



**BEXAR COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS**

Tuesday, January 20, 2026  
6:00 pm  
Cypress Room, University Hospital  
4502 Medical Drive  
San Antonio, Texas 78229

**MINUTES**

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**BOARD MEMBERS PRESENT:**

Jimmy Hasslocher, Chair  
Anita L. Fernandez, Vice Chair  
Margaret Kelley, MD, Secretary  
Patricia (Pat) Jasso  
Beverly Watts Davis  
David Cohen, MD

**OTHERS PRESENT:**

Edward Banos, President/Chief Executive Officer, University Health  
Bill Phillips, Executive Vice President/Interim Chief Operating Officer, University Health  
Reed Hurley, Executive Vice President/Chief Financial Officer, University Health  
Dr. Bryan Alsip, Executive VP, Chief medical Officer, University Health  
Francisco G. Cigarroa, M.D., EVP/Health Affairs and Health System, Ut Health San Antonio  
Dr. Robert Hromas, MD, Dean and Professor of Medicine, UT Health San Antonio  
Michael Little, MD, President, Medical/Dental Staff, University Health; and Associate Professor, Department of Anesthesiology, UT Health San Antonio  
And other staff attendees.

**CALL TO ORDER:**

Mr. Hasslocher called the Board meeting to order at 6:076 pm.

**INVOCATION AND PLEDGE OF ALLEGIANCE — JIMMY HASSLOCHER, CHAIR**

Invocation – Paula Harper King, University Health Chaplain — *Jimmy Hasslocher, Chair*

Mr. Hasslocher led the pledge of allegiance.

**PUBLIC COMMENT:** NONE

**Approval of Minutes of Previous Meeting(s):** *None at this time*

**ACTION:**

**Consideration and Appropriate Action Regarding a Purchase and Sale Agreement with San Antonio MOB NW Medical Tower, LLC for Two Medical Office Buildings Located at 2829 and 2833 Babcock Road, San Antonio, Texas 78229 — Edward Banos**

**SUMMARY:** At the January 20, 2026 meeting, the Bexar County Hospital District Board of Managers considered Action Item 6A: approval of a Purchase and Sale Agreement (PSA) to acquire two connected medical office buildings at 2829 and 2833 Babcock Road (“Northwest towers”) near the Medical Center. Staff described the asset as roughly 200,000 square feet total (Tower One: 123,000 SF; built 1986; seven floors; Tower Two: ~78,000 SF; built 1992; four floors) and noted prior owner renovations from 2018–2020 totaling a little over \$5 million (\$2.9M Tower One; \$2.2M Tower Two), plus just over \$200,000 of additional capital investment in the last three years. Staff presented comparable San Antonio MOB sales (approximately \$285–\$332 per square foot) and stated the proposed purchase price is \$50 million (about \$250 per square foot). A 20-year financial analysis was summarized as producing positive cash flow as long as tenancy is maintained, with an estimated payback period just under 14 years and a Year 1 (2026) net operating expense of \$0.6 million. Staff contrasted this with existing Medical Center leasing, citing an estimated cash outflow of just under \$33 million over 10 years (doubling over 20 years), and stated the acquisition could eliminate \$15 million of lease and capital outlay through clinic consolidation. Staff reported the PSA was already executed and a \$250,000 deposit submitted (credited to purchase price); due diligence (survey, Phase I, property condition assessments, tenant interviews) was completed; and closing was targeted for Monday, February 23, 2026.

The Board unanimously authorized the \$50 million acquisition to secure long-term ambulatory space and reduce reliance on leased Medical Center space.

**RECOMMENDATION:** Staff recommends the Board of Managers approve the acquisition of The Northwest Towers I and II in the amount of \$50,000,000 plus closing and related brokerage fees and authorizing all other actions in support thereof.

**COMMENTS /DISCUSSIONS:** Dr. Kelley asked about the strategic plan for future occupancy, specifically whether the intent is eventual full occupation by University Health or continuing to lease space to others, given some tenants have renewal options. Staff responded that analysis showed University Health could occupy 60% of the property and still maintain positive cash flow, and discussed economics of occupying 40% (of 200,000 square feet) while continuing leases for the remainder.

Mr. Banos Staff described a lease-expiration schedule and identified a large block of space leased by Christus Health (stated as 46,000 square feet). Staff indicated Christus is “more than likely not wanting to stay,” with University Health planning to move into some of that space as leases expire (noting expirations referenced as “26/27,” including items expiring in 2027). Staff also relayed that some tenants expressed interest in remaining due to Medical Center presence and indicated they might begin sending diagnostic testing to University Health and possibly practicing at Babcock.

Dr. Cohen stated that this is a “once in a lifetime opportunity,” emphasizing there is “no new land coming into the medical center” and that consolidating operations and staff in proximity to the hospital is the most efficient and desirable approach, underscoring the importance of acting within the short closing timeline.


**ACTION:** A **MOTION** to **APPROVE** staff's recommendation was made by Dr. Kelley, **SECONDED** by Dr. Cohen, and **PASSED UNANIMOUSLY**.


**EVALUATION:** None


**FOLLOW UP:** None

**Adjournment:** — *Jimmy Hasslocher, Chair*

There being no further business Mr. Hasslocher adjourned the public meeting at 6:27pm for a closed session.

  
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Jimmy Hasslocher  
Chair, Board of Managers

  
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Margaret A. Kelley, MD.  
Secretary, Board of Managers

  
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Janie M. Guevara, Recording Secretary

Closed Meeting — A closed meeting will be held pursuant to TEX. GOV'T CODE, Section 551.085 to receive information regarding pricing, market data and/or financial and planning information relating to the arrangement, provision or negotiation of an affiliation and/or other types of agreements for services or product lines or proposed new services and/or product lines of the hospital district.