

Vail in talks with hospital, clinic about expansion

Economic engine

- The Steadman Clinic's destination patients generate more than \$80 million annually for Vail businesses.
- Of the hospital's \$203.5 million in revenue in 2010, about 60 percent came from orthopedics.
- The Steadman Clinic and Steadman Philippon Research Institute plan to double in the next 10 years.
- Ninety-five percent of Dr. Steadman and Dr. Philippon's patients are destination patients.

The hospital and Steadman Clinic could expand onto town of Vail municipal site

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LAUREN GLENNENING
LGLENNENING@VAILDAILY.COM
VAIL, CO COLORADO

VAIL, Colorado — The Vail Valley Medical Center and its tremendously profitable Steadman Clinic and Steadman Philippon Research Institute could someday occupy space on the land that now houses the town of Vail's municipal buildings.

The town of Vail announced Friday that its been in talks with the three hospital groups and is presenting a plan to the Vail Town Council Tuesday night asking for up to \$33,000 that would help pay for a feasibility study.

The project would mean new medical offices on the town's land as well as redeveloped municipal offices. The hospital, clinic and institute have already signed an agreement with Triumph Development, the same developers who redeveloped The Willows property in Vail.

News that the hospital, clinic and institute wanted to partner with the town of Vail on a potential expansion project surfaced last week, but the location of where such an expansion would occur was not revealed.

Vail Town Manager Stan Zemler said the idea has gradually progressed ever since the town got wind a few years ago that the hospital was considering leaving Vail.

"We went to the (hospital) group and said, 'We want to be clear that we want you to stay in Vail and we would like to work with you to make sure that happens,'" Zemler said.

Hospital CEO Doris Kirchner said Friday that the hospital's board decided about three years ago that moving downvalley wouldn't make any financial sense. That's when the hospital decided to do what it calls "distributive care," such as building the Gypsum Urgent Care Center and the Edwards Surgery Center.

The Vail hospital's physical constraints, however, mean expansion is needed and the hospital wants that expansion to happen as close to the current hospital as possible, Kirchner said.

She said the expansion would include medical offices for the clinic, the institute and for Howard Head Sports Medicine. The hospital would have to determine how to use the space that would subsequently be freed up at the hospital should the expansion happen, Kirchner said.

Partnering toward progress

The Vail municipal site, which is 40-plus years old, is underdeveloped and "a little tired," Zemler said, so the idea surfaced that maybe the town and hospital groups could do some kind of mutual development project.

"We concluded there was significant opportunity there in terms of square footage," Zemler said. "The next step is really going to be the telling part when we embark on the financial feasibility and see if there's a collaboration and what that might look like."

Whether that redevelopment might include realigning the South Frontage Road or building a pedestrian skyway that connects the hospital to the new site has yet to be determined, Zemler said.

Partnerships are the reason the hospital, clinic and institute are where they are today, Kirchner told the Vail

Town Council at last week's meeting.

She said the hospital met with Dr. Richard Steadman while he had a practice in Lake Tahoe in 1990 and through that collaboration Steadman agreed to move his practice to Vail.

"I just believe the more we can do collaboratively together ... is very important," Kirchner said.

Lyon Steadman, CEO of the Steadman Clinic, said the partnership is the only way to find a solution for the hospital, clinic and institute's needs for growth.

"Our goal is really about maintaining the kind of image and presence that we need to be able to compete with some of the institutions around the country that we compete with," Steadman said.

The feasibility study is expected to take three to four months and would determine what the redevelopment might look like, how much it would cost and what kind of financing would be required for a project to move forward, Vail Community Development Director George Ruther said.

Zemler said the financing is going to be a big part of what is learned from the feasibility study. The town owns the municipal site's land, which has inherent value, but how the partners decide who would be responsible for how much of the redevelopment has yet to be determined, he said.

He added that he thinks this project would remain separate from the projects that are being proposed for use of the town's \$9.4 million conference center funds.

"If it works out and we can figure out a financial model that works for everybody, I think it will progress," Zemler said.

Community Editor Lauren Glendenning can be reached at 970-748-2983 or lglendenning@vaildaily.com.

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