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BEST OFFICE DEVELOPMENT: VILLA ROSA MEDICAL PLAZA

BY SUSAN A. MERKNER

Developers of Villa Rosa Medical Plaza are offering new Class A medical office space – the first speculative space in the medical center area in years, they say – and hoping the property’s good visibility and accessibility will attract physicians and other health care providers.

The three-story, 69,489-square-foot medical office building at 5131 Medical Drive, between Babcock and Wurzbach roads, sits on a 37-acre track owned by Christus Santa Rosa Health Care System. BP Healthcare Properties LP, the project’s developer, has a long-term ground lease on the site.

Michael Beucler, CEO of Beucler Properties and Bob Wehrmeyer, a partner in BP Healthcare Properties, say the project is unique in two primary ways: its provision of speculative office space in the medical center area and its scenic location.

“There hasn’t been any spec office space in the med center since about 2004 or 2005,” Wehrmeyer says. “Villa Rosa Medical Plaza is on a hill, and it’s very scenic. The campus is very well spread out with so much space. It’s also very easy to access.”

The medical office building is located on the campus of Christus Santa Rosa Hospital – Medical Center, formerly the site of Villa Rosa psychiatric hospital, which closed in the mid 1990s.

“By building spec space, we hope to appeal to local health-care providers who are interested in relocating to a new location in the medical center area, and we also hope to attract new providers to the area,” Wehrmeyer says.

Switching gears

In 2007, BP Healthcare Properties was working with Austin-based Acuity Healthcare to build a 40-room, long-term, acute-care (LTAC) hospital on

Summary: Villa Rosa Medical Plaza, 5131 Medical Drive, offers new Class A medical office space in the South Texas Medical Center.

Award Winners: BP Healthcare Properties LP of San Antonio, building owner and developer; Christus Santa Rosa Health Care System, land owner; Tucker Booker Donhoff + Partners of Louisville, Ky., project architects; Rowland Companies, general contractor.

Size of Deal: \$12.2 million, 69,000-square-foot, three-story medical office building.

Timeline: Ground broken Oct. 16, 2008; exterior completed May 2009; interior finish-out and leasing continue.

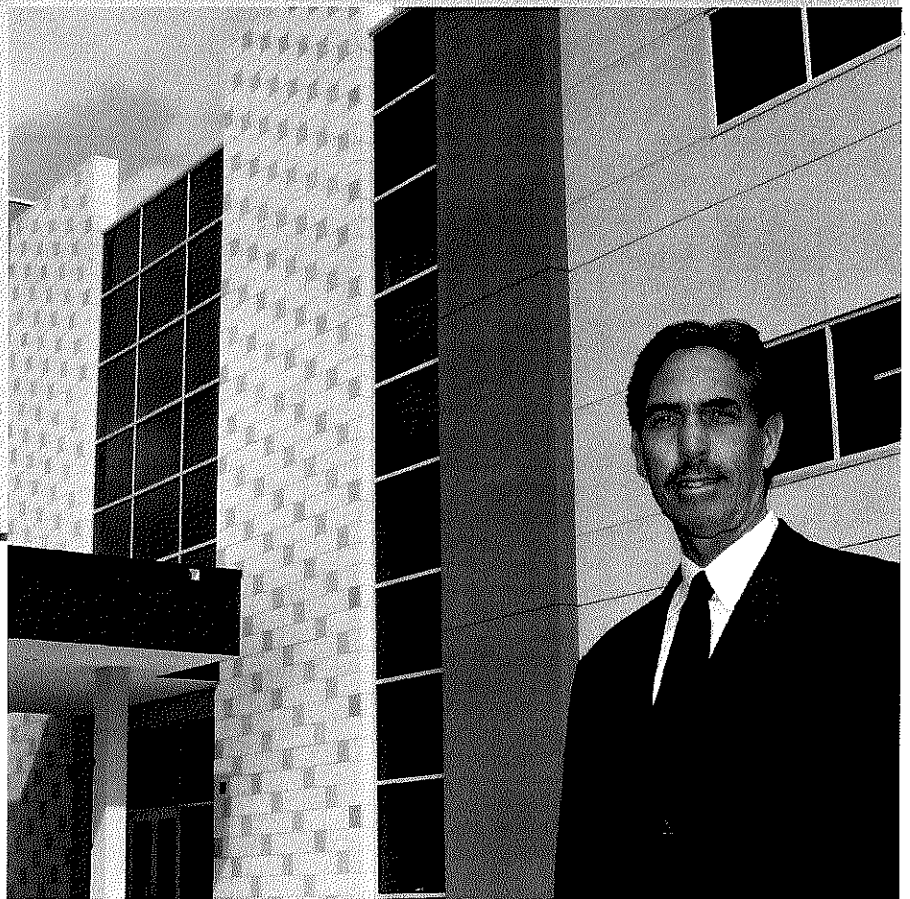
the site. But when federal lawmakers enacted legislation creating a three-year moratorium on LTAC construction, the hospital plans were scrapped. Instead, the Villa Rosa Medical Plaza development was proposed as a means of providing prime office space for physicians and other health-care providers.

“Even when we had Acuity (as a partner), we still had in mind building a certain amount of spec space,” Wehrmeyer says. “The only change that occurred after Acuity was no longer involved was that we made the building a little smaller. But we hadn’t broken ground yet, so it was still just in the planning stage at that point” two years ago.

Wehrmeyer says he appreciated the opportunity to work with Christus Santa Rosa officials – again. BP Healthcare also developed an 80,000-square-foot building elsewhere on the Med Center hospital’s campus that now houses the Diabetes and Glandular Disease Clinic of San Antonio, 5107 Medical Drive. “This was truly a team effort,” he says.

Mike McBride, vice president/administrator for Christus Santa Rosa Hospital, says Villa Rosa Medical Plaza “offers an unmatched combination of easy access and modern, convenient space, with abundant surface parking.”

“This is a great opportunity to expand the medical services available on our campus,” McBride says. “Our expectation is that ultimately it will be the patients who benefit from having convenient access to top physicians offering high-quality health care.”



Bob Wehrmeyer, partner in BP Healthcare Properties, says the medical office has scenic views.

Tenant amenities

Carl Bohn, vice president, investments and medical with NAI REOC Partners, who handles the building’s leasing, says the property’s location offers convenience and a pleasant environment.

“The site is elevated, and there are great views,” Bohn says. “With direct access to Medical Drive and Babcock Road, the building is easily accessible from all directions. There is abundant parking, which isn’t always available in the area.”

Bohn describes the architecture as efficient and attractive. The exterior features polished granite and reflective glass, and the landscaping includes mature oaks. Tucker Booker Donhoff + Partners of Louisville, Ky., were project architects. Rowland Cos. was general contractor.

“It’s been a long time since a new facility was built specifically for lease in the Med Center,” Bohn says. “Villa Rosa Medical Plaza offers convenience for physicians and patients on an attrac-

tive campus. Tenants can take advantage of custom layouts and build their individual office suites.”

Committed tenants include Fresenius Medical Services, an outpatient dialysis clinic with 10 other San Antonio locations, and Renal Associates, a group of 18 local nephrologists with five local offices who will be relocating from a site at 7434 Louis Pasteur Drive.

Additionally, Bohn and Wehrmeyer say negotiations are in progress related to two major leases, at least one of which involves a large group associated with Christus Santa Rosa. One transaction would lease the building’s entire second floor; the other comprises 10,000 square feet on the third floor.

And should the need for divine inspiration arise, either for health or business reasons, the free-standing, six-sided Kronosky prayer chapel — with a steeple — is just a short stroll away.

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