

1. U. T. System - Ashbel Smith/Colorado Building Fire Protection Systems (Project No. 101-150): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Ashbel Smith/Colorado Building Fire Protection Systems project at U. T. System at a preliminary project cost of \$3,180,000 with funding of \$1,892,000 from Available University Funds and \$1,288,000 from Library, Equipment, Repair and Rehabilitation (LERR).

BACKGROUND INFORMATION

The project is necessary to provide enhanced fire and life safety protection in Ashbel Smith Hall and the Colorado Building within the U. T. System Complex. The work includes installation of fire sprinklers in both buildings, replacement of the fire escape for the Colorado Building, and installation of emergency generators to provide power for fire pumps charging the sprinkler system.

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

2. U. T. Arlington - Continuing Education and Workforce Development Center (Project No. 301-118): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Appropriation of Additional Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Witt that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to approve an increase in the total project cost for the Continuing Education and Workforce Development Center project at U. T. Arlington from \$8,584,000 to \$9,784,000
- b. Appropriate and authorize expenditure of \$1,200,000 from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 81, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$1,200,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Continuing Education and Workforce Development Center project at U. T. Arlington is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$8,584,400 with funding of \$7,084,000 from Revenue Financing System Bond Proceeds and \$1,500,400 from Gifts and Grants.

In May 2002, the U. T. Board of Regents approved the design development plans, total project cost, alternative energy economic feasibility, and appropriated and authorized expenditure of \$7,084,000 from Revenue Financing System Bond Proceeds and \$1,500,400 from Gifts and Grants. Since that time, the total Gifts and Grants has been rounded down to \$1,500,000 with approval of the institution.

U. T. Arlington has requested that the total project cost be increased by \$1,200,000 from Revenue Financing System Bond Proceeds to \$9,784,000 to fund the upgrade of the mechanical system from packaged rooftop air conditioning units with electric cooling and gas heating to water-cooled water chillers with a remote water cooling tower and gas-fired water heating boilers.

The \$7,084,000 of Revenue Financing System debt is to be repaid from net revenues from U. T. Arlington's Continuing Education and Workforce Development Center. The additional \$1,200,000 of Revenue Financing System debt will be repaid from U. T. Arlington's designated tuition funds. Total debt service during construction is projected to be \$289,940. Once the project is completed, total annual debt service is projected to be \$693,200. The debt service coverage for the Revenue Bonds is reflected on Page 82.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Continuing Education and Workforce Development Center at U. T. Arlington, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 11th day of July, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

The University of Texas at Arlington
Continuing Education and
Workforce Development Center

Project Level (Actual \$)	Actual			Forecast					
	FY.99	FY.00	FY.01	FY.02	FY.03	FY.04	FY.05	FY.06	FY.07
Beginning Fund Balance									
Revenues				-	-	750,765	1,001,020	1,031,050	1,061,980
Expenses				-	-	(255,750)	(351,080)	(361,714)	(372,670)
Net Operating Income						495,015	649,940	669,336	689,310
Debt Service					(289,940)	(693,200)	(693,200)	(693,200)	(693,200)
Transfers from Designated Funds					289,940	198,185	43,260	23,864	3,890
Net Increase/Decrease for Year					-	-	0	(0)	(0)
Ending Fund Balance									
Debt Service Coverage									
					1.00	1.00	1.00	1.00	1.00

Campus Level: (\$ in millions)	Actual			Forecast					
	FY.99	FY.00	FY.01	FY.02	FY.03	FY.04	FY.05	FY.06	FY.07
Beginning Fund Balance	29.4	28.6	33.0	28.6	33.3	45.1	55.3	66.0	79.1
Total Current Unrestricted Revenues	165.0	180.8	194.2	206.7	222.2	228.8	235.5	243.0	248.6
Total Current Unrestricted Expenditures	(152.5)	(165.5)	(179.1)	(188.9)	(196.0)	(203.4)	(209.9)	(216.1)	(222.5)
Net Revenues	12.5	15.3	15.2	17.8	26.2	25.4	25.6	26.8	26.1
Debt Service	(6.8)	(9.4)	(10.7)	(11.0)	(12.2)	(13.1)	(12.7)	(11.4)	(11.0)
Other Mandatory Transfers	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Mandatory Transfers	(8.8)	(9.4)	(10.7)	(11.0)	(12.2)	(13.1)	(12.7)	(11.5)	(11.0)
Nonmandatory Transfers	(3.7)	(0.7)	(7.6)	(1.4)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Adjustments	(0.8)	(0.7)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.6)	(1.6)
Net Increase/(Decrease) for Year	(0.8)	4.5	(4.4)	4.7	11.8	10.1	10.7	13.1	12.8
Ending Fund Balance	28.6	33.0	28.6	33.3	45.1	55.3	66.0	79.1	91.9
Debt Service Coverage	1.42	1.63	1.41	1.61	2.14	1.94	2.01	2.34	2.38
Debt Service as % of Budget	5.5%	5.4%	5.6%	5.5%	5.9%	6.0%	5.7%	5.0%	4.7%

U. T. System (\$ in millions)	Actual			Forecast					
	FY.99	FY.00	FY.01	FY.02	FY.03	FY.04	FY.05	FY.06	FY.07
Available Revenues	4,363.1	4,967.6	5,247.0	5,569.5	5,886.0	6,168.3	6,466.8	6,820.1	7,141.5
Operating Expenses	(4,168.5)	(4,562.1)	(4,949.2)	(5,228.8)	(5,499.1)	(5,711.6)	(5,958.0)	(6,195.6)	(6,453.3)
Net Available for Debt Service	198.6	405.5	297.8	340.7	387.0	456.7	510.8	624.5	688.2
Other Mandatory Transfers	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.8)	(0.6)	(0.6)
Debt Service	(95.5)	(116.6)	(124.5)	(146.9)	(183.5)	(226.4)	(243.0)	(239.8)	(232.6)
Debt Service Coverage	2.04	3.46	2.38	2.31	2.10	2.01	2.10	2.60	2.95
Debt Service as % of Budget	2.3%	2.6%	2.5%	2.7%	3.2%	3.8%	3.9%	3.7%	3.5%

3. U. T. Arlington - Fine Arts Annex (Project No. 301-119): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Witt that the U. T. Board of Regents:

- a. Approve design development plans for the Fine Arts Annex project at U. T. Arlington
- b. Approve the evaluation of alternative energy economic feasibility
- c. Approve total project cost of \$5,000,000
- d. Appropriate funds and authorize expenditure of \$5,000,000 from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 86, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. Arlington, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$5,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Fine Arts Annex project at U. T. Arlington is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$5,000,000 with funding from Revenue Financing System Bond Proceeds.

A new, pre-engineered metal building will contain approximately 34,000 gross square feet to house all six of the Art Department industrial arts programs and allow for the expansion of classroom lab operations; space for offices, tools, and storage; and reduce the impact on indoor air quality of the building.

The \$5,000,000 of Revenue Financing System debt will be repaid from U. T. Arlington’s designated tuition funds. Debt service during construction is projected to be \$175,000. Once the project is completed, annual debt service is projected to be \$418,397. The debt service coverage for the Revenue Bonds is reflected on Page 87.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

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

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Fine Arts Annex at U. T. Arlington, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 11th day of July, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

U. T. Arlington - Fine Arts Annex

	Actual			Forecast					
	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
Designated Tuition Budget: (Actual \$)									
Beginning Balance	6,198,199	7,101,120	5,334,207	4,481,906	5,849,620	7,857,207	9,961,469	14,659,388	21,843,885
Designated Tuition Fee Receipts	17,738,024	17,320,217	18,581,900	21,065,562	22,289,371	23,535,549	24,804,422	26,096,319	26,884,428
New Debt Service	(5,383,939)	(5,490,584)	(6,774,096)	(4,905,166)	(5,387,065)	(6,015,114)	(4,586,243)	(3,286,432)	(2,796,711)
Mandatory Transfers	(11,451,164)	(13,596,546)	(12,660,105)	(14,792,682)	(14,894,719)	(14,997,776)	(15,101,864)	(15,206,983)	(15,313,173)
Net Increase/Decrease for Year	902,921	(1,766,913)	(852,301)	1,367,714	2,007,587	2,104,262	4,697,918	7,184,497	8,356,147
Ending Fund Balance	7,101,120	5,334,207	4,481,906	5,849,620	7,857,207	9,961,469	14,659,388	21,843,885	30,200,032
Debt Service Coverage	3.29	3.15	2.74	4.29	4.14	3.66	4.96	7.04	8.36

	Actual			Forecast					
	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
Campus Level: (\$ in millions)									
Beg. Fund Balance	29.4	28.7	33.1	28.8	33.5	45.3	55.4	66.1	79.2
Total Current Unrestricted Revenues	165.0	180.8	194.2	206.7	222.2	228.8	235.5	243.0	248.6
Total Current Unrestricted Expenditures	(152.5)	(165.5)	(179.1)	(188.9)	(196.0)	(203.4)	(209.8)	(216.1)	(222.5)
Net Revenues	12.5	15.3	15.2	17.8	26.2	25.4	25.6	26.8	26.1
Debt Service	(8.8)	(9.4)	(10.7)	(11.0)	(12.2)	(13.1)	(12.7)	(11.4)	(11.0)
Other Mandatory Transfers	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Mandatory Transfers	(8.8)	(9.4)	(10.7)	(11.0)	(12.2)	(13.1)	(12.7)	(11.5)	(11.0)
Nonmandatory Transfers	(3.7)	(0.7)	(7.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Adjustments	(0.8)	(0.7)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.6)	(1.6)
Net Increase/Decrease for Year	(0.9)	4.5	(4.4)	4.7	11.8	10.1	10.7	13.1	12.8
End. Fund Balance	28.7	33.1	28.8	33.5	45.3	55.4	66.1	79.2	92.0
Debt Service Coverage	1.42	1.63	1.42	1.61	2.14	1.94	2.01	2.34	2.38
Debt Service as % of Budget	5.5%	5.4%	5.6%	5.5%	5.9%	6.0%	5.7%	5.0%	4.7%

	Actual			Forecast					
	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
U.T. System (\$ in millions)									
Available Revenues	4,363.1	4,967.6	5,247.0	5,569.5	5,886.0	6,168.3	6,466.8	6,820.1	7,141.5
Operating Expenses	(4,166.5)	(4,562.1)	(4,949.2)	(5,228.8)	(5,499.1)	(5,711.6)	(5,956.0)	(6,195.6)	(6,453.3)
Net Available for Debt Service	196.6	405.5	297.8	340.7	387.0	456.7	510.8	624.5	688.2
Other Mandatory Transfers	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Debt Service	(95.5)	(116.6)	(124.5)	(146.9)	(183.5)	(226.4)	(243.0)	(239.8)	(232.6)
Debt Service Coverage	2.04	3.46	2.38	2.31	2.10	2.01	2.10	2.60	2.95
Debt Service as % of Budget	2.3%	2.6%	2.5%	2.7%	3.2%	3.8%	3.9%	3.7%	3.5%

4. U. T. Arlington - Science Building - Phase I (Project No. 301-117): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Witt that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to approve an increase in the total project cost for the Science Building - Phase I project at U. T. Arlington from \$29,635,945 to \$34,635,945 with funding of \$5,000,000 from Revenue Financing System Bond Proceeds.

BACKGROUND INFORMATION

The Science Building - Phase I project at U. T. Arlington is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$29,635,945 with funding of \$16,635,945 from Tuition Revenue Bond Proceeds and \$13,000,000 from Permanent University Fund Bond Proceeds.

U. T. Arlington has requested a funding increase of \$5,000,000 from Revenue Financing System Bond Proceeds to support the facility program that includes replacing mechanical, electrical, and plumbing systems, fixed equipment, hood systems, lab tables, and other lab accessories. The overall building square footage has been reduced to accommodate the increased budget, but cannot be reduced any further without adversely affecting the teaching and research mission of the College of Science.

Under delegated authority, the Chancellor has approved the non-honorary renaming of the project as the Chemistry and Physics Building.

5. U. T. Austin - Biological Science - Wet Lab Building (Project No. 102-029): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; and Appropriation of Additional Funds and Authorization of Expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Faulkner that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to approve an increase in the total project cost for the Biological Science - Wet Lab Building project at U. T. Austin from \$52,000,000 to \$60,000,000
- b. Appropriate and authorize expenditure of \$8,000,000 from Designated Tuition.

BACKGROUND INFORMATION

The Biological Science - Wet Lab Building project at U. T. Austin is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$52,000,000 with funding of \$39,000,000 from Permanent University Fund Bond Proceeds and \$13,000,000 from Designated Tuition.

U. T. Austin has requested that the total project cost be increased to \$60,000,000 to fund the finish out and furnishing of shell floors in the building. Additional funding of \$8,000,000 will be allocated from Designated Tuition.

6. U. T. El Paso - Academic Services Building (Project No. 201-025): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. Board of Regents:

- a. Approve design development plans for the Academic Services Building project at U. T. El Paso
- b. Approve the evaluation of alternative energy economic feasibility
- c. Approve a total project cost of \$10,000,000
- d. Appropriate funds and authorize expenditure of \$10,000,000 from Permanent University Fund Bond Proceeds.

BACKGROUND INFORMATION

The Academic Services Building project at U. T. El Paso is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$10,000,000 with funding from Permanent University Fund Bond Proceeds.

The new building will consist of approximately 46,000 gross square feet to provide for administrative offices and classroom/meeting rooms for all enrollment, advising, and retention activities of the University.

The existing Academic Services Building was built in 1978 to house library collections. The Building's 29,513 gross square feet were converted to administrative space in 1987 and now house the Office of the Registrar, Admissions and Evaluations, the Bursar's Office, and some student orientation and advising activities. The new building will provide the additional space needed for the Enrollment Services division, the Bursar's Office, New Student Orientation, and the Academic Advising Center.

In addition, new quarters will be created for the administrative offices of the Graduate School, Student Financial Aid, Scholarships, the Honors Program, and the Academic Center for Engineers and Scientists. The existing facility will be used to highlight student recruitment and retention; enhancement of the new, entering student program initiatives; and the Academic Advising Center.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

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

7. U. T. El Paso - Biosciences Facility (Project No. 201-114): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that the U. T. Board of Regents:

- a. Approve design development plans for the Biosciences Facility project at U. T. El Paso
- b. Approve the evaluation of alternative energy economic feasibility
- c. Approve a total project cost of \$25,000,000
- d. Appropriate funds and authorize expenditure of \$6,500,000 from Permanent University Fund Bond Proceeds, \$5,750,000 in Revenue Financing System Bond Proceeds, and \$12,750,000 in Tuition Revenue Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 95, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. El Paso, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$5,750,000
- d. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$12,750,000
- e. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Biosciences Facility project at U. T. El Paso is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$25,000,000, with funding of \$6,500,000 from Permanent University Fund Bond Proceeds, \$5,750,000 in Revenue Financing System Bond Proceeds, and \$12,750,000 in Tuition Revenue Bond Proceeds.

The project will construct a new, five-story facility that will contain approximately 84,000 square feet and includes the site development and the extension of site utilities from their existing locations on the campus. The building will include areas of shell space that will eventually be converted into laboratory, support facilities, and office spaces.

This project will showcase the research activities of the Department of Biological Sciences and provide state-of-the-art space for research activities. The space will be dedicated to laboratories, animal facilities that will include a vivarium and aquatic facility, a bio-safety level 3 (BSL-3) laboratory, necessary support facilities and offices, and offices for the Border Biomedical Research Institute.

The total Revenue Financing System debt requested on the Biosciences Facility project is \$18,500,000, of which \$5,750,000 will be repaid from the local funds of U. T. El Paso. The remaining \$12,750,000 will be issued as Tuition Revenue Bonds as authorized by the 77th Session of the Texas Legislature for the construction of a biomedical and health sciences research center on the main campus. Debt service on \$5,750,000 during construction is projected to be \$129,375. Once the project is completed, annual debt service on \$5,750,000 is projected to be \$501,311. The debt service coverage for the Revenue Bonds is reflected on Page 96. The debt service coverage for authorized Tuition Revenue Bonds is reflected on Page 97.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

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

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Biosciences Facility at U. T. El Paso, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 11th day of July, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

**The University of Texas at El Paso
BioSciences Facility**

Campus Level: (\$ in millions)	Actual			Forecast					
	FY99	FY00	FY01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Beginning Fund Balance	0.0	0.5	4.7	9.0	11.2	17.1	24.0	24.0	31.7
Total Current Unrestricted Revenues	129.5	151.2	151.2	154.0	171.7	176.4	180.5	184.6	188.9
Total Current Unrestricted Expenditures	(120.2)	(136.4)	(136.4)	(141.5)	(152.6)	(155.7)	(158.8)	(162.0)	(165.2)
Net Revenues	9.3	14.8	14.8	12.5	19.1	20.7	21.6	22.7	23.7
Debt Service	(4.7)	(5.6)	(5.6)	(8.1)	(10.8)	(11.5)	(11.5)	(11.5)	(11.1)
Other Mandatory Transfers	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Mandatory Transfers	(5.6)	(7.8)	(7.8)	(8.1)	(10.8)	(11.5)	(11.6)	(11.5)	(11.2)
Nonmandatory Transfers	(3.1)	(2.6)	(2.6)	(2.0)	(2.0)	(2.1)	(2.1)	(2.2)	(2.2)
Adjustments	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Increase/(Decrease) for Year	0.4	4.2	4.2	2.2	6.0	6.9	7.7	6.8	10.1
Ending Fund Balance	0.5	4.7	9.0	11.2	17.1	24.0	31.7	32.8	41.8
Debt Service Coverage	1.7	1.9	1.9	1.5	1.8	1.8	1.9	2.0	2.1
Debt Service as a % of Budget	4.3%	5.3%	5.3%	5.4%	6.6%	6.9%	6.8%	6.6%	6.3%

U. T. System (\$ in millions)	Actual			Forecast					
	FY99	FY00	FY01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Available Revenues	4,383.1	4,967.8	5,247.0	5,569.5	5,886.0	6,188.3	6,466.8	6,820.1	7,141.5
Operating Expenses	(4,166.5)	(4,562.1)	(4,948.2)	(5,228.6)	(5,499.1)	(5,711.6)	(5,956.0)	(6,195.6)	(6,453.3)
Net Available for Debt Service	196.6	405.5	297.6	340.7	387.0	456.7	510.8	624.5	688.2
Other Mandatory Transfers	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Debt Service	(95.5)	(116.8)	(124.5)	(146.9)	(183.5)	(226.4)	(243.0)	(238.8)	(232.6)
Debt Service Coverage	2.04	3.46	2.38	2.31	2.10	2.01	2.10	2.60	2.95
Debt Service as a % of Budget	2.3%	2.6%	2.5%	2.7%	3.2%	3.8%	3.9%	3.7%	3.5%

Office of Finance July 2002

**The University of Texas System
Revenue Financing System
Debt Service Coverage
(\$ in millions)**

As of July 1, 2002:	Actual			Forecast					
	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Available Revenues	4,363.1	4,967.6	5,247.0	5,569.5	5,886.0	6,168.3	6,466.8	6,820.1	7,141.5
Operating Expenses	(4,186.5)	(4,562.1)	(4,949.2)	(5,228.8)	(5,499.1)	(5,711.6)	(5,956.0)	(6,195.6)	(6,453.3)
Net Revenues Available for Debt Service	196.6	405.5	297.8	340.7	387.0	456.7	510.8	624.5	688.2
Other Mandatory Transfers	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Debt Service:									
Non - Tuition Related	(66.5)	(76.3)	(83.3)	(105.5)	(125.5)	(175.5)	(190.3)	(184.8)	(178.0)
Tuition Related	(29.0)	(40.2)	(41.2)	(41.3)	(57.9)	(50.7)	(52.5)	(55.0)	(54.6)
Total Debt Service	(95.5)	(116.5)	(124.5)	(146.9)	(183.5)	(226.2)	(242.7)	(239.8)	(232.6)
Debt Service Coverage Without Tuition Bonds (x)	2.92	5.27	3.54	2.82	2.61	2.31	2.40	3.07	3.55
Debt Service Coverage With Tuition Bonds (x)	2.04	3.46	2.38	2.31	2.10	2.01	2.10	2.60	2.95

Office of Finance July 2002

8. U. T. Pan American - Administrative Offices Renovation (Project No. 901-050): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; Reduction of Appropriation and Expenditure of Funds; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Nevárez that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Administrative Offices Renovation project at U. T. Pan American from \$2,262,000 in Unexpended Plant Funds, \$2,500,000 in Higher Education Funds, and \$275,000 in Tuition Revenue Bond Proceeds to \$2,262,000 in Unexpended Plant Funds, \$1,282,000 in Higher Education Funds, and \$1,493,000 in Tuition Revenue Bond Proceeds
- b. Reduce appropriation and expenditure to \$1,218,000 from Higher Education Funds
- c. Appropriate funds and authorize expenditure of \$1,218,000 from Tuition Revenue Bond Proceeds.

BACKGROUND INFORMATION

The Administrative Offices Renovation project at U. T. Pan American is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$5,037,000 with funding of \$2,262,000 from Unexpended Plant Funds, \$2,500,000 in Higher Education Funds, and \$275,000 in Tuition Revenue Bond Proceeds.

At the June 6, 2002 Campus Planning Committee meeting of the Texas Higher Education Coordinating Board, Committee members agreed that the wording in House Bill 658 (Tuition Revenue Bond allocation bill) stipulates that unused Tuition Revenue Bonds may be used for other renovation projects. The Committee determined that the Campus Entrance/Visitors' Center project is a combination of renovation and new construction. Therefore, Higher Education Funds in the amount of \$1,218,000 from the Administrative Offices Renovation project will be substituted for the Tuition Revenue Bond Proceeds in the amount of \$1,218,000 for the value of the new construction. (See Item 9 on Page 100.)

In February 2001, the U. T. Board of Regents authorized institutional management for this project.

9. U. T. Pan American - Campus Entrance/Visitors' Center (Project No. 901-146): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; Reduction of Appropriation and Expenditure of Funds; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Nevárez that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Campus Entrance/Visitors' Center project at U. T. Pan American from \$3,325,000 in Tuition Revenue Bond Proceeds to \$2,107,000 in Tuition Revenue Bond Proceeds and \$1,218,000 in Higher Education Funds
- b. Reduce appropriation of expenditure to \$2,107,000 from Tuition Revenue Bond Proceeds
- c. Appropriate funds and authorize expenditure of \$1,218,000 in Higher Education Funds.

BACKGROUND INFORMATION

The Campus Entrance/Visitors' Center project at U. T. Pan American is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$3,325,000 with funding from Tuition Revenue Bond Proceeds.

At the June 6, 2002 Campus Planning Committee meeting of the Texas Higher Education Coordinating Board, Committee members agreed that the wording in House Bill 658 (Tuition Revenue Bond allocation bill) stipulates that unused Tuition Revenue Bonds may be used for other renovation projects. The Committee determined that the Campus Entrance/Visitors' Center project is a combination of renovation and new construction. Therefore, Higher Education Funds in the amount of \$1,218,000 from the Administrative Offices Renovation project will be substituted for the Tuition Revenue Bond Proceeds in the amount of \$1,218,000 for the value of the new construction. (See Item 8 on Page 98.)

In May 2000, the U. T. Board of Regents authorized institutional management for this project that will be completed in several phases.

10. U. T. San Antonio - Student Housing Expansion - Phase I (Project No. 401-139): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Student Housing Expansion - Phase I project at U. T. San Antonio from \$16,200,000 to \$19,000,000 with additional funding of \$2,800,000 from Revenue Financing System Bond Proceeds
- b. Appropriate funding and authorize expenditure of \$2,800,000 from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 104, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. San Antonio, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$2,800,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Student Housing Expansion - Phase I project at U. T. San Antonio is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$12,000,000 with funding from Revenue Financing System Bond Proceeds. In May 2002, design development plans were approved and the total project cost was increased to \$16,200,000 with funding from Revenue Financing System Bond Proceeds.

U. T. San Antonio has requested that the total project cost be increased from \$16,200,000 to \$19,000,000 to fund the required mechanical systems needed to

support life-safety in the housing units. The apartment complex will consist of 142,314 gross square feet, capable of housing 500 students, with private bedrooms for single person occupancy, common rest rooms, vanity sinks located outside of the common rest room areas, kitchen facilities, and shared living space in the commons building.

The \$19,000,000 in debt is to be repaid from net revenue generated from the new and existing housing operations. Total debt service during construction is projected to be \$1,045,000. Once the project is completed, total annual debt service is projected to be \$1,307,302. The financing forecast for this project is set forth on Page 105.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Student Housing Expansion - Phase I at U. T. San Antonio, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 11th day of July, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

The University of Texas at San Antonio
Student Housing Expansion Phase I

Project Level (Actual \$)	Actual			Forecast					
	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Beginning Fund Balance							480,172	580,608	723,184
Revenues						2,269,000	2,377,450	2,491,323	2,610,889
Expenses						(575,758)	(658,388)	(726,724)	(795,794)
Net Operating Income						1,893,242	1,718,062	1,764,599	1,815,095
Debt Service					(665,000)	(1,045,000)	(1,307,302)	(1,307,302)	(1,307,302)
Nonmandatory Transfers					665,000	(168,070)	(311,324)	(314,740)	(318,327)
Net Increase/Decrease for Year						480,172	100,436	142,557	189,466
Ending Fund Balance						480,172	580,608	723,184	912,630
Debt Service Coverage					1.00	1.62	1.31	1.35	1.39

Campus Level: (\$ in millions)

	Actual			Forecast					
	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Beginning Fund Balance									
Total Current Unrestricted Revenues	22.6	26.0	28.3	29.9	31.0	29.8	26.8	26.9	25.7
Total Current Unrestricted Expenditures	120.1	140.4	147.6	166.5	176.9	188.3	197.8	206.6	214.4
Net Revenues	(106.7)	(117.8)	(131.5)	(145.7)	(158.0)	(167.3)	(176.2)	(184.1)	(192.9)
Debt Service	13.4	22.6	18.1	20.7	18.9	21.0	21.6	22.5	21.4
Other Mandatory Transfers	(7.8)	(10.6)	(11.2)	(11.7)	(13.6)	(15.5)	(14.7)	(15.6)	(15.5)
Total Mandatory Transfers	(0.0)	(0.0)	(0.0)	(0.1)	0.1	0.1	0.1	0.1	0.1
Nonmandatory Transfers	(7.9)	(10.6)	(11.3)	(11.8)	(13.5)	(15.3)	(14.6)	(15.5)	(15.4)
Adjustments	(1.9)	(9.6)	(2.9)	(7.4)	(6.3)	(8.2)	(6.5)	(7.8)	(6.9)
Net Increase/(Decrease) for Year	(0.2)	(0.2)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Ending Fund Balance	3.5	2.2	1.6	1.1	(1.2)	(3.0)	0.1	(1.2)	(1.2)
Debt Service Coverage	26.0	28.3	29.9	31.0	29.8	26.8	26.9	25.7	24.5
Debt Service as % of Budget	1.70	2.13	1.43	1.75	1.40	1.37	1.48	1.45	1.39
	6.8%	8.2%	7.9%	7.5%	7.9%	8.5%	7.7%	7.8%	7.4%

U. T. System (\$ in millions)

	Actual			Forecast					
	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
Available Revenues	4,363.1	4,967.6	5,247.0	5,569.5	5,886.0	6,168.3	6,466.8	6,820.1	7,141.5
Operating Expenses	(4,168.5)	(4,562.1)	(4,949.2)	(5,228.8)	(5,498.1)	(5,711.6)	(5,956.0)	(6,195.6)	(6,453.3)
Net Available for Debt Service	196.6	405.5	297.8	340.7	387.0	456.7	510.8	624.5	688.2
Other Mandatory Transfers	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Debt Service	(95.5)	(116.6)	(124.5)	(146.9)	(183.5)	(226.4)	(243.0)	(239.8)	(232.6)
Debt Service Coverage	2.04	3.46	2.38	2.31	2.10	2.01	2.10	2.60	2.95
Debt Service as % of Budget	2.3%	2.6%	2.5%	2.7%	3.2%	3.8%	3.9%	3.7%	3.5%

11. U. T. Tyler - Student Health and Kinesiology Building (Project No. 802-019) and Nursing Building (Project No. 802-074): Request for Approval to Name Facilities [Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1 (Naming of Facilities and Other Entities)]

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Mabry that the U. T. Board of Regents approve the honorific naming of three major facilities within the Student Health and Kinesiology Building construction project (to be known as the Patriot Center) at U. T. Tyler as follows:

- a. Name the Health and Kinesiology academic wing as the Jean Lancaster Health and Kinesiology Wing
- b. Name the convocation center/gymnasium as the Maytee Fisch Convocation Center
- c. Name the recreation and therapy pool as the Jim and Bonna Bess Vaughn Recreation and Therapy Pool.

It is also recommended that the U. T. Board of Regents name the Nursing Building construction project as the David G. and Jacqueline M. Braithwaite Building.

BACKGROUND INFORMATION

Two construction projects for the Student Health and Kinesiology Building and the Nursing Building at U. T. Tyler are underway. Under delegated authority, the Chancellor has approved the non-honorific naming of the Student Health and Kinesiology Building as the Patriot Center.

U. T. Tyler requests approval of honorific namings consistent with the Regents' Rules and Regulations, Part Two, Chapter VIII, Section 1 (Naming of Facilities and Other Entities) for major facilities and less prominent facilities and institutional guidelines on the naming of facilities as follows:

- a. The Jean Lancaster Health and Kinesiology Wing would be named in honor of the sister of the anonymous donor
- b. The naming of the Maytee Fisch Convocation Center is proposed in honor of Ben and Maytee Fisch who pledged \$2,000,000 toward the convocation center/gymnasium
- c. The Jim and Bonna Bess Vaughn Recreation and Therapy Pool would be named in honor of the Vaughns' contribution of \$800,000 to fund the entire cost of construction of the recreation and therapy pool.

The honorific naming of the Nursing Building as the David G. and Jacqueline M. Braithwaite Building that will house the College of Nursing and Health Sciences is in honor of Mrs. Jacqueline Braithwaite's pledge of \$2,500,000 toward the Nursing Building.

12. U. T. Southwestern Medical Center - Dallas - Student Housing (Project No. 303-013) and Southwestern Medical Park Apartments: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Combine Projects as the Southwestern Medical Park Apartments; and Approval to Increase Total Project Cost

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Acting Executive Vice Chancellor for Health Affairs, and President Wildenthal that the U. T. Board of Regents:

- a. Approve combining the Student Housing and Southwestern Medical Park Apartments projects at U. T. Southwestern Medical Center - Dallas into one project as the Southwestern Medical Park Apartments project
- b. Approve a revised total project cost from \$10,500,000 to \$19,250,000 with additional funds of \$8,750,000 to be appropriated from Revenue Financing System Bond Proceeds.

BACKGROUND INFORMATION

The Student Housing project at U. T. Southwestern Medical Center - Dallas was originally approved at the August 2000 U. T. Board of Regents' meeting with funding of \$10,500,000 from Revenue Financing System Bond Proceeds. The project was included in the FY 2000-2005 Capital Improvement Program and the FY 2000-2001 Capital Budget.

A second phase of the student housing project entitled Southwestern Medical Park Apartments is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$8,750,000 with funding from Revenue Financing System Bond Proceeds.

U. T. Southwestern Medical Center - Dallas has requested combining the projects to consolidate design aspects of the housing complex. The project will consist of 144 apartment units and will be brought before the U. T. Board of Regents' Facilities Planning and Construction Committee for design approval prior to the bidding process.

13. U. T. Health Science Center - Houston - Indoor Air Quality at the Medical School (Project No. 701-946): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; Approval of Reduction of Appropriation and Expenditure of Funds; and Appropriation and Expenditure of Funds

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Acting Executive Vice Chancellor for Health Affairs, and President Willerson that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Indoor Air Quality at the Medical School project at U. T. Health Science Center - Houston at a total project cost of \$16,200,000 with funding of \$12,600,000 from Permanent University Fund Bond Proceeds and \$3,600,000 from Hospital Revenues to \$13,304,541 from Permanent University Fund Bond Proceeds and \$2,895,459 from Hospital Revenues
- b. Reduce appropriation and expenditure of \$704,541 from Hospital Revenues
- c. Appropriate funds and authorize expenditure of \$704,541 in Permanent University Fund Bond Proceeds transferred from the Medical School Building/Limestone Cladding Repairs project (Project No. 701-968).

BACKGROUND INFORMATION

The Indoor Air Quality at the Medical School project at U. T. Health Science Center - Houston is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a total project cost of \$16,200,000 with funding of \$12,600,000 from Permanent University Fund Bond Proceeds and \$3,600,000 from Hospital Revenues.

U. T. Health Science Center - Houston has requested that funding of \$704,541 from Permanent University Fund Bond Proceeds be transferred from the Medical School Building/Limestone Cladding Repairs project (Project No. 701-968) and that the appropriation from Hospital Revenues be reduced.

The project is under construction and consists of installation of a laboratory exhaust manifold; ductwork cleaning; installation of new heating, venting, and air conditioning components in laboratory areas; and purchase of laboratory heating, venting, and air conditioning control systems.

14. U. T. Health Science Center - Houston - Mental Sciences Institute - Replacement Facility, Phase I (Project No. 701-040): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Acting Executive Vice Chancellor for Health Affairs, and President Willerson that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Mental Sciences Institute - Replacement Facility, Phase I at U. T. Health Science Center - Houston from \$16,500,000 to \$22,500,000 with funding of \$6,000,000 from Hospital Revenues.

BACKGROUND INFORMATION

The Mental Sciences Institute - Replacement Facility, Phase I project at U. T. Health Science Center - Houston is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$16,500,000 with funding from Unexpended Plant Funds.

The project will construct an 87,000 gross square foot facility that includes clinics, offices, wet labs, and teaching space. U. T. Health Science Center - Houston has requested that the total project cost be increased from \$16,500,000 to \$22,500,000 to fund the replacement of essential functions presently located in the existing Mental Sciences Institute. The additional costs have been identified as the project finalized design and equipment needs. The requested increase of \$6,000,000 is to be funded from Hospital Revenues.

15. U. T. M. D. Anderson Cancer Center - HMB Replacement Facility (Project No. 703-130): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Acting Executive Vice Chancellor for Health Affairs, and President Mendelsohn that the U. T. Board of Regents:

- a. Approve design development plans for the HMB Replacement Facility at U. T. M. D. Anderson Cancer Center
- b. Approve evaluation of alternative energy economic feasibility
- c. Approve a total project cost of \$110,400,000
- d. Appropriate funds and authorize expenditure of \$85,000,000 from Revenue Financing System Bond Proceeds and \$25,400,000 from Hospital Revenues.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 115, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. M. D. Anderson Cancer Center, which is a “Member” as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$85,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The HMB Replacement Facility project at U. T. M. D. Anderson Cancer Center is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$110,400,000 with funding of \$85,000,000 from Revenue Financing System Bond Proceeds and \$25,400,000 from Hospital Revenues.

The construction will be south of the existing Houston Main Building and will contain approximately 355,000 gross square feet of space. The facility includes faculty and administrative offices, prevention clinics, behavioral sciences clinics, café food service, conference center, and materials management areas, including a loading dock. A bridge connects the facility to the new Ambulatory Clinical Building on levels two through eight. In addition, a basement-level service corridor will connect the HMB Replacement Facility and the Ambulatory Clinical Building to facilitate distribution of materials and equipment.

The total Revenue Financing System debt requested for the HMB Replacement Facility is \$85,000,000 and will be repaid from U. T. M. D. Anderson Cancer Center’s local funds. Debt service during construction is projected to be \$3,825,000. When the project is completed, annual debt service is projected to be \$7,410,687. The debt service coverage for the Revenue Bonds is reflected on Page 116.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

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

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the HMB Replacement Facility at U. T. M. D. Anderson Cancer Center, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 11th day of July, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

The University of Texas M. D. Anderson Cancer Center
HMB Replacement Facility

Campus Level: (\$ in millions)	Actual			Forecast						
	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	
Beginning Fund Balance	445.0	505.1	403.7	418.6	395.2	406.6	419.7	464.5	550.3	
Total Current Unrestricted Revenues	832.3	998.6	1,121.0	1,190.9	1,309.9	1,430.9	1,578.4	1,741.9	1,924.5	
Total Current Unrestricted Expenditures	(796.0)	(907.2)	(1,030.5)	(1,116.6)	(1,201.9)	(1,303.5)	(1,415.6)	(1,513.5)	(1,620.3)	
Net Revenues	36.3	91.4	90.5	74.3	107.9	127.5	162.7	228.4	304.2	
Debt Service	(6.9)	(8.1)	(11.4)	(21.1)	(30.2)	(48.5)	(49.0)	(49.5)	(49.5)	
Other Mandatory Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Mandatory Transfers	(6.9)	(8.1)	(11.4)	(17.6)	(25.7)	(48.1)	(50.9)	(50.0)	(48.6)	
Nonmandatory Transfers	(50.0)	(187.0)	(62.2)	(80.0)	(70.9)	(66.2)	(67.1)	(92.6)	(104.1)	
Adjustments	80.6	2.3	(2.0)	-	-	-	-	-	-	
Net Increase/(Decrease) for Year	60.1	(101.4)	14.9	(23.3)	11.4	13.1	44.8	85.8	151.5	
Ending Fund Balance	505.1	403.7	418.6	395.2	406.6	419.7	464.5	550.3	701.8	
Debt Service Coverage	5.29	11.23	7.91	4.22	4.20	2.65	3.20	4.57	6.26	
Debt Service as % of Budget	0.9%	0.9%	1.1%	1.9%	2.4%	3.6%	3.3%	3.2%	3.0%	
U. T. System (\$ in millions)										
Available Revenues	4,363.1	4,967.6	5,247.0	5,569.5	5,886.0	6,168.3	6,466.8	6,820.1	7,141.5	
Operating Expenses	(4,166.5)	(4,562.1)	(4,949.2)	(5,228.8)	(5,499.1)	(5,711.6)	(5,956.0)	(6,195.6)	(6,453.3)	
Net Available for Debt Service	196.6	405.5	297.8	340.7	387.0	456.7	510.8	624.5	688.2	
Other Mandatory Transfers	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	
Debt Service	(95.5)	(116.6)	(124.5)	(146.9)	(183.5)	(226.4)	(243.0)	(239.8)	(232.6)	
Debt Service Coverage	2.04	3.46	2.38	2.31	2.10	2.01	2.10	2.60	2.95	
Debt Service as % of Budget	2.3%	2.6%	2.5%	2.7%	3.2%	3.8%	3.9%	3.7%	3.5%	

16. U. T. Health Center - Tyler - Biomedical Research Wing Addition (Project No. 801-062): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Acting Executive Vice Chancellor for Health Affairs, and President Garvey that the U. T. Board of Regents:

- a. Approve design development plans for the Biomedical Research Wing Addition at U. T. Health Center - Tyler
- b. Approve evaluation of alternative energy economic feasibility
- c. Approve a total project cost of \$11,513,250
- d. Appropriate funds and authorize expenditure of \$11,513,250 from Tuition Revenue Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 120, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. Sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. Board of Regents relating to the Financing System
- c. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$11,513,250
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Biomedical Research Wing Addition project at U. T. Health Center - Tyler is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$11,513,250 with funding from Tuition Revenue Bond Proceeds.

The project will be an addition to the existing Biomedical Research Center and will contain 30,000 gross square feet in a new, single-story research wing to support the programs for the Center for Pulmonary and Infectious Disease Control, Department of Microbiology, Department of Occupational Health Sciences, Department of Occupational and Environmental Medicine, and other research areas. The project includes additional thermal energy plant equipment, infrastructure work, surface parking, landscaping, and the purchase and installation of scientific research laboratory equipment. This addition follows the master plan originally proposed for this building in 1985.

In 2001, the 77th Session of the Texas Legislature authorized \$11,513,250 of Tuition Revenue Bonds to be issued to enable U. T. Health Center - Tyler to construct a biomedical research center addition. The debt service coverage for authorized Tuition Revenue Bonds is reflected on Page 121.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building. Therefore, the Project Architect prepared an evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

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

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Biomedical Research Wing Addition at U. T. Health Center at Tyler, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 11th day of July, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

**The University of Texas System
Revenue Financing System
Debt Service Coverage
(\$ In millions)**

	Actual			Forecast					
	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
As of July 1, 2002:									
Available Revenues	4,363.1	4,967.6	5,247.0	5,569.5	5,886.0	6,168.3	6,466.8	6,820.1	7,141.5
Operating Expenses	(4,166.5)	(4,562.1)	(4,949.2)	(5,228.8)	(5,499.1)	(5,711.6)	(5,956.0)	(6,195.6)	(6,453.3)
Net Revenues Available for Debt Service	196.6	405.5	297.8	340.7	387.0	456.7	510.8	624.5	688.2
Other Mandatory Transfers	(0.8)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Debt Service:									
Non - Tuition Related	(66.5)	(76.3)	(83.3)	(105.5)	(125.5)	(175.5)	(190.3)	(184.8)	(178.0)
Tuition Related	(29.0)	(40.2)	(41.2)	(41.3)	(57.9)	(50.7)	(52.5)	(55.0)	(54.6)
Total Debt Service	(95.5)	(116.5)	(124.5)	(146.9)	(183.5)	(226.2)	(242.7)	(239.8)	(232.6)
Debt Service Coverage Without Tuition Bonds (x)	2.92	5.27	3.54	2.82	2.61	2.31	2.40	3.07	3.55
Debt Service Coverage With Tuition Bonds (x)	2.04	3.46	2.38	2.31	2.10	2.01	2.10	2.60	2.95

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INFORMATIONAL REPORT

U. T. System: Quarterly Report on Historically Underutilized Business (HUB)
Expenditures for Building Construction

REPORT

Committee Chairman Clements will summarize Historically Underutilized Business (HUB) expenditures for building construction for the U. T. System.