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El Paso, Texas

Colleen McHugh, *Chairman*
James D. Dannenbaum
James R. Huffines
Robert B. Rowling

Wednesday, November 12, 2008

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A. CONVENE MEETING OF HEALTH AFFAIRS COMMITTEE	4:00 p.m. <i>Chairman McHugh</i>		
1. U. T. M. D. Anderson Cancer Center: Authorization to acquire by purchase or exchange Blocks 14, 15, 16, 17, 18, 19, 21, and 22, and Lots 1 through 9 of Block 20 of the Institute Addition, and the real property within the area bounded by South Braeswood Boulevard to the north, Fannin Street to the west, Old Spanish Trail to the south, and Bertner Avenue to the east, and within the area bounded by Corder Street to the north, Almeda Road to the west, the alignment of Pawnee Street to the south, and Cayuga Street and a line extending from its centerline to the east, together with all improvements, adjacent streets, and alleys, if applicable, all in Houston, Harris County, Texas, as and when the individual properties or undivided interests therein become available for purchase, and each for a price not to exceed fair market value as established by independent appraisals, for future programmed development of campus expansion or other purposes related to the institution's mission	4:00 p.m. Action <i>President Mendelsohn Ms. Mayne</i>	Action	92
2. U. T. M. D. Anderson Cancer Center: Authorization to enter into contracts, easements, and agreements with CenterPoint Energy Houston Electric LLC, a Delaware limited liability company, which was selected through a request for proposals process to provide electrical utility distribution and transmission services to existing and future properties and facilities of U. T. M. D. Anderson Cancer Center in the Houston, Texas, Metropolitan Area	4:10 p.m. Action <i>President Mendelsohn Ms. Mayne</i>	Action	95
3. U. T. Health Science Center – Houston: Report on activities related to a potential partnership between the Children's Learning Institute and the Knowledge Is Power Program	4:20 p.m. Report <i>President Kaiser</i>	Not on Agenda	96

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4. U. T. System: Update on the status and cost savings of shared purchasing initiatives of the U. T. System Supply Chain Alliance	4:30 p.m. Report <i>Mr. St. Onge</i>	Not on Agenda	97
5. U. T. System: Quarterly report on health matters to cover discussion of leadership at the U. T. System health institutions	4:45 p.m. Report <i>Dr. Shine</i>	Not on Agenda	97
B. ADJOURN MEETING OF HEALTH AFFAIRS COMMITTEE	5:00 p.m.		

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Thursday, November 13, 2008

	Committee Meeting
C. CONVENE SPECIAL MEETING OF THE HEALTH AFFAIRS COMMITTEE	8:30 a.m. <i>Chairman</i> <i>McHugh</i>
<u>Leadership and Management Development Programs</u>	
The presidents of the U. T. System health institutions will discuss leadership and management development programs available at their campuses.	
D. ADJOURN SPECIAL MEETING	9:30 a.m.

1. **U. T. M. D. Anderson Cancer Center: Authorization to acquire by purchase or exchange Blocks 14, 15, 16, 17, 18, 19, 21, and 22, and Lots 1 through 9 of Block 20 of the Institute Addition, and the real property within the area bounded by South Braeswood Boulevard to the north, Fannin Street to the west, Old Spanish Trail to the south, and Bertner Avenue to the east, and within the area bounded by Corder Street to the north, Almeda Road to the west, the alignment of Pawnee Street to the south, and Cayuga Street and a line extending from its centerline to the east, together with all improvements, adjacent streets, and alleys, if applicable, all in Houston, Harris County, Texas, as and when the individual properties or undivided interests therein become available for purchase, and each for a price not to exceed fair market value as established by independent appraisals, for future programmed development of campus expansion or other purposes related to the institution's mission**

RECOMMENDATION

Dr. Kenneth I. Shine, in his roles as Chancellor ad interim and Executive Vice Chancellor for Health Affairs, concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and President Mendelsohn that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. M. D. Anderson Cancer Center, to

- a. acquire by purchase or exchange Blocks 14, 15, 16, 17, 18, 19, 21, and 22, and Lots 1 through 9 of Block 20 of the Institute Addition, and the real property within the area bounded by South Braeswood Boulevard to the north, Fannin Street to the west, Old Spanish Trail to the south, and Bertner Avenue to the east, and within the area bounded by Corder Street to the north, Almeda Road to the west, the alignment of Pawnee Street to the south, and Cayuga Street and a line extending from its centerline to the east, together with all improvements, adjacent streets, and alleys, if applicable, all in Houston, Harris County, Texas, as and when the individual properties or undivided interests therein become available for purchase, and each for a price not to exceed fair market value as established by independent appraisals, for future programmed development of campus expansion or other purposes related to the institution's mission; and
- b. authorize 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 to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

U. T. M. D. Anderson Cancer Center seeks to establish two acquisition zones to enable it to purchase the subject property as and when it becomes available. The property consists of two distinct areas. The Mid-Campus area includes an area bounded by South Braeswood Boulevard to the north, Fannin Street to the west, Old Spanish Trail to the south, and Bertner Avenue as currently platted to the east, and Blocks 14, 15, 16, 17, 18, 19, 21, and 22, and Lots 1 through 9 of Block 20 of the Institute Addition. The East Campus area is bounded by Corder Street to the north, Almeda Road to the west, the alignment of Pawnee Street to the south, and Cayuga Street and a line extending from its centerline to the east. (See map on Page 94.) The institution proposes to acquire the subject property over time at prices not to exceed the then fair market value as determined by independent appraisals for future programmed development of campus expansion or other purposes related to the institution's mission.

The Mid-Campus area totals approximately 33 acres. U. T. M. D. Anderson Cancer Center has over time and under a number of prior authorizations acquired approximately 20 acres in the Mid-Campus area, including the recent exchange of land with the City of Houston in October 2008; approximately 13 acres remain to be purchased in the Mid-Campus area. Based on recent appraisals of nearby properties, the current estimated market value of those 13 acres is approximately \$45,000,000. The East Campus area totals approximately 43 acres. U. T. M. D. Anderson Cancer Center has over time and under a number of prior authorizations acquired approximately 32 acres of property in the East Campus area, including the acquisition of 28.8 acres of land from Institute Partners in January 2008. Approximately 11 acres remain to be purchased in the East Campus area. Based on recent appraisals of nearby properties, the current estimated market value of those 11 acres is approximately \$19,000,000.

U. T. M. D. Anderson's long-range strategic plan envisions expansion of the institution into the entire Mid-Campus and East Campus areas. The Mid-Campus area directly links the institution's Main Campus with its South Campus, which includes research facilities. The East Campus area is located one-fourth mile directly east of the South Campus.

Authorization to purchase properties within the acquisition zones will facilitate planning and provide the institution the flexibility to acquire property in a timely manner when it becomes available for purchase.

Institutional funds will be used to fund the purchases.



2. **U. T. M. D. Anderson Cancer Center: Authorization to enter into contracts, easements, and agreements with CenterPoint Energy Houston Electric LLC, a Delaware limited liability company, which was selected through a request for proposals process to provide electrical utility distribution and transmission services to existing and future properties and facilities of U. T. M. D. Anderson Cancer Center in the Houston, Texas, Metropolitan Area**

RECOMMENDATION

Dr. Kenneth I. Shine, in his roles as Chancellor ad interim and Executive Vice Chancellor for Health Affairs, concurs in the recommendation of the Executive Vice Chancellor for Business Affairs and President Mendelsohn, that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. M. D. Anderson Cancer Center, to

- a. enter into contracts, easements, and agreements with CenterPoint Energy Houston Electric LLC, a Delaware limited liability company ("CenterPoint Energy"), which was selected through a request for proposals process to provide electrical utility distribution and transmission services to existing and future properties and facilities of U. T. M. D. Anderson Cancer Center in the Houston, Texas, Metropolitan Area; and
- b. authorize the institution's Vice President for Business Affairs to execute the contract and related agreements and the Executive Director of Real Estate to execute all documents, easements, and other agreements regarding real property, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

BACKGROUND INFORMATION

On August 29, 2008, U. T. M. D. Anderson Cancer Center issued a Request for Proposals (RFP) for electrical utility distribution and transmission services covering the Houston, Texas, Metropolitan Area. CenterPoint Energy was the only respondent. Section 51.923 of the *Texas Education Code* permits a contract with CenterPoint Energy by its selection through a request for proposals process.

U. T. M. D. Anderson Cancer Center desires to enter into a master contract for a term of five years for the provision of electrical distribution and transmission services for its current and future facilities located in the Houston, Texas, Metropolitan Area. The contract will permit the institution and CenterPoint Energy to enter into addenda under the master contract with respect to specific projects. Easements will be granted as

needed so that the utility services can be provided. Services and fees are based on CenterPoint Energy's tariffs and regulations from the Texas Utility Commission.

Authorization to enter into the master contract enabling project specific addenda and easements is being sought so that U. T. M. D. Anderson Cancer Center may minimize delays related to the provision of electrical distribution and transmission services to construction and renovation projects at existing and future properties.

3. U. T. Health Science Center – Houston: Report on activities related to a potential partnership between the Children's Learning Institute and the Knowledge Is Power Program

President Kaiser will report on activities related to a potential partnership between the Children's Learning Institute and the Knowledge Is Power Program.

REPORT

The Children's Learning Institute (CLI) at U. T. Health Science Center – Houston is an international leader in comprehension, prevention, and remediation of learning problems in children. The Institute is seeking a partnership with one of the nation's foremost charter school systems, the Knowledge Is Power Program (KIPP), to create a lab school where CLI researchers and KIPP educators will serve children from early childhood to fourth grade.

The CLI was formed in 2003 to build upon the success of U. T. Health Science Center – Houston's two nationally recognized centers: the Center for Academic and Reading Skills (CARS) and the Center for Improving the Readiness of Children for Learning and Education (CIRCLE). In that same year, Governor Perry named CLI the Texas State Center for Early Childhood Development with the objective of developing training for early childhood providers in Texas and enhancing preliteracy skills development for young children. CLI's continued success can be measured by its growth in external support. In Fiscal Year 2008, CLI secured more than \$38 million in federal, State, and private grants and philanthropic support.

The KIPP was founded in Houston in 1994 and has grown into a national network of free, open-enrollment, college-preparatory schools with a track record of preparing students in underserved communities for success in college and beyond. There are currently 65 KIPP schools in 19 states and the District of Columbia serving over 16,000 students. KIPP recently completed a \$65 million campaign that will increase KIPP Houston's schools from 11 to 53, with funding from some of the nation's foremost donors, including the Gates Foundation. This expansion will make KIPP the largest charter school organization in the country.

The new lab school created by the partnership between CLI and KIPP would provide model classrooms for observation and assessment, clinical rooms to treat and serve students, and a practical training ground for CLI's educational theories. The lab school would also serve as an example of what innovative learning models can achieve in all levels and abilities of children.

Under the partnership being reviewed and developed, the CLI facility would be the central location for faculty and staff currently spread throughout the Texas Medical Center. In conjunction with the CLI/KIPP lab school, CLI could strengthen the quality of research and expand the depth and breadth of knowledge coming from CLI and the collaborative lab school.

U. T. Health Science Center – Houston is considering locating the proposed CLI/KIPP lab school and the CLI facility adjacent to each other on a 5.1-acre site south of the U. T. Research Park. The proposed 68,000 square foot CLI facility would be constructed on approximately 2.2 acres of the 5.1-acre site. The remaining 2.9 acres would be made available through a ground lease to KIPP for construction of the CLI/KIPP lab school.

Supplemental Materials: PowerPoint presentation on Pages 130 - 134 of Volume 2.

4. **U. T. System: Update on the status and cost savings of shared purchasing initiatives of the U. T. System Supply Chain Alliance**

REPORT

Associate Vice Chancellor Richard St. Onge will report on the status and cost savings of shared purchasing initiatives of the U. T. System Supply Chain Alliance.

Supplemental Materials:

- **U. T. System Supply Chain Alliance Strategic Plan on Pages 135 - 147 of Volume 2.**
- **PowerPoint presentation on Pages 148 - 152 of Volume 2.**

5. **U. T. System: Quarterly report on health matters to cover discussion of leadership at the U. T. System health institutions**

REPORT

Executive Vice Chancellor Shine's report on health matters of interest to the U. T. System will cover discussion of leadership at the U. T. System health institutions. This is a quarterly update to the Health Affairs Committee of the U. T. System Board of Regents.