



**DOMINION HEALTHCARE  
REALTY, LLC**  
*Relationship Driven Real Estate Solutions®*



## HISTORICAL CASE STUDY

### Building Bridges

*"...It's all about optimizing opportunities – not at the expense of, but for the benefit of each other."*

*Geoff Crabtree – Senior Vice President  
Methodist Healthcare System  
San Antonio, TX*



### Project Services & Results

- ✓ Creating Physician Ownership Opportunities
- ✓ Expanded Relationship with Methodist
- ✓ Strategic Leasing & Management Plans
- ✓ Strategic Facility & Master Planning
- ✓ Financial Analysis / Capital Planning
- ✓ Operations Assessment



### DIAGNOSTIC PAVILION

In September, 2008, an affiliated entity of the principals of Dominion Healthcare Realty, LLC acquired the 51,658 sf Diagnostic Pavilion medical office building located at 4647 Medical Drive in San Antonio, Texas. Diagnostic Pavilion is located in the heart of the South Texas Medical Center directly across Medical Drive from University Hospital and Healthcare System, the Methodist Hospital System, the University of Texas Medical School, the University of Texas Dental School, and the Audy Murphy Veterans Administration Hospital.

At the time of acquisition, it was a well known fact that University Hospital was being expanded in the next two to three years with a \$1.0 billion investment by Bexar County that would take the hospital from a 604 bed teaching hospital facility into a 1,000 m/l bed state of the art teaching, research, and trauma center hospital.

Therefore, Diagnostic Pavilion was acquired as a value-add property tied to the \$1.0 billion investment occurring across the street. The building was near the end of a ten year lease to the UT Medical School paying \$86,000 NNN monthly rents, and had approximately 18 months left on the term. The tenant would not be renewing and it was felt that a new tenant could be found after the expansion of the University Hospital.

After the lease expired in February of 2010, and prior to the full opportunity to add value to the site by re-tenanting, the property was bought by the University Hospital in April 2010 and the value-add attributes of investment were successfully concluded.

