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U. T. M. D. Anderson Cancer Center

John W. Barnhill, Jr., Chairman
H. Scott Caven, Jr.
Rita C. Clements
Robert A. Estrada
Woody L. Hunt

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Adjourn	5:00 p.m.		

1. **U. T. System: Consideration of architecturally or historically significant projects**

RECOMMENDATION

It is recommended that the Committee review the following projects scheduled for architectural selection for possible designation as architecturally or historically significant pursuant to the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 3, Subsection 3.3:

• **U. T. San Antonio**

Recreation and Wellness Facilities, Phase II

Project Cost: \$44,000,000

Anticipated Delivery Method: Competitive Sealed Proposals
(See Item 6 on Page 46)

Student Housing Expansion, Phase II

Proposed Project Cost: \$27,000,000

Current Project Cost: \$20,500,000

Anticipated Delivery Method: Competitive Sealed Proposals
(See Item 12 on Page 97)

2. **U. T. Austin: Experimental Science Building Renovation Phase I and II - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approval to revise funding source; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; resolution regarding parity debt; and redesignation of project as the Center for Nano and Molecular Science and Technology**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents approve the recommendations for the Experimental Science Building Renovation Phase I and II project at The University of Texas at Austin as follows:

Project Number: 102-906

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: July 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$35,000,000	\$28,000,000
	Unexpended Plant Funds		<u>\$10,000,000</u>
			\$38,000,000

Debt Service

The \$28,000,000 in Revenue Financing System debt will be repaid from Designated Tuition. Annual debt service on the project is estimated at \$1,926,551. Overall debt service coverage on projects funded through Designated Tuition is expected to be at least 3.2 times.

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost from \$35,000,000 to \$38,000,000;
- b. revise the funding sources;
- c. approve design development plans;
- d. approve the evaluation of alternative energy economic feasibility;
- e. appropriate funds and authorize expenditure of funds; 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. Board of Regents relating to the Financing System; and
 - U. T. Austin, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$28,000,000; and
- g. redesignate the project as the Center for Nano and Molecular Science and Technology.

Previous Board Actions

On November 13, 2002, the Board approved combining the Experimental Science Building Renovation Phase I and II projects with a preliminary project cost of \$35,000,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

The Experimental Science Building Renovation Phase I was for the development of an overall program and cost estimate for subsequent phase work. The Experimental Science Building Renovation Phase II project will renovate a small portion of the existing building to support state-of-the-art research and teaching laboratories, classrooms, and offices. The addition to the north side of the building will provide approximately 53,000 gross square feet for research facilities and supporting office components for the Center for Nano and Molecular Science and Technology.

Approval of this item increases the total project cost to fund the additional project scope costs associated with providing all utilities to the site. U. T. Austin has requested the name change of the project to the Center for Nano and Molecular Science and Technology to better reflect the nature of the project.

The existing Experimental Science Building is a 50-year old building designed as a teaching and research building. The existing facility has had no additions and only small renovations of specific laboratories.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

3. U. T. Austin: MRI Imaging Center, Phase I and II - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to revise funding sources; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents approve the recommendations for the MRI Imaging Center, Phase I and II project at The University of Texas at Austin as follows:

Project Number: 102-197

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: January 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Grants	\$5,500,000	\$ 850,000
	Revenue Financing System Bond Proceeds		\$2,550,000
	Unexpended Plant Funds		<u>\$2,100,000</u>
			<u>\$5,500,000</u>

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to revise the funding sources from \$5,500,000 from Grants to \$850,000 from Grants, \$2,550,000 from Revenue Financing System Bond Proceeds, and \$2,100,000 from Unexpended Plant Funds;
- b. approve design development plans;

- c. approve the evaluation of alternative energy economic feasibility;
- d. appropriate funds and authorize expenditure of funds; and
- e. 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. Board of Regents relating to the Financing System; and
 - U. T. Austin, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$2,550,000.

Debt Service

The \$2,550,000 in Revenue Financing System debt will be repaid from net revenues on the project. Total annual debt service on the project is estimated at \$175,454. Debt service coverage on the project is expected to be at least 1.42 times.

Previous Board Actions

On February 4, 2004, the project was included in the CIP with a preliminary project cost of \$5,500,000 with funding from Grants.

Project Description

The MRI Imaging Center, Phase I and II at U. T. Austin will construct a facility containing approximately 9,000 gross square feet to house a 3-Tesla MRI. U. T. Austin will utilize the new MRI Imaging Center to focus on education and research in the fields of imaging, bio-behavioral substance abuse disorders, and bioengineering. Modifying the funding sources will more specifically reflect the financing for the project and will allow construction to start.

U. T. Austin has developed a relationship with the Central Texas Veterans Health Care System (CTVHCS) and The University of Texas Medical Branch at Galveston to establish a joint imaging center. CTVHCS will use the MRI Center primarily for research concerning the aging process, brain and spinal cord injuries, dementia and neuronal degeneration, major psychosis, mood disorder and stress, sensory disorder, and substance abuse. U. T. Medical Branch - Galveston substance abuse research focuses on brain-adaptive neurochemical responses that mediate the reward effects of abused drugs.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

4. U. T. Austin: New Residence Halls - Phase II - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; resolution regarding parity debt; and approval of honorific naming of facility as the Almetris Duren Residence Hall

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents approve the recommendations for the New Residence Halls – Phase II project at The University of Texas at Austin as follows:

Project Number: 102-043

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: June 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$24,000,000	\$38,750,000
	Auxiliary Enterprise Balances	<u>\$ 6,000,000</u>	<u>\$11,250,000</u>
		\$30,000,000	\$50,000,000

Debt Service

The \$38,750,000 in Revenue Financing System debt will be repaid from net revenues of the housing system. Annual debt service on the project is estimated at \$2,666,209. Overall debt service coverage on projects funded through housing system revenues is expected to be at least 1.6 times.

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost from \$30,000,000 to \$50,000,000;
- b. approve design development plans;
- c. approve the evaluation of alternative energy economic feasibility;
- d. appropriate funds and authorize expenditure of funds;
- e. 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. Board of Regents relating to the Financing System; and

- U. T. Austin, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$38,750,000; and

f. approve honorific naming as the Almetris Duren Residence Hall.

Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$30,000,000 with funding of \$24,000,000 from Revenue Financing System Bond Proceeds and \$6,000,000 from Auxiliary Enterprise Balances.

Project Description

The New Residence Halls – Phase II project at U. T. Austin will consist of 175,000 gross square feet of additional on-campus residence hall space. Common spaces include a multipurpose room, lounges, study rooms, a game room, a TV room, a laundry facility, an activity room, and mailbox areas. Approval of this item will increase the total project cost to fund the additional project scope associated with this site as a gateway to the University campus with additional costs for provision of utilities to the site and an increase in the number of student beds from 403 to 574.

U. T. Austin is significantly expanding its student housing because on-campus living is known to benefit students, particularly freshmen, by enhancing academic performance and persistence, GPA, retention rates, graduation rates, integration in the campus community, friendships with diverse peers, and overall development and satisfaction. Currently, U. T. Austin residence halls house approximately 6,700 students. This includes about 4,700 freshmen students and 1,900 upper-division students. U. T. Austin has a current goal to provide housing to 10,000 students on campus.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

The naming of the New Residence Halls – Phase II as the Almetris Duren Residence Hall will recognize the contributions and service of the late Mrs. Almetris Duren rendered to students, faculty, and staff. She served as housemother, friend, and advisor, and mentor to African-American students from 1956 to 1980. Almetris Duren’s profound impact on the University community and her contributions to residence life are the reason the Division of Housing and Food Service wishes to name the proposed new housing complex in her honor. This naming is consistent with the Regents’ Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3 relating to honorific namings of facilities, and institutional guidelines on the naming of facilities.

5. U. T. Health Science Center - San Antonio: Teaching/Learning Lab, Regional Academic Health Center (RAHC) Harlingen - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Cigarroa that the U. T. Board of Regents approve the recommendations for the Teaching/Learning Lab, RAHC Harlingen project for The University of Texas Health Science Center at San Antonio as follows:

Project Number: 402-137

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: May 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$25,500,000

Debt Service

Annual debt service on the \$25,500,000 of Tuition Revenue Bonds is projected to be \$2,223,206. While the annual debt service is payable from Pledged Revenues, it is expected that debt service on Tuition Revenue Bonds will be reimbursed through General Revenue Appropriations.

Recommendations

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of 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. Board of Regents relating to the Financing System; and
 - U. T. Health Science Center - San Antonio, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$25,500,000.

Previous Board Actions

On August 8, 2001, the project was included in the CIP with a preliminary project cost of \$25,500,000. The Regional Academic Health Center project was divided into four separate projects with three overseen by U. T. Health Science Center – San Antonio and one overseen by U. T. Health Science Center – Houston.

Project Description

The Teaching/Learning Lab, RAHC Harlingen will be a component of U. T. Health Science Center – San Antonio. This is the second building of a proposed complex of buildings of a multisite regional campus. The Harlingen location will serve as the headquarters of the Regional Academic Health Center, as well as a home base for medical training and educational programs. The 77th Session of the Texas Legislature authorized \$25,500,000 of Tuition Revenue Bonds to construct a teaching and learning laboratory in or near the City of Harlingen.

The new construction includes approximately 79,000 gross square feet to house the Outpatient Clinic. The clinic facilities will provide an educational opportunity for U. T. Health Science Center – San Antonio. Along with the Outpatient Clinic, the building will consist of educational space for medical students and residents, as well as a Clinical Research Center.

The Teaching/Learning Lab, RAHC Harlingen is a medical education and research endeavor in which programs are directed at distinctive regional needs and conducted in affiliation with health professionals and educational entities of the region. It operates as a geographically separate campus of U. T. Health Science Center - San Antonio's School of Medicine.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

6. U. T. Health Center - Tyler: Health Clinic - Approval of design development; approval of evaluation of alternative energy economic feasibility; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Calhoun that the U. T. Board of Regents approve the recommendations for the Health Clinic project for The University of Texas Health Center at Tyler as follows:

Project Number: 801-209

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Revenue Financing System Bond Proceeds	\$3,500,000

Debt Service

The \$3,500,000 in Revenue Financing System debt will be repaid from net revenues on the project. Annual debt service is projected to be \$280,849. Debt service coverage on the project is expected to be at least 1.6 times.

Recommendations

- a. approve design development plans;
- b. approve the evaluation of alternative energy economic feasibility;
- c. appropriate funds and authorize expenditure of 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. Board of Regents relating to the Financing System; and
 - U. T. Health Center - Tyler, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$3,500,000.

Previous Board Actions

On May 13, 2004, the project was included in the CIP with a preliminary project cost of \$3,500,000.

Project Description

The Health Clinic will be located on the U. T. Tyler campus. This project proposes to construct a 10,000 gross square feet, one-story facility incorporating outpatient clinic facilities for the general public, faculty, staff, and students of U. T. Tyler. The facility will include examination rooms, nurse and clerical work areas, medical records storage, teaching and testing areas, waiting rooms, and staff offices. An additional parking area will also be constructed adjacent to the facility.

U. T. Health Center – Tyler currently operates and leases two facilities in South Tyler and has been exploring different options for consolidating operations into one facility. This possibility, combined with the need to provide student, faculty, and staff health care on the U. T. Tyler campus, provides justification for a more permanent investment. In addition to being able to serve a greater patient population in the new facility, U. T. Health Center – Tyler also expects a decrease in overhead costs as a result of the combined operation with the debt for financing repaid from patient care income. Furthermore, operations at this facility will provide an on-campus teaching forum for education and clinical research for students.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

7. **U. T. System: Honorific naming of the Bauer House Pavilion as the Charmaine and Frank Denius Pavilion at Bauer House**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and the Vice Chancellor for External Relations that the U. T. Board of Regents approve the naming of the Bauer House Pavilion at U. T. System as the Charmaine and Frank Denius Pavilion at Bauer House.

BACKGROUND INFORMATION

Bauer House Pavilion is a small structure on the grounds of the Bauer House property, the official residence of the Chancellor. The Pavilion has not been used in recent years due to mold infestation and broken plumbing lines below the foundation. The rebuilding of this small facility will allow the new structure to serve as a meeting room and a place to host community events and dinners for larger numbers of individuals than those which can currently be served. The Pavilion will accommodate up to 60 people for a seated event or 150 people for a reception.

Mr. and Mrs. Frank and Charmaine Denius generously provided funding of \$300,000, a majority of the total project cost, in support of this project through their family foundation, the Cain Foundation. The Deniuses are longtime donors and supporters of The University of Texas. Mr. Frank Denius is immediate past Chairman of the Chancellor's Council and member of the Chancellor's Council Executive Committee. He is a distinguished alumnus of The University of Texas at Austin where he also served as a past president of the Ex-Students' Association, former Chair of the Austin Leadership Council, and is a current member of the Commission of 125.

The proposed naming is consistent with the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3 relating to honorific namings of facilities.

8. **U. T. Arlington: Honoric naming of the Chemistry Research Building as the W. A. Baker Chemistry Research Building**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that the U. T. Board of Regents approve the naming of the Chemistry Research Building at U. T. Arlington as the W. A. Baker Chemistry Research Building.

BACKGROUND INFORMATION

The Chemistry Research Building at U. T. Arlington was constructed in 1996 with approximately 67,000 gross square feet used predominantly for graduate and sponsored research by the Chemistry Department.

Dr. W. A. Baker graduated from Texas College of Arts and Industries with a B.S. in 1955 and graduated from U. T. Austin with a Ph.D. in 1959. He was chairman of the Chemistry Department at Syracuse University from 1965 until January 1971. Dr. Baker was Vice President for Academic Affairs at U. T. Arlington from 1973 to 1993 during which time the University experienced unprecedented growth and expansion. Dr. Baker was instrumental in the academic advancements and the University's emergence as a research university. Vice President Baker was directly involved in securing approval for the construction of the Chemistry Research Building. Dr. Baker also served as Provost and Vice President for Academic Affairs at U. T. Tyler.

The proposed naming of the Chemistry Research Building at U. T. Arlington to recognize the distinguished service of Dr. W. A. Baker is consistent with the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3 relating to honorific namings of facilities, and institutional guidelines on the naming of facilities.

9. **U. T. Austin: Benedict/Mezes/Batts Renovation Phase I and II - Amendment of FY 2004-2009 Capital Improvement Program and FY 2004-2005 Capital Budget to reduce appropriation of funds; approval to increase funding source; appropriation of funding and authorization of expenditure; and resolution regarding parity debt**

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents approve the recommendations for the Benedict/Mezes/Batts Renovation Phase I and II project at The University of Texas at Austin as set forth on Page 94.

Project Number: 102-027

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: July 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$30,000,000	\$48,000,000
	Designated Tuition	<u>\$18,000,000</u>	
		\$48,000,000	

Debt Service

The \$18,000,000 in Revenue Financing System debt will be repaid from Designated Tuition. Annual debt service on the project is estimated at \$1,238,497. Overall debt service coverage on projects funded through Designated Tuition is expected to be at least 3.2 times.

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to reduce the appropriation of \$18,000,000 from Designated Tuition;
- b. increase the funding source from \$30,000,000 to \$48,000,000 from Revenue Financing System Bond Proceeds;
- c. appropriate funds and authorize expenditure of additional funds of \$18,000,000; 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. Board of Regents relating to the Financing System; and
 - U. T. Austin, 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. Board of Regents of additional tax-exempt parity debt in the aggregate amount of \$18,000,000.

Previous Board Actions

On November 10, 1999, the Phase I project was authorized for inclusion in the CIP at a preliminary project cost of \$6,000,000 with funding from Designated Tuition. On August 8, 2001, the Phase I project was revised to increase the preliminary project cost to \$32,000,000 with funding from Designated Tuition. On May 9, 2002, the Board approved the design development for Phase I with a total project cost of \$32,000,000 with funding from Designated Tuition. On November 13, 2002, the Board reduced the Phase I total project cost to \$30,000,000, revised the funding source from Designated Tuition to Revenue Financing System Bond Proceeds, and authorized appropriation of funds in the amount of \$30,000,000 from Revenue Financing System Bond Proceeds. On November 12, 2003, the Board approved combining the Benedict/Mezes/Batts Renovation Phase I and II projects and increased the total project cost to \$48,000,000 with additional funding of \$18,000,000 from Designated Tuition.

Project Description

The Phase I renovation work for Benedict Hall and Mezes Hall was substantially completed in June 2004. The Phase II work started in June 2004 and will include renovation of classrooms and offices in Batts Hall. The decrease in the Designated Tuition funding source allows construction to continue in a timely manner with the appropriation of additional Revenue Financing System Bond Proceeds in the amount of \$18,000,000.

Benedict Hall, Mezes Hall, and Batts Hall form the eastern edge of the buildings on the south mall of the central campus and comprise approximately 110,000 gross square feet of classroom/lab instruction space and faculty office space. The buildings have not been renovated since they were occupied in 1951. The renovation includes all modifications necessary to comply with applicable life safety code provisions. The infill building between Benedict Hall and Mezes Hall will link the buildings, adding 20,000 gross square feet and improving traffic circulation.

10. U. T. El Paso: Parking Garage ID#, P-4 and New Bookstore - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to combine projects as the Parking Garage and Bookstore and revise total project cost

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. Board of Regents approve the recommendations for the Parking Garage ID#, P-4 project and the New Bookstore project at The University of Texas at El Paso as follows:

Project Numbers: 201-184 (Parking Garage ID#, P-4) / 201-186 (New Bookstore)

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: May 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>
Parking Garage ID#, P-4	Revenue Financing System Bond Proceeds	\$25,000,000

Total Project Cost:	<u>Source</u>	<u>Current</u>
New Bookstore	Auxiliary Enterprise Balances	\$ 4,950,000

Combined Total Project Cost:	<u>Source</u>	<u>Proposed</u>
Parking Garage and Bookstore	Revenue Financing System Bond Proceeds	\$25,000,000
	Auxiliary Enterprise Balances	<u>\$ 4,950,000</u>
		\$29,950,000

Recommendations

- amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to combine the Parking Garage ID#, P-4 project, and the New Bookstore project to be designated as the Parking Garage and Bookstore; and
- revise the preliminary project cost.

Previous Board Actions

On August 7, 2003, the Parking Garage ID#, P-4 project was included in the CIP with a preliminary project cost of \$25,000,000 and the New Bookstore project was included in the CIP with a preliminary project cost of \$4,950,000.

Project Description

U. T. El Paso has requested that the two projects be combined to better reflect the scope of the work. The parking garage will contain approximately 500 parking spaces and will house a bookstore in the ground level which will be approximately 28,000 gross square feet.

11. U. T. Permian Basin: Baseball Field - Honorific naming of complex as the Ted and Jan Roden Field

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Watts that the U. T. Board of Regents approve the naming of the Baseball Field at U. T. Permian Basin as the Ted and Jan Roden Field.

BACKGROUND INFORMATION

The construction of the baseball field for the new men's club/intercollegiate baseball team will be completed in November 2004. The first phase of the facility will consist of the field, an infield practice area, and grass-covered berms for seating built on 230,500 gross square feet at a total project cost of \$650,000.

U. T. Permian Basin wishes to name the complex to recognize the gift of \$200,000 from Mr. and Mrs. Ted G. Roden. Mr. Roden is a longtime Odessa business and civic leader and philanthropist. He is a 1943 graduate of U. T. Austin with a B.S. in Chemical Engineering. He helped to facilitate the location of U. T. Permian Basin in Odessa and to acquire its four-year status, and he continues to serve on the Development Board. Standard Sales Company honored Mr. Roden by establishing and permanently endowing the Ted G. Roden Presidential Scholarship in Business at U. T. Permian Basin.

Mr. and Mrs. Roden also established the Ted and Jan Roden Center of Excellence in Engineering Leadership at U. T. Austin. A number of namings for Roden family members, from faculty chairs to art collections, are visible at U. T. Permian Basin.

The naming is consistent with the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1, Subsection 1.3 relating to honorific namings of facilities, and institutional guidelines on the naming of facilities.

12. U. T. San Antonio: Student Housing Expansion, Phase II - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. Board of Regents approve the recommendation for the Student Housing Expansion, Phase II project at The University of Texas at San Antonio as follows:

Project Number: 401-211

Architecturally or Historically Significant: (Note: Item is before the Board; see Item 1 on Page 83.)

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: April 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$20,500,000	\$27,000,000

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the preliminary project cost from \$20,500,000 to \$27,000,000.

Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$20,500,000 with funding from Revenue Financing System Bond Proceeds.

Project Description

U. T. San Antonio is increasing the scope of the project to construct 200 more beds, bringing the total to 700 beds. The project will be apartment-style student housing. Based on extensive research, this facility will be designed to incorporate shared living spaces, meeting rooms, lounges, and study rooms.

U. T. San Antonio is expanding its student housing. Current student housing occupies 1,965 beds. The Student Housing Phase I project will provide housing for an additional 500 students with scheduled occupancy for the Fall Semester 2004. The waiting list currently stands at 500 students. The Student Housing Phase II project is scheduled for occupancy for the Fall Semester 2006.

13. U. T. Tyler: Louise Herrington Patriot Center - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to reduce appropriation of funds; approval to increase funding source; approval to revise funding source; and appropriation of funding and authorization of expenditure

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. Board of Regents approve the recommendations for the Louise Herrington Patriot Center project at The University of Texas at Tyler as set forth on Page 98.

Project Number: 802-019

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2003

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Permanent University Fund Bond Proceeds	\$ 9,700,000	\$ 9,700,000
	Revenue Financing System Bond Proceeds	\$ 6,000,000	\$ 900,000
	Gifts	\$ 3,600,000	\$ 8,545,933
	Auxiliary Enterprise Balances		\$ 154,067
		<u>\$19,300,000</u>	<u>\$19,300,000</u>

Recommendations

- amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to decrease the appropriation of \$6,000,000 to \$900,000 from Revenue Financing System Bond Proceeds;
- increase the funding source from \$3,600,000 to \$8,545,933 from Gifts;
- revise the funding source to include Auxiliary Enterprise Balances in the amount of \$154,067; and
- appropriate funds and authorize expenditure of funds.

Previous Board Actions

On January 20, 2000, the Executive Committee of the Board allocated \$9,700,000 from Permanent University Fund Bond Proceeds for the Student Health and Kinesiology Building project. On February 9, 2000, the project was included in the CIP with a preliminary project cost of \$19,300,000 with funding of \$9,600,000 from Gifts and \$9,700,000 from Permanent University Fund Bond Proceeds. On February 15, 2001, the Board approved design development plans and a total project cost of \$19,300,000 with funding of \$9,600,000 from Gifts and \$9,700,000 from Permanent University Fund Bond Proceeds. On November 8, 2001, the Board approved revising the funding sources to \$9,700,000 from Permanent University Fund Bond Proceeds, \$6,000,000 from Revenue Financing System Bond Proceeds, and \$3,600,000 from Gifts, and appropriated the funding of \$6,000,000 from Revenue Financing System Bond Proceeds. On July 22, 2002, the Chancellor approved the redesignation of the project as the Patriot Center. On August 7, 2003, the Board approved the honorific naming of the project as the Louise Herrington Patriot Center.

Project Description

U. T. Tyler requests approval to revise the funding to reflect the actual and final funding to close out the completed project.

The Louise Herrington Patriot Center consists of approximately 127,000 gross square feet of classrooms, labs, offices, and recreational space.

14. U. T. Tyler: Patriot Village - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. Board of Regents approve the recommendations for the Patriot Village project at The University of Texas at Tyler as follows:

Project Number: 802-171

Architecturally or Historically Significant: Yes No

Project Delivery Method: Design/Build

Substantial Completion Date: July 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$7,200,000	\$10,800,000

Debt Service

The \$3,600,000 in Revenue Financing System debt will be repaid from net revenues on the project. Total annual debt service on the project is estimated at \$743,098. Debt service coverage on the project is expected to be at least 1.3 times.

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost from \$7,200,000 to \$10,800,000;
- b. appropriate additional funds and authorize expenditure of funds; and
- c. 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. Board of Regents relating to the Financing System; and
 - U. T. Tyler, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$3,600,000.

Previous Board Actions

On August 7, 2003, the project was included in the CIP with a preliminary project cost of \$7,200,000 with funding from Revenue Financing System Bond Proceeds. On November 13, 2003, the Board approved the design development plans and a total project cost of \$7,200,000. On March 31, 2004, the Chancellor, under delegated authority from the Board, approved the nonhonorific naming of the Student Apartments project as Patriot Village.

Project Description

U. T. Tyler is requesting an increase in the total project cost of \$3,600,000 from Revenue Financing System Bond Proceeds for the construction of an additional apartment building at the complex and related site improvements to increase from 200 to 300 beds. The current housing is fully occupied.

Enrollment expansion and enhanced character of student life on campus has increased demand to require housing for upper-and lower-division students. This apartment style housing is the first housing project to be directly managed by U. T. Tyler and supports the continued growth at U. T. Tyler. Currently, the University Pines Apartments, a privately developed and managed housing complex, is the only housing available to students. With the completion of the Patriot Village and Student Dormitory project, approximately 600 beds will be added to meet the campus master plan that anticipates housing for approximately 950 students.

15. U. T. Tyler: Student Dormitory and Academic Excellence Center - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to increase total project cost; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. Board of Regents approve the recommendations for the Student Dormitory and Academic Excellence Center project at The University of Texas at Tyler as follows:

Project Number: 802-166

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: July 2006

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$ 8,000,000	\$13,884,000
	Gifts	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
		\$11,000,000	\$16,884,000

Debt Service

The \$5,884,000 in Revenue Financing System debt will be repaid from net revenues on the project. Total annual debt service on the project is estimated at \$955,294. Debt service coverage on the project is expected to be at least 1.15 times and average 1.42 times over the first 10 years.

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to increase the total project cost from \$11,000,000 to \$16,884,000;
- b. appropriate additional funds and authorize expenditure of funds; and

c. 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. Board of Regents relating to the Financing System; and
- U. T. Tyler, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$5,884,000.

Previous Board Actions

On February 13, 2003, the project was included in the CIP with a preliminary project cost of \$11,000,000 with funding of \$8,000,000 from Revenue Financing System Bond Proceeds and \$3,000,000 from Gifts.

On November 13, 2003, the Board approved the design development plans and a total project cost of \$11,000,000 with funding of \$8,000,000 from Revenue Financing System Bond Proceeds and \$3,000,000 from Gifts.

Project Description

U. T. Tyler is requesting an increase in the total project cost of \$5,884,000 from Revenue Financing System Bond Proceeds to increase the number of beds from 200 to 268 to allow for the additional design configuration.

This is the first student dormitory at U. T. Tyler. The dormitory project will consist of housing for approximately 200 students and will include lounge areas, centralized laundry facilities and kitchen, and offices for dormitory staff. The Academic Excellence Center will consist of a large meeting room and smaller breakout rooms and will be connected to the dormitory on the first floor.

Enrollment growth over the last few years and future projected growth at the U. T. Tyler campus have resulted in increased demand to provide new living facilities for undergraduate students. Currently, the University Pines Apartments, a privately developed and managed housing complex, is the only housing available to students. With the completion of the Patriot Village and Student Dormitory project, approximately 600 beds will be added to meet the campus master plan that anticipates housing for approximately 950 students.

16. U. T. Health Science Center - Houston: Basic Science Research Building and Medical School Building - Rooftop Vivarium and Exterior Elevator - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to combine projects and redesignate as the Replacement Research Facility and revise total project cost

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Willerson that the U. T. Board of Regents approve the recommendations for the Basic Science Research Building project and the Medical School Building – Rooftop Vivarium and Exterior Elevator project at The University of Texas Health Science Center at Houston as set forth below:

Project Number: 701-160
Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: August 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>
Basic Science Research Building	Revenue Financing System Bond Proceeds	\$20,000,000
	Tuition Revenue Bond Proceeds	\$30,000,000
	Gifts	<u>\$30,000,000</u>
		<u>\$80,000,000</u>

Total Project Cost:	<u>Source</u>	<u>Current</u>
Medical School Building – Rooftop Vivarium and Exterior Elevator	Gifts	\$ 6,000,000
	Tuition Revenue Bond Proceeds	\$ 7,300,000
	Insurance Claims	<u>\$24,700,000</u>
		<u>\$38,000,000</u>

Revised Total Project Cost:	<u>Source</u>	<u>Proposed</u>
Replacement Research Facility Project	Tuition Revenue Bond Proceeds	\$23,600,000
	Gifts	\$ 9,330,000
	Insurance Claims	\$16,600,000
	Grants	<u>\$ 6,000,000</u>
		<u>\$55,530,000</u>

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to combine the Basic Science Research Building project and the Medical School Building – Rooftop Vivarium and Exterior Elevator project to be redesignated as the Replacement Research Facility; and
- b. revise the total project cost.

Previous Board Actions

Medical School Building – Rooftop Vivarium and Exterior Elevator: On November 13, 2002, the Vivarium project was added to the CIP with a preliminary project cost of \$38,000,000. On August 7, 2003, the Board approved appropriation of \$7,300,000 from Tuition Revenue Bond Proceeds for the Vivarium project.

Basic Science Research Building: On August 8, 2001, the project was included in the CIP with a preliminary project cost of \$80,000,000.

Project Description

The Replacement Research Facility project is the first phase of the Institute of Molecular Medicine and will be a six-story building consisting of 208,000 gross square feet of laboratory and vivarium with supporting areas to follow the completion of the Research Expansion Project (see Item 17 on Page 103). This building will replace the existing two-story John Freeman Building. In addition to highly flexible biotechnology laboratory and animal facilities, the building will house office space, mechanical rooms, and break rooms.

The vivarium will occupy the top two floors with the bottom four floors being laboratory floors. There will be a dedicated loading dock for support of the vivarium facility and a mechanical penthouse.

During the 78th Session, the Texas Legislature authorized \$64,900,000 of tuition revenue bonds to be issued for U. T. Health Science Center – Houston for recovery from damage caused by Tropical Storm Allison. Of this amount, \$23,600,000 is being allocated for the Basic Science Research Building project and the Medical School Building – Rooftop Vivarium and Exterior Elevator project. The use of Tuition Revenue Bond Proceeds is requested to improve infrastructure for recovery from the damage caused by Tropical Storm Allison and for the replacement of research and academic facilities.

17. U. T. Health Science Center - Houston: Research Expansion Project - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to revise funding source; reduce appropriation of funds; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Willerson that the U. T. Board of Regents approve the recommendations for the Research Expansion Project at The University of Texas Health Science Center at Houston as follows:

Project Number: 701-059

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: August 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Tuition Revenue Bond Proceeds		\$ 15,000,000
	Permanent University Fund Bond Proceeds	\$ 50,000,000	\$ 50,000,000
	Gifts	<u>\$ 70,000,000</u>	<u>\$ 55,000,000</u>
		\$120,000,000	\$120,000,000

Debt Service

Annual debt service on the \$15,000,000 of Tuition Revenue Bonds is projected to be \$1,307,768. While the annual debt service is payable from Pledged Revenues, it is expected that debt service on Tuition Revenue Bonds will be reimbursed through General Revenue Appropriations.

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to revise the funding source to include Tuition Revenue Bond Proceeds in the amount of \$15,000,000;
- b. reduce the appropriation from Gifts from \$70,000,000 to \$55,000,000;
- c. appropriate funds and authorize expenditure of 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. Board of Regents relating to the Financing System; and
 - U. T. Health Science Center - Houston, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$15,000,000.

Previous Board Actions

On November 10, 1999, the project was included in the CIP with a preliminary project cost of \$120,000,000 with funding of \$21,000,000 from Permanent University Fund Bond Proceeds and \$99,000,000 from Gifts. On January 20, 2000, the Executive Committee of the Board allocated \$50,000,000 from Permanent University Fund Bond Proceeds for the project. On January 9, 2002, the Board designated the project as architecturally significant. On November 13, 2002, the Board approved revising the source of funding. On February 13, 2003, the project received design development approval.

Project Description

This new building is the second phase of the Institute of Molecular Medicine and will be a comprehensive basic research facility of 206,000 gross square feet, designed to support research and collaboration in the area of molecular medicine. The facility will house dry and wet laboratories, offices, conferencing areas, and a 200-seat assembly facility. A vivarium capable of supporting a transgenic rodent colony will be included. The facility will house 80 to 100 Principal Investigators (PI). Each PI will support four or five researchers including graduate assistants, lab technicians, and postdoctoral fellows. Office and conference room support will be provided. The first phase of the Institute of Molecular Medicine is the Replacement Research Facility (see Item 16 on Page 101).

During the 78th Session, the Texas Legislature authorized \$64,900,000 of Tuition Revenue Bonds to be issued for U. T. Health Science Center – Houston for recovery from damage caused by Tropical Storm Allison. Of this amount, \$15,000,000 is being allocated to the Research Expansion Project. The use of the \$15,000,000 of Tuition Revenue Bond Proceeds is requested to improve infrastructure for recovery from the damage caused by Tropical Storm Allison and for the replacement of research and academic facilities.

18. U. T. Health Science Center - Houston: Completion of Medical School Building Hazard Mitigation and Repair of the Medical School Building, Phase I - Amendment of FY 2004-2009 Capital Improvement Program and the FY 2004-2005 Capital Budget to combine projects; revise total project cost; appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Willerson that the U. T. Board of Regents approve the recommendations for the Completion of Medical School Building Hazard Mitigation project and the Repair of the Medical School Building, Phase I at The University of Texas Health Science Center at Houston as follows:

Institutionally Managed: Yes No

Architecturally or Historically Significant: Yes No

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: March 2005

Total Project Cost:	<u>Source</u>	<u>Current</u>
Completion of MSB Hazard Mitigation	Tuition Revenue Bond Proceeds	\$10,000,000

Total Project Cost:	<u>Source</u>	<u>Current</u>
Repair of the Medical School Building, Phase I	Tuition Revenue Bond Proceeds	\$15,100,000
	Insurance Claims	<u>\$34,900,000</u>
		\$50,000,000

Revised Total Project Cost:	<u>Source</u>	<u>Proposed</u>
Repair of the Medical School Building, Phase I	Tuition Revenue Bond Proceeds	\$23,800,000
	Insurance Claims	<u>\$36,200,000</u>
		\$60,000,000

Debt Service

Annual debt service on the \$23,800,000 of Tuition Revenue Bonds is projected to be \$2,074,992. While the annual debt service is payable from Pledged Revenues, it is expected that debt service on Tuition Revenue Bonds will be reimbursed through General Revenue Appropriations.

Recommendations

- a. amend the FY 2004-2009 Capital Improvement Program (CIP) and the FY 2004-2005 Capital Budget to combine the Completion of Medical School Building Hazard Mitigation project and the Repair of the Medical School Building, Phase I project into the Repair of the Medical School Building Phase I project;
- b. revise the total project cost to \$60,000,000;
- c. appropriate funds and authorize expenditure of 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. Board of Regents relating to the Financing System; and
 - U. T. Health Science Center - Houston, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$8,700,000.

Previous Board Actions

On February 14, 2002, the Repair of the Medical School Building, Phase I project was included in the CIP with a preliminary project cost of \$20,000,000 and was authorized for institutional management. On May 9, 2002, the Board increased the total project cost to \$50,000,000 and appropriated funding. On August 7, 2003, the Completion of the MSB Hazard Mitigation project was included in the CIP with a preliminary project cost of \$10,000,000 and was authorized for institutional management.

Project Description

During the 78th Session, the Texas Legislature authorized \$64,900,000 of Tuition Revenue Bonds to be issued for U. T. Health Science Center – Houston for recovery from damage caused by Tropical Storm Allison. Of this amount, \$23,800,000 is being allocated to the Repair of the Medical School Building, Phase I project.

The Completion of MSB Hazard Mitigation is part of the project underway to protect against future disasters since Tropical Storm Allison. The work involves installation of a hydrostatic wall and relocation of the imaging center. The Repair of the Medical School Building, Phase I project will restore basic building infrastructure. The basement was rendered totally unusable by storm damage. The project includes demolition of the basement, installation of new air handling units, and installation of electrical distribution systems, as well as build back and reconfiguration of the basement and ground floors.

The combining of the two projects revises the project scope to add the mitigation of the primary electrical feed to the Medical School Building and the reconstruction of the balance of space in the Medical School Basement as the final phase of the institution's managed-recovery program.

19. U. T. M. D. Anderson Cancer Center: U. T. Research Park Infrastructure Improvements - Appropriation of funds and authorization of expenditure; and resolution regarding parity debt

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Mendelsohn that the U. T. Board of Regents approve the recommendations for the U. T. Research Park Infrastructure Improvements project at The University of Texas M. D. Anderson Cancer Center as follows:

Institutionally Managed: Yes No

Architecturally or Historically Significant: Yes No

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: December 2007

Total Project Cost:	<u>Source</u>	<u>Current</u>
	Tuition Revenue Bond Proceeds	\$20,000,000

Debt Service

Annual debt service on the \$20,000,000 of Tuition Revenue Bonds is projected to be \$1,743,691. While the annual debt service is payable from Pledged Revenues, it is expected that debt service on Tuition Revenue Bonds will be reimbursed through General Revenue Appropriations.

Recommendations

- a. appropriate funds and authorize expenditure of funds; and
- b. 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. Board of Regents relating to the Financing System; and
 - U. T. M. D. Anderson Cancer Center, 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. Board of Regents of tax-exempt parity debt in the aggregate amount of \$20,000,000.

Previous Board Actions

On August 7, 2003, the project was included in the Capital Improvement Program with a preliminary project cost of \$20,000,000 with funding from Tuition Revenue Bond Proceeds and authorized for institutional management.

Project Description

The U. T. Research Park Infrastructure Improvements project at U. T. M. D. Anderson Cancer Center involves development of the south campus, including roadways, underground detention and storm water systems, water and sanitation systems, underground telecommunications, underground off-site electrical, demolition, landscaping, and lighting. Street, utility, and storm drainage systems must be in place before the buildings are constructed to support biotechnology research and development needs.

During the 78th Session, the Texas Legislature authorized \$20,000,000 of Tuition Revenue Bonds for U. T. M. D. Anderson Cancer Center to fund capital costs related to biotechnology research and development facilities.