

Prime 12-story office building planned for I-5

City OKs height for site owned by Kelly family since 1982

Mark Anderson, Staff Writer
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The family that controls River City Bank plans to develop a 12-story office building in South Natomas.

The 340,000-square-foot building could be the new headquarters for the local bank, which is in a six-story building in the same office park.

The new building is being designed for large corporate tenants, said Thomas Aguer of Aguer Havelock Associates, the leasing agent for the proposed Gateway Tower. The building could be completed by summer 2009.

"This is going to be like a Capitol Mall building — big, beautiful lobby, five elevators and a freight elevator, lovely landscaping and LEED-certified," Aguer said. Leadership in Energy Efficient Design certification requires environmentally friendly building and design features to conserve energy and water and also demands the use of recycled and local materials.

Gateway Tower would include about 1,200 free parking spaces, a competitive advantage to high-rise office buildings downtown, where parking is a major problem, Aguer said. The Gateway Tower project can offer four free parking spaces per 1,000 square feet of office space.

The Gateway Tower would be about the same size as David S. Taylor Interests

Inc.'s 25-story, 342,000-square-foot U.S. Bank Tower under construction at 621 Capitol Mall.

The Gateway Tower is being developed by Bannon Investors Ltd. of Sacramento, which is led by the Kelly family.

Jon Kelly for years owned Kelly Broadcasting, which owned KCRA-TV, the NBC affiliate in Sacramento, and other assets. He sold the broadcast operations for \$910 million in 1998. He is the largest shareholder and chairman of the board of RCB Corp., the parent company of River City Bank, which he founded in 1973.

The building is planned for a 15-acre parcel between the offices of KVIE-TV at West El Camino Avenue and the office park to the south that includes River City Bank's curved, shiny building just east of Interstate 5.

The city also approved a hotel for an adjacent four-acre site owned by Kelly at the corner of Natomas Park Drive and West El Camino Avenue, said Scott Nichols, chief financial officer of the Kelly family interests. A major corporate brand or high-end hotel operator could take over the proposed 175-room hotel.

But there is no hotel associated with the center yet, Aguer said, adding that he has received interest from hotel operators.

The ground floor of Gateway Tower would feature a restaurant and some retail, which could serve the six buildings now in the office park.

Gateway Tower is being designed by LPA Sacramento Inc. Sacramento's Harbison-Mahony-Higgins Builders Inc. would handle the construction.

The development has been years in the making.

Kelly has owned the land since 1982. He got the maximum building height increased from six stories to 10 in 1997. Then in 2003, he got city permission to build a parking structure and two 10-story buildings for a total of 470,125 square feet of office space.

The city of Sacramento approved a new plan for a taller building, which doesn't require a parking structure, said Arwen Wacht, an associate planner with the city. Building a single office building without a parking structure lowers the price of the project.

Three years ago, River City Bank's headquarters was said to be the prime candidate for the naming rights to the new building and a tenant for 50,000 square feet of space.

Aguer said the bank has not confirmed it will move to Gateway Tower. If a large company wants the entire office building, that would have to be considered.