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Endeavor turns dirt for medical offices near Cedar Park hospital

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Cedar Park will soon see its largest medical office project to date take shape. And while several medical office developments have been planned in the city, industry experts say few are getting off the ground on time or at all, making this project significant to the area.

Endeavor Real Estate Group LLC is developing the 1890 Ranch Medical Plaza, in the 1890 Ranch shopping center near the intersection of U.S. Highway 183A and FM 1431. That development is also home to the new Cedar Park Regional Medical Center, a joint venture between Community Health Systems and Seton Family of Hospitals. The Endeavor project will span several one-story buildings and total 50,000 square feet, says Brian Novy, who is marketing the project.

The first phase of the project, 16,500 square feet, has already started construction and will likely be complete by the middle of 2008, he says.

"You're on the campus of 1890 Ranch -- they're single-story, drive-up buildings, and you can walk right across the street to the hospital," Novy says. He declines to say what the project's total cost will be.

The city has one other large-scale medical office facility, the Cedar Park Medical Office Building adjacent to the new hospital. The building spans about 20,000 square feet and is almost fully occupied, says Kelly Halls, director of health care design for architecture firm Susman Tisdale Gayle. Halls says Cedar Park, as well as North Austin and Williamson County in general, is ripe for medical office buildings and is seeing a lot of interest.

Phil Brewer, director of economic development for Cedar Park, says the city has seen proposals from three different projects now in the feasibility stage that could bring a total of 100,000 square feet of medical office space to the area.

"A lot of people are waiting to see if everyone else will do something," Halls says. "Also, the credit market has tightened up and I've heard rumors that some buildings can't get financing until they get 90 percent preleased. That's difficult for office space and, in particular, for medical office buildings because doctors don't make decisions to move until [rather close to the time] they're ready to move. It's hard to get them to commit two years out."

With the new hospital in place and the growth of the medical industry in nearby Round Rock, Novy says there's a lot of demand for medical office facilities in Cedar Park. But, he says, some of the demand he's seen recently comes from doctors who are interested in investing in medical facilities like rehabilitation hospitals, projects that Cedar Park has a temporary moratorium on.

Brewer says the moratorium is a city initiative loosely based on Cedar Park's incentive agreement with the Regional Medical Center, and only applies to projects that would be in direct competition to the hospital.

"Projects that are going to have any sort of mini surgical centers or day surgery centers that would potentially compete with the hospital ... are the kinds of projects we've put a moratorium on," says Brewer. "We're not going to encourage those kinds of projects for a period of time, probably that period will be ... five years. That gives the hospital an opportunity to establish itself and get its market defined without having to compete for market share."

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