

EXCLUSIVE Last updated: March 27, 2008 09:26am

Children's Medical OKs 98,894-SF Class A Pact

By [Connie Gore](#)



DALLAS-In a two-month negotiating round, Equastone and Children's Medical Center Dallas have driven what is being called the largest class A lease in seven years in the Stemmons submarket across the finish line. The 98,894-sf renewal and expansion makes the long-time tenant now the largest one in the 634,381-sf Stemmons Place.

Children's signed a 10-year, stair-stepped lease for floors five, six and part of seven, with expansion rights to the balance. Based on preliminary discussions, the 20,000-sf balance of the seventh story will be part of the deal by year's end, Bryan Marsh, senior vice president of San Diego-based Equastone, tells GlobeSt.com. The deal pushes the 20-story Stemmons Place at 2777 Stemmons Freeway to 81% occupancy.

It's the second time in the building's history that Children's has tipped the scales as the largest deal in the submarket. "We haven't seen a deal this size since December 2001 when Children's did a deal for 142,000 sf," Marsh says.

This time, Marsh says the lease bundled a 52,361-sf early renewal with 46,533 sf of expansion space for the headquarters teams of Children's numerous foundations, which will be in contiguous space instead of being dispersed throughout the building. Plus, there are options and first rights for additional space if it's needed, he adds. And, there's a top of the building sign to be set in place, a marquee statement for a high rise in a medical and bio-medical corridor.

Finish-out has started on the seventh floor so Children's can have a training center up and running June 1. The balance of the work will get under way in late summer.

Stemmons Place was 74% leased when Equastone [bought it in August 2007](#). Since then, the Transwestern Dallas leasing team of Reid Caldwell, Kim Butler and Linda Simpson have closed deals with H.E. Butt Grocery Co. of San Antonio, the US Census Bureau, JPMorgan Chase and now Children's. Dallas-based Staubach Co.'s executive vice presidents Carl Ewert and Brad Selner and vice president Josh White represented Children's, one of the state's largest pediatric healthcare providers.

"It's been one of the best jewels we have from the Crescent portfolio. It's really been performing well. Stemmons Place is the best corporate address in Lower Stemmons, without a doubt," stresses Clint Harrington, Equastone's executive vice president. "I am proud of my team's ability to secure such an important lease in a much more challenging economic environment." Its quoted rate is \$17 per sf to \$18 per sf plus electric.