

SACRAMENTO BUSINESS JOURNAL

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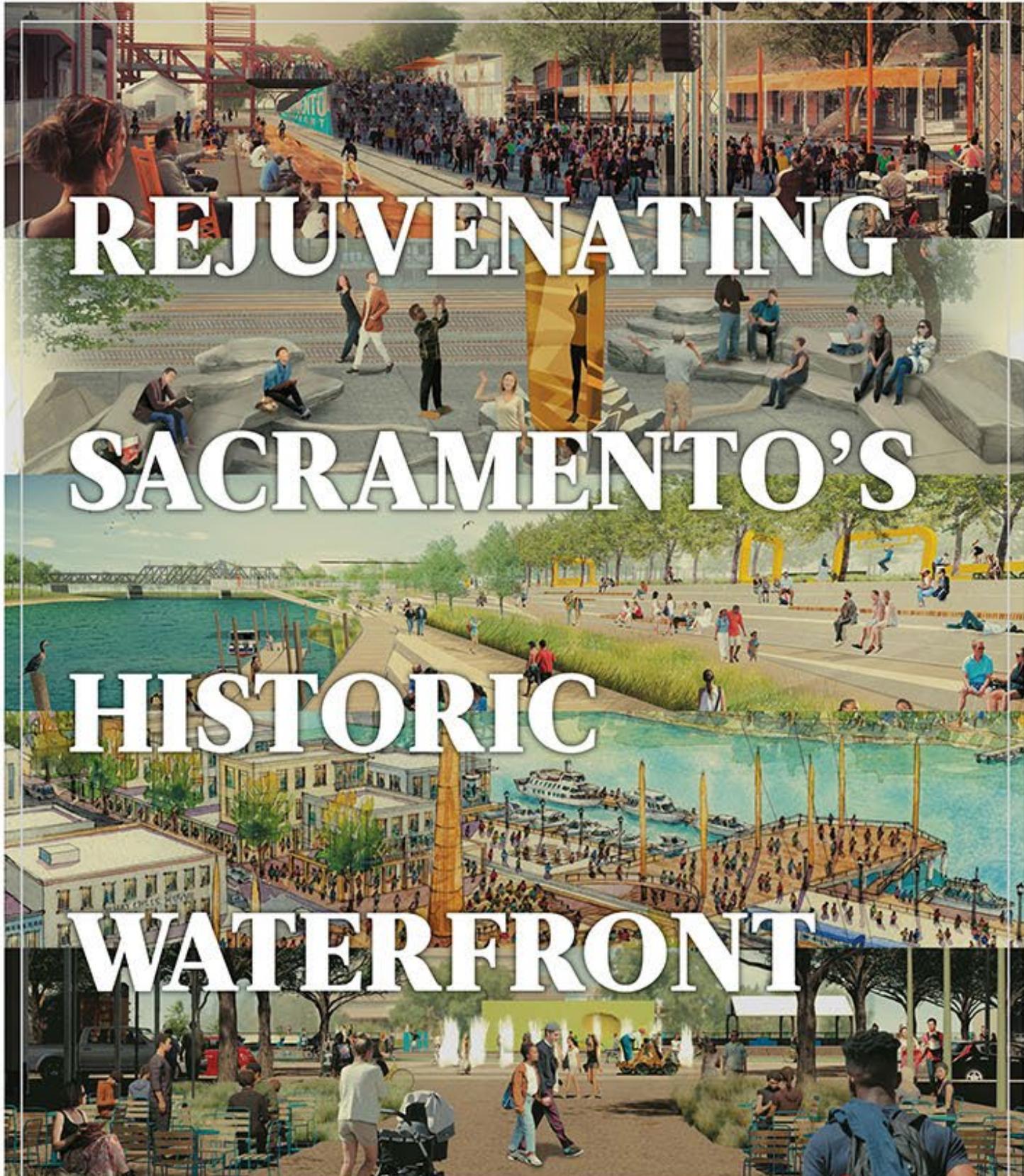
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Old Sacramento tries to recapture its former glory

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“Get a
good idea,
and stay
with it.”

- Walt Disney,
Money Imagineer

Member FDIC

“River City
Bank is a
good idea.”

- Steve Fleming,
CEO River City Bank



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WATERFRONT RISING

Business owners hope Old Sacramento's reboot will attract both locals and tourists

SAM BOYKIN | sboykin@bizjournals.com



CITY STAFF WILL RECOMMEND TO CITY COUNCIL A FINAL DESIGN PROPOSAL FOR OLD SACRAMENTO

EFFORTS ARE UNDERWAY TO TRANSFORM OLD SACRAMENTO. While the historic district along the river is a popular tourist destination, it has struggled with an identity crisis and failed to consistently attract locals. Businesses in Old Sacramento, which include restaurants, bars, clothing boutiques, gift shops and candy stores, report varying degrees of success and failure. While a handful of new businesses have opened recently, several others have closed or are up for sale, with some business owners saying the area has grown stale.

To address the situation and help revive the city's waterfront, the city of Sacramento launched Waterfront Ideas Makers. As part of the program, the city in December commissioned five design and architecture teams to develop new design concepts for Old Sacramento. In addition, the

city asked the public to submit ideas. Now, after evaluating all the submissions, city staff is scheduled to make its recommendation to the City Council next Tuesday, in a process that will help decide the future of Old Sacramento.

"Everyone agrees that it's time to refresh

Old Sacramento," said Mayor Darrell Steinberg in an interview with the Business Journal. "It's already a destination that people know; we need to maintain some of its historic features and at the same time make it a 21st century amenity with the waterfront as the centerpiece."

“Everyone agrees that it’s time to refresh Old Sacramento. It’s already a destination that people know; we need to maintain some of its historic features and at the same time make it a 21st century amenity with the waterfront as the centerpiece.”

DARRELL STEINBERG, mayor of Sacramento



Far left: Atlas Lab's proposal for "Sacramento's Front Porch," which plans to turn the area between Front Street and the Waterfront into a park

Left: Perkins Eastman's proposal includes an iconic spire and floating promenades and marinas.

Bottom left: LPA, Hargreaves Associates and RSM Design's joint proposal features a riverfront promenade.

Below: The Hettema Group's proposal includes a 30-foot-tall spike to honor the history of the Transcontinental Railroad.



be to study the feasibility of individual projects within the plan, and determine details like cost estimates, schedules and work plans. The feasibility phase is expected to take a couple of months.

If and when a plan is adopted, the biggest obstacle in bringing it to life is, not surprisingly, money. But Steinberg said Sacramento is in a much better position to move forward with renovations than in the past.

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KEVIN FAT,

chief operating officer of Fat Family Restaurant Group,
which includes Fat City in Old Sacramento



1976
Established

“It’s a beautiful resource and an important piece of local history. It should really be a bookend with DoCo and the Convention Center. I think we’re going in the right direction, now it’s just a matter of can we make it happen. All we can do is wait and see.”

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“There is one major difference between what we’re doing now and what decades of planners, city councils and visionaries have put forward: We have real money. Otherwise, grand plans just stay grand plans.”

Steinberg said that when he first took office, the plan was to put every dollar of the city’s hotel tax capacity into three assets—expansion of the Sacramento Convention Center and the rehabilitation of the Community Center Theater and Memorial Auditorium. But after years of negotiations, Steinberg said that local hoteliers agreed to provide separate funding for part of the convention center expansion. That frees up about \$40 million of debt capacity that will be put into a “destination Sacramento fund” and invested in other attractions, most notably Old Sacramento.

“We’re taking a grand vision and putting

real resources to it,” Steinberg said. “And when we put \$40 million on the table, it’s going to attract a lot of private investment. That’s a key piece to making this work. This is not a five-year master plan. We’re ready to get going now.”

‘IT’S DIFFICULT HERE’

Old Sacramento is a 3-mile stretch along the confluence of the American and Sacramento rivers and Interstate 5. The area first rose to prominence during the Gold Rush era in the mid-1800s, as local merchants opened stores along the waterfront. But the area was prone to flooding. In the 1860s the street level was raised in a massive engineering project. Eventually the commercial district moved away from Old Sac, and the area fell into disrepair. In the 1960s, local officials helped revitalize Old Sac and turned it into an outdoor, historically themed destination, with cobblestone streets and dozens of retailers and

attractions.

“During the 1960s and ’70s it was built out and re-created,” Rich said. “This was the heyday. It was new and there wasn’t much local competition for disposable dollars. People flocked to Old Sacramento.”

However, starting in the 1980s, Old Sac began to lose some its luster, as other parts of the city, like midtown, R Street and, more recently, Downtown Commons grew and developed new attractions.

Old Sacramento also suffered a bit of an identity crisis. The destination has a lot of stakeholders—the city, California State Parks, the Visit Sacramento tourism authority, the Downtown Sacramento Partnership and the California State Railroad Museum Foundation, along with some 150 merchants and property owners. Many of the owners have conflicting interests and goals, which has prevented Old Sac from establishing a strong, unifying theme.

28
Acreage of Old Sacramento

3
Number of miles along the waterfront that Old Sacramento sits on

STEVE MINOW,

manager at Sacramento Sweets, a family-owned and operated business that has been in Old Sacramento for 42 years



1977
Established

“The focus here has always been on tourism. That’s what we’re here for. Tourists are the ones ready to spend money.”

“Old Sac stayed the same while the rest of city improved its offerings,” Rich said. “As a result, Old Sac suffered. What we’re looking to do is help Old Sac raise its game so it can be competitive without losing its historical quality.”

Kevin Fat hopes that plan comes to fruition sooner than later. Fat is chief operating officer of Fat Family Restaurant Group, which owns and operates four local restaurants, including Fat City in Old Sacramento.

Fat City is one of Old Sac’s longest-operating businesses, having opened in 1976. While business was good in the early days, it’s now a struggle, Fat said.

“Being in Old Sacramento is difficult,” he said. “We have four full-service restaurants, and Old Sac is not doing as well compared to the others.”

When Fat City first opened, most of the city’s dining options were in downtown and Old Sac, Fat said. But as the dining scene spread into the suburbs, business at

the restaurant dwindled.

“Old Sac mostly attracts tourists,” he said. “Not many locals go to Old Sac. They have other options closer to home, and parking here is a hassle.”

Fat said he would like to see Old Sacramento cleaned up, with better lighting and more attractions, so it feels safer and draws local families and young couples. He said Old Sac also needs better connectivity to nearby attractions like Downtown Commons and the Crocker Art Museum.

“It’s a beautiful resource and an important piece of local history. It should really be a bookend with DoCo and the convention center. I think we’re going in the right direction. Now it’s just a matter of can we make it happen. All we can do is wait and see.”

But not all businesses can afford to wait any longer. In 2017, Annika Hadler opened Knobs and Knockers in Old Sac, a German-style brat house and beer garden.

She recently put the business up for sale.

“It’s difficult here in Old Sac, especially during the week. Parking is a challenge, so you don’t get a lot of locals. They have to be within walking distance. No one is really busy here. It’s been frustrating. I will not be opening another restaurant.”

Sports Corner Cafe, which has been in Old Sac about 20 years, is being sold to Sean Derfield, who owns River City Saloon and Old Sacramento Shooting Gallery in Old Sac, as well as Der BierGarten in midtown. Derfield said the sports cafe is in escrow and the sale should close by the end of the month. He said he’ll continue running it as Sports Corner Cafe for now but plans to do some minor renovations and rebrand it as an Irish pub by the end of the summer.

Derfield said he’s mostly had success with River City Saloon, which opened

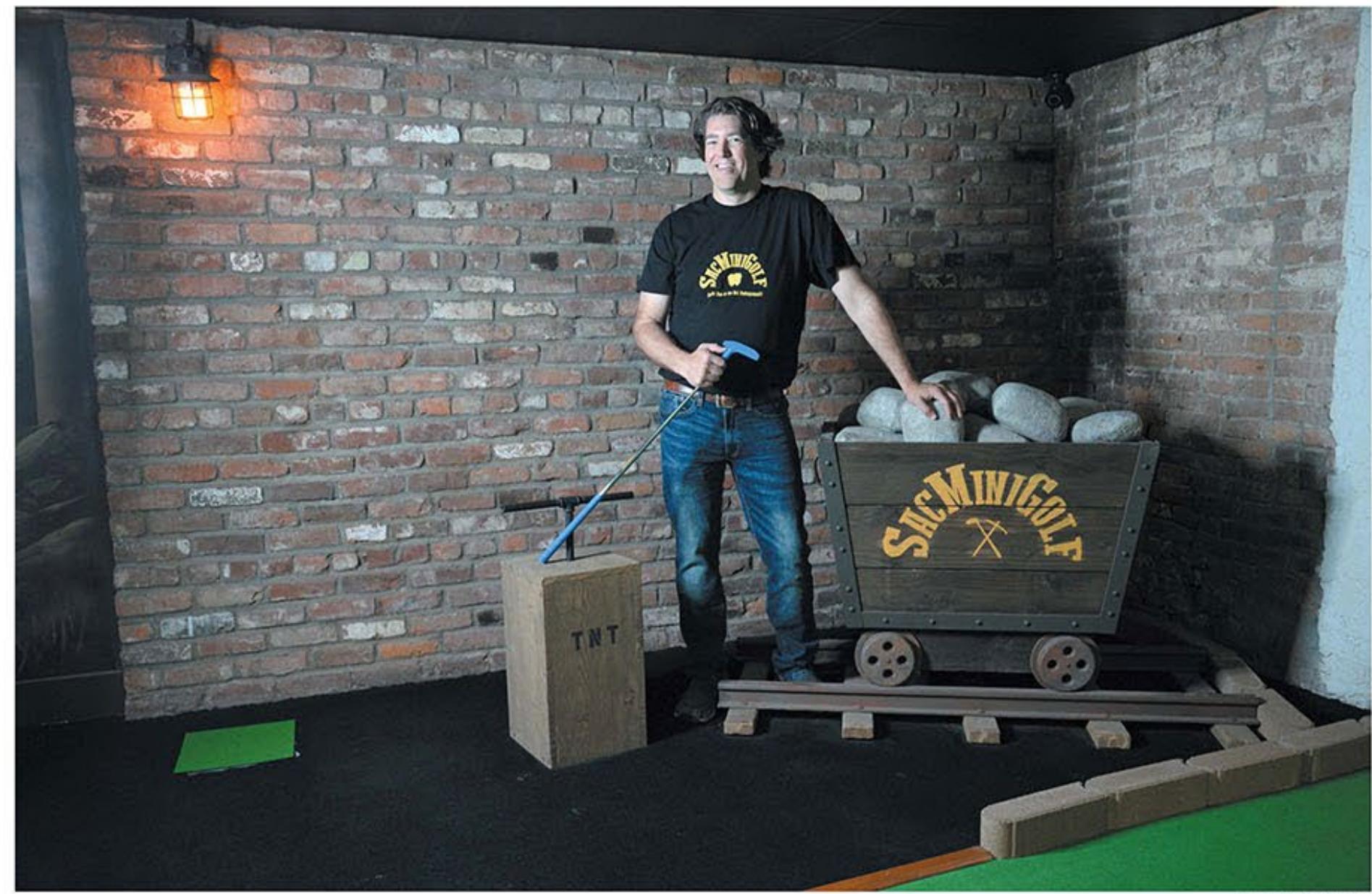
100

The approximate number of Old Sac retailers, restaurants and attractions

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ROMAN PORTER,

owner of Sac Mini Golf, which opened last week in the basement of the Union Hotel



“I decided I wanted an environment with more family-friendly tourism. I’m trying to provide an entertainment venue where people can come and actually do something, which I think connects with what the city is trying to do here.”

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about 10 years ago in Old Sacramento, except for roughly a two-year stretch in 2014-2015 when Downtown Commons was under construction, which reduced the number of people who walked from downtown to Old Sacramento.

“Old Sac has different people everyday, lots of tourists and people on vacation,” Derfield said. “I’m just waiting for the city’s big plans to unfold. Hopefully they’ll add a music festival and other special events to attract more people.”

A Sports Corner Cafe employee, who asked to remain anonymous, said she has worked in Old Sacramento at various locations for about 15 years. She said Golden 1 Center, which opened in 2016, has not been good for business. “It’s had a negative impact. During events there’s no parking, and you’ll see three or four meter maid walking around passing out tickets, and

that’s not good for tourism.”

Luis Jr’s Mexican Food restaurant in Old Sacramento is also listed for sale. The restaurant did not return a call from the Business Journal. However, the listing indicates a \$400,000 asking price for the business, which moved to Old Sac in 2017. The listing also indicates the restaurant has a liquor license and outdoor patio. “Owner wants to retire” is listed as the reason for selling the business.

EXCITED ABOUT THE FUTURE

But there are also business owners who say they are thriving in Old Sac. Steve Minow is a manager at The Sacramento Sweets Co., a family-owned and operated business that has been in Old Sac for 42 years.

“We have been very successful here,” he said.

Minow said he knows there’s a lot of

talk about making Old Sac more attractive to locals, but he hopes whatever plan the city comes up with doesn’t forget about out-of-town guests.

“The focus here has always been on tourism. That’s what we’re here for. Tourists are the ones ready to spend money.”

Minow said what Old Sac does need is better signage, especially along the interstate. “There has never been any advertising along the highways. There are people who drive through Sacramento and don’t even know they’ve driven past a historic district.”

Deborah Chausse, owner of the gift shop and costume store Evangeline’s, said Old Sac has been a “fantastic” place to run her business, which her mother opened in 1974. Deborah Chausse took over Evangeline’s about a decade later.

“We’re very grateful that we have year-round clientele, which is a mixture of locals and tourists. Retailers across

2019
Established

the country are struggling because of the internet and competition from Amazon, so retailers in tourist locations can weather the storm better. I’m just excited the mayor and City Council are focusing on new ideas for the waterfront and Old Sacramento.”

Roman Porter is also excited about the future of Old Sacramento. Last weekend, he opened Sac Mini Golf in the basement of the Union Hotel. The three-story, 24,000-square-foot building, which sold last year for \$3 million, houses a number of retail businesses.

Porter said he spent about a year looking for the right location for Sac Mini Golf, which he originally planned to open in a big-box retail location. “But I decided I wanted an environment with more family-friendly tourism,” he said. “I’m trying to provide an entertainment venue where people can come and actually do something, which I think connects with what the city is trying to do here.”

Exactly what the city plans to do with Old Sac will likely start to take shape next week. Rich, the riverfront project manager, said that Old Sac already succeeds in creating an ambiance, but now it’s time to make it a true regional destination.

“We need to distribute Old Sac’s interests and attractions more evenly through-

Richard Rich is the waterfront project manager and a former Walt Disney Co. executive.



DENNIS MCCOY | SBJ

“We want to make the waterfront an asset for people who sell Sacramento, so that every conventioneer and visitor knows that they have to see the new Sacramento waterfront.”

RICHARD RICH, waterfront project manager

out the district. Many people who go to Old Sac don’t even see the river, and there’s not a lot for them to do once they get there. We want to make the waterfront

an asset for people who sell Sacramento, so that every conventioneer and visitor knows that they have to see the new Sacramento waterfront.”

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