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Health-care highway

\$2.6 billion in projects on the drawing board for 64/40's medical miles

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More than \$200 million has been invested in capital projects and property acquisitions for health-care facilities along the Highway 64/40 corridor in recent years.

Sounds impressive, but it's really just the tip of the iceberg. More than \$2.6 billion in developments are currently on the drawing board for what could aptly be labeled the region's health-care highway.

The latest project is Mercy's plan to invest \$90 million in a virtual care center at Highway 40 and Clarkson Road in Chesterfield. The center, which is slated to open within the next two and a half years, will provide telemedicine and eVisit capabilities to Mercy's outlying care centers across a four-state region. McCarthy Building Cos. is the contractor for the project, and Archimages Inc. is the architect.

Mercy President and CEO [Lynn Britton](#) said the health-care system's long-term plans for the 38-acre site, which is just east of Chesterfield Mall, also include a new headquarters facility and, at some point, a specialty hospital of some kind.

Mercy's plan is just the newest development along the nearly 50-mile stretch from O'Fallon, Mo., where BJC's Progress West campus is located, to O'Fallon, Ill., where St. Elizabeth's Hospital of Belleville is acquiring 105 acres. This corridor already includes a half dozen hospitals, the headquarters for a range of health-care systems, companies, career schools, nursing-care facilities and specialty-care providers. With the acquisition of hundreds of acres of property in the Shiloh/O'Fallon area by three local hospital systems, 64/40's medical miles now stretch across the river into Illinois.

"Hospitals are migrating along the major interstates," said [Darwin Miles](#), president of O'Fallon, Ill.-based Miles Properties. Miles assembled the 105 acres along Highway 64 in O'Fallon that St. Elizabeth's is purchasing for \$18 million. The transaction is expected to close by the third week of November.

"As you look at health systems that are building new facilities or replacing existing facilities, they are placing them along major arteries of access," said [Mark Reifsteck](#), president of the Southern Illinois division of Hospital Sisters Health System (HSHS), which operates the 426-bed St. Elizabeth's hospital in downtown Belleville. "That is true all across the country, and it's true in the St. Louis metropolitan area. You see hospitals dotted all along 64, but if you look at the Metro East, it's fairly glaring that there's no existing major health center along 64."

Reifsteck said HSHS is still looking at options for its O'Fallon site, "up to and including a new full-service hospital." The Springfield, Ill.-based health-care system is working with Richmond, Va.-based [Odell Associates Inc.](#) and Green Bay, Wis.-based [Berners-Schober](#) on designs for the new campus, which will have access to Highway 64 from two interchanges, exits 14 and 16.

"There is not another 100 acres of property along 64 with two exits that is primed for a development like this," Reifsteck said. Initial estimates put the price tag for the project at around \$300 million.

St. Elizabeth's project received unanimous support on Oct. 11 from the O'Fallon Planning Commission, including approval of a proposed TIF district to help fund necessary remediation of mines below the site. Reifsteck said estimates indicate the remediation will cost more than \$10 million. The project still must be approved by the O'Fallon City Council, as well as the Illinois Health Facilities and Services Review Board.

Rival Belleville hospital Memorial is building a \$118 million satellite hospital just a few miles east on Highway 64. Memorial received approval for the project from the Health Facilities and Services Review Board in June, despite opposition from HSHS. Memorial plans to build a 94-bed hospital, to be known as Memorial Hospital East, at Frank Scott Parkway and Cross Street. The hospital purchased the 94-acre tract in 2008 for \$8.25 million.



Lynn Britton - President, CEO, Mercy

Memorial is in the design stage, working with Omaha, Neb.-based **HDR Inc.**, for the hospital, which is slated for completion by 2016. Upon opening the new facility, Memorial plans to reduce the number of beds at its Belleville campus by 100. Belleville Memorial currently has 267 staffed beds.

Mark Turner, Memorial's president and CEO, said Memorial had been looking at property in the O'Fallon/Shiloh area since 2006, not only because of its proximity to a major interstate and to Scott Air Force Base, but also because Memorial already offers a variety of outpatient services in the area, and those services were experiencing increasing demand.

"Expansion of services in that area has been part of our long-term plan," Turner said.

Located between Memorial and St. Elizabeth's tracts of land is the 111-acre parcel BJC HealthCare acquired near the Green Mount Road interchange in Shiloh in 2008 for \$21.6 million. BJC spokeswoman **June Fowler** said there are no current plans for development on the site.

West side story

BJC's Progress West sits at the other end of the health-care highway in O'Fallon, Mo. BJC opened the \$75 million hospital in 2007 and has since added to the campus a \$13 million medical office building and a \$32 million data center, both of which were completed last year. In May, Progress West wrapped up the addition of a \$2.5 million, 6,000-square-foot cardiac cath lab.

The hospital's presence along the 64/40 corridor has been key to its growth, said spokeswoman **Barbara McLaurine**.

"We really do enjoy great visibility," McLaurine said. "Emergency services are the fastest-growing services we have because of the easy access from the highway." Last year, Progress West saw 22,754 patients in the ER, a 10.5 percent increase from 2009.

In between O'Fallon, Mo. and O'Fallon, Ill., BJC has millions of dollars of projects in the works. At Missouri Baptist Hospital, work continues on a \$130 million six-story patient tower and five-story parking garage. Contractors on the project include: general contractor **Clayco Inc.**, architectural firm HOK, engineering firm KJWW Engineering Consultants, electrical contractor Sachs Electric, mechanical contractor Murphy Co. and civil engineering firm Stock & Associates.

BJC also holds a nearly 16-acre site, the former headquarters of the Missouri State Highway Patrol, at Highway 40 and Mason Road, which it acquired for an estimated \$8 million in 2006. Fowler said no decisions have yet been made on plans for that property.

Head East

At BJC's site at Kingshighway, a "significant planning process continues" on redevelopment plans for BJC's headquarters and the campuses of Barnes-Jewish Hospital and St. Louis Children's Hospital, Fowler said.

BJC has reported to the state that its long-range plans for the area surrounding its Kingshighway campus include \$2.1 billion in development projects over the next 15 years. This includes BJC projects, improvements to Barnes-Jewish Hospital and Children's Hospital and Washington University School of Medicine. Projects on the north side of BJC's campus are the first for which contractors are expected to be selected. The campus renewal project is expected to include new oncology and bed towers and expansions to St. Louis Children's Hospital.

The \$2.1 billion figure also includes Shriners Hospital's planned relocation to the Central West End from Frontenac. Shriners' project, originally estimated to cost \$170 million, has been put on hold due to the economic uncertainty. **Tammy Robbins**, spokeswoman for Shriners, said she expects a decision on the project to be made at the Shriners annual board meeting in November.

BJC operates several other facilities along the 64/40 corridor, including the BJC Learning Institute, BJC Medical Group offices, and the Washington University Orthopedics and Barnes-Jewish Hospital Outpatient Orthopedic Center in Chesterfield.

In addition to its plan for the new telemedicine center, Mercy already operates multiple facilities along the health-care highway, including its current Chesterfield headquarters. Mercy recently wrapped up work on a new \$150 million 10-story patient tower on the campus of Mercy Hospital St. Louis, its flagship hospital which was formerly known as St. John's Mercy Medical Center.

Mercy now is gearing up for an expansion at its **Mercy Rehabilitation Hospital** in Chesterfield. **Donna Flannery**, CEO/administrator of the hospital, said it has expanded almost every year since it opened in 2007, and increased need for care for stroke patients and spinal cord injury patients is prompting the hospital to eye expansion once again. Although the plan has not yet been approved by the hospital board, **Mercy Rehab** is proposing to relocate the outpatient physical therapy unit now located in the hospital to a Mercy-owned facility at 1176 Town and Country Commons in Clayton, which is now vacant. The move would free up 24,000 square feet of space, where **Mercy Rehab** hopes to add 20-22 beds in a dedicated stroke unit. The additional beds would allow the hospital to transition to all-private rooms, Flannery said.

A price tag has not yet been determined for the new unit, which Flannery hopes to have open by next summer.

Nearby, St. Luke's Hospital in Chesterfield is investing \$6.2 million to renovate and expand its Center for Cancer Care. McCarthy is the contractor and Archimages Inc. is the designer for the project, which started in November 2010. The first phase, the new infusion center, is already open.

In addition to its main campus, St. Luke's opened its new \$1 million Women's Center along 64/40 in Chesterfield Valley last year. Paric was the general contractor for the facility, and Archimages Inc. was the designer.

Beyond hospitals and health-care systems, the 64/40 corridor is home to multiple other health-care related entities, including the local headquarters for TLC Vision, specialty providers such as the Orthopedics Center of St. Louis and the St. Louis Cosmetic Surgery and Spa, senior living facilities such as the Cedars at the JCA, Delmar Gardens West and Delmar Gardens of Chesterfield, as well Delmar Gardens' headquarters facility.

Gabe Grossberg, president and chief executive of Delmar Gardens, hopes to build a \$30 million medical office building on a 5-acre parcel just east of its corporate headquarters on 64/40.

It's just one more project on the health-care highway drawing board.

"When we opened out here in 2007, there wasn't a whole lot here, just Delmar Gardens and Washington University's orthopedic center," said [Mercy Rehab's](#) Flannery. Now the hospital is flanked by ongoing health-care developments. "It's really something."

Health care, Technology
