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EAST BAY BUSINESS TIMES

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Children's Hospital adding clinic in Walnut Creek

East Bay Business Times - by [Marie-Anne Hogarth](#)

Children's Hospital & Research Center Oakland has signed a lease agreement for 21,071 square feet of space in the former Montgomery Ward building in Walnut Creek's Shadelands business park for what appears to be an outpatient clinic.

The hospital, which isn't commenting on the move, previously announced plans to open a clinic in Modesto. The Oakland hospital already has satellite clinics in Pleasanton, Brentwood, Larkspur and in Walnut Creek near John Muir Health's campus.



The Shadelands building.

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The Walnut Creek site will be a "specialty care center," but so far there are few details about what the hospital is planning. The hospital is designing the space in the single-story building at 2401 Shadelands Drive, according to Brandon Farrell, vice president and director of leasing for Hall Equities Group in Walnut Creek, which is leasing the space to Children's. The unit is projected to open in the fourth quarter.

The city of Walnut Creek approved medical use for the 71,862-square-foot building, known as Shadelands Point, last February, a move Farrell says was driven by the Children's deal.

The move comes as Children's is evaluating plans for the hospital's future after Alameda County voters rejected a ballot measure that would have helped fund a \$700 million replacement hospital at its Oakland location.

The hospital has for several years had a strategy of growing its services eastward, where the population of children is expected to grow more significantly. In particular, CEO Frank Tiedemann in March 2006 talked to the East Bay Business Times about expanding along Highways 24 and 4, and out toward the Altamont Pass and beyond. At the time, he also set his sights on a new hospital at another East Bay location.

That plan may no longer be so ambitious, as the 100-year-old hospital must rebuild by 2013 to meet state seismic safety standards. Children's is considering "all options," including the possibility that it won't make good on a promise to keep its main hospital in Oakland.

Separately, Walnut Creek has been working to create a medical campus at Shadelands, the

name for about 250 commercial acres in northeast Walnut Creek on former ranchland. Kaiser Permanente opened a 100,000-square-foot outpatient service center there in a building at 320 Lennon Lane in 1992, and Muir Orthopedic Specialists is located at 2405 Shadelands Drive.

The former Montgomery Ward building was built in 1970 and underwent structural remodeling in 2001 after Hall Equities bought it.

J. Breck Lutz, a senior vice president at Cornish & Carey Commercial representing Hall Equities, said it was a "win-win" for the city, market and citizenry to bring a needed service and fill a vacant site. To prepare the building, Hall Equities increased the parking ratio by converting 6,000 square feet of office space to covered parking. Another 15,000 square feet of space remains for lease in the building and Farrell hopes it also will be occupied by physicians or medical professionals.

Cornish & Carey Commercial associate Patrick Reilly also worked on the deal. Colliers International senior managing partner Ed Del Beccaro represented Children's.

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