

## MATERIAL SUPPORTING THE AGENDA

### VOLUME XLVIIa

This volume contains the Material Supporting the Agenda furnished to each member of the Board of Regents prior to the meetings held on:

September 3, 1999  
November 10-11, 1999  
January 5, 2000  
January 14, 2000  
February 9-10, 2000

The material is divided according to the standing committees and the meetings that were held and is color coded as follows:

White paper - for documentation of all items that were presented before the deadline date.

Blue paper - Executive Session

Yellow paper – for documentation of items submitted after the deadline date for inclusion in the Agenda (late items) and distributed to members of the Board of Regents prior to the meeting.

Material distributed at the meeting as additional documentation is not included in the bound volume. If the Executive Secretary was furnished a copy, then that material goes into the appropriate subject file.

Special Meeting  
Board of Regents  
The University of Texas System  
Ninth Floor, Ashbel Smith Hall, 201 W. 7th Street  
Austin, Texas  
January 14, 2000 -- 9:30 a.m. approximately

**AGENDA**

- A. CALL TO ORDER IN OPEN SESSION                      Chairman Evans
  
- B. CONSIDER ACTION ON RECOMMENDATION FOR A PROPOSED REAL ESTATE  
PURCHASE AT U. T. PAN AMERICAN
  
- C. ADJOURNMENT

OFFICE OF THE BOARD OF REGENTS  
THE UNIVERSITY OF TEXAS SYSTEM  
Austin, Texas

January 7, 2000

SPECIAL MEETING NO. 927

TO: Members of the Board of Regents

Chairman Donald L. Evans  
Vice-Chairman Tom Loeffler  
Vice-Chairman Rita C. Clements  
Regent Woody L. Hunt  
Regent Charles Miller  
Regent Patrick C. Oxford  
Regent A. W. "Dub" Riter, Jr.  
Regent Raul R. Romero  
Regent A. R. (Tony) Sanchez, Jr.

U. T. Pan American: Request for Authorization to Purchase Real Property  
Located at 2412 South U. S. Highway 281, Edinburg, Hidalgo County, Texas,  
and Authorization to Execute All Documents Related Thereto

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Nevarez that authorization be given for the U. T. System Real Estate Office, on behalf of U. T. Pan American, to purchase the real property located at 2412 South U. S. Highway 281, in Edinburg, Hidalgo County, Texas, at or below its appraised market value.

It is further recommended that the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate be authorized to execute all documents, instruments, and other agreements and to take all such further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing recommendation.

## BACKGROUND INFORMATION

The subject property is a former Wal-Mart store which consists of a 67,043 square foot building and associated parking on a 5.87-acre site. In 1994, Wal-Mart granted U. T. Pan American a seven-year, rent-free lease of the building. U. T. Pan American has been using the facility since that time for community outreach, standardized testing, continuing education, and economic outreach services for residents of the Lower Rio Grande Valley. U. T. Pan American was to consider either purchasing or replacing the facility prior to the expiration of the lease term.

In the summer of 1999, Wal-Mart expressed its interest in selling the facility on the open market after first offering it to U. T. Pan American at a price of \$1,500,000. More recently, Wal-Mart agreed to a bargain sale arrangement with U. T. Pan American resulting in a \$500,000 sales price reduction to \$1,000,000. It should be noted that the transfer of the property to U. T. Pan American will be subject to a deed restriction prohibiting the property from being used as a discount department store, wholesale club, grocery store, or drug store for a period of 35 years. Nevertheless, the current MAI appraised value of the property, as restricted, is \$1,520,000.

The source of funding for this proposed acquisition will be U. T. Pan American unexpended plant funds. Approximately \$450,000 has been pledged by external foundations and corporations to reimburse U. T. Pan American for that portion of the purchase price.

xc: Chancellor Cunningham  
Executive Vice Chancellor Mullins  
Executive Vice Chancellor Burck  
Executive Vice Chancellor Sharpe  
Vice Chancellor Farabee  
Vice Chancellor Perry  
Executive Director Wilson