

Lawsuit over former Lindy Boggs Medical Center continues to stall redevelopment

Posted by Alicia Serrano at 11:56 am business, city government, court, Featured, health
From the Mid City Messenger

<http://midcitymessenger.com/2015/05/20/lawsuit-over-former-lindy-boggs-medical-center-continues-to-stall-redevelopment/#more-10235>

May 20 2015



The old Lindy Boggs Medical Center on South Jefferson Davis Parkway, photographed in July 2014. (Mid-City Messenger file photo by Della Hasselle).

An ongoing lawsuit over the former Lindy Boggs Medical Center continues to stall redevelopment of the long-shuttered building, after a proposal with LSU to convert it into a cardiovascular hospital fell through, the building's owners say.

Originally known as Mercy Hospital, Lindy Boggs Medical Center on South Jefferson Davis Parkway has been closed since Hurricane Katrina. St. Margaret's Daughters now owns the building, and in 2013 opened a nursing home, St. Margaret's at Mercy, just behind the old Lindy Boggs site.

Back in early 2010, St. Margaret's was working with the MCC Group toward the construction of a hospital at the Lindy Boggs site. The MCC Group is a New Orleans-based construction company that includes among its past projects Benson Tower, the buildings at 1555 and 1515 Poydras, and buildings at most of the city's major universities.

At that time, Louisiana State University was in support of the proposed plans for the hospital being developed by St. Margaret's and the MCC Group, according to legal documents filed by St. Margaret's officials and the MCC Group.

"We planned to open a cardiovascular hospital with LSU in the remaining vacant portion of the medical center," according to a statement by Michael Gliman, director of development at St. Margaret's. "However, in the final stages of planning, the state of Louisiana decided that it could not participate in the project, rendering it financially unfeasible – the reason likely being that our facility would have undermined the sustainability and viability of the nearby Academic Medical Center."

Leslie Capo, director of information services for LSU Health Sciences Center, confirmed that LSU had participated in talks about the hospital.

"We had discussed providing the hospital-based services for the proposed specialty hospital," Capo wrote in an email to Mid-City Messenger. "However, as a state institution, it was determined that the new University Medical Center would require our full resources."

Immediately following Hurricane Katrina, preservationists had pitched the Lindy Boggs campus as a site for the Veterans Affairs Hospital, and the former Charity Hospital's reuse as a better location for the University Medical Center. After the residential area of Lower Mid-City was ultimately chosen, however, the main Lindy Boggs building (like Big Charity) has been left unused.

Even so, the MCC Group says a partnership remains in place for work on Lindy Boggs, in which the company will spend up to \$1.5 million to develop the hospital and will have equal ownership with St. Margaret's over the site.

St. Margaret's, however, says it has "no continuing obligation as to the MCC Parties regarding the Mercy Site," according to the lawsuit seeking to sever the relationship, first filed in December 2013. Once the construction plans fell through, St. Margaret's no longer owed anything to MCC Group, the lawsuit alleges.

"The [St. Margaret's] Parties deny the MCC Parties' allegations as any costs incurred by way of the MCC Parties were strictly for a potential benefit from the LSU construction proposal," the St.

Margaret's lawsuit states. "When that construction proposal did not come to fruition, the obligations of any of the [St. Margaret's] Parties to the MCC Parties ceased."

The MCC Group filed an answer in March 2014 to the St. Margaret's lawsuit, stating that they had originally been working with St. Margaret's under a draft Memorandum of Understanding based on the belief that a lease agreement that was proposed.

"The MCC Parties further aver that they worked with [St. Margaret's] pursuant to an understanding that the STM Parties had secured a commitment form the proposed LSU Cardiovascular Center of Excellence as well as a lease agreement from LSUHS for tenant space in the clinical/medical office component," the MCC lawsuit states.

The MCC Group specifically denies that their costs were "strictly for a potential benefit from the LSU construction proposal." Instead, the MCC Group says that the work was done as part of their partnership with St. Margaret's.

Now, The MCC Group says, St. Margaret's has "*breached their contractual obligations*" and "*breached their partnership obligations*," according to the answer filed.

With the dispute still ongoing, the litigation must be resolved first before moving forward with the property, Gilman told *Mid-City Messenger*.

"St. Margaret's is eager to continue its development of the old Lindy Boggs Medical Center site, once again making it something our community can be proud of," Gilman said. "However, there is currently some litigation involving the property that must be resolved before we can move forward. As soon as that is resolved, we'll be able to publicly discuss plans for the site's redevelopment."

The condition of the property has **troubled Mid-City residents for years**. Councilwoman Susan Guidry told the Mid-City Neighborhood Organization last month that she and St. Margaret's were monitoring the cleanup efforts around the site.

"They're supposed to be getting a contractor or somebody to board up the windows," Guidry said.

"I've told them that it wasn't acceptable quite some while back, when you saw the graffiti go away is when I had absolutely thrown a fit," Guidry said.

Guidry also mentioned that a pump has been pumping the water out of the building's basement.

"I'll check again on the pump, but to my understanding it's pumping regularly now," Guidry said.