

MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
FACILITIES, CONSTRUCTION AND MASTER PLANNING COMMITTEE

Wednesday, August 20, 2014 – The members of the Facilities, Construction and Master Planning Committee (“FCMP”) of The University of Houston System Board of Regents convened at 11:20 a.m. on Wednesday, August 20, 2014, at the Hilton University of Houston Hotel, Conrad Hilton Ballroom, Second Floor, 4800 Calhoun, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Welcome W. Wilson, Jr., Chair
Tilman J. Fertitta, Vice Chair
Beth Madison, Member
Spencer D. Armour III, Member
Asit R. Shah, Student Regent
Jarvis V. Hollingsworth, Ex Officio

Non-Member(s) Present

Durga D. Agrawal, Regent
Paula M. Mendoza, Regent
Peter K. Taaffe, Regent
Roger F. Welder, Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, Chair of the Committee, Welcome W. Wilson, Jr. called the meeting to order.

AGENDA ITEMS

Action Items:

1. Approval of Minutes – Item B

On motion of Regent Armour, seconded by Regent Fertitta, and by a unanimous vote of the members in attendance, the following minutes from the meeting listed below was approved.

- February 25, 2014, Facilities, Construction and Master Planning Committee Meeting

Following the approval of the minutes, Regent Wilson, Jr. stated there would be two (2) action items presented to the committee for their consideration.

2. Approval is requested for appointment of a Committee member and appointment term for the System-wide Art Acquisition Committee (SWAAC) – University of Houston System, Item C – FCMP-C

University of Houston System

Dr. Carlucci introduced this item and asked Ms. Emily Messa, Associate Vice Chancellor for Administration and the Chair of the SWAAC committee to present this item. Ms. Messa stated that this was for a replacement committee member for the University of Houston-Victoria. Dr. Uppinder Mehan, who previously served in this role, was now a Dean of Arts and Sciences at Fort Valley State University. Dr. Margaret Rice has been nominated by Dr. Vic Morgan, Interim President of UH-Victoria in accordance with SWAAC policies. As this is a replacement term, Dr. Margaret Rice will serve through August 31, 2016 to fulfill this vacant position.

Dr. Margaret Rice has been at the UH-Victoria campus since 1999 and currently serves as Special Assistant to the Provost and Visiting Assistant Professor at UHV. Dr. Rice teaches in the Adult and Higher Education Master's Program at that institution.

The SWAAC committee commissions art and artwork for the University of Houston System component universities. There is a 1% art budget for all capital projects which is designated for public art; and UHS has one of the largest public art collections, not only in the state of Texas but in the United States; and the University of Houston was instrumental in including public art in Texas capital projects with the first big building campaign of Dr. Philip Hoffman, who was President of UH at that time. After it was introduced at UH, this was subsequently codified into state policy.

On motion of Regent Armour, seconded by Regent Fertitta, and by a unanimous vote of the committee members in attendance, the appointment of Dr. Margaret Rice as a Committee member and appointment term for the System-wide Art Acquisition Committee (SWAAC) was approved.

2. Approval is requested for the University of Houston-Clear Lake, University of Houston-Downtown and University of Houston-Victoria Capital Improvement Plans – University of Houston System, Item D.

Dr. Carlucci introduced this item and stated that at the prior FCMP meeting, the committee reviewed the University of Houston's Capital Improvement Plan (CIP); and at this meeting, UH-Clear Lake, UH-Downtown and UH-Victoria will present their CIPs to the committee. As the UH System approaches the legislative session, we will be called upon to submit various facilities planning document and requests. The CIPs are the basis for our submissions and there is normally a very short turnaround period. The CIP is a campus analysis of each of the campuses' needs and possible requests so that the board can approve these and we can, as required, make submissions to the Governor, the Legislature, and other bodies. These CIPs will outline their maintenance issues and building conditions and then what they plan to do to either remedy those, add capacity or deal with any other issues specific to that campus. Dr. Carlucci asked Dr. William Staples, President of UH-Clear Lake to present his CIP report to the committee.

Dr. Staples stated that UH-Clear Lake has 524 acres of property, 14 buildings and 826,000 square feet of space. In his presentation, Dr. Staples covered his Capital Construction Plan and the required Annual Maintenance Report. Below is a brief summary of his presentation.

1. Capital Construction Plan

In terms of the legislative appropriations request coming up for the 2015 session, there were two (2) major TRB-related requests:

- (a) STEM and Classroom Building; and
- (b) Health Sciences and Classroom Building

The STEM and Classroom Building would be at the UH-Clear Lake campus. The driving force for this is that in the fall of 2014, UH-Clear Lake will transition from an upper-level to a four-year institution. The space for an upper-level institution is quite different from serving freshman and sophomores, particularly in the sciences. UH-Clear Lake is currently expecting slightly less than 400 students to start in the fall.

The Health Sciences and Classroom Building would be at the UHCL Pearland campus. This is a public/public partnership with the City of Pearland. The City of Pearland built the first building on that campus on their property and UHCL is leasing the facility and after 20 years UHCL will have the building. UHCL serves over 700 students and the big change this fall is that for the first time a RN to BSN (Bachelor of Science in Nursing degree) in partnership with the various community colleges is in proximity to the Pearland campus.

Dr. Staples stated that the other items listed related to UHCL's shift to a four-year institution as follows:

- (c) Freshmen Housing;
- (d) Renovation of the Bayou Building Science Labs (UHCL's major building);
- (e) Dining Facility Upgrade and Addition; and
- (f) Recreation and Wellness Center (which would be based on a student referendum).

Dr. Staples introduced Michelle Dotter, Vice President for Administration and Finance; and Associate Vice President for Facilities Management and Construction, Wade Martindale. Mr. Martindale started the presentation on the second segment of the presentation dealing with Maintenance Program at UHCL. They have a continuous process to evaluate the condition of their buildings. The THECB Maintenance Decision Chart is what UHCL uses as they look at projects and decide where they should place them. Almost all of their projects fall exclusively in the Planned Maintenance and/or Ongoing Maintenance category.

Mr. Martindale briefly gave an overview of the Industry Standards which included the following:

1. APPA (Association of Physical Plant Administrators) which recommends 2-5% of current replacement value (CRV) annually;
2. Faculty Condition Index Number (FCIN) – APPA:
 - <5% - Good
 - 5-10% - Fair
 - >10% - Poor

University of Houston System

3. UHCL Total Campus FCIN + 1.10%

The Total Funding – 3 year average was outlined as follows:

1. Planned Maintenance (HEF)	\$1,165,000
2. Other HEF	\$160,000
3. On-going Maintenance	<u>\$1,077,000</u>
Total Annual Maintenance	\$2,402,000

UHCL currently budgets 0.76% of CRV annual to maintenance.

UHCL’s Capital Construction Plan is outlined below for reference.

<u>Project Name</u>	<u>Total Cost**</u>
• STEM and Classroom Building	\$120,000,000
• Health Sciences & Classroom Building	\$34,200,000
• Freshmen Housing	\$26,600,000
• Renovate Bayou Science Labs	\$5,977,000
• Dining Facility Upgrade and Addition	\$6,134,000
• Recreation and Wellness Center	<u>\$40,296,000</u>
TOTAL	\$233,207,000

**Includes escalation factor and 25% project management and soft costs

Ms. Dotter stated that their current HEAF amount was \$5.2 million annually. It is anticipated that would need to increase.

Dr. Carlucci asked Dr. William Flores, President of UH-Downtown to present his CIP report.

Dr. Flores stated that UH-Downtown only has 24 acres, 9 buildings and 1,301,642 square feet of space. This program establishes a short-range plan, updated annually, identifying specific projects to be developed while a schedule and costs with options for financing, providing a link between Strategic Academic Plan, Facility Needs Assessment, Facility Condition Assessment and the Capital Budget.

Dr. Flores mentioned that by 2020, UH-Downtown will have approximately 18,000 students. Their facilities were established when UHD had around 10,000 students. They have added a few buildings but their parking needs are clearly very important to their students. Their number one TRB request and the most urgent was a new Science & Technology Building. UHD’s future plans are also to have a new parking garage and new student union.

The UHD CIP financing strategies were addressed by Dr. Flores and below is a summary of his remarks.

• TRB Funding	
- Science and Technology Building	\$104,700,000
- Land for S&T Building	<u>\$4,000,000</u>
Sub-total	\$108,700,000
• HEAF	
- Land Acquisitions (Debt Finance)	\$14,000,000

University of Houston System

- MR&R – E&G Space	\$6,870,000
- Demolition (Warehouse)	<u>\$200,000</u>
Sub-total	\$21,070,000
• Student Fee Revenue	
- MR&R – Student Life Center	\$70,000
- Wellness Center (Debt Finance)	\$41,400,000
- Student Union (Debt Finance)	<u>\$47,025,000</u>
Sub-total	\$88,495,000
• Auxiliary Revenue (Parking Fees)	
- MR&R – Daly Lot	\$350,000
- Student Parking Garage	<u>\$15,000,000</u>
Sub-total	\$15,350,000
GRAND TOTAL	<u>\$233,615,000</u>

Mr. David Bradley, Vice President for Administration and Finance at UHD, addressed the committee regarding UH-Downtown’s CIP. UHD is very land-challenged – they only have 24 acres. Reviewing Deferred Maintenance, UHD has not had an external review of the Facilities Condition Assessment; but UHD, like UHCL, has a good facilities staff and they are confident that they know what their issues are when it comes to maintaining their plan; and they have done a good job historically of staying out in front of the issues. They currently have approximately \$5,000,000 in planned maintenance; \$2,620,000 in deferred maintenance, and \$0 in critical deferred maintenance. Under planned maintenance (0-3 years), Mr. Bradley mentioned roof replacement, building envelope, architectural/infrastructure, and central plant.

Under UH-Downtown’s MP1 Report, they have five (5) projects listed:

1. Science and Technology Building
2. Property Acquisition – North of IH10
3. Student Parking Garage
4. Wellness Center
5. Student Union Building

Dr. Vic Morgan, Interim President for UH-Victoria presented their CIP report to the committee as follows.

The UH-Victoria campus encompasses 39 acres (19 acres academic core), building owned, seven (7) buildings shared/leased space with Victoria College, and 700,887 square feet of space. UH-Victoria did do a Facilities Condition Assessment and eight (8) buildings were assessed (excluding offsite/leased and scheduled for demolition). Below is a breakdown of those identified and categorized.

\$ 434,700 – Critical – Life/Safety
\$ 858,170 – Immediate – (0-5 years)
<u>\$ 7,244,964</u> – All Others – (10 years)
\$ 8,537,834 – TOTAL

University of Houston System

This assessment represents the basic infrastructure of the facilities but does not include renovations related to user needs, refreshing or repurposing.

Dr. Morgan stated that UH-Victoria’s needs assessment was done throughout the university with faculty and staff and it was discovered that there was inadequate space and inadequate office and classroom space. UHV is currently in the process of expanding and with the downward expansion with freshmen and sophomores four years ago, UHV is growing rapidly. They are going to need additional classroom, office and administrative space.

UH-Victoria’s CIP Plan was briefly outlined as noted.

Budget Summary

Education & General (E&G) use Space

- Category I – New Construction/Replace in Place	\$ 85,420,000
- Category II – Rehabilitate or Repair	\$ 20,484,510
- Category III – Decommission or Demolish	<u>\$1,750,000</u>
Sub-total	\$ 107,654,510

Non-E&G (Auxiliary, Athletics, Residential)

- Category I – New Construction/Replace in Place	\$ 46,500,000
- Category II – Rehabilitate or Repair	<u>\$ 1,473,499</u>
Sub-total	\$ 47,973,499
TOTAL	<u>\$ 155,628,099</u>

The powerpoint presentation presented to the committee has been filed in the Board office.

On motion of Regent Armour, seconded by Regent Hollingsworth, and by a unanimous vote of the regents in attendance, the request for the University of Houston-Clear Lake, University of Houston-Downtown and University of Houston-Victoria Capital Improvement Plans – UH System was approved.

At the conclusion of the approval of the above action item, Regent Wilson, Jr. called for a motion to place the two (2) action items presented to the committee and approved on the Board’s Consent Docket Agenda for final board approval.

On motion of Regent Armour, seconded by Regent Hollingsworth, and by a unanimous vote of the committee members in attendance, the following two (2) action items will be placed on the Board’s Consent Docket Agenda at the Board of Regents meeting scheduled for August 20, 2014 for final board approval as follows:

1. Approval is requested for appointment of a Committee member and Appointment term for the System-wide Art Acquisition Committee (SWAAC) – University of Houston System; and
2. Approval is requested for the University of Houston-Clear Lake, University of Houston-Downtown and University of Houston-Victoria Capital Improvement Plans – University of Houston System.

University of Houston System

No Executive Session was called.

There being no further business to come before the committee, the meeting adjourned at 12:10 p.m.

All documentation submitted to the Committee in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Committee, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

Others Present:

Renu Khator
Carl Carlucci
Paula Myrick Short
Dona Cornell
Rathindra Bose
Elwyn Lee
Richie Hunter
Eloise Dunn Stuhr
Richard Walker
Don Guyton
William Flores
Victor Morgan
William Staples
Jon Aldrich
Brenda Robles

Emily Messa
Carl Stockton
Raymond Bartlett
Tom Ehardt
Jeanne LaMontagne
Darrin Hall
Mark Clarke
Wade Martindale
Steve Wallace
Maria Elena Soliño
Brandon Alexander
Joe Brueggman
Richard Bonnin
Brian Thomas
Gerry Mathisen

Mike Yancy
Wayne Beran
Michelle Dotter
David Bradley
Chris Stanich
Dan Maxwell
Michelle Dotter
Jeffrey Cass
James Okif Uzman
Lisa Shumate
Shannon Harrison
Don Price
Phil Booth
Marquette Hobbs