

Meeting No. 1,145

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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January 25, 2016

Austin, Texas

MEETING NO. 1,145

MONDAY, JANUARY 25, 2016.--The members of the Board of Regents of The University of Texas System convened a special called meeting at 3:03 p.m. on Monday, January 25, 2016, in the Board Room, Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present

Chairman Foster
Vice Chairman Hildebrand
Regent Aliseda
Regent Beck
Regent Cranberg
Regent Tucker
Regent Drake, Student Regent, nonvoting

Absent

Vice Chairman Hicks
Regent Hall
Regent Pejovich

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Foster called the meeting to order in Open Session.

1. U. T. System Board of Regents: Approval of Consent Agenda

Chairman Foster noted the following related to the Consent Agenda:

- For Item 1b, the Board is asked to make a finding of public purpose on the lease of space by The University of Texas at Austin to the U.S. Postal Service.
- For Item 1c, the Board is asked to make a finding that service by Linda I. Shaunessy, J.D., Business Contracts Administrator at U. T. Austin, as a Member of the Governing Board of the Texas Department of Information Resources, is of benefit to the State of Texas and the University and that an appropriate conflicts management plan will address any potential conflicts.

The Board then approved the Consent Agenda, which is set forth on Pages 3 - 5.

In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by the appropriate officials of the respective University of Texas System institution involved.

RECESS TO EXECUTIVE SESSION.--At 3:06 p.m., the Board recessed to convene in Executive Session pursuant to *Texas Government Code* Sections 551.071 and 551.074 to consider the matters listed on the Executive Session agenda.

RECONVENE IN OPEN SESSION.--At 7:40 p.m., the Board reconvened in Open Session to consider action on the following Executive Session item.

1a. U. T. Dallas: Approval of Dr. Richard C. Benson as sole finalist for the position of President

Regent Beck moved that Dr. Richard C. Benson, currently Dean of Engineering at Virginia Tech, be named as sole finalist for the position of President of The University of Texas at Dallas. A vote to name a President will be made after the expiration of at least 21 days at a future special called meeting.

The motion was seconded by Regent Tucker and carried unanimously.

1b. 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), members of the Board of Regents, and U. T. System and institutional employees

No action was taken on this item.

2. U. T. System Board of Regents: Discussion with Counsel on pending legal issues

No action was taken on this item.

ADJOURNMENT.--At 7:41 p.m., there being no further business, the meeting was adjourned.

/s/ Carol A. Felkel
Secretary to the Board of Regents

January 26, 2016



**THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS
CONSENT AGENDA**

Special Called Board Meeting:

January 25, 2016
Austin, Texas

- 1a. Lease - U. T. System: Authorization to extend the term of existing space lease and to lease additional space at 4201 North State Highway 161, Irving, Texas, from Atlas Office 161, LP, for office use

Description: Term extension of approximately four months for an existing space lease of 27,235 rentable square feet and lease of an additional approximately 27,048 rentable square feet of office space at 4201 North State Highway 161, Irving, Dallas County, Texas, for office use by the U. T. System Administration Shared Information Services.

Lessor: Atlas Office 161, LP, or assigns

Term: If not extended, the current lease of 27,235 rentable square feet will expire on March 31, 2021. Approval of this item would extend that lease for a period of approximately four months to make it coterminous with the expansion space. The additional lease of approximately 27,048 rentable square feet is estimated to commence on April 1, 2016, and the initial term is for a period of 64 months. U. T. System Administration will have the option, exercisable in its discretion, to renew the lease for two, five-year renewal terms.

Lease Cost: Approximately \$176,000 in rent for the initial term of the extension of the current lease of 27,235 rentable square feet. Approximately \$2,840,040 in rent during the initial term related to the additional 27,048 rentable square feet. Rent for the renewal option periods on both spaces will be 95 percent of the current market rate. In addition, for both spaces, U. T. System Administration will pay for the cost of growth of operating expenses and the pro rata share of the electricity expense, which in 2016 is estimated to be approximately \$1.90 per square foot or \$103,140 annually.

Tenant Improvements: Lessor is providing a turnkey tenant improvement allowance of up to approximately \$24.74 per square foot for the expansion space. U. T. System will pay all of the tenant improvement costs above what is being paid by Lessor.

Source of Funds: Available University Funds

1b. Lease - U. T. Austin: Authorization to extend the lease of 3,436 square feet of space located at 2201 Guadalupe Street, Austin, Travis County, Texas, to the United States Postal Service, for use as a retail postal facility; and finding of a public purpose

Description: Extension of the lease of approximately 3,436 square feet in the West Mall Office Building on U. T. Austin's main campus in Austin, Travis County, Texas, for use as a retail postal facility by the United States Postal Service.

Lessee: United States Postal Service, an independent agency of the United States of America

Term: The original lease term commenced on September 1, 1998, and by prior extensions continues through February 29, 2016; the proposed extension term commences March 1, 2016, and ends on February 28, 2017, with five, one-year options to extend.

Lease Income: Rent is a nominal \$1 per year in exchange for the benefits to U. T. Austin described below.

Public Purpose: The lease will restrict use of the space to the operation of a U.S. Postal Service retail facility. Location of the facility on the main campus provides student, faculty, and staff at U. T. Austin with easy access to postal services. U. T. Austin will retain the right to terminate the lease on 30 days' notice if the space is not used as a retail postal facility. Staff at U. T. Austin therefore believes that the lease serves a public purpose specific to the mission of the institution and requests that the Board of Regents make a finding of fact to that effect and authorize the lease.

1c. Approval of Dual Position of Honor, Trust, or Profit - U. T. Austin: Appointment by Governor Abbott of Linda I. Shaunessy, J.D., Business Contracts Administrator, as a Member of the Governing Board of the Texas Department of Information Resources

The following item has been approved by the Executive Vice Chancellor for Academic Affairs in accordance with Regents' *Rules and Regulations*, Rule 30103.

It has been determined that the holding of this position is of benefit to the State of Texas and The University of Texas at Austin. U. T. Austin has reviewed Ms. Shaunessy's current assignments and will craft a conflicts of interest management plan to ensure her duties while on the Governing Board do not present a conflict of interest.

The Board is also asked to find that holding this position is of benefit to the State of Texas and the University, and an appropriate conflicts management plan will address any potential conflicts.

Name:	Linda I. Shaunessy, J.D.
Title:	Business Contracts Administrator
Position:	Member, Governing Board of the Texas Department of Information Resources
Period:	January 25, 2016 through February 1, 2019
Compensation:	Reimbursement of reasonable travel expenses
Description:	Ms. Shaunessy has been appointed by Governor Abbott as a Member of the Governing Board of the Texas Department of Information Resources (DIR), and will work with the Board to provide statewide leadership and oversight regarding contracts and procurement methods for state agencies and institutions of higher education to purchase technology and technology services. State law requires at least one member of the DIR Governing Board to be an employee of an institution of higher education.