

Developer purchases hospital site

■ A New Jersey company plans to renovate the former St. Joseph's hospital into residences and offices within five years.

By **SANDRA BAKER**
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FORT WORTH -- The former St. Joseph's Hospital, a vacant, redbrick structure that rises 12 stories in the heart of the city's Medical District, will be getting a new lease on life from a New Jersey-based developer.

Diversified Capital bought the building with plans to convert it to high-end apartments and offices. Marketing and leasing efforts will target the medical community and others who want to live on the near south side, the new owners say.

Bruce Stern, vice president of business development for Diversified Capital, said he has been talking with officials at John Peter Smith Hospital, which is across Main Street from the property, and others in the medical community about their plans.

Developers plan two covered walkways that would connect the property to JPS — one for apartment residents and the other for access to some restaurants, he said.

"When I first looked at St. Joe's, my reaction was, 'It's really big, it's really empty, and I have absolutely no idea what to do with it,'" Stern said.

Don Scott, president of Fort Worth South, the nonprofit economic development company that oversees redevelopment on the near south side, said his organization will support Diversified Capital's efforts.

"If we get people in that building, all sorts of things can come from that," Scott said.

Diversified Capital bought the property for less than \$2 million, Stern said. It is valued at \$2.3 million by the Tarrant Appraisal District for taxing purposes.

The firm began scouting the property at the northeast corner of South Main Street and Allen Avenue last year and finalized the purchase about a month ago in a foreclosure sale. It was bought from the Bank of New York, which foreclosed on Heritage Geriatric Housing Development, the California company that converted the lower floors in the late 1990s into an Alzheimer's center called St. Joseph's Garden.

The site is the location of Tarrant County's first hospital, founded by a group



DIVERSIFIED CAPITAL/ARTIST'S RENDERING

The converted St. Joseph's will aim to serve the medical community.

of San Antonio nuns in 1885. The hospital came to be called St. Joseph's. HCA/Columbia Healthcare Corp. owned the property when the hospital's doors closed for good in 1995.

Heritage Geriatric took the property and operated St. Joseph's Garden from 1998 to 2000. The company has owed nearly \$695,000 in back taxes since 2001, county records show.

The property has been looked at by others, but those potential buyers were looking at the deal for the land alone — about 8 acres. It would cost at least \$7.5 million to remove the asbestos and tear the structure down, Stern said. An additional \$2 million will be needed for heating, air conditioning and other physical plant operations, he said.

There is no timeline, but Stern said he hopes to have the project completed in five years.

The property is in a neighborhood-empowerment zone, which qualifies it for fee waivers and other incentives.

"Really, it's coming to hit me what a daunting challenge this is," Stern said. "If we can pull it off, it will be a phenomenal asset."

That area of South Main Street, starting at Vickery Boulevard, has seen only

St. Joseph's bought



The former hospital, vacant since 2000, will be turned into apartments and offices.

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sporadic redevelopment in the past few years, including two new medical buildings and an apartment community.

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