

# Orthopedic company eyeing move to Austin

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**An East Coast medical device company is looking at coming to Austin, potentially bringing scores of jobs with it. The company, Bethesda, Md.-based Hanger Orthopedic Group Inc., is seeking incentives tied to its possible move.**

**Hanger plans to lease 75,509 square feet in an office building at Simon Property Group's Domain project in North Austin, according to a report Tuesday from Oxford Commercial, which tracks the office market. That amount of space could accommodate 250 to 300 workers.**

Mayor Lee Leffingwell declined to describe the size of the incentive package the city is considering. However, he said a briefing on the incentives, followed a week later by a public hearing and City Council vote, could come as soon as this month.

"It will be cash-positive for the city over the life of the deal," Leffingwell said. "That's one of our bottom line requirements, that it make money for the city. By the end of the contract, we will be ahead."

Leffingwell said the company is among the industry groups the Austin area is targeting: health sciences, renewable energy and digital media.

He said he could not disclose the number of jobs or what they would pay, but he said, "Any incentive policy we would consider would provide decent jobs with good benefits."

Hanger spokeswoman Jennifer Bittner said she had "no information to share ... at this time."

Winning Hanger would be a boost for the Austin area, which has been losing jobs since the middle of last year and has lost out on other competitions for corporate relocations and expansions.

Last May, Medtronic Inc. chose San Antonio over Austin and some other cities for a new sales and support center for its diabetes unit.

Lured by more than \$14 million in state and local incentives, Medtronic agreed to take 1,400 jobs paying an average of \$32,000 a year to San Antonio.

**Attracting Hanger would be a "major win for Austin," said Angelos Angelou, an Austin economic development consultant. "It involves an area of business which Austin has struggled over the years to grow. Hanger can become that marquee client that can lead Austin's biomedical devices sector to greater successes in the future."**

Hanger has operations across the country, with more than 3,000 employees. Founded in 1861 by James Hanger, who was reputed to be the first Civil War amputee, it is now a publicly traded company with annual revenues of about \$740 million.

Its core business is designing and making prosthetics and orthotics for amputees and patients with musculoskeletal problems. It also operates 600 patient care centers across the country.

Late last year, reports circulated that the company was considering moving its headquarters and was looking at Austin and Nashville, Tenn., as possibilities.

One of the company's four subsidiaries, Innovative Neurotronics, a neuromuscular technologies firm, has been in Austin for three years. Innovative Neurotronics has about 30 employees in 7,000 square feet in the San Clemente office park at Capital of Texas Highway (Loop 360) and Westlake Drive.

"I think Hanger is a wonderful company," said Sam Houston, office partner with San Clemente's developer, HPI Real Estate Services & Investments Inc. "If they are moving to Austin, they'd be a great addition to the Austin economy. They're great jobs, and it's a great diversification for the Austin economy. And it also continues to demonstrate how Austin is a very attractive place for quality companies to relocate to."

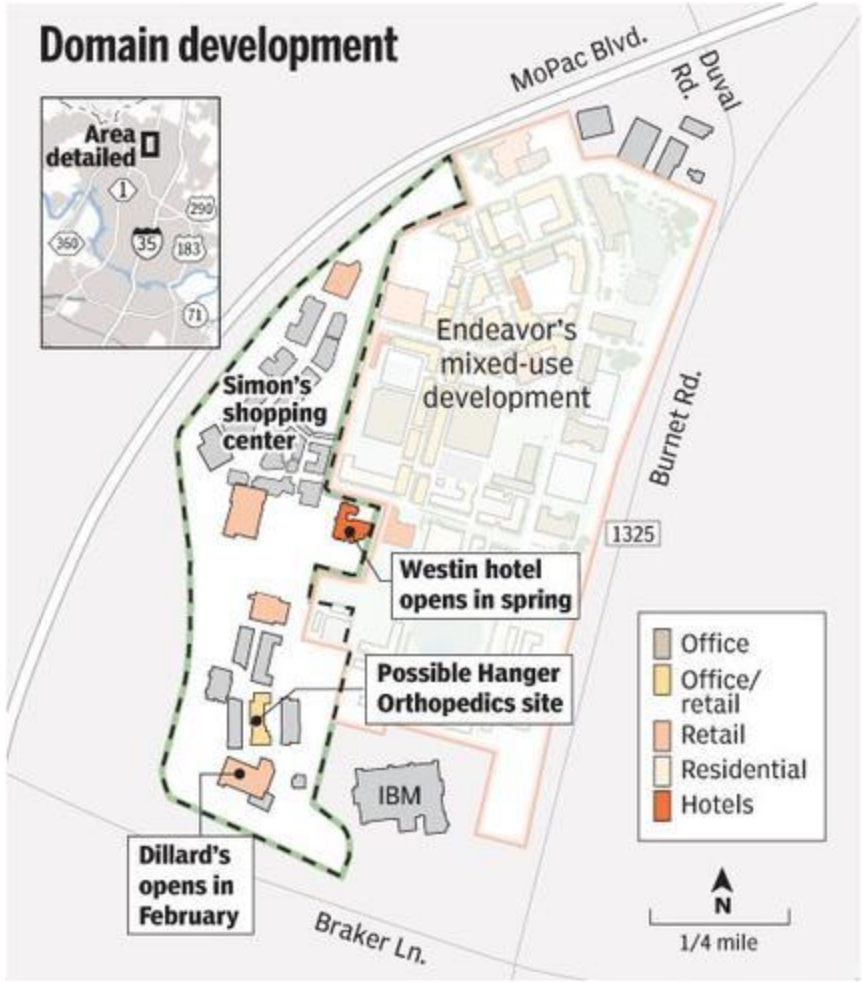
Ford Alexander, a partner with Oxford Commercial, agreed. "It's good to see outside companies show a keen interest in Austin," he said. "Hopefully, Hanger Orthopedics is the first of many that choose Austin as a location for operating their business."

Les Morris, a spokesman for Simon Property Group, declined to comment, saying it is company policy "not to announce any new tenant, whether retail or office, until a lease is signed."

The office building that could become Hanger's new headquarters is in a new section of the Domain that includes a Dillard's store that opens next month and a Westin Hotel set to open in the spring. The three-story building has retail space on the first floor.

**Courtesy of JB Goodwin**

# Domain development



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