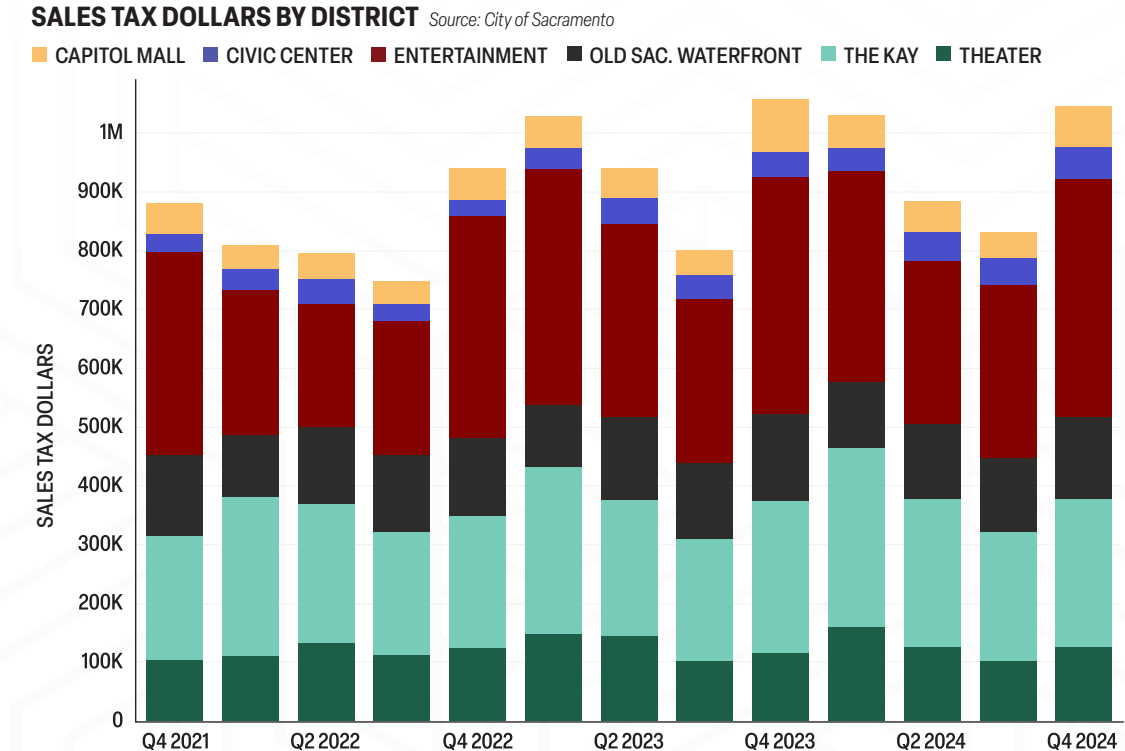
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RETAIL MARKET OVERVIEW

The downtown Sacramento retail market has been radically transformed over the last decade due to the completion of the Golden 1 Center. This landmark venue hosts over 200 events each year including ~41 Sacramento Kings games and ~32 concerts, attracting approximately two million visitors to the area. The Arena is part of the 1.8 million square foot Downtown Commons project, and is further complimented by The Kay entertainment district which stretches from 9th Street to 16th Street. In addition, the future Railyards – a 244-acre infill project – will bring a new soccer stadium, museum, hospital, housing and retail to the downtown market. Businesses once satisfied with suburban locations have begun relocating to the CBD to participate in this incredible urban renaissance.

The downtown retail market encompasses 4.1 million square feet of space bounded by I-5 to the west, railroad line to the north, Interstate 80 Business (aka the Capitol City freeway) to the east and Highway 50 to the south.



CALIFORNIA – THE WORLD’S FIFTH LARGEST ECONOMY

If California were a country, it would rank 5th in the world in terms of total gross domestic product as of 2023, between Japan (\$4.21 trillion) and India (\$3.56 trillion). Furthermore, the Bay Area ranks as the world’s 18th largest economy with \$1.33 trillion in total GDP, falling in between Indonesia (\$1.37 trillion) and Turkey (\$1.29 trillion). As California and the Bay Area continue to fuel economic growth within California and the global economy, Sacramento is positioned to benefit as the seat of the legislative body that governs the state.

Sacramento’s economy has steadily grown alongside the Bay Area and California, increasing at an average of 4.5% compounded annually over the last 20 years to approximately \$176 billion as of 2022. Post pandemic year-over-year growth rates (2021 and 2022) exceeded 7.5% in both years, which surpasses growth rates seen over the last 20 years in the Sacramento region.



State Capitol Building



Sacramento International Airport



Old Sacramento Historic District

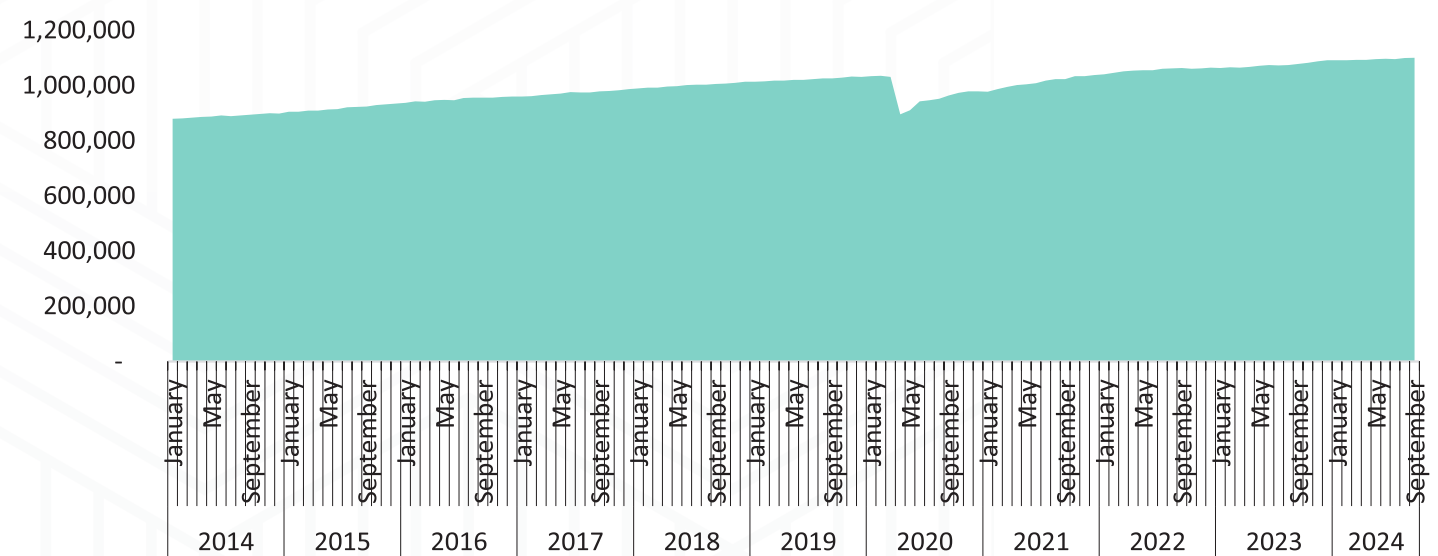


DOCO

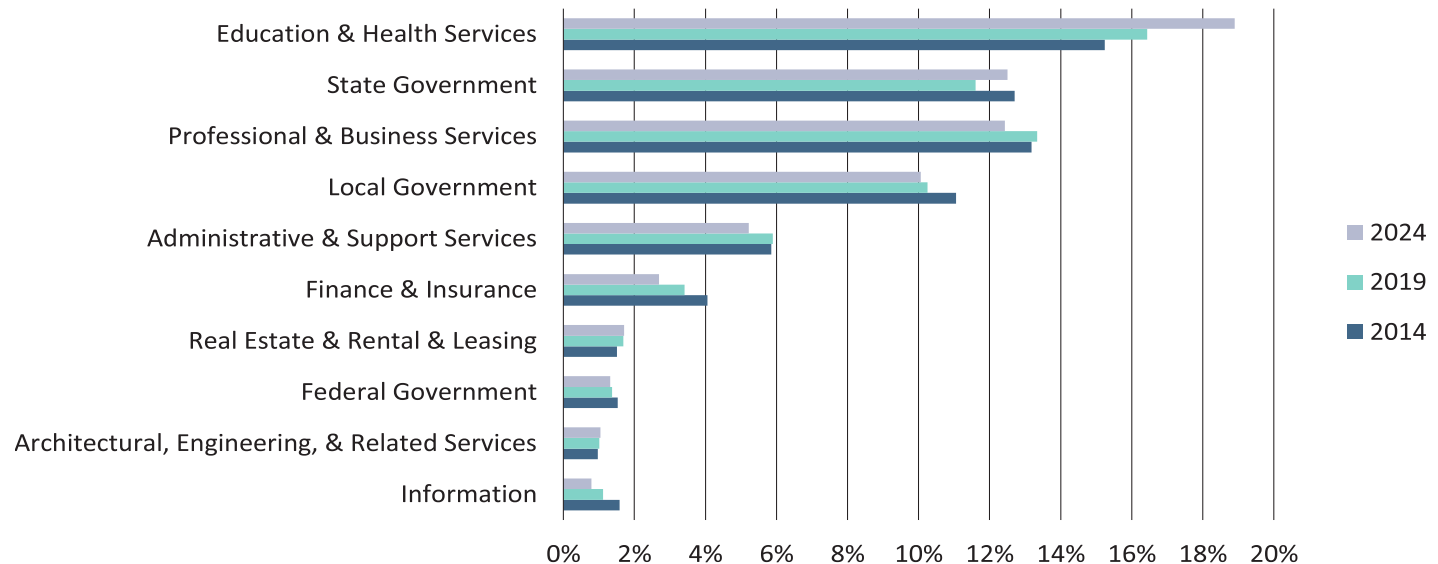
Rank	COUNTRY	2023 GDP (in trillions)
1	United States	\$27.36
2	China	\$17.79
3	Germany	\$4.46
4	Japan	\$4.21
5	California	\$3.87
6	India	\$3.56
7	United Kingdom	\$3.34
8	France	\$3.03
9	Italy	\$2.25
10	Brazil	\$2.17

Total Nonfarm Employment

Sacramento MSA

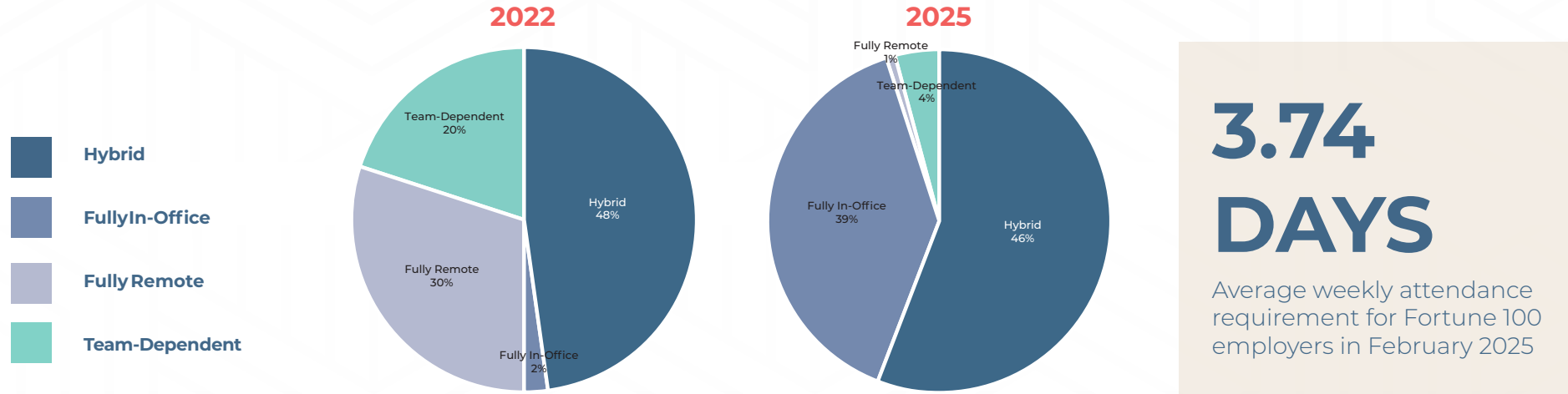


Employment by Industry Sector



RETURN TO OFFICE TIDE CONTINUES

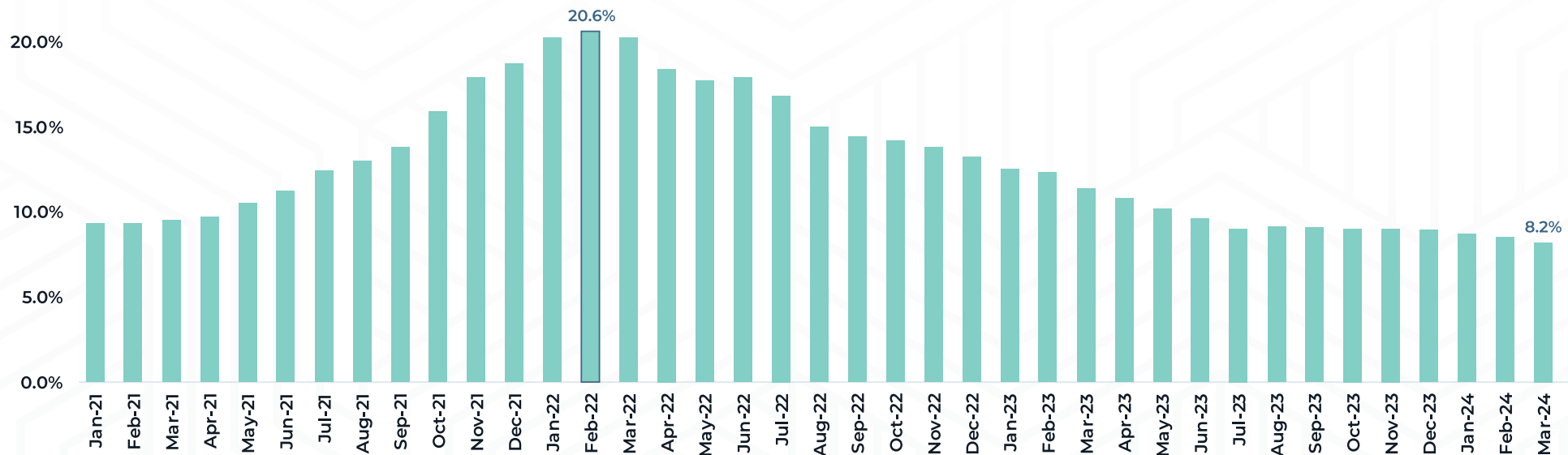
Fortune 100 Office Attendance Policies



Placer.AI weekly average attendance rate



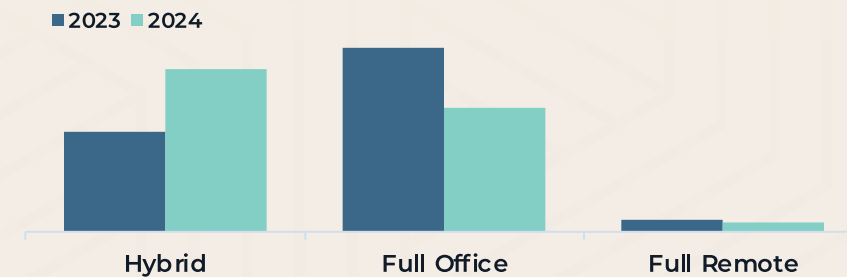
Remote share of LinkedIn job postings



KPMG 2024 CEO Outlook

Executives are coming to terms with hybrid work, while remote work continues to be marginalized.

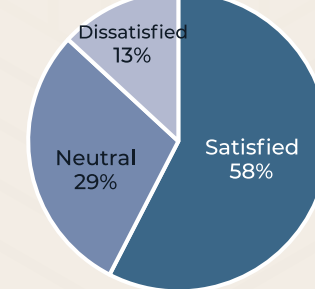
Expectations for future work settings



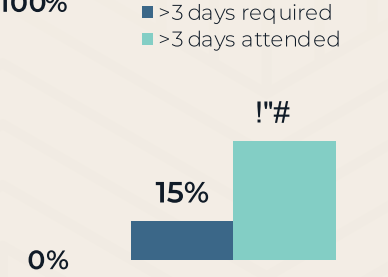
Reuters Law Firm Survey

350+ law firm survey reveals employees are adopting policies and engagement has improved

Opinions on firm policies



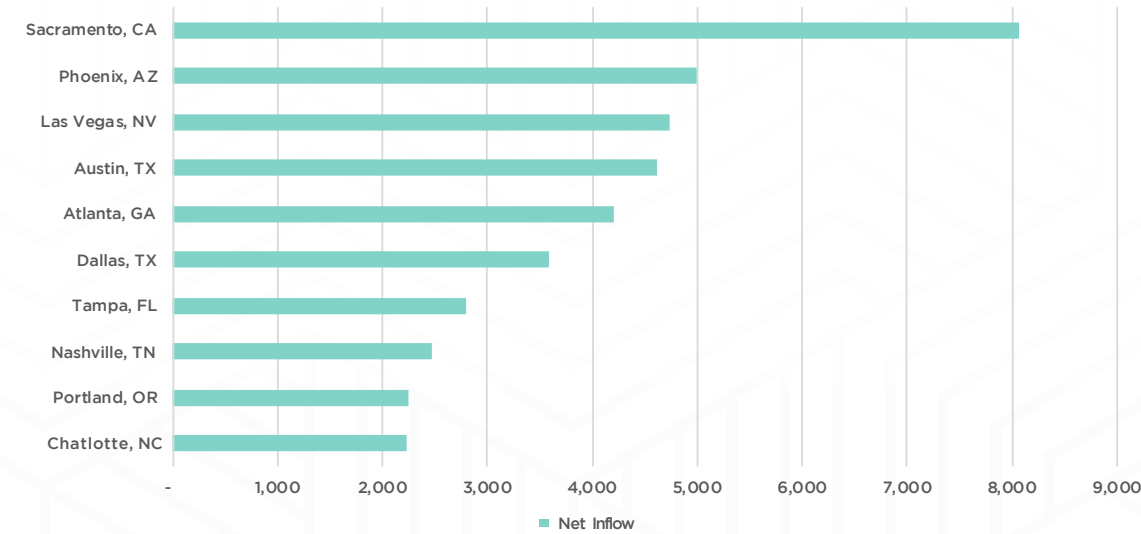
Policy adoption



POPULATION GROWTH AND HOUSING DEMAND

The Sacramento MSA never realized population declines throughout the pandemic, unlike the Bay Area and other major metros, as domestic in-migration and the return of international migration maintained positive population growth over the last four years. Over the last decade, the region has seen its population increase 20%, or 1.8% compounded annually, which makes Sacramento one of the fastest growing large cities in California.

Top ten metros by net inflow of home buyers



“Many of the most competitive cities are tech hubs that have attracted an influx of people moving to the area for jobs, unmatched by the creation of new homes. This has led to intense competition and rising home prices. In San Francisco, Seattle and Denver, homes have become so expensive that many people are moving elsewhere in search of more affordable and less competitive housing markets.

- Taylor Marr, Senior Economist at Redfin”



TRANSACTION GUIDELINES

The City of Sacramento is seeking a visionary buyer who shares its commitment to the continued revitalization of K Street as a vibrant, mixed-use corridor in the heart of downtown. The ideal purchaser will demonstrate both the financial capacity and creative vision to transform 825 K Street into a catalyst project that enhances the area's Shop. Work. Play. Live. ecosystem while honoring the property's historic character.

A formal Request for Proposals (RFP) is included in the Appendix of this offering memorandum, detailing the City's specific goals for the property and evaluation criteria for potential buyers. The RFP outlines comprehensive submission requirements, procedures for submitting questions, and all applicable deadlines for consideration. The selection process will prioritize proposals that align with Sacramento's downtown revitalization strategy.

Interested buyers who wish to access comprehensive due diligence materials should contact JLL directly. All potential purchasers will undergo a qualification process to verify financial capacity and development experience before receiving access to the complete due diligence package. This vetting procedure ensures that only qualified buyers with proven ability to execute the City's vision will participate in the final selection process.



EXCLUSIVE ADVISORS:

Bryan Huarte
Senior Vice President
+1 916 448 5196
bryan.huarte@jll.com
CA DRE #01362697

Alexis Garrett
Senior Vice President
+1 916 491 4316
alexis.garrett@jll.com
CA DRE #01836361

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City of Sacramento

Request for Proposals

Purchase or Lease

Subject Property:

**The Hale Building
Downtown Sacramento
825-831 K Street, Sacramento CA 95814**

Deadline for submissions: October 3, 2025

**PROPOSALS MUST BE RECEIVED BY 5:00PM
ON OCTOBER 3, 2025**

Selection Schedule

- RFP document released: Monday August 4, 2025
- Questions due by: August 22, 2025
- Answers provided by: September 8, 2025
- Proposals due by 5pm: Friday October 3, 2025
- Anticipated selection of firms for interviews: Tuesday, October 24, 2025
- Anticipated dates of interviews: Monday, November 3 – Friday, November 14, 2025
- Anticipated notification of selected Proposer: Friday, December 5, 2025.
- Anticipated Negotiation of contract (subject to City Council approval)

NOTE: The City of Sacramento reserves the right to modify the dates and other criteria listed at its sole discretion. All information submitted in or in connection with a proposal is submitted under penalty of perjury.

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PURPOSE OF RFP

Jones Lang LaSalle Brokerage, Inc (“JLL”) on behalf of the City of Sacramento (“City”) requests proposals from well qualified companies, organizations or individuals (each, a “Proposer” and, collectively “Proposers”) for the purchase, or lease of City-owned real property known as the Hale Building, located at 825-831 K Street, Sacramento, CA 95819 (“Property”). The City seeks a proposal including detailed information on the interested party and proposed use of the Property. This information will help the City in its evaluation of any potential purchase or lease proposal. It is the City’s desire to transfer ownership or to lease the Property for the betterment of K Street and downtown Sacramento.

DEVELOPMENT VISION

The City’s vision for the Property’s future is for a use that will serve as an economic catalyst, adding value to the surrounding neighborhood, attract daily foot traffic, and cater to an urban dweller, that will enhance the downtown area. The City’s preference is for a developer to tenant the ground floor with a destination retailer, activating the Property and providing an

amenity that will benefit the surrounding area. This vision is consistent with the City's desire, which is to create a vibrant community where residents and visitors can shop, work and play.

The City will review Developer proposals and prioritize them according to the market demand for the proposed uses and the highest economic and community benefits. Certain proposed uses for the first floor retail will not be allowed, such as fast-food restaurants, liquor or tobacco retailers, or retailers that do not support the City's vision of a retailer who can serve as an economic catalyst.

OVERVIEW OF DOWNTOWN SACRAMENTO

Downtown has fundamentally transformed over the past decade. Expanded cultural amenities, thriving housing developments, and bold collaboration have made Sacramento a model for urban reinvention. With the development in 2014 of Downtown Commons ("DOCO") and the award-winning Golden 1 Center, home to the professional NBA Sacramento King's, and the soon to be developed nearby Railyards, Major League Soccer Stadium and Kaiser Permanente Hospital facility, downtown Sacramento has become a major destination.

The Property is located along the K Street corridor in downtown Sacramento, which offers a vibrant blend of historic charm and modern urban amenities and serves as a cultural and commercial spine connecting the city's key destinations. With nearly 20 million annual visitors downtown, the area has evolved into a thriving mixed-use neighborhood.

Key amenities and benefits include:

- **Cultural Attractions:** The district hosts the Crocker Art Museum, California State Railroad Museum, DOCO (Downtown Commons), MOSAC, SAFE Credit Union Performing Arts Center, and numerous art galleries and performance venues including the historic Crest Theatre.
- **Dining & Entertainment:** K Street and surrounding areas feature over 100 restaurants, cafes, and bars ranging from fine dining establishments to casual eateries with outdoor patios contributing to the area's vibrant street life.
- **Transit Access:** The area enjoys exceptional connectivity with Sacramento Regional Transit's light rail system running directly through the K Street corridor, connecting downtown with outlying neighborhoods and suburbs.
- **Pedestrian-Friendly Environment:** Recent streetscape improvements have enhanced walkability, with widened sidewalks, street furniture, and public art installations creating an inviting atmosphere for residents and visitors.
- **Growing Residential Community:** Downtown housing has expanded significantly with over 2,000 new residential units added in the past decade, creating a 24/7 neighborhood with strong support for retail and services.

- Business Hub: The area serves as the region's primary employment center with State offices, corporate headquarters, and a growing tech sector providing a daytime population that supports retail and dining establishments.
- Calendar of Events: Year-round programming includes farmers markets, outdoor concerts, Second Saturday Art Walks, and seasonal festivals that consistently draw crowds to the district.

PROPERTY BACKGROUND

The Hale Brothers building, a former department store, was built in 1881 and is located on the northwest corner of 9th and K Street in downtown Sacramento. The Hale Building is a historical three-story building comprised of approximately 73,098 sf., located at 825-831 K Street, (APN 006-0097-012-0000). It is architecturally astonishing with 14" open ceilings, exposed brick walls, and a beautifully renovated historic structure with open floor plans. There are 32 underground secured parking spaces. The building is LEED ID+C certified. The present zoning for the Property is Central Business District/Special Planning District (C-3-SPD) and it is subject to the Central City Urban Design Guidelines. The parcel size is 19,680 sq. ft. / 0.45 acres and is in an Opportunity Zone. The City-owned property has been approved as exempt surplus by the state Housing and Community Development Department in conformance with California Government Code section 54221(f)(1)(F)(1).

The Hale Building is in the heart of the Downtown Sacramento Partnership (DSP PBID) district just minutes from the State Capitol and City Hall, as well as several federal, state, and city occupied offices. Sacramento's Regional Light Rail System has a stop located directly across from the building and offers extremely convenient accessibility. Its central locality provides limitless retail options and is centered near some of Sacramento's best chefs and restaurants, including Grange Restaurant and Bar at the Citizen Hotel and Ella Dining Room and Bar. Tenants appreciate proximity to Sacramento's Certified Farmer's Market hosted at Capitol Mall every Wednesday and Bodega Days at Cesar Chavez Plaza on Thursday's. The building is located just 3 blocks from the award-winning Sacramento Kings Golden One Center.

HISTORIC PRESERVATION REQUIREMENTS

The Hale Building (825–831 K Street) is designated as a City Landmark under Chapter 17.604 of the Sacramento City Code. As such, any exterior or interior improvements affecting character-defining features of the building must be reviewed for consistency with the Secretary of the Interior's Standards for Rehabilitation and are subject to the site plan and design review as outlined in Section 17.808.180 of the Sacramento City Code.

All development proposals must comply with applicable historic preservation policies, including but not limited to:

- Retention and rehabilitation of historic features;
- Sensitivity to the building's historic character and architectural integrity;

- Compatibility of proposed alterations with the surrounding historic district.

Projects involving demolition, relocation, or substantial alteration of the building will require additional findings per Sacramento City Code 17.808.180(A)(2) and must demonstrate that such actions are necessary and justified under the criteria provided therein.

Proposers should be aware that approval timelines may be extended due to the required preservation reviews. Early consultation with the City's Preservation Director is encouraged.

DISPOSITION AND DEVELOPMENT AGREEMENT

As part of the property transfer, the City of Sacramento will execute a Disposition and Development Agreement (DDA) and/or Regulatory Agreement (RA) with the selected purchaser or lessee. These binding agreements will establish parameters for future development at the building, particularly focused on ground floor uses that must align with the City's strategic vision for the K Street corridor. The agreements will specify permitted and prohibited uses, design standards, activation requirements, and performance timelines to ensure the Property contributes meaningfully to downtown Sacramento's revitalization. Ground floor spaces must prioritize uses that generate pedestrian activity, provide neighborhood-serving amenities, and create an engaging streetscape experience. The City seeks uses that complement existing downtown assets while addressing service gaps identified in recent market analyses. All terms of the DDA and/or RA will be negotiated collaboratively with the selected Proposer, balancing the City's public benefit objectives with the economic viability of the development project.

SPECIFICATIONS OF THE RFP

Responses to this Request for Proposal (RFP) should provide the City with the information needed to assess, evaluate, and select a buyer or lessee for the Property that the City feels will provide the best overall value to the downtown area and community. Respondents to this RFP will have the option to provide a proposal for sale or lease of the building.

PROPOSAL CONTENTS

All proposals must contain, at a minimum, all the information described in this Section. Failure to include a complete proposal with all the required information is cause for the City to deem the proposal as non-responsive and reject the proposal. The adequacy, depth, and clarity of the proposal will be evaluated and the inclusion of additional information in a proposal to assist the City in its evaluation is encouraged.

Proposers are advised to submit thorough, complete proposals, because the City will initially evaluate proposals based solely on the information contained in the proposals. Each proposal **MUST** include all the following items:

1. **Cover Sheet.** A signed Request for Proposal (RFP) Cover Sheet ("Cover Sheet").

2. **Purchase/Lease Price and Financial Terms.** Proposals should provide clear, detailed financial terms and financial capacity. Any financing contingencies should be clearly stated. Each Proposer must include in its proposal a detailed financial offer that clearly states:

a. Proposed Purchase Price or Lease Terms: The specific dollar amount offered for purchase of the Property, or if proposing a lease arrangement, the proposed lease rate (per square foot or total), lease term length, and any escalation provisions.

b. Contingencies: A complete list of all contingencies to closing, including but not limited to:

- Due diligence requirements and timeline
- Financing contingencies
- Entitlement or permit approvals
- Environmental investigations or remediation requirements
- Any other conditions that would affect closing

c. Contingency Period: The proposed length of time (in days) required for each contingency period, with a timeline showing the anticipated removal of each contingency.

d. Earnest Money Deposit: The amount of the initial deposit and any increases throughout the contingency period, including when deposits become non-refundable.

e. Closing Timeline: The proposed timeline from acceptance of offer to closing of escrow.

f. Proposed structure for phased payments, if applicable.

g. Economic incentives requested from the City, if any.

3. **Development Vision.** A detailed description of the Proposer's vision for redevelopment and operation of the Property, consistent with applicable land use regulations. The Proposer's vision should include the type of use(s) planned, conceptual design or character imagery, a list of potential tenants or types of tenants/retailers envisioned and other tenant-type information. Include information on the nature of the proposed leasing program and any letters or expressions of interest from tenants if available.

4. **Summary of Experience and Project Information.**

a. A resume or summary of the Proposer's qualifications and direct experience in repositioning, renovating and/or operating developments like the Property. Please include the name and location of past or current project(s) described in the proposal.

- b. The names and contact information of a minimum of three (3) references with direct knowledge of the Proposer's development and operating experience during the preceding three (3) years.
- c. Summary of the role the Proposer will play in the proposed project and a list of other partners and their roles, if any. A list of the Developer's proposed team for key roles such as general contractor, site planning, engineering, architecture, and other consultants should be included.
- d. Description of the benefits your proposed project will bring to the City including:
 - a. Purchase price or lease terms offered for the Property.
 - b. Projected property tax revenues anticipated from the proposed project.
 - c. Projected sales tax and other revenues for the project.
 - d. Projected number of direct jobs created.
 - e. Other benefits to the downtown area and community as a whole.

5. **Financial Statements.** Each Proposer must include in its proposal:

a. **Project Portfolio:** A summary of completed development projects within the past ten (10) years, including:

- Project name, location, and completion date
- Project size (square footage) and primary uses
- Total investment/development costs for each project
- Representative images of completed projects

b. **Financial Capacity:** Demonstration of financial capacity to undertake the proposed development, which may include:

- A general statement of the Proposer's financial condition
- Evidence of access to capital necessary for the proposed project
- Identification of likely financing sources for the proposed development

c. **Partnership Structure:** Description of the proposed ownership and development entity, including:

- Identification of all key partners/team members and their respective roles
- Experience working together on previous projects
- Financial or equity contributions expected from each partner
- Decision-making structure among the partners

d. **Project Financing Plan.** A narrative description of all financing sources anticipated to be used by the Proposer, whether a purchase, lease/ operate, or redevelopment.

Include the name of the entity or person providing the financing (debt, equity, tax credits, or otherwise), the total dollar amount to be obtained from each

financing source, when the Proposer expects to receive the funds from each financing source, and all terms, conditions, covenants, restrictions, and requirements associated with each financing source.

6. **Business Operation Tax Certificate.** A copy of the Proposer's City of Sacramento issued (BOTC) business operation tax certificate if applicable

PROPOSER RESPONSIBILITIES.

Each Proposer is responsible for carefully examining this RFP, including all documents attached to this RFP or incorporated into this RFP by reference, before submitting a proposal. Each Proposer is responsible for making all investigations and examinations necessary for formulating its proposal for acquisition or lease of the Property and development and operation of its proposed Project on the Property. Submission of a proposal is conclusive evidence that the Proposer made all such investigations and examinations. The Selected Proposer shall be responsible for obtaining all necessary approvals and permits for the development and operation of its proposed Project on the Property to the satisfaction of the City. A Proposer may withdraw its proposal, at any time prior to the City's selection of its proposal, by written notice.

NONCONFORMING PROPOSALS

A Proposer requesting deviation from the provisions of this RFP should specifically identify the requirement(s) being deviated from and address each requested deviation in its proposal. The City is not obligated to accept any proposal, whether conforming or nonconforming.

PRE-PROPOSAL PROPERTY TOUR

To provide potential proposers with comprehensive access to the Property, JLL will coordinate private tours from August 4, 2025, through September 20, 2025. Tours will be conducted in the following manner:

Regular tour times are available every Wednesday at 9:00 AM between August 6, 2025, and September 17, 2025. Additional tour times may be accommodated based on availability and at JLL's discretion. All tours must be scheduled with a minimum 48-hour advance notice. To arrange a tour, please contact:

- Bryan Huarte, JLL at 916-448-5196 or Bryan.Huarte@jll.com
- Alexis Garrett, JLL at 916-491-4316 or Alexis.Garrett@jll.com

Tours offer an invaluable opportunity to assess the Property's condition, historic features, and development potential. While attendance is not mandatory, all prospective proposers are strongly encouraged to participate in a tour prior to submission. It is the sole responsibility of each Proposer to thoroughly examine the Property before submitting a proposal.

Due Diligence Materials Access

To facilitate the preparation of comprehensive and informed proposals, JLL on behalf of the City of Sacramento (hereafter "the City") will provide access to a dedicated online data room containing essential due diligence materials related to the property located at 825-831 K Street. These materials are provided for informational purposes only and without representation or warranty by the City. Proposers are solely responsible for verifying the accuracy and completeness of all information.

Requesting Access to Due Diligence Materials

Access to the online data room will be granted to **verified potential proposers only** who have formally acknowledged the terms and conditions of access.

1. **Submit a Request:** Potential proposers must submit a written request for access via email to the City's Designated Contact Person:
 - **Email Address:** Bryan.Huarte@jll.com
 - **Subject Line:** RFP [Insert RFP Number] - Due Diligence Access Request - [Your Company Name]
 - The request must include:
 - Full Legal Name of Proposing Entity
 - Primary Contact Person (for data room access)
 - Contact Person's Title
 - Contact Person's Email Address
 - Contact Person's Phone Number
 - Brief Statement of Intent to Propose
2. **Verification:** The City's designated contact will verify the submitted information. This verification process typically takes **up to 3 business days** from receipt.
3. **Access Grant:** Once verified, the primary contact person will receive an email invitation with login credentials and instructions for accessing the online data room. The online data room platform will be Sharepoint.

Data Room Access Conditions

- Access to the data room is provided solely for the purpose of assisting potential proposers in preparing their proposals for this RFP.
- All information contained within the data room is confidential and subject to the terms of the Disclaimer Agreement.
- Proposers are responsible for maintaining the security of their login credentials.
- The City reserves the right to monitor access to the data room and revoke access at any time for any reason deemed necessary by the City.
- No physical copies of documents will be provided unless explicitly stated otherwise. All materials are to be accessed digitally.

PROPOSAL SUBMISSION

Due Date

Proposals must be submitted no later than 5:00 p.m. Pacific Time on October 3, 2025. Proposals received after this deadline will not be considered for evaluation.

Submission Method

All proposals must be submitted electronically via email to:

- Primary Contact: Bryan Huarte, JLL Bryan.Huarte@jll.com
- Copy (CC): Valerie Mamone-Werder, City of Sacramento at Vmamone-werder@cityofsacramento.org

Email submissions must include the subject line: "RFP Response - Hale Building (825-831 K Street)"

File Format

Proposals should be submitted as PDF attachments. If file size exceeds email limits, proposers may submit using a secure file-sharing link, provided the link remains active for at least 14 days after submission.

Receipt Confirmation

Proposers will receive email confirmation of submission receipt within one business day. If confirmation is not received, please contact Bryan Huarte to verify receipt.

All materials submitted by Proposers become the property of the City and will not be returned.

QUESTIONS AND COMMENTS

Written questions and comments relating to this RFP must be submitted via email to:

- Bryan Huarte, JLL Bryan.Huarte@jll.com

All questions must be received no later than August 22, 2025, to ensure responses can be provided to all prospective proposers. Submitted questions will be responded to within ten (10) business days.

SELECTION PROCESS

All proposals will be thoroughly reviewed and scored by a multidisciplinary Evaluation Committee, comprised of City staff and, potentially, external experts.

Evaluation Criteria and Scoring Methodology

Proposals will be evaluated based on the criteria outlined below, each assigned a specific weight reflecting its relative importance to the City's objectives for this project. The total maximum score for any proposal is **100 points**.

Evaluation Criterion	Maximum Points	Description
1. Developer Qualifications & Experience	20	<p><u>Demonstrated ability to successfully execute the proposed project.</u></p> <ul style="list-style-type: none"> - Organizational Capacity: Experience of the development team, key personnel, and consultants in projects of similar scale, complexity, and type. (e.g., mixed-use, residential, commercial). - Financial Strength: Demonstrated financial capacity to secure and commit necessary capital (e.g., balance sheets, letters of credit, bank references, equity commitments). - Project Track Record: Quality and relevance of previously completed projects, including adherence to schedules and budgets. <p><u>Quality and appropriateness of the proposed development concept and its alignment with City vision.</u></p> <ul style="list-style-type: none"> - Vision Alignment: How well the proposed development aligns with the City's goals of revitalization and activation of the K Street Corridor, urban design guidelines, and community goals for the site.
2. Project Concept & Design	20	<ul style="list-style-type: none"> - Architectural & Urban Design Quality: Aesthetic appeal, functionality, contextual fit, and sustainability features of the proposed design. - Proposed Uses & Market Feasibility: Suitability and market demand for the proposed uses (e.g., residential, commercial, public space) and their contribution to the vibrancy of the area. <p><u>Overall financial strength and benefit to the City.</u></p> <ul style="list-style-type: none"> - Purchase Price Offer: The proposed purchase price for the property. - Offer Contingencies and Closing Timeline: Minimized contingencies, closing timeline.
3. Financial Offer & Feasibility	20	<p><u>Realism and comprehensiveness of the project execution strategy.</u></p> <ul style="list-style-type: none"> - Project Schedule: Achievability and clarity of the proposed timeline from due diligence, entitlements, financing, construction, to project completion.
4. Development Plan & Timeline	20	

Evaluation Criterion	Maximum Points	Description
5. Community Benefits & Sustainability	20	<ul style="list-style-type: none"> - Risk Assessment & Mitigation: Identification of potential project risks (e.g., environmental, regulatory, market) and proposed strategies for mitigation. - Permitting & Entitlements Strategy: Understanding of the City's regulatory processes and a clear plan for obtaining all necessary approvals. <p><u>Contribution to broader community goals and environmental stewardship.</u></p> <ul style="list-style-type: none"> - Public Benefits: Provision of uses or other amenities that enhance the public realm. - Environmental Sustainability: Incorporation of green building standards (e.g., LEED, CalGreen), energy efficiency, water conservation, use of sustainable materials, and climate resilience measures. - Local Economic Participation: Commitment to local hiring, workforce development, and engagement of local businesses.
TOTAL POSSIBLE POINTS	100	

Evaluation Process

The City's Evaluation Committee will follow a multi-step process:

1. **Initial Screening:** Proposals will first be reviewed for completeness and adherence to all mandatory submission requirements. Proposals deemed incomplete or non-responsive may be disqualified.
2. **Individual Scoring:** Each member of the Evaluation Committee will independently review and score all responsive proposals against the criteria outlined above, utilizing the provided scoring rubric.
3. **Shortlisting (if applicable):** Based on the initial scores, the Committee may establish a "shortlist" of the top-ranked proposals. Proposers on this shortlist may be invited for the next stages of evaluation.
4. **Interviews/Presentations (if applicable):** Shortlisted proposers may be invited to make formal presentations to the Evaluation Committee and/or participate in interviews. This provides an opportunity for proposers to elaborate on their proposals, answer specific questions, and demonstrate their team's capabilities and vision. (Points from these interviews will be integrated into the overall score or scored as a separate sub-criterion within existing categories, or as a new category).
5. **Clarifications/Best and Final Offer (BAFO) (if applicable):** The City reserves the right to request clarifications, engage in discussions, or solicit a Best and Final Offer (BAFO) from

the top-ranked proposer(s) to optimize the terms of the proposed transaction and development.

6. **Recommendation:** Upon completion of the evaluation, the Evaluation Committee will recommend the highest-scoring and most advantageous proposal to the [appropriate City decision-making body, e.g., City Manager, City Council].

Award

Based on the recommendation of the Evaluation Committee, staff will recommend awarding the sale and development rights or lease of the property to City Council. The final decision to award will be made by the City Council. The City reserves the right to:

- Reject any and all proposals received.
- Waive any informality or minor deviation in the proposals received.
- Award the sale or lease to other than the highest dollar offer, if another proposal is deemed to provide a greater overall benefit to the City based on the weighted evaluation criteria.
- Negotiate the terms of a Purchase and Sale Agreement/Lease and a Disposition and Development Agreement with the selected proposer.

The selection of a proposer will be based on the overall value proposition to the City, considering not only the proposed purchase price /lease terms but also the quality of the proposer's concept, alignment with the City's vision and goals, the proposer's experience, financial capacity, community benefits, and other factors as weighted in this RFP.