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# VA to build massive clinic

Land, developer sought for 230,000-square-foot project

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



Nick Simonite

Dr. Map Mayorga treats Ernest Vargas, 52, at the VA in Austin. The clinic treats about 30,000 veterans a year but wants to expand.

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Faced with a growing veteran population in Austin, the **Department of Veterans Affairs plans to build a 230,000-square-foot clinic to replace its 60,000-square-foot location in South Austin.**

**With the new clinic, expected to open in 2012, the department plans to add specialty services to its primary care practice and add 170 staff members. VA officials say the new building will enable doctors to treat 50 percent more patients.**

The VA estimates there are 120,000 veterans in Austin, 30,000 of whom the clinic treats annually. It's a population that needs more specialty services, for which local VA patients must travel to Temple. The new Austin clinic will include oncology, chemotherapy, cardiac rehabilitation, orthopedic services, minor surgeries, urology and gastroenterology. It will also have space for an endoscopy suite, a CT scanner and an MRI.

The VA started the four-year building process this month by looking for a developer and land. The idea is for the developer selected to buy a tract, and lease the land and building to the VA for 20 years, says Bob Bearden, facility planner for the Central Texas Veteran's Health Care System.

"This works out faster than waiting for an appropriation from Congress to build a new clinic," Bearden says. "That can take decades."

The VA may renew that lease after 20 years, but it likely won't pursue an option to buy the building, says Thomas Smith, associate director for resources for the Central Texas Veteran's Health Care System.

San Ramon, Calif.-based Carpenter/Robbins Commercial Real Estate Inc. is helping the VA solicit developers.

Bearden says it's too early to know how much construction will cost. An early estimate was \$4.2 million, but he says that's no longer accurate since the proposed project's scope has changed.

It's also not clear what the lease rate will be. Bearden says the VA's staff in Washington will negotiate that with the developers.

Smith says the search for land is being conducted over a fairly wide area -- from the clinic's home near State Highway 71 to north of downtown Austin. While remaining close to its patients is important, VA officials are also eager to be close to downtown and a potential University of Texas-run medical school. Nelia Schrum, a public affairs officer with the Central Texas Veterans Health Care System, says the VA system is talking to Texas A&M University about an affiliation with its planned medical school in Round Rock.

"We're also closely watching what UT does," she says. "If they do develop a medical school, we want to work with them."

The trade-off for getting a clinic open sooner through a land-leasing deal is that a portion of the clinic's yearly budget would go toward that lease and potentially be a drain on salaries, Bearden says.

But speed may be the dominant factor. Smith says Austin is one of the VA Health Care System's fastest-growing markets.

"A few years ago, it was generally recognized that the Austin market was growing so quickly, we needed to increase services to include some specialty services," Smith says.

**Some of the increase in Austin's veteran population comes by virtue of Austin's overall growth, he says. Adding to the significant increase is that many veterans from the wars in Iraq and Afghanistan are young and want to pursue an education or are drawn by Austin's vibrant reputation.**

U.S. Rep. Lloyd Doggett, D-Texas, whose district includes part of Travis County and seven neighboring counties, says in an email that while the Veterans Affairs' budget recently received a large increase, more of those funds need to be available locally. He adds that the Austin clinic's physicians and staff need reinforcement.

**Courtesy of JB Goodwin**