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Board Meeting: 2/9/2006
Austin, Texas

Rita C. Clements, *Chairman*
H. Scott Caven, Jr.
Judith L. Craven, *M.D.*
Cyndi Taylor Krier
Robert B. Rowling

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Adjourn	<i>4:30 p.m.</i>		

1. **U. T. System: Quarterly report on health issues by Executive Vice Chancellor Shine**

REPORT

Executive Vice Chancellor Shine will report on health matters of interest to the U. T. System. This is a quarterly update to the Health Affairs Committee of the U. T. System Board of Regents.

2. **U. T. Health Science Center - San Antonio: Pre-Clinical Laboratories Renovation - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; and appropriation of funds and authorization of expenditure**

RECOMMENDATION

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. System Board of Regents amend the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Pre-Clinical Laboratories Renovation project at The University of Texas Health Science Center at San Antonio as set forth below:

Architecturally or Historically Significant:

(Note: Item is before the Board; see Item 1 on Page 100.)

Project Delivery Method: Competitive Sealed Proposals

Substantial Completion Date: May 2007

Total Project Cost:

<u>Source</u>	<u>Proposed</u>
Dental Services, Research and Development Plans (DSRDP)	\$4,500,000

- a. approve a total project cost of \$4,500,000 with funding from Dental Services, Research and Development Plans (DSRDP);
- b. authorize U. T. Health Science Center - San Antonio to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate and authorize expenditure of funds.

BACKGROUND INFORMATION

Project Description

U. T. Health Science Center - San Antonio is requesting institutional management for the renovation of approximately 11,500 gross square feet in the Pre-Clinical Laboratories in the existing Dental School to provide the latest teaching methods and technology in the delivery of dental care.

The Pre-Clinical Laboratories in the Dental School were built in the early 1970s to support state-of-the-art dental education. The student workspaces were compatible with the delivery of technical dentistry that was used at that time. Teaching approaches such as closed-circuit television made the facility a model environment. Many new approaches to the delivery of dental care have evolved, making the current design and arrangement of the laboratories outmoded. Technology to support education has also drastically changed and patient simulation is now a very sophisticated and vital part of contemporary dental education. The current infrastructure of the laboratories is not compatible with the use of these modern approaches.

U. T. Health Science Center - San Antonio Facilities Management personnel have the experience and capability to manage all aspects of the work.

This proposed off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

3. **U. T. Health Science Center - San Antonio: Authorization to acquire 13.37 acres of unimproved land located at the northeast corner of Floyd Curl Drive and Sid Katz Drive, described as 13.37 acres out of the Manuel Tejada Survey No. 89, Abstract No. 741, City of San Antonio, Bexar County, Texas, from the Board of Trustees of the San Antonio Medical Foundation, either by gift or by purchase at less than the fair market value as established by an independent appraisal, for campus expansion needs to accommodate the proposed Medical Arts and Research Center (MARC)**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Cigarroa that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Health Science Center - San Antonio, to

- a. acquire by gift or by purchase at less than fair market value as established by an independent appraisal, the unimproved land located at the northeast corner of Floyd Curl Drive and Sid Katz Drive, San Antonio, Bexar County,

Texas, described as 13.37 acres out of the Manuel Tejada Survey No. 89, Abstract No. 741, City of San Antonio, Bexar County, Texas, from the Board of Trustees of the San Antonio Medical Foundation, with payment for (1) the Foundation's infrastructure costs and engineering and legal fees, if the acquisition is by gift, and (2) all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate, for the site of the proposed Medical Arts and Research Center (MARC); and

- b. authorize the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations.

BACKGROUND INFORMATION

The subject property consists of 13.37 acres of unimproved land located at the northeast corner of Floyd Curl Drive and Sid Katz Drive, San Antonio, Texas, in the South Texas Medical Center. The U. T. Health Science Center - San Antonio North Campus is located directly across Floyd Curl Drive. The Children's Cancer Center Research Institute and Ronald McDonald House are located nearby. The property has a substantial amount of frontage on Floyd Curl and Sid Katz Drives, providing multiple access points and superior visibility.

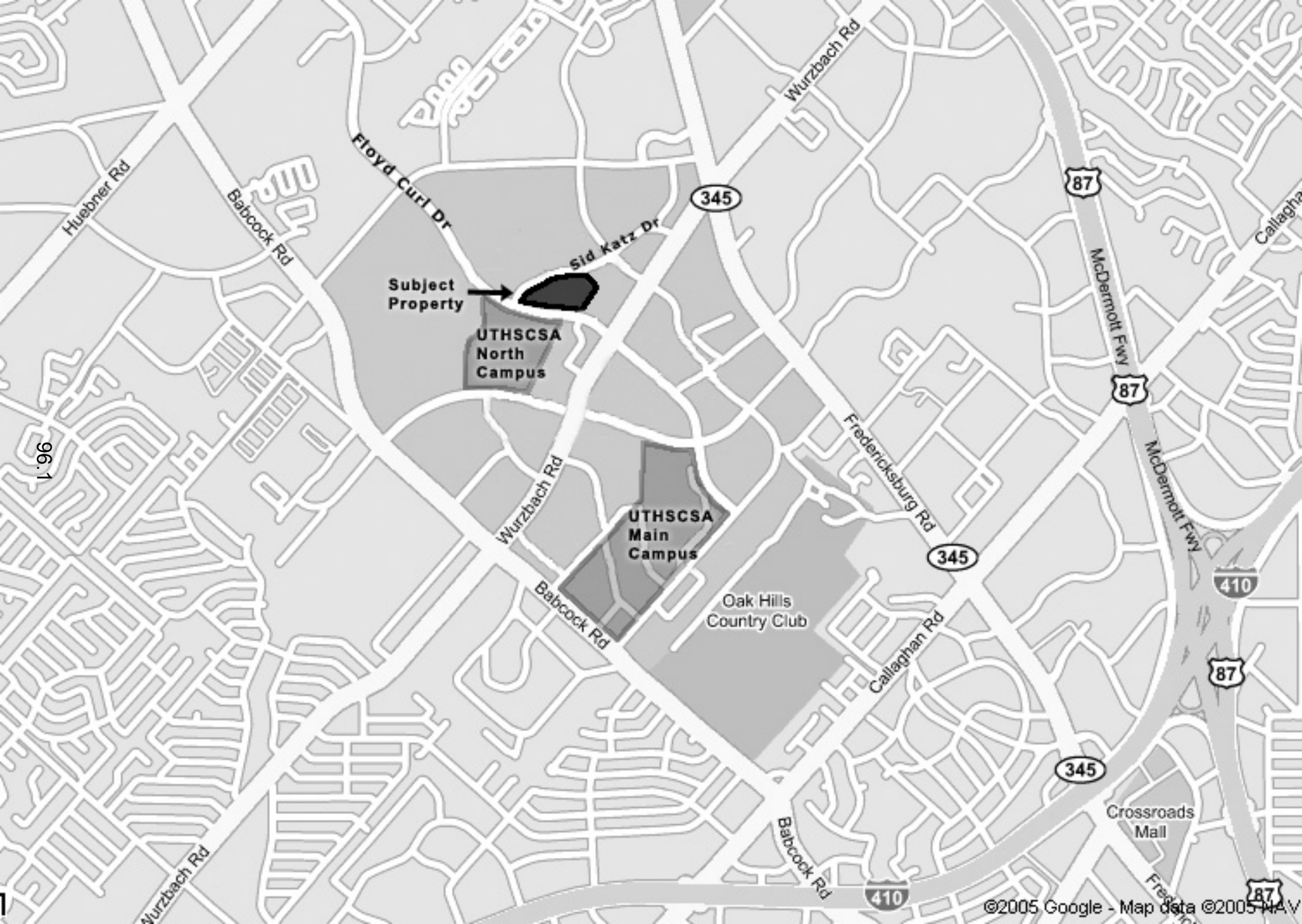
Although the property has been proposed as a gift from the San Antonio Medical Foundation, the Foundation has requested that U. T. Health Science Center - San Antonio reimburse the Foundation for infrastructure costs and engineering fees it has incurred to serve the property with roads and utilities and legal fees to transfer the property to the institution. Infrastructure costs are approximately \$266,000, and the engineering and legal fees are approximately \$35,000. The acquisition may alternatively be structured as a bargain purchase with a purchase price that equals the infrastructure costs and engineering and legal fees, which price will be less than the fair market value of the property as established by an independent appraisal.

U. T. Health Science Center - San Antonio plans to locate the MARC on the property. This facility will support ambulatory clinical care services and clinical research activities for the School of Medicine Faculty Practice Plan. The MARC project was approved by the U. T. System Board of Regents at its November 2005 meeting.

Net revenues generated by medical services, parking, rent, and royalties will be used to fund the payment to the San Antonio Medical Foundation of approximately \$301,000 of infrastructure costs and legal and engineering fees. The terms and conditions of the acquisition are reflected in the transaction summary below:

Transaction Summary

Institution:	U. T. Health Science Center - San Antonio
Type of Transaction:	Gift with payment by U. T. Health Science Center - San Antonio of approximately \$301,000 for infrastructure costs and engineering and legal fees, or bargain purchase at a purchase price in that same amount, which is the property's pro-rata share of actual infrastructure costs and engineering and legal fees incurred by the San Antonio Medical Foundation
Total Area:	13.37 acres
Improvements:	None
Location:	Northeast corner of Floyd Curl Drive and Sid Katz Drive, described as 13.37 acres out of the Manuel Tejada Survey No. 89, Abstract No. 741, City of San Antonio, Bexar County, Texas; see attached map
Seller:	Board of Trustees of the San Antonio Medical Foundation
Appraised Value:	\$4,650,000 (Noble & Associates, October 24, 2005)
Source of Funds:	Net revenues generated by medical services, parking, rent, and royalties
Intended Use:	Campus expansion needs to accommodate the proposed U. T. Health Science Center - San Antonio Medical Arts and Research Center



Subject Property

UTHSCSA
North
Campus

UTHSCSA
Main
Campus

Oak Hills
Country Club

Crossroads
Mall

4. **U. T. Health Science Center - San Antonio: Laboratory Animal Resources Renovation - Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include project; authorization of institutional management; and appropriation of funds and authorization of expenditure**

RECOMMENDATION

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. System Board of Regents amend the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the Laboratory Animal Resources Renovation project at The University of Texas Health Science Center at San Antonio as set forth below:

Architecturally or Historically Significant:

(Note: Item is before the Board; see Item 1 on Page 100.)

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: May 2007

Total Project Cost:	<u>Source</u>	<u>Proposed</u>
	Grant (NIH)	\$3,000,000
	Unexpended Plant Funds	<u>\$2,500,000</u>
		\$5,500,000

- a. approve a total project cost of \$5,500,000 with funding of \$3,000,000 from National Institutes of Health (NIH) Grants and \$2,500,000 from Unexpended Plant Funds;
- b. authorize U. T. Health Science Center - San Antonio to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts; and
- c. appropriate and authorize expenditure of funds.

BACKGROUND INFORMATION

Project Description

U. T. Health Science Center - San Antonio is requesting institutional management to renovate approximately 11,000 gross square feet of existing space in the Medical School in the Department of Laboratory Animal Resources (LAR) to better enhance research projects on drug and alcohol abuse.

A major area of growth in research involves animal studies on drug and alcohol abuse. Currently eight NIH-funded investigators use animals in studies that must be conducted within a secure, appropriately configured animal facility. The animal facility at U. T. Health Science Center - San Antonio was not designed originally to accommodate procedure rooms in close proximity to animal housing rooms. The proposed renovation will markedly increase the efficiency of ongoing NIH-funded projects and will further accommodate anticipated future growth in this area of research. The plan includes customized housing and laboratory space for mice, rats, pigeons, and non-human primates within the existing animal facility and additional laboratories for mice and rats in new space that will be made available to LAR as part of the renovation. The plan also includes rooms to accommodate support activities for projects, drug storage and preparation, computer control rooms, and wet laboratories.

U. T. Health Science Center - San Antonio Facilities Management personnel have the experience and capability to manage all aspects of the work.

This proposed off-cycle project has been approved by U. T. System staff and meets the criteria for inclusion in the Capital Improvement Program.

5. U. T. M. D. Anderson Cancer Center: Discussion of compact priorities

REPORT

President Mendelsohn and Executive Vice Chancellor Shine will lead a discussion about compact priorities for U. T. M. D. Anderson Cancer Center as set out in the compact on Pages 233 - 251 in the Supplemental Materials (Volume 2) of the Agenda Book. Dr. Mendelsohn's PowerPoint presentation is on Pages 252 - 260 in the Supplemental Materials (Volume 2) of the Agenda Book.

6. U. T. Medical Branch - Galveston: Approval to expand planning authority for a Doctor of Physical Therapy degree in the School of Allied Health Sciences

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs and President Stobo that

- a. degree planning authority for U. T. Medical Branch - Galveston be expanded to include a Doctor of Physical Therapy (DPT) program in the School of Allied Health Sciences; and

- b. the proposal be submitted to the Texas Higher Education Coordinating Board for review and appropriate action.

BACKGROUND INFORMATION

The proposed program would complement and strengthen the undergraduate, graduate, and professional programs offered at U. T. Medical Branch - Galveston and would not duplicate other programs in the state or region.

There is a clear and well-defined need for physical therapists in the future, both nationally and in Texas. The State of Texas needs a DPT program to maintain the quality of and access to health care provided to people with chronic diseases and disabilities commonly seen by physical therapists. A DPT will more adequately address improvements in health professional education recommended by the Institute of Medicine report, *Health Professions Education: A Bridge to Quality*.