

Meeting No. 1,007

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

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June 20, 2006

Austin, Texas

MEETING NO. 1,007

TUESDAY, JUNE 20, 2006.--The members of the Board of Regents of The University of Texas System convened this special called meeting via telephone conference call at 1:05 p.m. on Tuesday, June 20, 2006, on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Huffines, presiding (in person)	Regent Caven
Vice Chairman Clements	
Vice Chairman Krier	
Regent Barnhill	
Regent Craven	
Regent Estrada	
Regent Haley (in person)	
Regent McHugh	
Regent Rowling	
Counsel and Secretary Frederick	

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

1. U. T. Austin: Lady Bird Johnson Wildflower Center, Austin, Texas - Approval of delegation to the Chancellor and the Vice Chancellor and General Counsel to accept gift with conditions and to take action

The Board approved the proposal to accept the gift of the Lady Bird Johnson Wildflower Center on behalf of The University of Texas at Austin, conditioned upon compliance with the Regents' *Rules and Regulations*, Series 60101, regarding acceptance and administration of gifts, and Series 60103, regarding acceptance of gifts of real property, including, as appropriate, compliance with environmental review as provided in *Administrative Rule*, Series 80306, and compliance with fire and life safety reviews as provided in *Administrative Rule*, Series 80304, and contingent upon the structure of the gift meeting the requirements of all other applicable *Rules and Regulations* and satisfactory completion of the associated documentation and agreements as determined advisable and appropriate by the Vice Chancellor and General Counsel.

Further, the Board delegated to the Chancellor and the Vice Chancellor and General Counsel the authority and the power to take all action and to make all decisions and interpretations and execute all agreements that may be necessary or appropriate to accept the gift of the Lady Bird Johnson Wildflower Center on behalf of U. T. Austin, consistent with State and federal law.

The Lady Bird Johnson Wildflower Center, founded in 1982 by former First Lady Mrs. Lyndon B. Johnson and the late Ms. Helen Hayes, is dedicated to protecting and preserving North America's native plants and natural landscapes. Its mission is to educate people about the environmental necessity, economic value, and natural beauty of native plants. The Wildflower Center's horticulture, landscape restoration, plant conservation, and environmental education programs bring life to Mrs. Johnson's vision in its gardens and natural areas and with projects across North America.

There is a history of interactions between U. T. Austin and the Lady Bird Johnson Wildflower Center in the form of collaboration on major research initiatives, use of the Wildflower Center as a research field site by faculty and students, use of the Center as a field site for graduate and undergraduate coursework and undergraduate research projects, professional conferences, advisory council meetings and other outreach activities, and adjunct faculty appointments for Wildflower Center senior staff members.

Several colleges have participated in such activities, including the LBJ School of Public Affairs, the College of Liberal Arts (especially Geography), the John A. and Katherine G. Jackson School of Geosciences, the School of Architecture, and the College of Natural Sciences (especially Integrative Biology), but the School of Architecture and the College of Natural Sciences have the largest number of substantive research, teaching, and community service programs utilizing or collaborating with the Wildflower Center.

The Wildflower Center's governing board proposes this gift due to enhanced programmatic activities meeting the mission of the Center as well as continuing the legacy of Lady Bird Johnson and her family through U. T. Austin. Acceptance of the gift will be subject to appropriate assurances and representations to the Office of General Counsel that the gift meets the requirements of the Regents' *Rules and Regulations*, Series 60101 and 60103, including, as appropriate, compliance with fire and life safety and environmental reviews as provided in *Administrative Rules*, Series 80304 and 80306.

The Wildflower Center will become a self-supporting operating unit of U. T. Austin, reporting jointly to the Dean of the College of Natural Sciences and the Dean of the School of Architecture. The greatest advantage to both U. T. Austin and the Wildflower Center will be realized if the Wildflower Center becomes fully integrated with the relevant academic units at U. T. Austin. A full programmatic description of the academic, research, and outreach

activities was set forth in the Agenda materials. Regent Estrada expressed concern about this reporting structure and President Powers discussed the benefits, saying he is comfortable with the arrangement.

Definitive documentation for acceptance of the gift will be based on a Memorandum of Intent (MOI) to be executed by authorized representatives of the U. T. System Board of Regents and the Wildflower Center. Prior to the vote, Vice Chancellor Burgdorf outlined the key terms set forth below, including the legal structure and the amount and percentage of funds expected to be transferred. He said the Wildflower Center would retain 15% of the endowment for remaining transactions, with 85% of the endowment to be transferred to U. T. Austin. Vice Chancellor Burgdorf said the current value of the endowment is \$8.5 million and that value could fluctuate before the closing. The intent is the remainder of the endowment would be transferred to support the operations of the Center.

Key terms of the MOI are

- a. that upon closing, expected to occur late Summer or early Fall 2006, the Wildflower Center will transfer to U. T. Austin all assets associated with the current operation of the Wildflower Center, including 85% of a cash endowment currently valued at approximately \$8.5 million, with the remainder of the endowment transferred later after remaining transactions have been addressed by the Center's Board, and approximately 283.7303 acres out of the Samuel Hamilton Survey No. 16, Abstract No. 340, Travis County, Texas, being all of five tracts described in a survey prepared by Crichton and Associates, dated April 14, 2006; a location map and survey plat were set forth in the Agenda materials;
- b. U. T. Austin will agree to use the transferred assets in furtherance of the mission of the Wildflower Center and such other activities unrelated to the Wildflower Center mission that do not interfere with that mission and that do not in the aggregate constitute a substantial portion of all activity carried out at the Wildflower Center;
- c. for 35 years from the date of execution of the documents associated with the transfer of assets and upon U. T. Austin's breach of the use restrictions detailed in (b) above (after a cure period of at least 180 days), the Wildflower Center will have the right to reenter and reclaim the transferred assets after reimbursing U. T. Austin for capital investments made on the real property that are funded by sources other than the transferred assets;
- d. all existing Wildflower Center employees will become employees of U. T. Austin; and

- e. the governing board of the Wildflower Center will transition to an advisory council or board of visitors, which will function in an advisory capacity similar to the Marine Science Institute Advisory Council and the McDonald Observatory Board of Visitors. A summary of the annual income and expenses of the Wildflower Center was set forth in the Agenda materials.

2. U. T. System: Amendment of the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the following projects and consideration of whether any of the projects should be designated as architecturally or historically significant

- U. T. Arlington Engineering Research Building
- U. T. Austin Art Building and Museum Renovation
- U. T. Austin Dell Pediatric Research Institute
- U. T. Austin Experimental Science Building
- U. T. Austin Vivarium
- U. T. Dallas Vivarium and Experimental Space
- U. T. Permian Basin Arts, Convocation, and Classroom Facility at the Center for Energy and Economic Diversification
- U. T. Permian Basin Child Care Center
- U. T. Permian Basin Science and Technology Complex
- U. T. Permian Basin Student Housing Phase IV
- U. T. Tyler Completion/Renovation/Expansion of Engineering, Science and Technology Building
- U. T. Tyler Expansion of the U. T. Tyler Palestine Campus

The Board amended the FY 2006-2011 Capital Improvement Program and the FY 2006-2007 Capital Budget to include the projects as set forth below. None of the projects was declared architecturally or historically significant; however, Chairman Huffines clarified the projects would be presented to the Facilities Planning and Construction Committee for design development. He said he would like to serve unofficially as a representative on the architect selection advisory committee on the proposed Experimental Science Building project for The University of Texas at Austin.

Chairman Huffines explained that since the last Board meeting in May 2006, the Legislature had approved Tuition Revenue Bonds (TRB) for institutions of higher education in the State and he said the initial step in issuing TRBs amounts to a milestone, with TRBs equal to the sum of TRBs received in the last 14 years. He thanked members of the Board for their efforts with the Legislature in passing the Tuition Revenue Bonds for these projects in the Special Session.

In response to a question from Regent Rowling concerning the timing of receipt of gift funds and construction schedules, Vice Chancellor Safady responded that she is working on an inventory but that gifts are not currently committed for these projects. Interim Associate Vice Chancellor Dixon added that funds would not be committed for construction unless gifts are in hand. Vice Chairman Clements inquired if certain projects would conform with the architecture of the campus and Mr. Dixon responded affirmatively. She expressed particular interest in seeing design plans for the U. T. Austin Dell Pediatric Research Institute, The University of Texas of the Permian Basin Science and Technology Complex, and The University of Texas at Tyler Palestine Campus.

The Engineering Research Building project at The University of Texas at Arlington includes new construction totaling 235,123 gross square feet and selective renovation of three existing facilities consisting of Nedderman Hall, Engineering Lab Building, and Woolf Hall. The new facility will be constructed to house research, teaching, and computer laboratories, office space for faculty and staff, and a landscaped courtyard with a water feature. The building is required to support and sustain the growth in enrollment and in research programs in the College of Engineering. The space renovations to be considered with the construction of the new Engineering Research Building are an important aspect of the project allowing for increased efficiencies with the College of Engineering, thereby reducing the amount of new construction. This project was not designated architecturally or historically significant.

With the passage of House Bill (HB) 153 by the 79th Legislature (Special Session 3) and the resolution of Tuition Revenue Bond funding, U. T. Arlington requested approval to appropriate \$70,430,000 to fund the project and \$10,000,000 from Revenue Financing System Bond Proceeds for a total of \$80,430,000.

The Art Building and Museum Renovation project at U. T. Austin will renovate approximately 23,500 square feet in the Art Building and Museum for use by the Department of Art and Art History to be used as studio space for graduate students in the art program. Space will also be used for administration offices and a new entrance will be constructed on the east side of the building. A highlight of the renovation will be converting the existing museum into exhibition space for the display of faculty and student work. Within the renovated area, the project will also address fire and life safety systems. The Art Building and Museum is located at the corner of San Jacinto Boulevard and 23rd Street. The Art Building and Museum was originally constructed in 1962. Two later additions were constructed on the north side of the original building. The Art Building and Museum Renovation will not alter the exterior of the building, with the exception of a new building

entrance to be added on the east side of the Art Building and Museum. The funding will be \$3,500,000 from Gifts. This project was not designated architecturally or historically significant.

The Dell Pediatric Research Institute project at U. T. Austin will establish a pediatric health research institute in Austin. Combining U. T. Austin's core expertise in life sciences with the new Dell Children's Medical Center will establish Austin as a center of excellence for children's health and biomedical research. The Dell Pediatric Research Institute is to be constructed on the former Robert Mueller Airport site, adjacent to the new Dell Children's Medical Center of Central Texas. It is anticipated the Dell Pediatric Research Institute will comply with the guidelines of the master plan established for the development of the former Robert Mueller Airport site. The funding will be \$38,000,000 from Gifts, \$38,000,000 from Grants, and \$21,000,000 from Revenue Financing System Bond Proceeds for a total of \$97,000,000.

The Experimental Science Building project at U. T. Austin will be renovated to become a modern academic science facility. Renovation to the 55 year old building may include partial or full replacement of the building infrastructure, including the building structure, if necessary. The addition of 45,000 gross square feet will increase the existing floor plate width to meet the current need of academic science research and teaching. This project will provide a facility that has modern, technology-enabled classrooms and undergraduate teaching laboratories critical to the ability to continue to provide excellence in science education. Also included will be office and laboratory research space to recruit and retain faculty in critical academic initiative areas such as neuroscience, computational biology, environmental sciences, pharmacy, and molecular and cellular biology. This project was not designated architecturally or historically significant.

With the passage of HB 153 by the 79th Legislature (Special Session 3) and the resolution of Tuition Revenue Bond funding, U. T. Austin requested approval to appropriate \$105,000,000 to fund the project and \$20,000,000 from Revenue Financing System Bond Proceeds for a total of \$125,000,000.

The Vivarium project at U. T. Austin will provide a new animal research facility immediately west of the Louise and James Robert Moffett Molecular Biology Building. The location will also be immediately south of the Neural Molecular Science Building. In 2008, when the Biomedical Engineering Building is complete, it will be connected to the Neural Molecular Science Building allowing direct access from the new laboratories to the Vivarium. The Vivarium is to be constructed as a one-story building with 6,000 gross square feet partially below grade. Above the Vivarium will be a plaza/roof garden for the enjoyment of the researchers and students housed in the

adjacent science buildings. The funding will be \$15,000,000 from Revenue Financing System Bond Proceeds. This project was not designated architecturally or historically significant.

The Vivarium and Experimental Space project at The University of Texas at Dallas involves the build-out of 10,000 gross square feet of the current shell space in the basement of the new Natural Sciences and Engineering Research Laboratory to contain a vivarium and experimental space for neuroscience and neuroengineering faculty. The facility will support progress in building the key areas of molecular biology and biomedical engineering.

With the passage of HB 153 by the 79th Legislature (Special Session 3) and the resolution of Tuition Revenue Bond funding, U. T. Dallas requested approval to appropriate \$12,000,000 to fund the project and \$3,000,000 from Revenue Financing System Bond Proceeds for a total of \$15,000,000.

The Arts, Convocation, and Classroom Facility at the Center for Energy and Economic Diversification at U. T. Permian Basin includes construction of approximately 115,000 gross square feet for a performing arts center with classroom spaces to be located at the Center for Energy and Economic Diversification (CEED). This facility will also serve as a convocation center for various U. T. Permian Basin functions. An auditorium with approximately 2,500 seats will be constructed with the appropriate support spaces to host various performances. Additionally, academic spaces will be added, which would complement the performance hall and other curricula that would benefit from being taught at this location. Parking for at least 1,500 vehicles would be created at the site. This project was not designated architecturally or historically significant.

With the passage of HB 153 by the 79th Legislature (Special Session 3) and the resolution of Tuition Revenue Bond funding, U. T. Permian Basin requested approval to appropriate \$45,000,000 to fund the project.

The Child Care Center project at U. T. Permian Basin includes construction of a facility that would serve both the child care needs of U. T. Permian Basin students, staff, and faculty as well as serving and supporting academic programs. This facility would include child care and support spaces for approximately 95 children ranging in age from infant to 12 years old. The funding will be \$3,000,000 from Gifts. This project was not designated architecturally or historically significant.

The Science and Technology Complex project at U. T. Permian Basin includes construction of a new science building of approximately 107,000 gross square feet and a new computer technology building of approximately 34,000 gross square feet as well as renovations to the Industrial Technology Building and the Mesa Building. The new buildings and

renovations will contain classrooms, research and classroom laboratories, and support space. This project was not designated architecturally or historically significant.

With the passage of HB 153 by the 79th Legislature (Special Session 3) and the resolution of Tuition Revenue Bond funding, U. T. Permian Basin requested approval to appropriate \$54,000,000 to fund the project and \$2,000,000 from Gifts for a total of \$56,000,000.

The Student Housing Phase IV project at U. T. Permian Basin includes construction of four new apartment style student housing units with the same layout and exterior appearance on previously approved designs. Each building will contain 16 beds in two bedroom suites, three efficiency units, and a laundry facility. The funding will be \$5,600,000 from Revenue Financing System Bond Proceeds. This project was not designated architecturally or historically significant.

The Completion/Renovation/Expansion of Engineering, Science and Technology Building project at U. T. Tyler is comprised of completion of the new Engineering, Science and Technology north building and simultaneous renovation will convert the existing science and math classrooms and laboratories into larger science laboratories appropriate for new undergraduate students and provide added space for faculty and staff. Returning the University Center to students will occur because major portions of the College of Education will move to space vacated as some of the scientists move into the completed Engineering, Science and Technology Building. Renovation will also occur at the Art Building to provide permanent studio space.

With the passage of HB 153 by the 79th Legislature (Special Session 3) and the resolution of Tuition Revenue Bond funding, U. T. Tyler requested approval to appropriate \$43,200,000 to fund the project, \$3,600,000 from Revenue Financing System Bond Proceeds, and \$1,200,000 from Gifts for a total of \$48,000,000.

The Expansion of the U. T. Tyler Palestine Campus project at U. T. Tyler will involve construction of approximately 23,000 gross square feet for a new building for clinical and general classrooms, laboratories, and general office space for faculty. The additional space will enable U. T. Tyler to expand programs, particularly nursing, where critical shortages exist throughout the State and accommodate rapid enrollment growth at the Palestine campus. This project was not declared architecturally or historically significant.

With the passage of HB 153 by the 79th Legislature (Special Session 3) and the resolution of Tuition Revenue Bond funding, U. T. Tyler requested approval to appropriate \$6,300,000 to fund the project, and \$700,000 from Revenue Financing System Bond Proceeds for a total of \$7,000,000.

These off-cycle projects have been approved by University of Texas System staff and meet the criteria for inclusion in the Capital Improvement Program.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 1:30 p.m.

/s/ Francie A. Frederick
Counsel and Secretary to the Board

July 7, 2006