

## WATSONVILLE OUTPATIENT AMBULATORY CLINIC



### 5 NEILSON STREET, WATSONVILLE, CA

*Meridian transforms vacant, industrial lot into world-class healthcare facility*

Dialysis patients in the City of Watsonville and surrounding areas were traveling up to one hour each way, twice a day, three times a week to receive treatment. After searching for nearly five years, Meridian identified and acquired a 1.15 vacant parcel of land with the intent to develop a dialysis clinic to serve these patients. Meridian used its collaborative development approach to successfully rezone the parcel to provide a medical clinic for this life saving end stage renal care treatment. Meridian delivered this modern, life-saving facility on time and on budget and it is now serving members of the community.

# Client Driven Real Estate Solutions

## Challenges

Meridian's longtime dialysis client desired a location in Watsonville, CA. At the time, dialysis patients living in the city of Watsonville were commuting up to an hour each way 3 times a week to receive this life-saving treatment. Meridian had been searching and working with land owners near the Watsonville Community Hospital for almost five years and ultimately was able to identify a vacant, undeveloped parcel of land that was underutilized and zoned industrial. Committed to helping the area's patients, Meridian set out to modify the zoning for healthcare and fulfill the community's desperate need.

## Solutions

We worked closely with our seller, the City of Watsonville, and the community to process a General Plan Amendment, Special Use Permit, Design Review, and Lot Merger to rezone the parcel to N-Institutional, where dialysis and other medical uses are allowed. Thanks to excellent cooperation from the City's planning staff and Economic Development Department, Meridian was able to process the complicated entitlements in under three months. During entitlements, Meridian secured a deal with a dialysis provider who was thrilled to gain market share in the area to serve their patient base. Development included ground-up construction of an 11,424-square-foot building with 49 parking stalls. The façade includes a three-color stucco scheme, decorative steel canopies, and Nichiha wood paneling. The interior can house up to 36 hemodialysis stations constructed to OSHPD3 I-Occupancy standards. Despite multiple false starts, Meridian completed the project on time and on budget for its healthcare client. Turn-key construction was completed lighting fast in under eight months.

## Results

Meridian successfully transformed this vacant industrial lot into a first-class healthcare facility that will provide greater access to care at a more affordable cost. Meridian is an active participant in moving higher acuity treatment out of the bed towers and into convenient, outpatient settings. As a percentage of GDP, the United States is spending too much on healthcare and needs to find innovative and cost-effective ways to improve care delivery. Providers are adjusting their capital strategy plans to remain competitive and retain market share. This includes establishing strong commercial/private payor mixes with the hope that local consumers will use these service lines, yielding providers higher reimbursements. This project is an example of how we add value with our site selection, land use/entitlement abilities and creative deal structures. The new facility will positively impact the lives of these patients and those who support them while they undergo the essential treatment provided.

