



## SCHEDULE OF EVENTS FOR BOARD OF REGENTS' MEETING

**July 10, 2013**  
Austin, Texas

*U. T. System Administration, Ashbel Smith Hall, 9th Floor, 201 West Seventh Street  
Office of the Board of Regents: 512.499.4402*

Meeting of the Board - Open Session .....	2:00 p.m.
Facilities Planning and Construction Committee .....	2:15 p.m.
Academic Affairs Committee .....	2:30 p.m.
Meeting of the Board - Open Session .....	3:00 p.m.
Meeting of the Board - Executive Session .....	4:00 p.m.
Reconvene in Open Session .....	5:25 p.m.
Adjourn .....	5:30 p.m. <i>approximately</i>



**AGENDA  
FOR MEETING OF  
THE UNIVERSITY OF TEXAS SYSTEM  
BOARD OF REGENTS**

July 10, 2013  
Austin, Texas

	<b>Committee Meetings</b>	<b>Board Meeting</b>	<b>Page</b>
CONVENE THE BOARD IN OPEN SESSION		2:00 p.m.	
1. <b>U. T. System Board of Regents: Introduction of new Board members</b>			
2. <b>U. T. System Board of Regents: Chairman's announcement of interim appointments</b>			
COMMITTEE MEETINGS	2:15 p.m.		
<i>Facilities Planning and Construction Committee (2:15 - 2:30 p.m.)</i>			
<i>Academic Affairs Committee (2:30 - 3:00 p.m.)</i>			
RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER REPORTS AND RECOMMENDATIONS FROM THE STANDING COMMITTEES		3:00 p.m.	
CONSIDER AGENDA ITEMS			
3. <b>U. T. System Board of Regents: Approval of Consent Agenda items</b>		3:05 p.m. <b>Action</b>	5
4. <b>U. T. System Board of Regents: Discussion and appropriate action regarding proposed guiding principles for new university in Rio Grande Valley</b>		3:07 p.m. <b>Action</b> <i>Dr. Reyes</i>	6
5. <b>U. T. System and U. T. Brownsville: Authorization to enter into a series of related real estate transactions in Brownsville, Cameron County, Texas:</b>		3:10 p.m. <b>Action</b> <i>Dr. García</i> <i>Dr. Reyes</i> <i>Ms. Mayne</i>	9
<b>(A) Acquisition from Texas Southmost College District of:</b>			
(1) approximately 24.14 acres on the north side of West University Drive, 17.42 acres on the south side of West University Drive, and 7.3 acres comprising Lots 1, 3, and 4 of the Resubdivision of Lot 1, Block 2, Southmost Union College District Subdivision, together with all improvements located on the land including University Boulevard Library, University Boulevard Classroom Building, and the Student Union Building;			
(2) Lot 1, Block 1, University Park Subdivision, Unit 1; and Lots 5 through 7, 9 through 11, 18 through 24, and 32 through 34, Block 12, and Lots 1 through 7, 10, 11, and 16, Block 16, in the Colonia Alta Vista Addition, some improved with surface parking lots; and			
(3) the leasehold interest of Texas Southmost College in and to approximately 17 acres under Land Lease No. IMB 97- 43 from the International Boundary and Water Commission;			

- (B) Transfer to Texas Southmost College District of:
  - (1) the Science, Engineering, and Technology Building located on the north side of Ringgold Road, together with U. T. Brownsville's leasehold interest in approximately 3.8 acres on which the building is located;
  - (2) U. T. Brownsville's interest in a contract to purchase the former National Guard Armory property on Ringgold Road; and
  - (3) cash in an amount to compensate Texas Southmost College for the difference in values between the exchange parcels and for other matters related to the exchange transactions; and
- (C) Appropriation of funds and authorization of the expenditure of funds in a total amount not to exceed the transaction costs from a combination of Revenue Financing System Bond Proceeds and Permanent University Fund Bond proceeds, and resolution regarding parity debt

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|----|---|--|----|
| 6. | <b>U. T. Austin: Report on naming of the Center for Latin American Law to honor former U.S. Senator Kay Bailey Hutchison</b>                              | 3:20 p.m.<br><b>Report</b><br><i>President Powers</i>                        | 15 |
| 7. | <b>U. T. System Board of Regents: Legislative update for the 83rd Legislative Session and recognition of staff of Office of Governmental Relations</b>    | 3:30 p.m.<br><b>Report</b><br><i>Mr. McBee</i>                               | 16 |
| 8. | <b>U. T. System Board of Regents: Announcement of appointment of University Lands Advisory Committee</b>  | 3:40 p.m.<br><b>Report</b><br><i>Chairman Powell<br/>Chancellor Cigarroa</i> | 17 |
| 9. | <b>U. T. System: Announcement of health institution recipients of the 2013 Regents' Outstanding Teaching Awards and remarks by representative faculty</b> | 3:45 p.m.<br><b>Report</b><br><i>Regent Stillwell</i>                        | 18 |

RECESS TO EXECUTIVE SESSION PURSUANT TO TEXAS GOVERNMENT CODE, CHAPTER 551

4:00 p.m.

- 1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers – Section 551.071
  - a. **U. T. System Board of Regents: Discussion with Counsel on pending legal issues**
  - b. **U. T. Austin: Discussion with Counsel regarding legal issues concerning the U.S. Supreme Court ruling in *Fisher v. State of Texas, University of Texas at Austin, et al.***
  - c. **U. T. Austin: Discussion and appropriate action regarding legal issues related to relationship between School of Law and Law School Foundation**
  - d. **U. T. Health Science Center - San Antonio: Discussion and appropriate action regarding legal issues concerning the institution's participation in a children's hospital**

- e. **U. T. Southwestern Medical Center and U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding legal issues concerning potential settlement of the Estate of Jeanne Shelby**
2. Negotiated Contracts for Prospective Gifts or Donations – Section 551.073
- a. **U. T. Austin: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - b. **U. T. Tyler: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - c. **U. T. Medical Branch - Galveston: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
  - d. **U. T. M. D. Anderson Cancer Center: Discussion and appropriate action regarding proposed negotiated gifts with potential naming features**
3. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of Officers or Employees – Section 551.074
- U. T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions), U. T. System Administration officers (Executive Vice Chancellors and Vice Chancellors), other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive), and U. T. System and institutional employees**

RECONVENE IN OPEN SESSION TO CONSIDER ACTION, IF ANY,  
ON EXECUTIVE SESSION ITEMS

*5:25 p.m.*

ADJOURN

*5:30 p.m.  
approximately*

**3. U. T. System Board of Regents: Approval of Consent Agenda items**

The Board will be asked to approve Consent Agenda items included behind the tab at the back of the book.

4. **U. T. System Board of Regents: Discussion and appropriate action regarding proposed guiding principles for new university in Rio Grande Valley**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs that the U. T. System Board of Regents approve the guiding principles for the new university in the Rio Grande Valley as set forth on the following pages.

**BACKGROUND INFORMATION**

The 83rd Texas Legislature has approved the creation of the new university in South Texas. The new vision for higher education in the Rio Grande Valley (RGV) is as follows:

- A university of the 21st century that uses blended and online learning and new and highly technologically-equipped classrooms, reducing or eliminating regional barriers to access, while maintaining campuses in Cameron and Hidalgo counties;
- A new university that will be quickly competitive with the State's emerging research universities in student population, research expenditures, and endowment, and have the second largest Hispanic enrollment of any university in the nation;
- A new model of distributed medical education that builds on the strengths of the existing programs and resources of the Regional Academic Health Center (RAHC), now provided through U. T. Health Science Center - San Antonio, and that has a presence in multiple locations, including Cameron and Hidalgo counties;
- An opportunity for synergy in educational programs and efficiency in administration; and
- An opportunity to unite the communities of the RGV in a common enterprise in a way not previously envisioned, to the benefit of the whole Valley and the State.

# Guiding Principles

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The new University of Texas in the Rio Grande Valley will provide an outstanding education to the students of South Texas, Texas, the United States and the world. This education will be of the highest quality; it will be affordable, accessible and innovative. The new university will transform Texas and the nation by becoming a leader in student success, teaching, research, and health care.

## Goals / Guiding Principles

- *Fully integrate next generation technology and customized learning to increase affordability and maximize student success.*
- *Promote access to postsecondary education to a diverse student body to become one of the largest and most successful Hispanic-serving institutions in the United States.*
- *Employ the highest quality faculty members and staff who pursue global excellence in teaching, research, health care, and service.*
- *Streamline academic and administrative programs and redesign processes to increase productivity and promote a student- and service-centered mode of operation.*
- *Promote arts and humanities programs to produce state, national, and world leaders who are bicultural, bilingual, and biliterate.*
- *Develop programmatic strength in the areas of science, technology, engineering, mathematics, and health.*
- *Develop a Medical School of the first class, with outstanding undergraduate and graduate medical education, public health, health professional degrees, and clinical research to improve the health of the community.*
- *Become a global leader in higher education, health education, biomedical research, emerging technology, and preparing students to be lifelong learners.*
- *Pursue applied and translational research to address critical local, state, national, and global needs.*
- *Build on the excellent economic activity and strength of the State of Texas and benefit from the State's leadership in the world.*
- *Provide a leadership role in fostering economic and community partnerships to help solve local, state, national, and global problems.*

- *Promote innovation and knowledge discovery with business and industry that will lead to job growth and improvements in the quality of the region's workforce.*
- *Build a hub for inventions and intellectual property that will lead to economic and community prosperity and an improved quality of life for the region, the state, the nation, and the world.*
- *Serve as a "Gateway to the Americas" by cultivating partnerships with global leaders in education, health, research, and other strategic, high-growth industries.*
- *Leverage the size, strength, and excellence of The University of Texas System and its fifteen outstanding institutions to shorten the time it takes to achieve these goals.*



5. **U. T. System and U. T. Brownsville: Authorization to enter into the following series of related real estate transactions in Brownsville, Cameron County, Texas:**
- (A) Acquisition from Texas Southmost College District of:**
- (1) approximately 24.14 acres on the north side of West University Drive, 17.42 acres on the south side of West University Drive, and 7.3 acres comprising Lots 1, 3, and 4 of the Resubdivision of Lot 1, Block 2, Southmost Union College District Subdivision, together with all improvements located on the land including University Boulevard Library, University Boulevard Classroom Building, and the Student Union Building;**
  - (2) Lot 1, Block 1, University Park Subdivision, Unit 1; and Lots 5 through 7, 9 through 11, 18 through 24, and 32 through 34, Block 12, and Lots 1 through 7, 10, 11, and 16, Block 16, in the Colonia Alta Vista Addition, some improved with surface parking lots; and**
  - (3) the leasehold interest of Texas Southmost College in and to approximately 17 acres under Land Lease No. IMB 97- 43 from the International Boundary and Water Commission;**
- (B) Transfer to Texas Southmost College District of:**
- (1) the Science, Engineering, and Technology Building located on the north side of Ringgold Road, together with U. T. Brownsville's leasehold interest in approximately 3.8 acres on which the building is located;**
  - (2) U. T. Brownsville's interest in a contract to purchase the former National Guard Armory property on Ringgold Road; or, in the alternative, a conveyance to TSC of the Armory property if U. T. Brownsville closes on the purchase of the Armory property before the closing of the exchange transactions; and**
  - (3) cash in an amount to compensate Texas Southmost College for the difference in values between the exchange parcels and for other matters related to the exchange transactions; and**
- (C) Appropriation of funds and authorization of the expenditure of funds in a total amount not to exceed the transaction costs from a combination of Revenue Financing System debt proceeds and Permanent University Fund debt proceeds, and making findings regarding the issuance of parity debt**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Interim Vice Chancellor and General Counsel, and President García that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. System and U. T. Brownsville, to

- a. acquire from Texas Southmost College District:
  - (1) approximately 24.14 acres on the north side of West University Drive, 17.42 acres on the south side of West University Drive, and 7.3 acres comprising Lots 1, 3, and 4 of the Resubdivision of Lot 1, Block 2, Southmost Union College District Subdivision, together with all improvements located on the land including University Boulevard Library, University Boulevard Classroom Building, and the Student Union Building;

- (2) Lot 1, Block 1, University Park Subdivision, Unit 1; and Lots 5 through 7, 9 through 11, 18 through 24, and 32 through 34, Block 12, and Lots 1 through 7, 10, 11, and 16, Block 16, in the Colonia Alta Vista Addition, some improved with surface parking lots; and
  - (3) the leasehold interest of Texas Southmost College in and to approximately 17 acres under Land Lease No. IMB 97- 43 from the International Boundary and Water Commission;
- b. transfer to Texas Southmost College District:
- (1) the Science, Engineering, and Technology Building located on the north side of Ringgold Road, together with U. T. Brownsville's leasehold interest in approximately 3.8 acres on which the building is located;
  - (2) U. T. Brownsville's interest in a contract to purchase the former National Guard Armory property on Ringgold Road; or, in the alternative, a conveyance to TSC of the Armory property if U. T. Brownsville closes on the purchase of the Armory property before the closing of the exchange transactions; and
  - (3) cash in an amount to compensate Texas Southmost College for the difference in values between the exchange parcels and for other matters related to the exchange transactions;
- c. authorize the Executive Director of Real Estate to execute all documents, instruments, ancillary agreements, and other agreements, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations and accomplish the exchange transactions and the related transactions described in this Agenda Item;
- d. appropriate funds and authorize expenditure of funds in a total amount not to exceed the transaction costs from a combination of Revenue Financing System debt proceeds and Permanent University Fund debt proceeds; 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 fund a portion of the transaction costs, 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;
  - U. T. Brownsville, 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 parity Revenue Financing System debt in the aggregate amount not to exceed transaction costs; and

- this action satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds

### BACKGROUND INFORMATION

On May 9, 2013, the Board of Regents directed U. T. System and U. T. Brownsville staff to continue negotiations with Texas Southmost College (TSC) for a series of land and building exchanges that would enable the U. T. System to maintain a campus in downtown Brownsville as the Board begins the planning for the new University of Texas of the Rio Grande Valley. The Board directed staff to bring the proposed transactions to the Board when terms of the agreement with TSC were finalized and funding sources identified.

The staff negotiations resulted in the final proposed transactions that are described below. The proposed transactions will result in a delineation of the U. T. Brownsville and the TSC campuses, with Ringgold Road generally serving as the dividing line between the TSC campus to the northwest of Ringgold Road and the U. T. Brownsville campus to the southeast of Ringgold Road. That delineation consolidates U. T. Brownsville's campus with its Casa Bella student housing and its approximately 114.1 acres to the east.

Completion of the exchange transactions with TSC, together with the possible future acquisition over time of various other parcels, would result in a compact urban campus consisting of a "West Campus" of approximately 206.6 acres located southwest of U.S. Highways 77/83 and an "East Campus" of the approximately 114.1 acres located east of U.S. Highways 77/83. A map of the exchange parcels appears on Page 14.

The final proposal for the TSC exchange transactions is consistent with the direction given by the Board in May 2013. The U. T. System Board of Regents would receive the following land and improvements in the exchange transactions with Texas Southmost College:

1. Approximately 24.14 acres (**Parcel A** on the attached map) on the north side of West University Boulevard, including the land on which U. T. Brownsville's Education and Business Complex is located, and including TSC's University Boulevard Library (constructed in 2008) and University Boulevard Classroom Building (constructed in 2009) that are located on the land;
2. Approximately 17.42 acres (**Parcel B**) on the south side of West University Boulevard and improved with a surface parking lot;
3. Approximately 1.2 acres (**Parcel C**) on the southeast side of Ringgold Road and including the Student Union Building (constructed in 2002);
4. Approximately 6.1 acres (**Parcel D**) west of East 24th Street and improved with a surface parking lot and on which the old compress building is located;
5. Lot 1, Block 1, University Park Subdivision, Unit 1 (**Parcel E**), across East Jackson Street from U. T. Brownsville's Casa Bella student housing;
6. Lots 5 through 7, 9 through 11, 18 through 24, and 32 through 34, Block 12, and Lots 1 through 7, 10, 11, and 16, Block 16, all in the Colonia Alta Vista Addition to the City of Brownsville, Texas, some improved with surface parking lots (**Parcel F**); and
7. A partial assignment of TSC's leasehold interest in Land Lease Contract No. IMB 97-43 from the International Boundary and Water Commission, which partial assignment will include approximately 17 acres consisting of all of the five tracts identified in the initial

lease as Tracts 5, 6, 7, 8, and 9 and a portion of Tract 1 (**Parcel G**); the leased land is adjacent to and underlying a portion of U. T. Brownsville's Life and Health Sciences complex and Biomedical Research and Health Professions complex.

Texas Southmost College would receive the following land, improvements, and cash in the exchange transactions:

1. the Science, Engineering, and Technology Building built by U. T. Brownsville in 1997 (\$16,315,809 in-kind value) on land leased from Texas Southmost College, and U. T. Brownsville's leasehold interest in the approximately 3.8 acres on which the building was constructed (**Parcel H**);
2. a cash settlement of approximately \$28,531,157 (and not to exceed \$30 million without further Board approval), calculated as follows:
  - a. approximately \$12,798,202, representing the value of the land received by U. T. Brownsville; the final value will be determined by multiplying \$5.75 times the actual square footages in Parcels A through F as calculated by surveys that will be obtained before closing of the transactions;
  - b. \$12,882,955, representing the difference between the value of the buildings to be received by U. T. Brownsville and the single building to be conveyed to TSC;
  - c. \$1,200,000, representing a reimbursement to TSC for the soccer field improvements it previously made on U. T. Brownsville's East Campus; and
  - d. \$1,650,000, representing compensation to TSC for other expenses in the exchange transactions, including compensation to enable TSC to construct replacement parking facilities and to purchase the National Guard Armory property; U. T. Brownsville's current contract to purchase the Armory from the City of Brownsville will be assigned to TSC; or, in the alternative, if U. T. Brownsville acquires the Armory property before the closing of the exchange transactions and then conveys the Armory property to TSC as a part of the exchange transactions, then the \$1.65 million cash payment will be reduced to \$1.2 million; the Board approved U. T. Brownsville's acquisition of the Armory property on November 15, 2012.

The funding source for the payment of the acquisition and settlement costs to be paid to TSC by U. T. System and U. T. Brownsville is proposed to be a combination of Revenue Financing System debt proceeds and Permanent University debt proceeds.

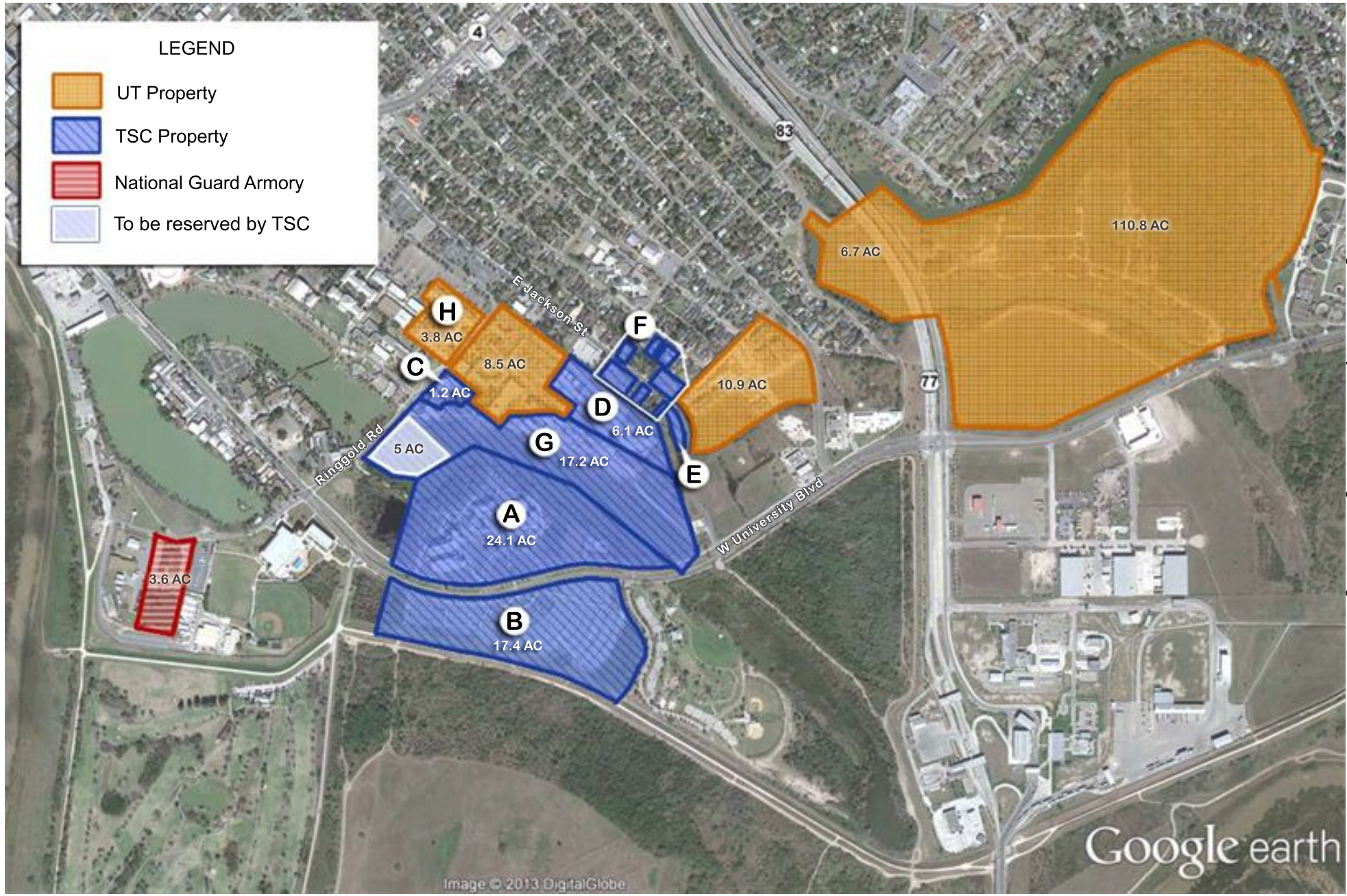
As a result of the property exchanges, and as the institutions continue to progress toward an orderly dissolution of the partnership in August 2015, there will be several ancillary agreements that are a part of this exchange transaction and that will be executed contemporaneously with the land and building exchanges, including the following:

1. Reciprocal rights of first offer for approximately 40 years to enable the transferring party to repurchase the land and buildings that are being transferred to the other party by this series of exchange transactions should the receiving party subsequently determine that it wishes to sell all or some portion of that property.
2. A bill of sale that will divide personal property between the parties. TSC and U. T. Brownsville staff are in the process of determining ownership and future use of personal property.

3. A settlement agreement that will address numerous issues related to the land and building exchanges, including the following:
  - (a) each party will meter and pay for chilled water received from the other party's thermal plant;
  - (b) TSC will defease its bonds on the Student Union Building that is to be conveyed to the Board and eliminate any obligation on the part of U. T. Brownsville to collect a Student Union fee;
  - (c) each party will grant reciprocal easements to the other party for those utility lines that serve the other party's property;
  - (d) U. T. Brownsville will permit TSC students to access the University Boulevard Library through August 2016, with the possibility of subsequent access on future terms to be agreed upon;
  - (e) TSC will permit U. T. Brownsville students to access the Wellness Center in the Recreation, Education, and Kinesiology Center in exchange for U. T. Brownsville paying its pro rata share of debt service and maintenance and operations expenses on the center; TSC will retain in a dedicated fund the student fees that it has collected in excess of debt service and operating costs and use that fund to fully defease the bonds on the facility at the earliest date feasible; and
  - (f) each party will share in the ongoing maintenance of the border fence on the campus based on which party owns the land on which the particular portion of the fence is located.
4. A lease to TSC that will permit TSC to use laboratory space in U. T. Brownsville's Life and Health Sciences Building on terms similar to the lease of space by TSC to U. T. Brownsville in certain TSC-owned buildings. The Board approved the lease from TSC to U. T. Brownsville on May 9, 2013.
5. An amendment and assignment of a management and operation agreement with Barnes and Noble College Bookstores, Inc., presently with the UTB/TSC partnership, that will permit U. T. Brownsville to solely manage this contract for its remaining duration.

LEGEND

- UT Property
- TSC Property
- National Guard Armory
- To be reserved by TSC



Meeting of the U. T. System Board of Regents - Meeting of the Board

6. **U. T. Austin: Report on naming of the Center for Latin American Law to honor former U.S. Senator Kay Bailey Hutchison**

REPORT

President Powers will report on naming of the Center for Latin American Law at U. T. Austin to honor former U.S. Senator Kay Bailey Hutchison.

7. **U. T. System Board of Regents: Legislative update for the 83rd Legislative Session and recognition of staff of Office of Governmental Relations**

REPORT

Vice Chancellor McBee will provide an update on the 83rd Texas Legislature, Regular Session, and Chairman Powell and Chancellor Cigarroa will recognize staff of the U. T. System Office of Governmental Relations.



8. **U. T. System Board of Regents: Announcement of appointment of University Lands Advisory Committee**

REPORT

Chairman Powell and Chancellor Cigarroa will announce the appointment of an Advisory Committee on University Lands.

9. **U. T. System: Announcement of health institution recipients of the 2013 Regents' Outstanding Teaching Awards and remarks by representative faculty**

REPORT

The Board of Regents of the U. T. System established the Regents' Outstanding Teaching Awards on August 14, 2008, to recognize and reward faculty members who serve undergraduate students in an exemplary manner. The Board allocated \$2 million per annum for five years beginning Fiscal Year 2009 for teaching awards at the academic institutions.

On August 25, 2011, the Board of Regents authorized \$6 million to expand the Regents' Outstanding Teaching Awards program to faculty at the six health institutions. The program is funded at \$1 million per year for Fiscal Years 2012 to 2017. Each year the U. T. System will make no more than 40 awards of \$25,000 each to outstanding faculty members at the health institutions.

There are a wide variety of academic programs and settings (classroom, hospital and clinic, community and research lab) in which faculty educate, train, and mentor students, residents, and fellows. Each of the six health institutions nominate their most deserving faculty and the award recipients are selected by a thorough peer review process.

Two recipients of the 2013 Regents' Outstanding Teaching Awards presenting at the meeting are:

- **Michael J. Lichtenstein, M.D., M.Sc.**  
Professor of Medicine and Chief of Division of Geriatrics,  
Gerontology and Palliative Medicine  
F. Carter Pannill, Jr. Professor in Internal Medicine  
Institute for the Integration of Medicine and Science  
U. T. Health Science Center - San Antonio
  
- **Laura Rudkin, Ph.D.**  
Professor and Interim Chair  
Department of Preventive Medicine and Community Health  
U. T. Medical Branch - Galveston



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Committee Meeting: 7/10/2013

Austin, Texas

*R. Steven Hicks, Chairman*  
*Robert L. Stillwell, Vice Chairman*  
*Paul L. Foster*  
*Wallace L. Hall, Jr.*  
*Brenda Pejovich*

	<b>Committee Meeting</b>	<b>Page</b>
<b>Convene</b>	2:30 p.m. <i>Chairman Hicks</i>	
1. <b>U. T. Dallas: Progress on implementation of the Framework for Advancing Excellence throughout The University of Texas System</b>	2:30 p.m. <b>Report/Discussion</b> <i>President Daniel</i>	<b>20</b>
2. <b>U. T. System: Presentation by MyEdu on connections with employers to U. T. System students</b>	2:50 p.m. <b>Report/Discussion</b> <i>Mr. Michael Crosno</i> <i>Mr. Deepak Surana</i>	<b>52</b>
<b>Adjourn</b>	3:00 p.m.	

1. **U. T. Dallas: Progress on implementation of the Framework for Advancing Excellence throughout The University of Texas System**

REPORT

President Daniel will give an update on the progress at U. T. Dallas to implement the Framework for Advancing Excellence throughout The University of Texas System.

The PowerPoint is on the following pages.

# The University of Texas at Dallas Framework for Advancing Excellence

U. T. System Board of Regents' Meeting  
July 2013

Academic Affairs Committee



# U. T. Dallas at a Glance

- Created by the founders of Texas Instruments
- Objective: “MIT of the Southwest”
- Started as a graduate program in 1969
- Transfer students admitted starting in 1976
- Freshman students admitted starting in 1990 with legislative restriction that the quality of the freshman class shall be no less than that of U. T. Austin
- Today:
  - 20,000 students (40% graduate, 60% undergraduate)
  - 82% of degrees in science, engineering, and business

# Potential Impact of Research Universities (Reflecting on Founders Vision re: MIT)

- MIT alumni have founded 25,800 companies ...
- That employ 3.3 million people ...
- With annual worldwide revenues of \$2 trillion per year

For perspective:

- Gross state product of Texas: \$1.3 trillion

**Great research universities can have the  
economic impact of an entire state**

Source: “*Entrepreneurial Impact: the Role of MIT*,” Kauffman Foundation (2009)

*Among the nation's top 10 most economically productive cities, Dallas/Fort Worth holds the distinction of being the only one without an Association of American Universities member.*

Los Angeles	4
New York City	4
Boston	3
Chicago	2
Atlanta	2
San Francisco	2
Washington DC	2
Houston	1
Philadelphia	1
Dallas-Ft Worth	0



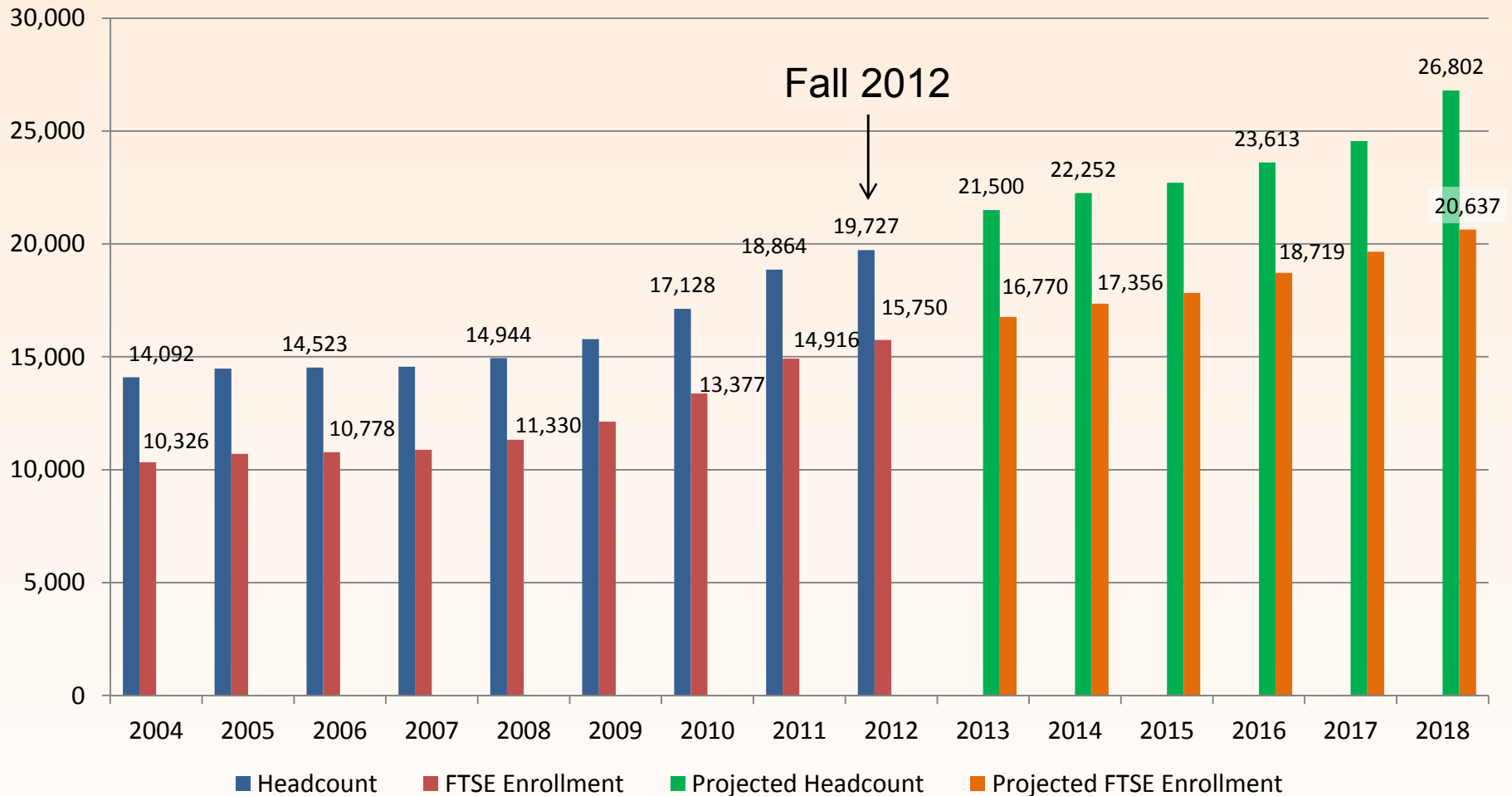
# Goals and Challenges

- *“The main obstacle that UTD faces in achieving its goals relates to scale – UTD is simply too small in terms of the total number of faculty in each disciplinary or subdisciplinary area.”*
  - Washington Advisory Group Report to the U. T. System, 2004
- Our task is to increase our scale while:
  - Maintaining quality
  - Embracing principles of the Framework for Advancing Excellence

# Goal 1: Student Access and Success



# Fall Enrollment 2000-2012 and Projected to 2018



Actual data as reported to the Texas Higher Education Coordinating Board.

# Freshman Profile

	2009	2010	2011	2012	Est. 2013
Freshman Class (Fall)	1,342	1,377	1,789	1,545	2,000
Average SAT (Math + Verbal)	1,209	1,245	1,248	1,270	1,272
Average ACT	27	27	27	28	28
Top 10% in High School Class	36%	39%	39%	42%	41%
National Merit Scholars	41	40	53	63	85

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# Fall 2012 Student Profile (All Students)

Enrollment: 19,727

## TOP STATES OF ORIGIN:

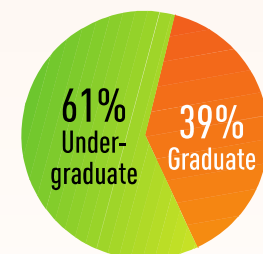
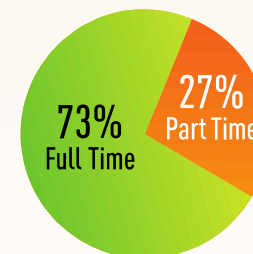
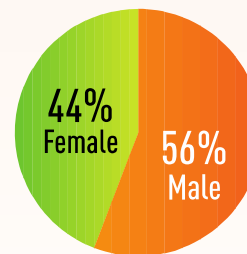
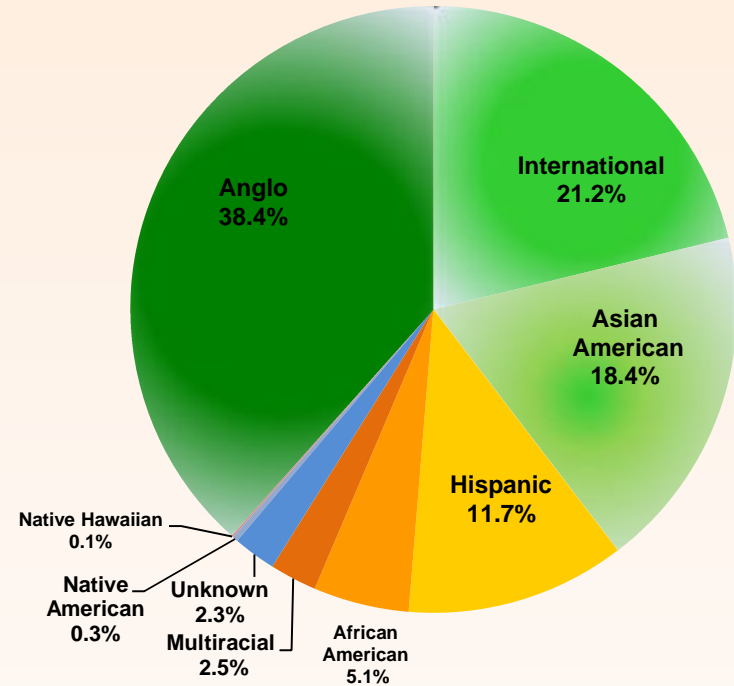
Texas, California, Illinois, New York, Louisiana, Florida

## TOP TEXAS COUNTIES OF ORIGIN:

Dallas, Collin, Denton, Tarrant, Harris, Travis

## TOP COUNTRIES OF ORIGIN:

USA, China, India, Taiwan, South Korea, Vietnam



# The Top Majors that U. T. Dallas Freshmen are Selecting

## Top 10 majors ...

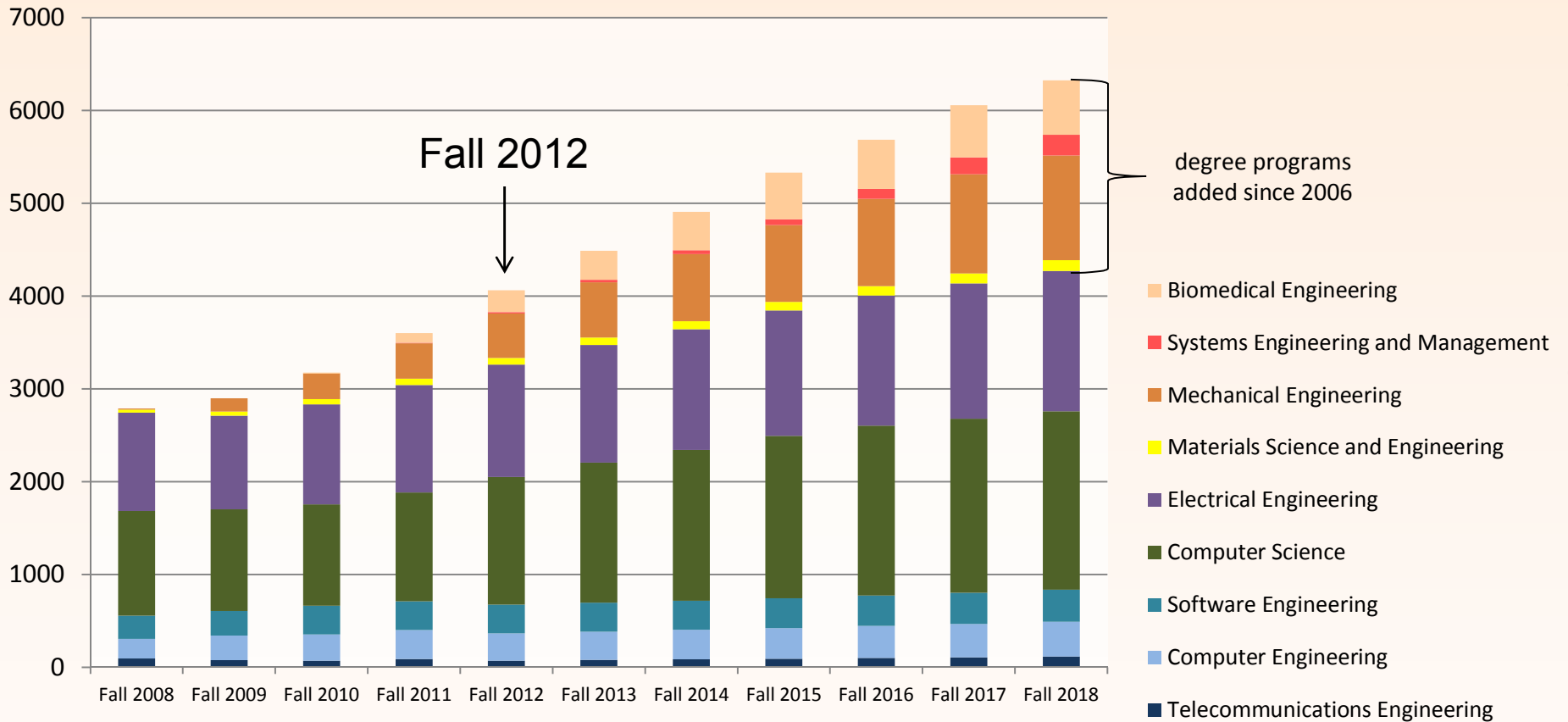
1. Biology
2. Computer Science
3. Mechanical Engineering
4. Biomedical Engineering
5. Biochemistry
6. Arts and Technology
7. Electrical Engineering
8. Psychology
9. Neuroscience
10. Computer Engineering

## The next 5 ...

11. Business Administration
12. Chemistry
13. Accounting
14. Finance
15. Physics

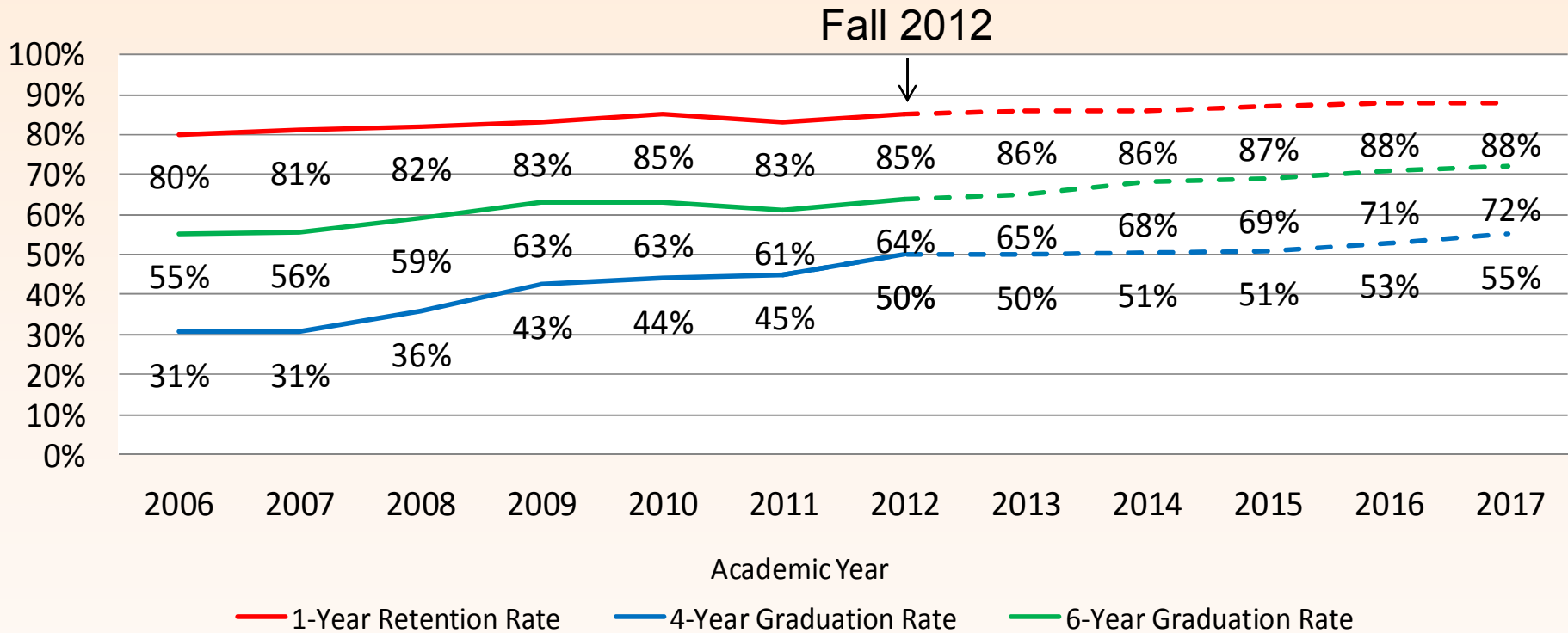
*They're all high-demand fields in DFW!!*

# Growth in the Jonsson School of Engineering and Computer Science



# Retention and Graduation Rates

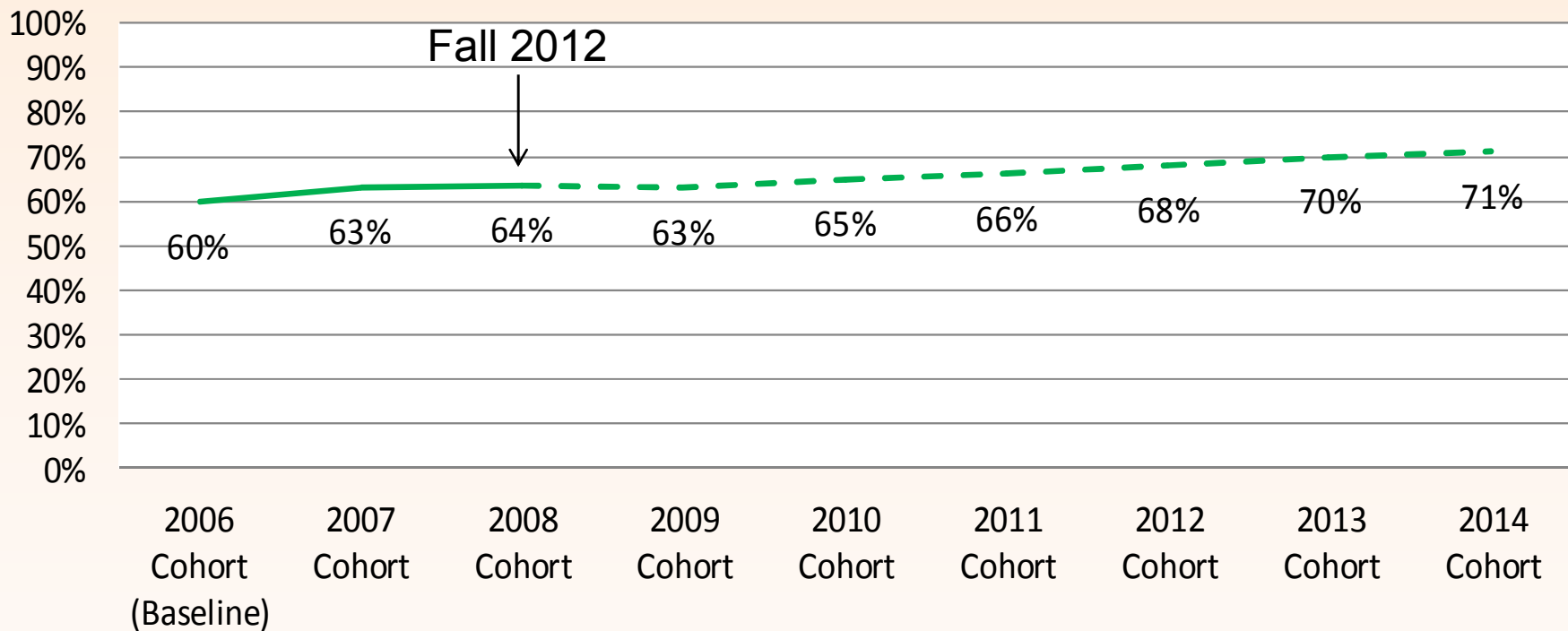
## Actual and Projected to 2017 for First-Time Freshmen



As reported in the Texas Higher Education Accountability Report. 2008 Cohort four year rate source is Legislative Budget Board report. Dashed lines represent projections reported in UTD Strategic Plan.

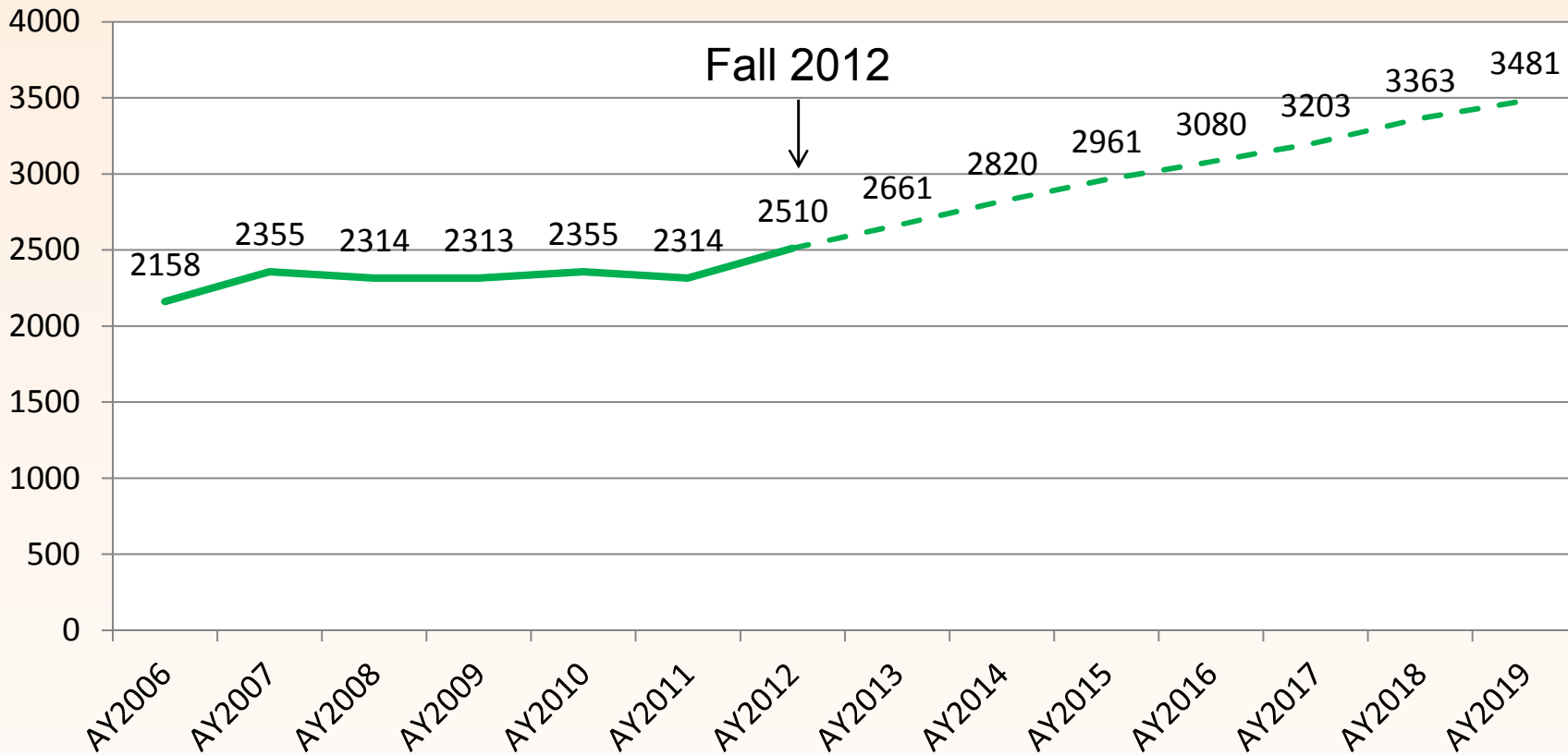


# Four-year Graduation Rate Targets Community College Transfers



Students transferring with 30 or more semester credit hours from a community college who received an undergraduate degree within four years of enrolling. 2006 Cohort Baseline based on Texas Higher Education Coordinating Board Accountability Reports.

# Bachelor's Degrees Conferred Actual and Projected



Source: Texas Higher Education Coordinating Board Higher Education Accountability System  
 Projections provided by the Office of the Executive Vice President and Provost "Tuition and Fee Proposal Summary – Fall 2012 and Fall 2013"

# Goal 1: Student Access and Success

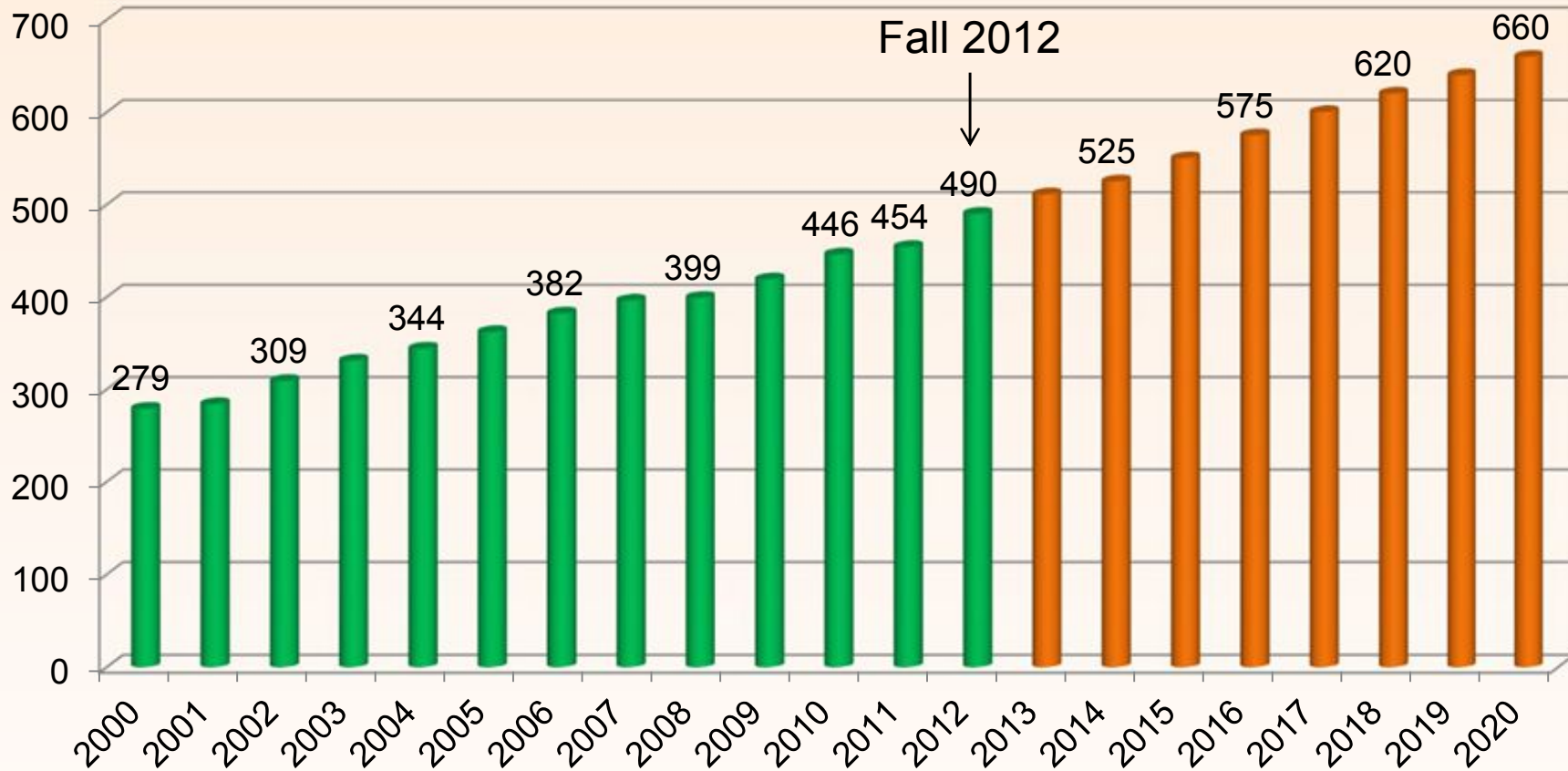
Strategy	Accomplishments	Challenges
<ul style="list-style-type: none"> <li>• Increase number of degrees conferred</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing and about to “take off”</li> </ul>	<ul style="list-style-type: none"> <li>• Academic space in engineering and sciences</li> </ul>
<ul style="list-style-type: none"> <li>• Reduce financial impact on students and families</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed four-year tuition for everyone</li> <li>• Community college connection</li> <li>• Financial aid</li> </ul>	<ul style="list-style-type: none"> <li>• Market salaries for top faculty</li> <li>• Formula funding at previous biennium’s enrollment</li> </ul>
<ul style="list-style-type: none"> <li>• Enhance/increase blended/online learning</li> </ul>	<ul style="list-style-type: none"> <li>• 16% of students each semester take an online course</li> </ul>	<ul style="list-style-type: none"> <li>• Faculty support and technology costs</li> </ul>

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# Goal 2: Faculty, Administrator, and Staff Excellence



# Tenured and Tenure-Track Faculty



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Meeting of the U. T. System Board of Regents - Academic Affairs Committee

# Goal 2: Faculty, Administrator, and Staff Excellence

Strategy	Accomplishments	Challenges
<ul style="list-style-type: none"> <li>Recruit, retain and reward great faculty</li> </ul>	<ul style="list-style-type: none"> <li>Recruited two National Academy of Engineering (NAE) members over the last two years</li> </ul>	<ul style="list-style-type: none"> <li>Academic space in engineering and sciences</li> </ul>
<ul style="list-style-type: none"> <li>Utilize incentive-based strategies</li> </ul>	<ul style="list-style-type: none"> <li>Implemented for AY 2013-14</li> </ul>	<ul style="list-style-type: none"> <li>Success is a result of team effort</li> </ul>
<ul style="list-style-type: none"> <li>Strengthen process for annual performance evaluations</li> </ul>	<ul style="list-style-type: none"> <li>Everyone evaluated; more rigorous process</li> </ul>	
<ul style="list-style-type: none"> <li>Conduct college evaluations</li> </ul>	<ul style="list-style-type: none"> <li>We have been doing this for some time</li> </ul>	
<ul style="list-style-type: none"> <li>Recruit outstanding administrative and faculty leadership</li> </ul>	<ul style="list-style-type: none"> <li>New VP Finance (former CFO at Texas A&amp;M University &amp; University of North Texas)</li> <li>New Head of Electrical Engineering (NAE Member)</li> </ul>	<ul style="list-style-type: none"> <li>Market salaries for exceptional people</li> </ul>

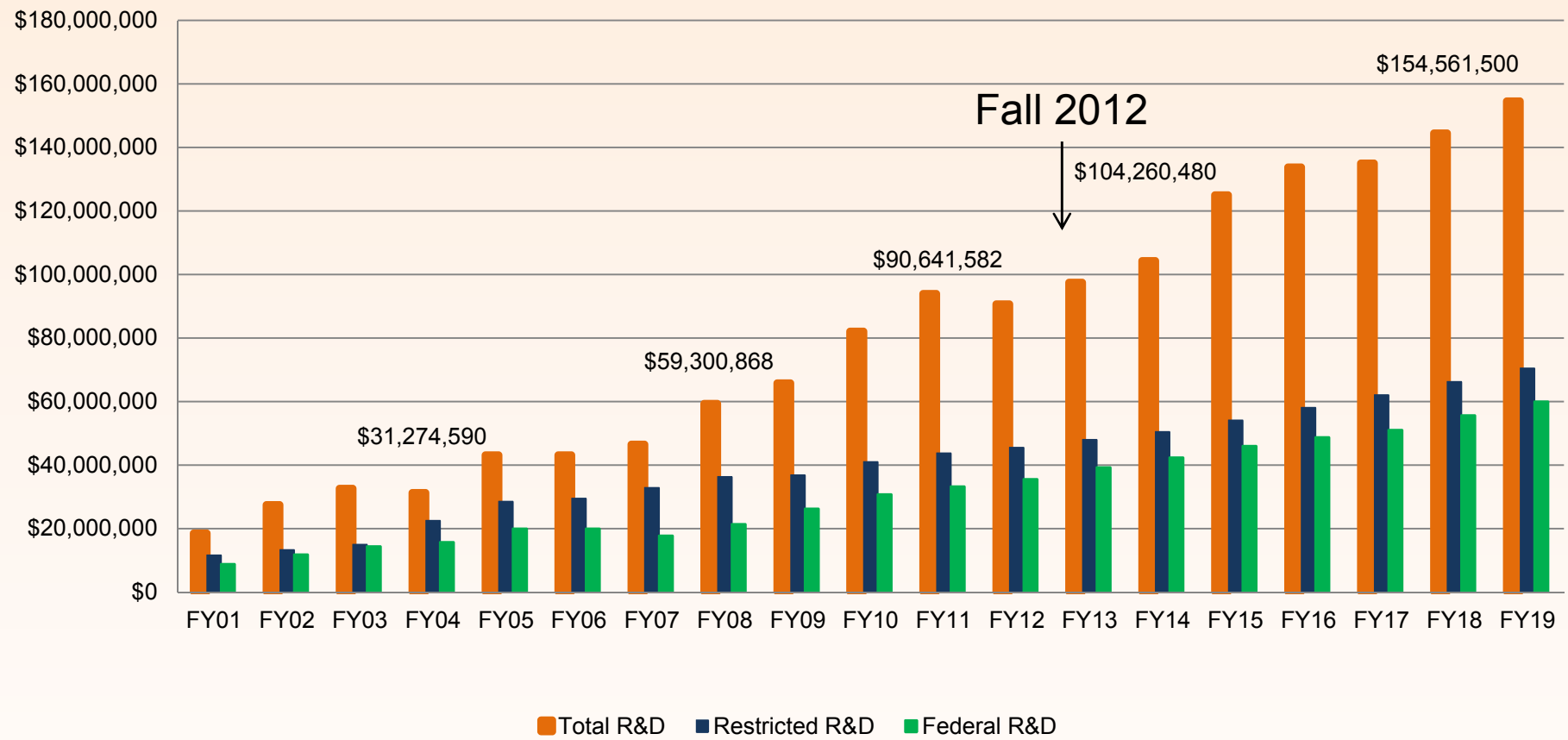
# Goal 3: Research Productivity



# Total, Restricted, and Federal Research and Development

## FY 2001-FY 2012 and Projected to FY 2019

40



Source: Office of Research





# Goal 3: Research Productivity

Strategy	Accomplishments	Challenges
<ul style="list-style-type: none"> <li>Promote strategic research collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Joint Bioengineering M.S. and Ph.D. with UTSW and UTA</li> <li>Joint Ph.D. in Mechanical Engineering with UTA</li> </ul>	
<ul style="list-style-type: none"> <li>Augment technology transfer and commercialization</li> </ul>	<ul style="list-style-type: none"> <li>Expanded technology commercialization laboratory</li> <li>Record licensing income (\$1.9 million)</li> <li>Record startup companies (6)</li> </ul>	<ul style="list-style-type: none"> <li>U. T. System intellectual policy rules (perception and reality)</li> <li>Need to increase scale of U. T. Dallas</li> </ul>
<ul style="list-style-type: none"> <li>Support emerging research universities</li> </ul>	<ul style="list-style-type: none"> <li>Business plan well developed and sound</li> </ul>	<ul style="list-style-type: none"> <li>Academic space in engineering and sciences</li> </ul>

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# Goal 4: Productivity and Efficiency

Strategy	Accomplishments	Challenges
<ul style="list-style-type: none"> <li>• Implement shared services</li> </ul>	<ul style="list-style-type: none"> <li>• Completed at first level</li> </ul>	<ul style="list-style-type: none"> <li>• The next level</li> </ul>
<ul style="list-style-type: none"> <li>• Administrative reviews</li> </ul>	<ul style="list-style-type: none"> <li>• In progress</li> </ul>	
<ul style="list-style-type: none"> <li>• Implement effective space utilization</li> </ul>	<ul style="list-style-type: none"> <li>• U. T. Dallas often among best in Texas in space utilization</li> </ul>	<ul style="list-style-type: none"> <li>• Critical need for space in engineering and sciences</li> </ul>

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# Goal 5: Information Technology Investments

Strategy	Accomplishments	Challenges
<ul style="list-style-type: none"> <li>• Expand computational power and storage capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Systemwide initiative</li> <li>• U. T. Dallas outsourcing commodity services</li> </ul>	<ul style="list-style-type: none"> <li>• Expense of Information Technology</li> </ul>
<ul style="list-style-type: none"> <li>• Establish system interactive database</li> </ul>	<ul style="list-style-type: none"> <li>• Contributing to dashboard initiative</li> </ul>	

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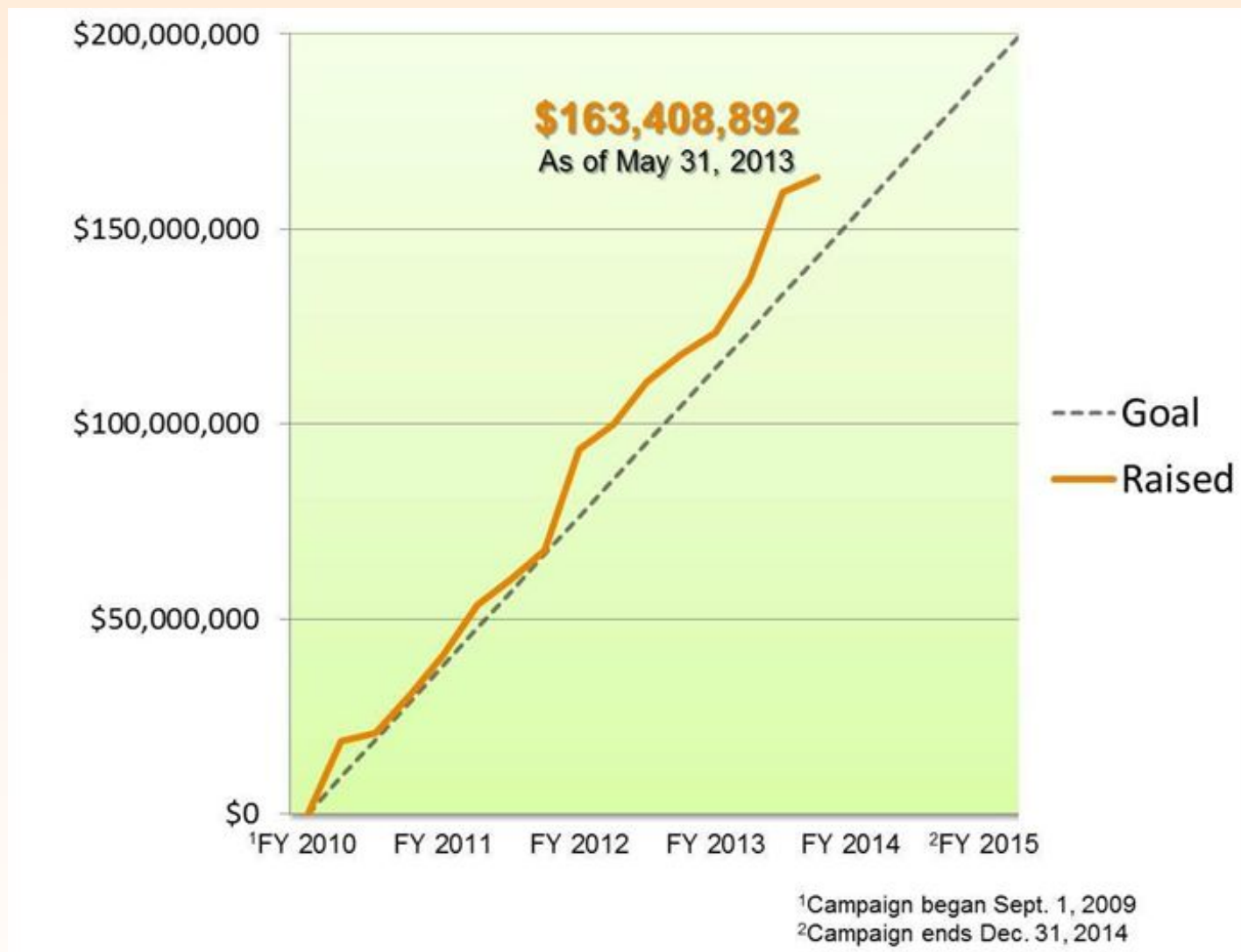
# Goal 6: Enhancing Philanthropic Success



# Campaign Progress



Dollars Raised



Meeting of the U. T. System Board of Regents - Academic Affairs Committee

45

# Building our Pipeline



## Avg. Annual Giving Before Campaign

FY 2007  
 FY 2008 = **\$7,165,379**  
 FY 2009

## Avg. Annual Giving in Campaign Years

FY 2010  
 FY 2011 = **\$29,006,944**  
 First 1/2 FY 2012

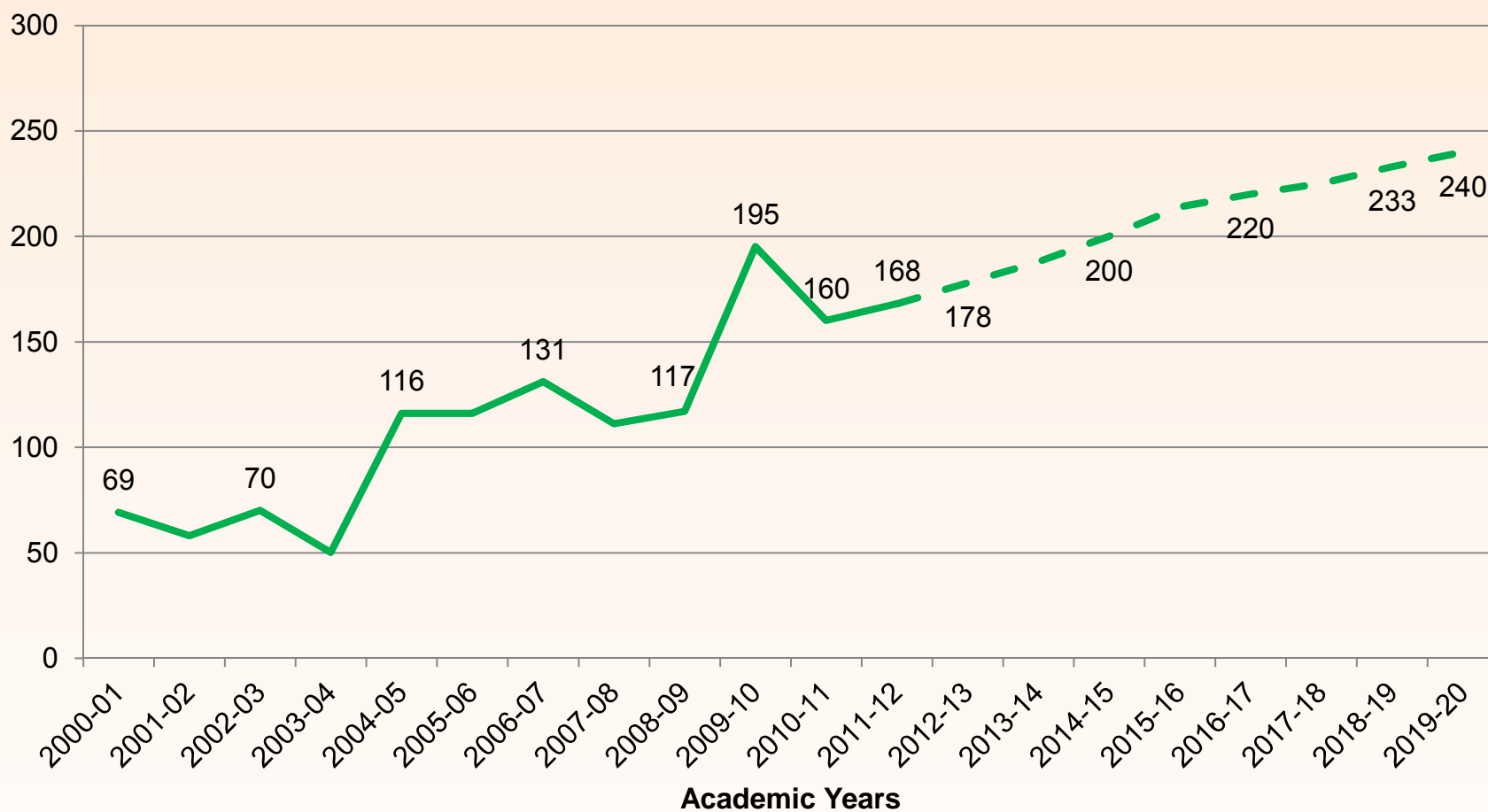
**+ 400%**

# Goal 7: Ph.D. Programs



# Ph.D. Graduates

## Actual and Projected to 2020



As reported to the Texas Higher Education Coordinating Board. Projections based on Strategic Plan.



# Goal 7: Ph.D. Programs

Strategy	Accomplishments	Challenges
<ul style="list-style-type: none"> <li>• Assure high performance Ph.D. programs</li> </ul>	<ul style="list-style-type: none"> <li>• All Ph.D. programs receive periodic external review</li> </ul>	<ul style="list-style-type: none"> <li>• The reviews are a lot of work. (But worth it!)</li> </ul>
<ul style="list-style-type: none"> <li>• Mentor and advise Ph.D. students</li> </ul>	<ul style="list-style-type: none"> <li>• Broadened, institutionalized procedures in development</li> </ul>	
<ul style="list-style-type: none"> <li>• Incentivize shorter time to complete Ph.D.</li> </ul>	<ul style="list-style-type: none"> <li>• Final process developed; implementation soon</li> </ul>	

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# Goal 8: The Health of Texas

Strategy	Accomplishments	Challenges
<ul style="list-style-type: none"> <li>• Implement Transformation in Medical Education (TIME) pilot projects</li> </ul>	<ul style="list-style-type: none"> <li>• Completed with U. T. Southwestern</li> </ul>	<ul style="list-style-type: none"> <li>• 24 slots this year; 215 applicants</li> </ul>
<ul style="list-style-type: none"> <li>• Advance Austin and other metropolitan areas as medical/ biotechnology research hubs</li> </ul>	<ul style="list-style-type: none"> <li>• Joint M.S. and Ph.D. program with UTARL and UTSW in Bioengineering</li> <li>• Office of Technology Commercialization</li> </ul>	

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# THANK YOU!



Meeting of the U. T. System Board of Regents - Academic Affairs Committee

2. **U. T. System: Presentation by MyEdu on connections with employers to U. T. System students**

REPORT

Mr. Michael Crosno, CEO and Chairman, and Mr. Deepak Surana, General Manager/Careers, of MyEdu Corporation will report on connections with employers to U. T. System students.



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FACILITIES PLANNING AND CONSTRUCTION COMMITTEE**

**Committee Meeting:** 7/10/2013

**Board Meeting:** 7/10/2013  
Austin, Texas

*R. Steven Hicks, Interim Chairman  
Alex M. Cranberg  
Robert L. Stillwell*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>2:15 p.m. Vice Chairman Hicks</i>		
 <b><u>Addition to the CIP</u></b>			
1. <b>U. T. Austin: Freestanding Blanton Art Repository - Amendment of the FY 2013-2018 Capital Improvement Program to include project (Preliminary Board approval)</b>	<i>2:17 p.m. <b>Action</b> Mr. O'Donnell</i>	<b>Action</b>	<b>54</b>
 <b><u>Design Development Approval</u></b>			
2. <b>U. T. Dallas: Bioengineering and Sciences Building - Approval of design development; appropriation of funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)</b>	<i>2:22 p.m. <b>Action</b> Mr. O'Donnell</i>	<b>Action</b>	<b>55</b>
<b>Adjourn</b>	<i>2:30 p.m.</i>		

1. **U. T. Austin: Freestanding Blanton Art Repository - Amendment of the FY 2013-2018 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 Powers that the U. T. System Board of Regents amend the FY 2013-2018 Capital Improvement Program (CIP) to include the Freestanding Blanton Art Repository project at U. T. Austin as follows:

<b>Project No.:</b>	102-778	
<b>Project Delivery Method:</b>	Design-Build	
<b>Substantial Completion Date:</b>	March 2015	
<b>Total Project Cost:</b>	<u>Source</u> Gifts	<u>Proposed</u> \$8,000,000

**Investment Metrics:** By March 2015

- Provide 3,600 gross square feet (GSF) of public art space to benefit student experience and increase visibility of the Jack S. Blanton Museum of Art

**BACKGROUND INFORMATION**

The Jack S. Blanton Museum of Art at U. T. Austin seeks to acquire and construct a permanent freestanding repository conceived by one of the world's most renowned living artists. As envisioned, this structure will become a repository that will contain 15 artworks by the same artist, to be obtained and installed separately. The artist's concept is to construct the repository north of the Blanton Museum, taking the form of approximately a 60' by 60' enclosure. Public access will be possible around and inside the structure. It is anticipated this building will become a satellite of the Museum, relying on many of the support spaces and functions that the Museum already provides, such as restrooms and security. The enclosure is to be fairly small, approximately 3,600 GSF, but detailed construction documents will be prepared by an architect who has experience working in close collaboration with other leading artists because it will be critical for the architect to faithfully execute the artist's design for the enclosure.

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.

A proposed negotiated gift related to this project will be discussed in Executive Session of the Board.

**2. U. T. Dallas: Bioengineering and Sciences Building - Approval of design development; appropriation of funds and authorization of expenditure; 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 Bioengineering and Sciences Building project at U. T. Dallas as follows:

<b>Project No.:</b>	302-679	
<b>Project Delivery Method:</b>	Construction Manager-at-Risk	
<b>Substantial Completion Date:</b>	September 2015	
<b>Total Project Cost:</b>	<u>Source</u>	<u>Current</u>
	Permanent University Fund Bond Proceeds	\$ 77,250,000
	Revenue Financing System Bond Proceeds <sup>1</sup>	\$ 26,750,000
	Unexpended Plant Funds <sup>2</sup>	<u>\$ 4,000,000</u>
		\$108,000,000

**Funding Notes:**

<sup>1</sup> Revenue Financing System debt is proposed to be repaid from indirect cost recovery.

<sup>2</sup> Unexpended Plant Funds are from Designated Tuition.

**Investment Metrics:**

- add 2,220 new students in science, technology, engineering, and mathematics (STEM) fields with emphasis on life sciences, neurosciences, and bioengineering
- accommodate 70 new tenure and tenure-track faculty members
- generate \$15 million per year in externally funded research support
- create significant new technology transfer opportunities from new discoveries and trained entrepreneurs

- a. approve design development plans;
- b. appropriate funds and authorize expenditure of \$108,000,000 with funding of \$77,250,000 from Permanent University Fund (PUF) Bond Proceeds, \$26,750,000 from Revenue Financing System (RFS) Bond Proceeds, and \$4,000,000 from Unexpended Plant 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. 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 \$26,750,000.

## BACKGROUND INFORMATION

### Debt Service

The \$26,750,000 in aggregate Revenue Financing System debt will be repaid from indirect cost recovery. Annual debt service on the \$26,750,000 Revenue Financing System debt is expected to be \$1.74 million. The project's debt service coverage is expected to be at least 1.3 times and average 1.3 times over FY 2017-2022.

### Previous Board Actions

On February 9, 2012, the Bioengineering and Sciences Building project was included in the CIP with a total project cost of \$85,000,000 with funding of \$72,250,000 from PUF Bond Proceeds, \$8,750,000 from RFS Bond Proceeds, and \$4,000,000 from Unexpended Plant Funds. On August 23, 2012, the Board approved an increase in total project cost to \$108,000,000 with funding of \$77,250,000 from PUF, \$26,750,000 from RSF, and \$4,000,000 from Unexpended Plant Funds. On August 23, 2012, the Board also approved the removal of the NSF Engineering Research Center project from the CIP.

### Project Description

The project will provide a 220,000 gross square foot building to house research laboratories, instructional laboratories, faculty and teaching assistant offices, computational infrastructure, and core research space. The project will also incorporate space for the Texas Biomedical Device Center launched in partnership with U. T. Southwestern Medical Center to advance research and education related to biomedical devices such as health monitoring, biomedical devices, and research devices. Learning and work performed in the proposed building will focus on functions of the brain, the nervous system, cells, genes, and the disciplines of engineering as they relate to electronic sensing devices and controls to improve human function.

The proposed building will be located directly south of the current Natural Science and Engineering Research Laboratory (NSERL) and all laboratory floors connect directly via a bridge, except for Level 1 that connects to the existing facility by a covered walkway. The building is designed to incorporate the latest trends in research laboratory flexibility and science/engineering teaching pedagogies. Also included in this project as additive alternates are a flexible, 275-seat Lecture Hall located north of the building, and the build-out of three conference rooms located under the canopy of the existing NSERL building.



### Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 45-50 years
- Building Systems: 25-30 years
- Interior Construction: 10-20 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. 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 will also be consistent with existing campus buildings.



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7/10/2013  
Austin, Texas

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## THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS

### CONSENT AGENDA

#### Board Meeting:

7/10/2013

Austin, Texas

### U. T. SYSTEM ADMINISTRATION

1. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect names and terms of new Regents

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, the revised resolution regarding exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts, was approved as shown in congressional style on the following pages. The revision adds the names of the new Regents and the name and term of the new Student Regent.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on May 3, 2012.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the senior management official and the Facility Security Officer must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

### RESOLUTION

BE IT RESOLVED:

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution,

and administration of Department of Defense (DoD) or User Agency contracts, as described in DoD 5220.22-M, "National Industrial Security Program Operating Manual" (NISPOM):

Francisco G. Cigarroa, M.D., Chancellor, The University of Texas System  
William C. Powers, Jr., President, The University of Texas at Austin  
Juan Miguel Sanchez, Vice President for Research, The University of Texas at Austin

Susan W. Sedwick, Associate Vice President for Research and Director, Office of Sponsored Projects, The University of Texas at Austin

Neil S. Fox II, Facility Security Officer, The University of Texas System

The Chief Executive Officer (i.e., the Chancellor) and the members of the Managerial Group have been processed, or will be processed, for a personnel security clearance for access to classified information to the level of the facility security clearance granted to this institution, as provided for in the NISPOM.

The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the DoD or User Agencies of the NISPOM awarded to U. T. System, including U. T. Austin.

- b. That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U. T. System, including U. T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of U. T. System, including U. T. Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to U. T. System, including U. T. Austin, and need not be processed for a personnel security clearance:

Members of the U. T. System Board of Regents:

William Eugene Powell, Chairman

Paul L. Foster, Vice Chairman

R. Steven Hicks, Vice Chairman

Ernest Aliseda

Alex M. Cranberg

Wallace L. Hall, Jr.

Jeffery D. Hildebrand

Brenda Pejovich

Robert L. Stillwell

Nash M. Horne, Student Regent from June 1, 2013 to May 31, 2014 (nonvoting)

2. Employment Agreement - U. T. System: Appointment of Stephanie A. Bond Huie, Ph.D., as Vice Chancellor for Strategic Initiatives

The employment agreement summarized below has been awarded, has been approved by the Chancellor, and is recommended for approval by the U. T. System Board of Regents.

Item: Vice Chancellor for Strategic Initiatives

Funds: \$265,000 annually

Period: Beginning July 10, 2013

Description: Agreement for employment of Stephanie A. Bond Huie, Ph.D., as Vice Chancellor for Strategic Initiatives. The Vice Chancellor for Strategic Initiatives reports to and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. U. T. System will reimburse monthly dues, professional memberships, continuing education, as well as reasonable travel related to U. T. business. The employment agreement is on the following page.



**The University of Texas System**  
Nine Universities. Six Health Institutions. Unlimited Possibilities.

**Office of the Chancellor**  
601 Colorado Street, Austin, Texas 78701-2982  
Phone: 512 499 4201 Fax: 512 499 4215

June 3, 2013

**Dr. Stephanie A. Bond Huie**  
Vice Chancellor for Strategic Initiatives, *ad interim*  
The University of Texas System Administration  
702 Colorado Street  
Colorado Building, Suite 6.2  
Austin, Texas 78701

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Brownsville  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas - Pan American  
The University of Texas  
of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas at Tyler

Dear Stephanie:

I am delighted to offer you the appointment of Vice Chancellor for Strategic Initiatives at The University of Texas System, effective July 10, 2013. In your position as the Vice Chancellor, you will report directly to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

Your initial compensation will be \$265,000 gross annual salary to be paid monthly. In addition, monthly dues, professional memberships, continuing education allowances, as well as reasonable travel expenses related to U. T. business, will be reimbursed by System Administration.

Stephanie, it is a great honor to offer you this position as you have distinguished yourself while serving as Vice Chancellor, *ad interim*. I extend my thanks to you for all of the work you and your team have accomplished while you served in the interim capacity. I am excited to continue the forward momentum by which you are propelling the U. T. System and to working with you in these endeavors. The Dashboard is of the upmost importance to our success in achieving many of our goals associated with the Framework; your leadership and oversight to this effort is vital.

To indicate your acceptance of these terms, please sign and date this letter and return a copy to my office. Our office will coordinate with you on a public announcement upon receiving your signed acceptance. I look forward to working together with you to facilitate the success of the Framework, emphasizing transparency and accountability in all that we and the campuses achieve.

With greatest respect,

Francisco G. Cigarroa  
Chancellor

FGC:jbp

[www.utysystem.edu](http://www.utysystem.edu)

\_\_\_\_\_  
Signature of Acceptance

\_\_\_\_\_  
Date

### ACADEMIC INSTITUTIONS

3. Lease - U. T. Austin: Authorization to extend the lease of space to University Federal Credit Union for automated teller machine locations

Description: Extension of lease of sites for 38 automated teller machines at 24 locations on the U. T. Austin campus

Lessor: University Federal Credit Union, a federally chartered nonprofit corporation

Term: The extension term commenced on March 1, 2013, and continues through November 30, 2013, unless terminated earlier by U. T. Austin. The institution plans to select one or more automated teller machine vendors through a request for proposal process and when that selection is made, U. T. Austin will terminate the lease to University Federal Credit Union. If approval of the extension is not obtained by August 31, 2013, the lease terminates on August 31, 2013.

Lease Income: Consideration to U. T. Austin includes \$32,083.33 in base rent and \$200.00 in operating expenses per month, for a total of approximately \$290,549.00 if the lease extension runs for the full nine-month term. The original lease became effective on September 1, 2001, and was last extended by the Board of Regents on May 3, 2012. This proposed lease extension and a prior lease extension will result in aggregate additional revenue to U. T. Austin in excess of 25% of the prior authorization if the lease extends beyond August 31, 2013, and, therefore, this lease extension is being submitted to the Board of Regents for authorization.

4. Lease - U. T. Austin: Authorization to extend the lease of space from Barham Plaza Company for use as offices and classrooms for the College of Communication Semester in Los Angeles program

Description: Extension of lease of approximately 3,414 rentable square feet in Barham Plaza at 3800 Barham Boulevard, Los Angeles, California, to be used by U. T. Austin's College of Communication for its Semester in Los Angeles program. The original lease was signed on April 22, 2005, and has been renewed twice for this program. The space leased for the program has remained the same.

Lessor: Barham Plaza Company, a California limited partnership

Term: The proposed extension term commences July 1, 2013, subject to Board approval, and extends through August 30, 2016, with two three-year renewal options at a mutually agreed rental.

Lease Costs: Base rent over the extended 38-month term will total approximately \$375,450. Over the life of the lease to date, the institution paid an estimated \$860,713 in base rent. Because the proposed extension will cause the total lease expenditures to exceed the \$1,000,000 threshold, the institution is seeking Board approval of the extension.

Source of Funds: Programmatic Fees

5. Lease - U. T. Brownsville: Authorization to lease space from RRV Klein Church, Ltd., for office and educational uses

Description: Lease of approximately 17,200 square feet of space at 1601 East Price Road, Brownsville, Texas, for general office, business incubator, workforce training and professional development, economic development activities, U. T. Brownsville's Language Institute, and other uses

Lessor: RRV Klein Church, Ltd., a Texas limited partnership

Term: The commencement date is estimated to be September 1, 2013, and the initial term will expire on the third anniversary of the commencement date

Lease Costs: Approximately \$425,700 (\$9 per square foot) in base rent over the initial three-year term. In addition to base rent, U. T. Brownsville will pay for its pro rata share of the costs of common area maintenance, ad valorem property taxes, and property insurance (estimated to be \$2.50 per square foot for the first lease year). The Lessor will perform exterior renovations to the building at a cost not to exceed \$10,000 and will perform interior renovations to the premises at a cost not to exceed \$40,000. U. T. Brownsville will be responsible for the cost of any renovations beyond the allowances provided by Lessor. U. T. Brownsville will have a one year renewal option at a base rent cost of \$159,100 (\$9.25 per square foot) and one subsequent three-year renewal option at a total base rent cost of \$490,200 (\$9.50 per square foot).

Source of Funds: Operating Budget



6. Lease - U. T. Brownsville: Authorization to lease space from the City of Brownsville for office and educational uses

Description: Lease of two buildings (totaling approximately 9,258 square feet of office space) at 1301 East Madison and an adjacent lot located at 1335 East Madison, Brownsville, Texas, for office and educational uses

Lessor: The City of Brownsville, a Texas home rule municipality

Term: The commencement date is estimated to be August 1, 2013, and the term will expire on the fourth anniversary of the commencement date.

Lease Costs: Approximately \$370,320 (\$10 per building square foot) in base rent over the initial four-year term. In addition, U. T. Brownsville will be responsible for all costs of utilities, building operation, and maintenance (estimated to be approximately \$3.07 per building square foot). U. T. Brownsville will construct a parking lot for its use on the adjacent lot; the base rent during the initial term will be offset by the actual costs incurred by U. T. Brownsville in constructing the parking lot. The costs of constructing the parking lot are estimated to be \$300,000. U. T. Brownsville will have four one-year renewal options; the rent for the four renewal options will be the fair market rental (with escalations, if indicated) determined at the commencement of the first renewal option. The buildings will require minimal improvements and U. T. Brownsville will be responsible for the cost of any improvements to the buildings.

Source of Funds: Operating Budget

7. Lease - U. T. Brownsville: Authorization to lease space from J. & M. Zamora Family, L. P., for office and educational uses

Description: Lease of approximately 16,298 square feet of space at 451 East Alton Gloor, Brownsville, Texas, for office and educational uses. Due to the critical timing necessary to have the premises available for occupancy by August 1, 2013, U. T. Brownsville requests authority from the Board of Regents to complete negotiations for the premises in accordance with the general parameters outlined below, with a total cost not to exceed \$2.8 million in base rent and operating expenses over the potential eight-year term of the lease, and to authorize U. T. Brownsville's Vice President for Business Affairs to execute the lease upon its approval by the U. T. System Real Estate Office.

Lessor: J. & M. Zamora Family, L. P., a Texas limited partnership

**Term:** The commencement date is estimated to be August 1, 2013, and the initial term will expire on the fourth anniversary of the commencement date. U. T. Brownsville will have one four-year option to renew the lease.

**Lease Costs:** Currently estimated to be \$1,022,771 in base rent over the initial four-year term (\$15.69 per square foot average). In addition to base rent, U. T. Brownsville will pay for the costs of maintenance, ad valorem property taxes, and property insurance (operating expenses) attributable to the premises (estimated to be \$4.20 per square foot for the first lease year). U. T. Brownsville will lease the premises “as-is” with no improvements required. The estimated base rent cost for the period of the renewal option is \$1,151,138 (\$17.66 per square foot average), plus operating expenses.

**Source of Funds:** Operating Budget

8. License - U. T. Pan American: Authorization to license space, initially in the University Bookstore and later in the Learning Resource Center, to Nebraska Book Company, Inc., for the operation of a bookstore

**Description:** License of approximately 12,554 square feet in the University Bookstore initially, and later relocated to approximately 6,225 square feet in the Learning Resource Center at U. T. Pan American’s main campus in Edinburg, Texas, for the exclusive operation of a bookstore. Licensee also has the right to sell certain merchandise in kiosks and at specific events on the campus.

**Licensee:** Nebraska Book Company, Inc., a Delaware corporation

**Term:** The License commenced on April 19, 2013, and extends for 10 years through April 18, 2023. The parties may extend the License for two additional periods of one year each. Both parties have early termination rights. This license agreement was not submitted to the Board of Regents in May 2013 because the terms of the license were not completed prior to the Consent Agenda deadline.

**Premises Improvements:** Licensor shall, at its cost, renovate the final premises at the Learning Resource Center; Licensee shall make a one-time capital contribution of \$225,000 towards the cost of such improvements.

**License Revenue:** Licensor shall receive a base license fee of \$370,000 annually, a royalty varying from 16.25% to 18% on the sale of nonacademic materials, but in no event less than \$140,000 annually, and starting in the second license year, an annual renovation fee of \$12,500. As additional consideration, the Licensee shall provide credits worth \$35,000 each year to the institution’s book rental scholarship fund.

Licensor is responsible for providing and paying for utilities, but Licensee shall contribute a fee of \$32,184 annually to Licensor towards such costs. Licensor shall also receive a one-time signing bonus of \$150,000. If all extensions are exercised, total consideration to U. T. Pan American will be approximately \$7.439 million.

### HEALTH INSTITUTIONS

9. Lease - U. T. M. D. Anderson Cancer Center: Authorization to amend the lease to expand the leased premises in space leased from HCRI Nassau Bay Medical Facility, LLC, for oncology clinic use

Description: Expansion of leased premises at 18100 St. John Drive, Nassau Bay, Texas, for use as an oncology clinic. U. T. M. D. Anderson Cancer Center currently leases 16,268 square feet of space from Lessor pursuant to the initial lease and the first and second amendments to the lease. The proposed third amendment will add 4,657 square feet of leased space to bring the total leased area to 20,925 square feet.

The Board of Regents approved the initial lease of approximately 8,885 square feet with a base rental amount of \$1,986,203 on November 16, 2006; at that time, operating expenses, which are in addition to base rent, were approximately \$6,590 per month.

No record found of Board of Regents' approval of the first amendment, which increased the tenant improvement allowance, or the second lease amendment, which increased the leased premises to 16,268 square feet.

Lessor: HCRI Nassau Bay, LLC, a Delaware limited liability company

Term: The initial term commenced June 7, 2007, and extends through June 30, 2017; in addition, there are two five-year renewal options. The current proposed amendment does not contain any additional lease extensions.

Lease Costs: Base rent over the initial 10-year term totals approximately \$6,678,332. That amount includes increases attributable to the amounts for amortization of the additional tenant improvement funds provided by Lessor pursuant to the first amendment and for the previous expansion of the leased premises and related tenant improvements pursuant to the second amendment to the lease. Current base rent for the expanded space is \$22.60 per square foot (plus adjustments for the amortized improvement funds) and increases by 3% each year. Base rent for each renewal option period will continue the 3% annual increases. Monthly operating expenses, which the Lessee pays in addition to base rent, have increased over

the life of the lease due to increased costs over time and to the expansion of the leased space under the second amendment. The expansion of leased space under the proposed third amendment will further increase operating expenses; 2013 operating expenses for the expanded 20,925 square feet under the third amendment are an estimated \$21,064 per month. Under the third amendment, the Lessor is providing an improvement allowance of up to \$46,570 (\$10 per square foot); U. T. M. D. Anderson Cancer Center will provide an additional \$127,110 (approximately) (\$27.29 per square foot) to fund finish-out in the leased premises.

Source of Funds: Hospital patient income

10. Lease - U. T. M. D. Anderson Cancer Center: Authorization to amend the lease to expand the leased premises in space leased from Duke Realty Limited Partnership for oncology clinic use

Description: Expansion of leased premises at 19770 Kingsland Boulevard, Katy, Texas, for use as an oncology clinic. U. T. M. D. Anderson Cancer Center currently leases 29,889 square feet of space from Lessor pursuant to the initial lease and the first through fifth amendments. The proposed sixth amendment will add 4,033 square feet of leased space to bring the total leased area to 33,922 square feet. The Board of Regents approved the initial lease of approximately 10,500 square feet with a base rental amount of \$2,205,000 on February 9, 2006; the amount of operating expenses, which are in addition to base rent, were not stated in that Board item. The Board of Regents approved the third amendment to the lease, which added 13,103 square feet to the leased premises, with an additional base rental of \$2,600,000, on May 14, 2009. Board of Regents' approval would not have been needed for the first amendment to the lease, which made some technical corrections but no substantive changes. There is no record of Board of Regents' approval of the second amendment, which corrected the leased square footage to 12,639 square feet, or the fourth lease amendment, which added 4,147 square feet to the leased premises.

Lessor: Duke Realty Limited Partnership, an Indiana limited partnership

Term: The initial term commenced November 5, 2007, and extends through November 30, 2017; in addition, there are two three-year renewal options. The current proposed amendment does not contain any additional lease extensions.

Lease Costs: Base rent over the initial 10-year term totals approximately \$4,590,233. That total includes amounts for the previous expansions of the space and amortization of additional tenant improvement

funds provided by Lessor pursuant to the initial lease and the third, fourth, and fifth amendments. Base rent is \$35.92 per square foot for each year of the initial 10-year term. Base rent for each renewal option period will be the fair market rent for the premises. 2013 operating expenses, which the Lessee pays in addition to base rent, are an estimated \$31,774 per month for the expanded 33,922 square feet leased premises under the proposed sixth amendment. Under the sixth amendment, the Lessor is providing an improvement allowance of up to \$36,330 (\$9 per square foot); U. T. M. D. Anderson Cancer Center will provide an additional \$185,670 (approximately) (\$46 per square foot) to fund finish-out in the leased premises.

Source of Funds: Hospital patient income

11. Lease - U. T. Medical Branch - Galveston: Authorization to lease space from OC Alvin, Ltd., for medical clinic use

Description: Lease of approximately 10,000 square feet in a building to be constructed at the southeast corner of Texas State Highway 6 and Highway 35 Bypass, Alvin, Texas, for medical clinic use. An existing pediatric clinic will be relocated to the new clinic space; in addition, an adult primary care practice will be located in the new space.

Lessor: OC Alvin, Ltd., a Texas limited partnership

Term: The term commences on the date that Lessor substantially completes the construction of the building and the improvements and delivers the leased premises, and continues for 10 years, plus one five-year renewal option. The estimated commencement date is May 1, 2014.

Lease Costs: Approximately \$3,289,942 in base rent and estimated operating expenses over the initial 10-year term. Base rent and estimated operating expenses for the renewal option period will be approximately \$1,761,869. The Lessor is providing an improvement allowance of up to \$50 per square foot; U. T. Medical Branch will provide up to an additional \$100 (approximately) per square foot to fund finish-out in the leased premises.

Source of Funds: Patient revenue