

Fresno office space worth about \$11 million donated to Community Medical Centers

By Tim Sheehan



The 7.5-acre office complex at 1630 E. Shaw Ave. in Fresno is one of two office properties donated by developers Richard Gunner and George Andros to Community Medical Centers. RALPH BERRETT — FULLMETALPHOTO

Community Medical Centers is celebrating one of the largest gifts it has ever received: a donation of two Fresno office complexes on East Shaw Avenue.

Real estate developers Richard Gunner and George Andros of Gunner & Andros Investments are the donors of the office complexes on the north side of Shaw Avenue, both east and west of the Old Spaghetti Factory restaurant.

The sites — 1510-1560 E. Shaw Ave. and 1630 E. Shaw Ave. — amount to about 16 acres of property with more than 175,000 square feet of office space. According to the Fresno County assessor, the complexes have a total property tax assessment of almost \$11 million, but the actual market value is likely much higher.

The donation tops the gift of \$10 million in cash that Table Mountain Rancheria tribe gave to Community Medical Centers in 2003. That donation eventually helped build a new trauma center at Community Regional Medical Center in downtown Fresno.

“This is a giant chunk of property,” said Katie Zenovich, Community Medical’s vice president of corporate development. “If we were to have to build something, we’re talking about millions of dollars to build a building or purchase a building” to centralize the company’s widespread support offices.

About half of the office space in the complexes is leased to tenants, but the rest is vacant. Zenovich said Community expects to relocate some of its administrative departments to the East Shaw Avenue offices over the next couple of years.

“We have administrative services scattered all over Fresno,” Zenovich said. “What’s happening here is something we’ve wanted to do for a long time. ... When we have all of our administrative services collaborating in one central location, it can only tighten things up and make us stronger.” She added that no clinical treatment services will be at the new offices.

Among the offices that will be moving are finance, communications and human resources. Zenovich said the finance staffers now work in the Community-owned former Sierra Hospital building on Dakota Avenue near Blackstone Avenue, “and our communications staff is in some really old, dilapidated former physician offices” near Community Regional Medical Center.

County assessor records indicate that the offices at 1510-1560 E. Shaw were built in 1972, while the buildings at 1630 E. Shaw date to 1974. As tenant leases expire, Zenovich said Community Medical will eventually occupy all of offices in both complexes.

The new site is across town from Community Regional Medical Center, which Zenovich described as the “mother ship” for the company’s medical and clinical services in the Fresno-Clovis area. “But we have ancillary services spread all across the region,” she said, listing Clovis Community Medical Center, Fresno Heart and Surgical Hospital and Community Behavioral Health Center. The Shaw offices “really will be a central location for us. It has easy access to Highway 41 and Highway 168, and its easy for our staff and the public to get to.”

The deal for the property gift reportedly came together quickly.

“Our discussions began just a few months ago, and there were lots of details to work through,” Richard Gunner said in a written statement. “But we were able to finalize the gift last week and Community now owns the property.”

“When this transaction was originally discussed, it sounded like a great benefit to Community Medical Centers and we were immediately in favor,” Gunner added.

In 1990, Gunner donated land north of the San Joaquin River and west of Highway 41 in Madera County to Valley Children’s Hospital to relocate from the old site it had occupied since 1952 on Shields Avenue near Millbrook Avenue in central Fresno. At the time, Gunner planned to develop nearby property as the Gunner Ranch project west of Highway 41 and south of Avenue 10 with homes, apartments, offices, a school and a community shopping center. Valley Children’s accepted the land donation in 1991 and the new hospital opened in 1998. Gunner’s surrounding residential and commercial development, however, did not materialize.

The donation comes as Community Medical Centers and Valley Children’s are in a rift over pediatrics and doctors groups. Last fall Valley Children’s cut ties with Santé Community Physicians, the largest doctors group in Fresno and a partner with Community Medical Centers.

Then in January Valley Children’s announced plans to create its own pediatric residency program and fellowship training for pediatric subspecialists. Community Medical Centers followed that by announcing it would expand pediatric specialty care and pediatric medical education with UCSF-Fresno.

Community becomes the new landlord for the existing tenants and Gunner & Andros Investments will manage the properties. Community will eventually start receiving income from those leases, but Zenovich didn’t know how much that would be.

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