

# ROHNERT PARK MEDICAL OFFICES



5900 STATE FARM DRIVE, ROHNERT PARK, CA 94928

*Growing healthcare demand calls for state of the art facility for patients to call home.*

Meridian's client, Petaluma Health Center, needed to satisfy the growing healthcare demands north of their Petaluma, CA facility. Rohnert Park, CA, a city with 41,000 residents was found to have a severe deficit of healthcare providers, causing residents to travel a significant distance to receive top notch care. Meridian found a half vacant 70,000 SF building in Rohnert Park with an entire second story that would be perfect for the new facility. Construction would require converting the space from General Office to OSHPD III Medical Office all while keeping the first floor tenant, Kaiser Permanente, fully operational. With careful planning, impeccable communication and flexible scheduling, Meridian developed the state-of-the art facility the community needed.

## Client Driven Real Estate Solutions



## Challenges

Due to increased enrollment after the implementation of the Affordable Care Act, Meridian's client, Petaluma Health Center (PHC), needed to satisfy the growing healthcare demand north of their existing facility in Petaluma, CA. A significant number of PHC patients had to travel from Rohnert Park, CA to receive services not available in their own city. PHC needed a facility that would serve as a medical home for these patients and provide a pleasant and efficient patient experience, at a cost that would allow PHC to maintain their fiscal discipline.

## Solutions

Meridian identified Rohnert Park, a city north of San Francisco between Petaluma and Santa Rosa, which had a severe deficit of healthcare space. In the City of Rohnert Park, which has a population of approximately 41,000, there are only 53 licensed full and part-time doctors registered with the State of California. This translates to a ratio of 1.29 doctors per 1,000 residences and is far below the national average of 2.4 doctors per 1,000 residences.

Meridian knew that finding a building that would provide large floor plates, ample parking, and infrastructure at rental rates that would allow a provider to operate profitably would be highly desirable to the community. Meridian identified a half vacant 70,000 SF building that had sufficient parking, 35,000 SF floor plates, and good bones that could be improved to meet the requirements of today's healthcare providers. The second floor that was currently vacant would need to be converted from General Office to Medical Office for PHC.

- 70,000 SF Medical Office Building
- Surface Parking with 315 Total Spaces
- \$13.5 Million Total Development Cost
- Construction Began May 2015, Completed August 2015

## Results

Meridian purchased the building at just over \$100 PSF and started upgrading the building while the ground floor tenant, Kaiser Permanente, remained fully operational. Meridian invested over \$6M to upgrade the building and make it OSHPD III compliant for the new tenant, PHC. The upgrades included: a new digital building management system, two new 50-ton box car HVAC units and ductwork, Title 24 energy upgrades, Cal-Green commissioning, power and gas upgrades, ADA upgrades, turnkey medical improvements, ADA upgrades and site improvements. Much of the work from within Kaiser's space had to be done during the nights and weekends, and had to be returned to normal each morning so Kaiser could continue to see patients. Working closely with PHC and the existing tenant, Meridian was able to make these upgrades and provide a state of the art facility that meets California's stringent requirements all while keeping the lease rate below \$24-PSF/annum.

