

Health Care

St. Anthony finally moves forward on building new hospital in Little Village

By Jon Asplund



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Guy Medaglia's plan for a new hospital to replace the aging St. Anthony Hospital in Little Village — a long-stalled project that he's been trying to get off the ground for more than a decade — is finally moving forward.

Environmental remediation of a nearly 30-acre parcel of land at 31st Street and Kedzie Avenue is expected to begin in May, with hopes of a mid-2028 opening of a brand-new hospital and medical building on about half the site, the former longtime president and CEO of St. Anthony said this week.

St. Anthony and Chicago Southwest Development Corp. said the project, called the Focal Point Community Campus, has issued a request for proposals for contractors to complete environmental remediation before working on permitting and construction of a replacement for the aging safety-net hospital founded in 1898.

The Southwest Side was known for its industrial presence, most of which has vanished over the years, leaving behind abandoned and contaminated facilities and properties that now undermine the community and deter future growth and investment.

CSDC says it has completed several rounds of soil testing to determine what contamination exists and to ensure a safe and effective cleanup plan. The cleanup will include removing and replacing contaminated soil and installing engineered barriers to eliminate any potential exposure risks. Once a contractor is selected, CSDC will encourage local workforce participation in the project.

Finding support and funding for the new hospital project has been a slog, Medaglia told Crain's, with a lot of players not convinced that an urban safety-net hospital could make a go of building a brand-new facility.

The project traces its roots to when, more than a decade ago, then-Mayor Richard M. Daley toured the hospital and soon after told Medaglia he wanted to offer up the shuttered Washburne Trade School as the site of a new hospital.

But new mayors came and went, and "they all had different perspectives," while progress languished, Medaglia said.

He called the effort a "long and winding road."

In 2012, St. Anthony's parent organization created the Chicago Southwest Development Corp., a separate nonprofit to develop Focal Point, and moved the project along, buying the already-demolished trade school property for \$5 million, acquiring surrounding property and demolishing other buildings.

However, with progress on the physical development of the site in evidence, more funding is coming, he said. The U.S. Environmental Protection Agency and the state of Illinois are funding some of the remediation work.

"We're going to build it," he said. "Now that people know that, the last thing they want to see is the hospital being built and they're not a part of it."

Medaglia remains president and CEO of CSDC, but he retired as president and CEO of St. Anthony last year. He said he wanted to focus solely on the building project. St. Anthony brought in former Chicago Transit Authority President Dorval Carter to replace Medaglia.

"It's exciting to enter this crucial phase of brownfield cleanup not only for us, but for our community as well, as we begin to march toward establishing St. Anthony Hospital's new home," Carter said in a press release. "For generations, St. Anthony Hospital has provided care to countless individuals, and we eagerly anticipate continuing this legacy for years to come on the revitalized land."

"We really don't want to see the corner of 31st and Kedzie sit unused," said Randall Sawyer, chief operating officer of Ernest R. Sawyer Enterprises, an economic development consulting firm working for CSDC.

Remediating the area, in a community with high levels of asthma and respiratory disease, will be an improvement.

In addition to housing a long-abandoned trade school, Sawyer said in an interview, the full parcel held numerous industrial uses, and contaminants, such as fuel from heating oil tanks that seeped into the soil.

What's now needed is to remove soil contaminated with chemicals like arsenic and mercury, putting in clean soil and new hardscape, and satisfying the cleanup requirements for Illinois Environmental Protection Agency approval, Sawyer said.

During the remediation, soil quality and air quality will be closely monitored, and CSDC will provide updates on its website and give the community a hotline for questions and complaints, he said.

Once remediation is complete, which could be as soon as the end of 2025, CSDC hopes to begin the medical campus construction, with a first phase covering 11 acres and a second phase of about 18 acres, Sawyer said.

He said design of the hospital and medical campus is about 60% completed and that there is not a firm cost estimate available for the construction.

Unsurprisingly, the hospital will have fewer inpatient beds, about 126 beds compared to St. Anthony's current 151, Medaglia said. As with most U.S. hospitals and health systems, there will be more focus on outpatient space and services.

In the coming years, he said, the design and priorities of the new facility are bound to change with a changing health care economy.

He noted that when the new hospital project was discussed a few years ago, retail pharmacy giants Walgreens and CVS both expressed interest in having a presence.

Since then, both companies have been closing stores, cutting employees and pulling back from plans to increase pharmacy-based primary care services — so much so that St. Anthony has opened its own retail pharmacy, open to the community, on its campus.