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Hospital pegged for Lakeway

\$250M-plus investment to yield 3,000 new jobs

Austin Business Journal - by [Kate Harrington](#) ABJ Staff



Shops, offices and hike-and-bike trails are proposed to wrap around the planned Lakeway regional medical center.

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A massive hospital development could soon break ground in Lakeway and bring about 3,000 jobs to the area when built out, making it the city's largest project yet.

The Lakeway Regional Medical Center development, going through permitting with plans to open the hospital in two to three years, would include a 200,000-square-foot general hospital off Ranch Road 620 that city officials say is planned as trauma level II. Those behind the plan say more than \$250 million will be invested to make the proposal a reality. The 54-acre development will include:

- 244,000 square feet of medical office space
- a rehabilitation hospital with about 85 patient rooms for long-term acute care, convalescence and full-service therapy
- an elder-care facility for 80 to 100 patients
- 30,000 square feet of retail and restaurant space
- an extended-stay hotel with 60 to 90 suites
- and structured parking surrounded by amenities such as trails

According to the Lakeway Regional Medical Center development's Web site, the general hospital is planned to open with about 100 beds. One of the development's managing partners, who spoke on the condition of anonymity, says the hospital will be able to expand to 200 beds. It will have an imaging center with an MRI, CT scanner and X-ray machine; a 16-bed emergency room and heliport; lab services; and an outpatient clinic. It will also include facilities for cardiovascular treatment, orthopedics, pediatrics, obstetrics and gynecology, general surgery, nephrology and dialysis, and an infusion center.

If it obtains a trauma level II designation, the new Lakeway hospital would be the second in the Austin area to do so; the other is the Seton Family of Hospitals' University Medical Center at Brackenridge.

According to the development's Web site www.lrmcd.com, the Lakeway Regional Medical Center project is being spearheaded by Drs. Thomas Baldacchino, Samuel DeMaio and James B. Williams along with developers Dan Brouillette and R. Gary Call.

Managing partners decline to specify how much the total project will cost, saying it will likely be more than \$250 million. The hospital will be 80 percent owned by a group of physicians, 15 percent owned by Franklin, Tenn.-based Surgical Development Partners -- which will operate the hospital -- and 5 percent owned by private donors. The management group is seeking investors for the development's other pieces, the partner says.

Lakeway City Manager Steve Jones says that at buildout, the Lakeway Regional Medical Center development could employ about 3,000. Jones says Lakeway has never had a project this large.

"From a commercial standpoint, it will change the city significantly," Jones says.

Seton and St. David's HealthCare officials say their hospital systems are not involved.

Greg Hartman, a senior vice president with the Seton system, says it's surprising to hear the Lakeway hospital may pursue trauma level II designation because that level of care requires a very large investment. Some specialists, he says, are paid thousands of dollars a day just to be on call. And a hospital with a high level of trauma care must have a wide range of specialists always available.

"We're talking tens of thousands of dollars a day to keep people on call," Hartman says. "You've got to have all coverage imaginable, and for 24 hours a day."

Shannon Burke, director of building and development services for the city of Lakeway, says the city has another two to four months of reviewing site plans before issuing permits. Groundbreaking will likely happen as soon as permits are issued, he says.

A managing partner involved with the project says most of the development will break ground at the same time, although some buildings will be finished faster than others. The hospital should open in about two to three years, the managing partner says.

Courtesy of JB Goodwin