

FINANCE & COMMERCE

June 18, 2017



The recently expanded Fairview Southdale Hospital campus, shown with a skyway over France Avenue to a parking ramp, is Edina's largest employer. Business advocates want to set up a "Medical/Wellness Destination Center" to build upon the city's plethora of medical and health care facilities along France Avenue, between Highway 62 to the north and Interstate 494 to the south. (Staff photo: Bill Klotz)

Edina envisions a 'destination medical center' of its own

By: Hank Long June 19, 2017 7:02 am 0

The Edina Chamber of Commerce and other business advocates in the city want a destination medical center of their own. But backers insist they're not trying to compete with the taxpayer-supported [Destination Medical Center](#) effort around the renowned Mayo Clinic in Rochester.

The Edina City Council recently voted to give early support for a "Medical/Wellness Destination Center," an initiative proposed by the [Edina Chamber of Commerce](#) and [Explore Edina](#).

Such a district could enhance the city's existing corridor of medical and health-related services in and near the Southdale Center mall, said Lori Syverson, executive director of the chamber. The corridor runs along France Avenue between Highway 62 to the north and Interstate 494 to the south.

Hospital and ambulatory care services in Edina generate more than \$748 million in annual revenue, Syverson said, citing the chamber's research. Creating the so-called Medical/Wellness Destination Center "has the potential of conservatively doubling revenue, with a realistic expectation of tripling revenue in five years," Syverson wrote in a report to the City Council.

While no new tax incentives or development subsidies are mentioned in the initial proposal, the organizations want the city to help set up the district and develop a "fast track approval system" for large-scale medical office developments, according to a June 6 city [staff report](#).

The chamber and Explore Edina plan to spend about \$210,000 during the next three years to help launch the district. They plan to ask the city for \$55,000 in seed funding in 2018 and 2019, according to the report.

"We're not competing with Mayo," Syverson said in an interview. "We are fortunate to have so many great medical-related employers, and we already have the infrastructure in place to support them. The goal here is to try take advantage of our strengths and create a larger, unifying concept."

For the Rochester Destination Medical Center, the state Legislature agreed to pay up to \$424 million to support infrastructure improvements and other projects in downtown. The city of Rochester is chipping in \$128 million and Olmsted County another \$33 million. The 20-year project has been described as the biggest public-private economic development effort in the state, with projections of \$6 billion in investments. The Edina chamber and Explore Edina in the past three years have tapped the business community for their thoughts on new ways to promote the city's retail and hospitality sectors. After conducting several listening sessions and surveys, members overwhelmingly supported highlighting the city's plethora of medical and health-related services.

The [recently expanded](#) Fairview Southdale Hospital campus, at the southeast quadrant of Highway 62 and France Avenue, is still the city's [largest employer](#) with more than 2,600 employees. Just south of the hospital, the North Dakota-based Investors Real Estate Trust owns the 333,000-square-foot, multi-tenant [Southdale Medical Building](#). Several other sizable medical office buildings line the France Avenue corridor between Highway 62 and Interstate 494. Many of those building owners and their tenants have expressed genuine interest in forming the Medical/Wellness Destination Center, Syverson said.

"All of the groups we talked to have expressed the belief that this program would not only strengthen the existing medical community and wellness assets in Edina," Syverson said, "but it would also attract other prominent health-care players, while benefiting our lodging and hospitality entities."

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The Fairview Southdale Hospital has long anchored Edina's node of medical and health-related service commercial real estate along France Avenue. But the newly created Medical/Wellness Destination Center could extend as far as [Pentagon Park](#), about a mile west of France Avenue, near the northeast quadrant of Highway 100 and I-494, she said, adding redevelopment opportunities exist there.

City Council members appointed City Manager Scott Neal as a member of the destination center working group. In the next several months, the group will develop details for implementation of a branding and marketing plan, according to a staff report.

The creation of such a district comes at a time when the Southdale area of Edina has a handful of major medical office projects and redevelopment in the planning stage. Edina-based Wildamere Properties is planning a [major overhaul](#) of its 23-acre Southdale Office Centre, which includes eventual development of a 150,000 square-foot medical campus among a mix of other new commercial uses.

About a half-mile to the south, Bloomington-based Frauenshuh is developing a 200,000-square-foot [medical office building](#) on top of a parking lot it owns at 7700 France Ave. Twin Cities Orthopedics has already signed on as a major tenant at the project. At its June 6 meeting, the City Council expressed general support for the initiative, but Council Member Mike Fischer was skeptical of whether the inclusion of a fast-track approval system for medical-related development was necessary.



Construction is underway on a 200,000-square-foot medical office building at 7700 France Ave. in Edina. Twin Cities Orthopedics will be the anchor tenant for the project developed by Frauenshuh. Business advocates want to set up a medical and health care district to build upon a strong base and draw more activity. (Staff photo: Bill Klotz)

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"I know there have been (other cities) where they have tried the fast-track approval system," Fischer said. "My own observation is (that Edina) isn't one of those places where this would be that critical. In fact, I think a lot of people would argue we approve things too quickly."

Fischer also suggested that any city involvement in the Medical/Wellness Destination Center initiative is done in coordination with an [update](#) to its comprehensive growth plan.

The chamber has also enlisted the help of Robb Gruman, who recently retired as vice president of facilities and support services at Fairview Southdale Hospital.

"Given the base (of medical and health-related services) we have today, and the support we have heard from the community we need to capitalize on what's in place today. ... I think it's certain that if we don't do this now, other communities might," Gruman told the City Council at that June meeting.

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