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Committee Meeting: 11/11/2009

Board Meeting: 11/12/2009  
Austin, Texas

*Printice L. Gary, Chairman*  
*James D. Dannenbaum*  
*R. Steven Hicks*  
*Wm. Eugene Powell*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>2:00 p.m.</i> <i>Chairman Gary</i>		
<b>Report</b>			
1. <b>U. T. System: Fiscal Year 2009 Energy Utility Task Force Report</b>	<i>2:00 p.m.</i> <b>Report</b> <i>Mr. O'Donnell</i>	Not on Agenda	<b>187</b>
<b><u>Additions to the Capital Improvement Program</u></b>			
2. <b>U. T. Dallas: Renovation of 17217 Waterview Parkway - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)</b>	<i>2:08 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>187</b>
3. <b>U. T. Dallas: Shell Space and Infrastructure Build-out Projects - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)</b>	<i>2:12 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>189</b>
4. <b>U. T. Dallas: Student Housing Living/Learning Center, Phase II - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)</b>	<i>2:16 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>191</b>
5. <b>U. T. El Paso: University Parking Garage II - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)</b>	<i>2:21 p.m.</i> <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>192</b>

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6. <b>U. T. Permian Basin: Residence Hall - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)</b>	2:26 p.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>193</b>
7. <b>U. T. Health Science Center – Houston: Library, Equipment, Repair and Rehabilitation (LERR10) - University Center Tower Isolation Switch - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; approval to reallocate approved funding; and authorization of expenditure (Final Board approval)</b>	2:32 p.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>194</b>
<b><u>Modification to the Capital Improvement Program</u></b>			
8. <b>U. T. Southwestern Medical Center – Dallas: Clinical Campus Phase 2: Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; revise the funding sources; appropriation of partial funding for relocation and demolition work; and redesignate as the New University Hospital (Preliminary Board approval)</b>	2:39 p.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>196</b>
<b><u>Design Development Approvals</u></b>			
9. <b>U. T. Arlington: Special Events Center - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval of design development; approval to revise the funding sources; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)</b>	2:45 p.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>198</b>
10. <b>U. T. Dallas: Campus Services and Bookstore Building - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)</b>	2:52 p.m. <b>Action</b> <i>Mr. O'Donnell</i>	<b>Action</b>	<b>201</b>
<b>Adjourn</b>	3:00 p.m.		

1. **U. T. System: Fiscal Year 2009 Energy Utility Task Force Report**

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will provide the annual report on the progress of the Energy Utility Task Force for Fiscal Year 2009. The Task Force was created in February 2001 to evaluate and recommend strategies for U. T. System institutions to reduce energy consumption, better manage commodity price risk, and leverage their purchasing power to reduce energy costs.

Initial recommendations and energy consumption reduction goals were presented to, and previously endorsed by, the Board in November 2001 and a 10%-15% reduction in energy usage was targeted for Fiscal Year 2011. The estimated reduction in energy usage for Fiscal Year 2009 from baseline levels is 16.60%. Since Fiscal Year 2001, reductions in energy consumption per square foot by U. T. System institutions have resulted in cumulative savings of \$141,803,960.

2. **U. T. Dallas: Renovation of 17217 Waterview Parkway - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the Renovation of 17217 Waterview Parkway project at The University of Texas at Dallas as follows:

<b>Project No.:</b>	302-557				
<b>Institutionally Managed:</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
<b>Project Delivery Method:</b>	Competitive Sealed Proposals				
<b>Substantial Completion Date:</b>	July 2010				
<b>Total Project Cost:</b>	<table><tr><td><u>Source</u></td><td><u>Proposed</u></td></tr><tr><td>Revenue Financing System Bond Proceeds</td><td>\$5,500,000</td></tr></table>	<u>Source</u>	<u>Proposed</u>	Revenue Financing System Bond Proceeds	\$5,500,000
<u>Source</u>	<u>Proposed</u>				
Revenue Financing System Bond Proceeds	\$5,500,000				

- a. approve a total project cost of \$5,500,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;

- c. appropriate funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$5,500,000.

## BACKGROUND INFORMATION

### Debt Service

The \$5,500,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$5,500,000 Revenue Financing System debt is expected to be \$480,000. The institution's debt service coverage is expected to be at least 1.3 times and average 2.1 times over FY 2010-2015.

### Project Description

The proposed project involves renovation of interior space of an existing office building approved for purchase by the Board of Regents on July 9, 2009. The facility consists of approximately 93,060 gross square feet of office and light manufacturing space. This building will be renovated to accommodate various campus departments in conjunction with program growth and dislocation due to new construction and major renovations. The building will also house administrative and academic units to maximize the availability of square footage for classrooms and faculty offices in the core of the U. T. Dallas campus. This renovation is needed to bring the building into compliance with current codes/standards and to modify the existing space to meet the needs of the prospective tenants.

The proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date.

It has been determined that this project would best be managed by the U. T. Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

**3. U. T. Dallas: Shell Space and Infrastructure Build-out Projects - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; authorization of institutional management; appropriation of funds; and resolution regarding parity debt (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the Shell Space and Infrastructure Build-out Projects at The University of Texas at Dallas as follows:

<b>Project No.:</b>	302-558				
<b>Institutionally Managed:</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
<b>Project Delivery Method:</b>	Competitive Sealed Proposals				
<b>Substantial Completion Date:</b>	July 2010				
<b>Total Project Cost:</b>	<table><tr><td><u>Source</u></td><td><u>Proposed</u></td></tr><tr><td>Revenue Financing System Bond Proceeds</td><td>\$5,500,000</td></tr></table>	<u>Source</u>	<u>Proposed</u>	Revenue Financing System Bond Proceeds	\$5,500,000
<u>Source</u>	<u>Proposed</u>				
Revenue Financing System Bond Proceeds	\$5,500,000				

- a. approve a total project cost of \$5,500,000 with funding from Revenue Financing System Bond Proceeds;
- b. authorize U. T. Dallas to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts;
- c. appropriate funds; and
- d. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$5,500,000.

## BACKGROUND INFORMATION

### Debt Service

The \$5,500,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$5,500,000 Revenue Financing System debt is expected to be \$480,000. The institution's debt service coverage is expected to be at least 1.3 times and average 2.1 times over FY 2010-2015.

### Project Description

The proposed project consists of several shell space build-out projects in the Natural Science and Engineering Research Laboratory (NSERL) including neuroscience laboratory space, material science laboratory space, and bioengineering laboratory shell space. The project also involves build-out of the mechanical engineering machine shop in the Waterview Science and Technology Center. Some campus infrastructure improvements associated with academic programs are included in the project.

As U. T. Dallas continues to increase the amount of sponsored research, additional laboratory space is needed as soon as possible. This project will complete the build-out of all available space in the NSERL research facility and provide machine shop space for the new mechanical engineering program.

The proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Dallas Facility Management personnel who have the experience and capability to manage all aspects of the work.

**4. U. T. Dallas: Student Housing Living/Learning Center, Phase II - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the Student Housing Living/Learning Center, Phase II project at The University of Texas at Dallas as follows:

<b>Project No.:</b>	302-556				
<b>Project Delivery Method:</b>	Construction Manager at Risk				
<b>Substantial Completion Date:</b>	June 2012				
<b>Total Project Cost:</b>	<table><tr><td><u>Source</u></td><td><u>Proposed</u></td></tr><tr><td>Revenue Financing System Bond Proceeds</td><td>\$31,000,000</td></tr></table>	<u>Source</u>	<u>Proposed</u>	Revenue Financing System Bond Proceeds	\$31,000,000
<u>Source</u>	<u>Proposed</u>				
Revenue Financing System Bond Proceeds	\$31,000,000				
<b>Investment Metric:</b>	This Residence Hall will directly support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students by 2017, creating a total student population of 21,000.				

**BACKGROUND INFORMATION**

The new student housing will contain approximately 150,000 gross square feet to house 400 students as well as classrooms, gathering spaces, and offices to support living and learning communities. These beds will be reserved for use by incoming freshman students. The project will also include parking, connector roads, and outdoor recreational facilities.

The Student Housing Living/Learning Center, Phase I filled quickly, and all current student housing is operating close to 100% occupancy with 40 students on the waiting list.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

**5. U. T. El Paso: University Parking Garage II - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the University Parking Garage II project at The University of Texas at El Paso as follows:

<b>Project No.:</b>	201-553	
<b>Project Delivery Method:</b>	Design/Build	
<b>Substantial Completion Date:</b>	July 2011	
<b>Total Project Cost:</b>	<u>Source</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$ 5,000,000
	Unexpended Plant Funds	<u>\$ 7,000,000</u>
		\$12,000,000
<b>Investment Metrics:</b>	By 2011	
	<ul style="list-style-type: none"><li>• Increase in University parking capacity in a developing area of campus</li><li>• Ease campus arterial traffic congestion on Schuster Avenue and related parking lots</li></ul>	

**BACKGROUND INFORMATION**

The proposed parking garage will consist of a new multistory facility containing approximately 770 parking spaces. Two sites are being considered adjacent to Schuster Avenue for the project.

With the addition of the new School of Nursing and the Chemistry and Computer Science Building to the southeast quadrant of the campus, the demand for additional parking in that area has increased considerably.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.



**6. U. T. Permian Basin: Residence Hall - Amendment of the FY 2010-2015 Capital Improvement Program to include project (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Watts that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the Residence Hall project at The University of Texas of the Permian Basin as follows:

**Project No.:** 501-555  
**Project Delivery Method:** Construction Manager at Risk  
**Substantial Completion Date:** July 2012  
**Total Project Cost:**

<u>Source</u>	<u>Proposed</u>
Revenue Financing System Bond Proceeds	\$26,500,000

**Investment Metrics:**

- Percent occupancy equal to other campus housing by three years after opening
- Student first year retention at or above the campus average first year retention by three years after opening
- Student annual satisfaction survey results at or above other campus housing by two years after opening

**BACKGROUND INFORMATION**

The proposed Residence Hall to be located adjacent to the Student Multipurpose Center will provide 300 beds and student support service areas. The dormitory will feature four students per room. The students would each have their own bedroom with a lavatory and share a common living area. Other amenities would include multipurpose lobbies, study rooms, a mail room, a laundry room, and a media room. Outdoor amenities may include a sand volleyball court and outdoor grill area. The project will be completed in two phases. The first phase to be completed in Fall 2012 will include approximately 150 beds and a new parking lot. The second phase will be completed by Fall 2013.

All of the existing housing on campus consists of apartment style units with students housed in a two bedroom unit with a shared bath, living room, and full kitchen. There are also some efficiency unit apartments with a full kitchen/living room with a single bedroom/bath. This new Residence Hall will provide incoming freshmen and other students a choice of apartment or dormitory housing on campus. Current student housing consisting of 560 beds is operating at 100% occupancy with 40 students on the waiting list.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board for approval at a later date.

**7. U. T. Health Science Center – Houston: Library, Equipment, Repair and Rehabilitation (LERR10) - University Center Tower Isolation Switch - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; approval to reallocate approved funding; and authorization of expenditure (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Kaiser that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the LERR10 - University Center Tower Isolation Switch project at The University of Texas Health Science Center at Houston as follows:

**Project No.:** 701-554  
**Institutionally Managed:** Yes  No   
**Project Delivery Method:** Competitive Sealed Proposals  
**Substantial Completion Date:** August 2010

<b>Project No.: 701-445</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
<b>LERR09-University Center Tower Emergency Generator Replacement Systems</b>	Permanent University Fund Bond Proceeds	\$1,200,000	\$1,043,325
<b>Total Project Cost:</b>			

<b>Project No.: 701-446</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
<b>LERR09-Dental Branch Building Emergency Generator Replacement Systems</b>	Permanent University Fund Bond Proceeds	\$ 600,000	\$ 474,675
<b>Total Project Cost:</b>			

<b>Project No.: 701-552</b>	<u>Source</u>	<u>Proposed</u>
<b>LERR10-University Center Tower Isolation Switch</b>	Permanent University Fund Bond Proceeds	\$ 282,000
<b>Total Project Cost:</b>		

- a. approve a total project cost of \$282,000 with funding from Permanent University Fund (PUF) Bond Proceeds Library, Equipment, Repair and Rehabilitation (LERR);

- b. approve the reallocation from PUF Bond Proceeds in the amount of \$156,675 from the LERR09 - University Center Tower Emergency Generator Replacement Systems project and \$125,325 from the LERR09 - Dental Branch Building Emergency Generator Replacement Systems project; and
- c. authorize expenditure of funds.

### BACKGROUND INFORMATION

#### Previous Board Actions

On August 14, 2008, the LERR09 - University Center Tower Emergency Generator Replacement Systems project was included in the CIP with a total project cost of \$1,200,000 with funding from PUF LERR and institutional management.

On August 14, 2008, the LERR09 - Dental Branch Building Emergency Generator Replacement Systems project was included in the CIP with a total project cost of \$600,000 with funding from PUF LERR and institutional management.

On August 20, 2009, the Board approved the Request for Budget Change via the Docket to transfer the amount of \$282,000 from the two previously approved LERR projects for emergency generators to a new project to address a high voltage electrical switch that serves the University Center Tower.

#### Project Description

This request is to create a new LERR10 project from surplus funds of the existing LERR09 - University Center Tower Emergency Generator Replacement Systems project and the LERR09 - Dental Branch Building Emergency Generator Replacement Systems project. The LERR funds from both projects are available for transfer and will be used for project design in preparation for executing the project in the near future.

Each building in the Texas Medical Center (TMC) area is fed by underground high voltage cables. The high voltage electrical cables connecting University Center Tower (UCT) also serve multiple buildings in the TMC area. This isolation switch project will isolate UCT from other buildings in the TMC to minimize the impact on other TMC institutions of a high water incident at UCT.

**8. U. T. Southwestern Medical Center – Dallas: Clinical Campus Phase 2: Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; revise the funding sources; appropriation of partial funding for relocation and demolition work; and redesignate as the New University Hospital (Preliminary Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Podolsky that the U. T. System Board of Regents approve the recommendations for the Clinical Campus Phase 2 project at The University of Texas Southwestern Medical Center at Dallas as follows:

**Institutionally Managed:** Yes  No   
**Project No.:** 303-366  
**Project Delivery Method:** Construction Manager at Risk  
**Substantial Completion Date:** April 2015

<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Unexpended Plant Funds	\$ 80,000,000	
	Interest on Local Funds	\$ 50,000,000	
	Medical Services Research and Development Plan	\$ 80,000,000	
	Revenue Financing System Bond Proceeds	\$ 50,000,000	\$400,000,000
	Gifts	<u>\$100,000,000</u>	<u>\$200,000,000</u>
	Designated Funds		<u>\$200,000,000</u>
		\$360,000,000	\$800,000,000

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost from \$360,000,000 to \$800,000,000;
- b. revise the funding from \$80,000,000 from Unexpended Plant Funds, \$50,000,000 from Interest on Local Funds, \$80,000,000 from Medical Services Research and Development Plan (MSRDP), \$50,000,000 from Revenue Financing System Bond Proceeds, and \$100,000,000 from Gifts to \$400,000,000 from Revenue Financing System Bond Proceeds, \$200,000,000 from Gifts, and \$200,000,000 from Designated Funds;
- c. appropriate partial funding of \$48,000,000 from Designated Funds for relocation and demolition work; and
- d. redesignate the project as the New University Hospital.

## BACKGROUND INFORMATION

### Previous Board Action

On August 23, 2007, the project was included in the CIP with a total project cost of \$360,000,000 with funding of \$80,000,000 from Unexpended Plant Funds, \$50,000,000 from Interest on Local Funds, \$80,000,000 from MSRDP, \$50,000,000 from Revenue Financing System Bond Proceeds, and \$100,000,000 from Gifts.

### Project Description

The original project was anticipated to be a 224-bed addition to St. Paul University Hospital. During the programming of the project it became evident that the scale, location, and cost would need to be changed to serve the current needs of the institution and patients. The traffic congestion at this site and continued use of the older sections of St. Paul University Hospital, including lack of teaching space, patient flow issues, and the disruption caused by construction activity over many years, were of particular concern. In addition, the site would not allow later expansion to accommodate future relocation of clinical programs at Zale Lipshy University Hospital when that facility eventually needs to be replaced. This request is to redesignate the project as the New University Hospital.

The New University Hospital is planned to be a 424-bed facility that will replace the existing St. Paul University Hospital. The hospital will be a full service tertiary hospital that will provide needed patient care, clinical trials, and medical education. The hospital will provide for an additional 6,500 admissions between Fiscal Years 2016 and 2020. To support the hospital, a new central utility plant will be constructed along with a parking garage, utilities, and streets. The hospital will be located on a site known as the West Campus which is directly northwest of the existing St. Paul University Hospital. After the new hospital is complete, the existing hospital site will be converted to other clinical and faculty uses.

Prior to beginning the hospital construction, the occupants of three existing buildings will need to be relocated and those buildings demolished. So that the construction of the New University Hospital is not delayed, U. T. Southwestern Medical Center – Dallas is requesting approval to proceed with the relocation and demolition work. The total cost for this portion of the work is estimated to be \$48,000,000 with funding from Designated Funds.

This proposed project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Approval of design development plans and authorization of expenditure of funding will be presented to the Board at a later date.

**9. U. T. Arlington: Special Events Center - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval of design development; approval to revise the funding sources; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that the U. T. System Board of Regents approve the recommendations for the Special Events Center project at The University of Texas at Arlington as follows:

<b>Project No.:</b>	301-397		
<b>Project Delivery Method:</b>	Construction Manager at Risk		
<b>Substantial Completion Date:</b>	January 2012		
<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$28,000,000	\$68,000,000
	Gifts	\$10,000,000	
	Unexpended Plant Funds	<u>\$35,000,000</u>	<u>\$10,000,000</u>
		\$73,000,000	\$78,000,000

- Investment Metrics:** By 2012:
- Host approximately 41 athletic events and 25 other U. T. Arlington related activities
  - Host approximately 60 non-university events that will address the campus community and general public's interest
  - Accommodate commencement exercises, convocation ceremonies, student orientations, and Maverick Preview Days
  - Provide a facility capable of seating 6,500 people
  - Earn over \$1.0 million during the first year of operations from non-University event bookings, generating 30% net revenue
  - Lease a minimum of 20% of bookable facility time to non-University entities to drive income generation and support student recruitment and community involvement
  -

- a. amend the FY 2010-2015 Capital Improvement Program to increase the total project cost from \$73,000,000 to \$78,000,000;
- b. approve design development plans;
- c. revise the funding sources from \$28,000,000 from Revenue Financing System Bond Proceeds, \$10,000,000 from Gifts, and \$35,000,000 from Unexpended Plant Funds to \$68,000,000 from Revenue Financing System Bond Proceeds and \$10,000,000 from Unexpended Plant Funds;

- d. appropriate funds and authorize expenditure of funds;
- e. approve the evaluation of alternative energy economic feasibility; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
  - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
  - U. T. Arlington, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$68,000,000.

## BACKGROUND INFORMATION

### Debt Service

The \$68,000,000 in aggregate Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$68,000,000 Revenue Financing System debt is expected to be \$4,700,000. The institution's debt service coverage is expected to be at least 2.0 times and average 2.8 times over FY 2010-2015.

### Previous Board Action

On February 12, 2009, the project was included in the CIP with a total project cost of \$73,000,000 with funding of \$28,000,000 from Revenue Financing System Bond Proceeds, \$10,000,000 from Gifts, and \$35,000,000 from Unexpended Plant Funds.

### Project Description

The Special Events Center (SEC) will include approximately 218,000 gross square feet (GSF) to house a multipurpose, state-of-the-art facility for U. T. Arlington athletics, graduation ceremonies, convocation celebrations, concerts, and distinguished lecture series, as well as many community events. The SEC will also include large meeting rooms and suites ideal for hosting special functions, events, and meetings. For U. T. Arlington athletics, the SEC will include an athletic floor for both the men's and women's

basketball teams and the women's volleyball team. It will include practice courts, offices, locker rooms, training facilities, a film and media center, lounge areas, and academic spaces for the student athletes. The facility will be able to accommodate small and large events equally well to serve the academic and administrative departments. The increase in the total project cost is due to a proposed increase of approximately 20,000 GSF to include larger mechanical rooms, larger service corridors, and an increase in the amount of storage space in the building.

The SEC will be located on the east side of the campus in close proximity to the University Center for the convenience of the campus community. The site will be between Pecan and Center Streets and south of West Second Street. This site has an additional benefit of being located adjacent to the recent enhancement and upgrades of Center Street as a pedestrian parkway and green space by the City of Arlington. The SEC's site landscaping is designed to blend into the City's Trail System to make a strong statement in regard to the stature of the University.

### Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing buildings. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

*Texas Government Code* Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.



**10. U. T. Dallas: Campus Services and Bookstore Building - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)**

**RECOMMENDATION**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that the U. T. System Board of Regents approve the recommendations for the Campus Services and Bookstore Building project at The University of Texas at Dallas as follows:

<b>Project No.:</b>	302-485		
<b>Project Delivery Method:</b>	Competitive Sealed Proposals		
<b>Substantial Completion Date:</b>	November 2010		
<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$6,250,000	\$8,250,000
	Unexpended Plant Funds	<u>\$3,000,000</u>	<u>\$1,200,000</u>
		\$9,250,000	\$9,450,000

- Investment Metrics:** By 2010:
- Support the University's Strategic Plan Imperative of adding 5,000 full-time equivalent students
  - Strengthen the relationship to the surrounding community by creating another venue which will attract community members to the campus

- a. amend the FY 2010-2015 Capital Improvement Program to increase the total project cost from \$9,250,000 to \$9,450,000;
- b. revise the funding from \$6,250,000 from Revenue Financing System Bond Proceeds and \$3,000,000 from Unexpended Plant Funds to \$8,250,000 from Revenue Financing System Bond Proceeds and \$1,200,000 from Unexpended Plant Funds;
- c. approve design development plans;
- d. appropriate funds and authorize expenditure of funds;
- e. approve the evaluation of alternative energy economic feasibility; and
- f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that:
  - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;

- sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
- U. T. Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$8,250,000.

## BACKGROUND INFORMATION

### Debt Service

The \$8,250,000 in aggregate Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$8,250,000 Revenue Financing System debt is expected to be \$720,000. The institution's debt service coverage is expected to be at least 1.3 times and average 2.1 times over FY 2010-2015.

### Previous Board Action

On May 14, 2009, the project was included in the CIP with a total project cost of \$9,250,000 with funding of \$6,250,000 from Revenue Financing System Bond Proceeds and \$3,000,000 from Unexpended Plant Funds.

### Project Description

The Campus Services and Bookstore Building will be a two-story structure housing a vendor-operated retail bookstore facility, a campus visitor center, and other campus services, including a copy center, technology store, and coffee shop. It will be developed in a manner to attract both campus and community customers. Its location adjacent to the existing Student Activity Center will be a focal point on University property. The new building will include exterior features such as attractive parking, an outdoor trellis, and a connector road. The site of the new building, in the heart of campus at the intersection of Drive A and Rutford Avenue, was selected due to the high level of student traffic through the area as well as its accessibility for community visitors. The increase to the total project cost is to complete the shell space for the bookstore.

The \$9,450,000 total project cost includes built-out campus services space, exterior features, a built-out atrium, and shelled bookstore space. The build-out of the shelled bookstore space is expected to be completed by a bookstore operator to be selected through a Request for Proposals process to manage and operate the future bookstore.

Funding of \$1,000,000 of Unexpended Plant Funds is expected to be repaid by vendor contract commissions. The current economic environment provides for the issuance of low-cost debt allowing U. T. Dallas to conserve its current cash position.

### Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing buildings. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities.

The interior appearance and finish are consistent with existing campus buildings. *Texas Government Code* Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.