

MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
FINANCE AND ADMINISTRATION COMMITTEE

Tuesday, May 14, 2013 – The members of the Finance and Administration Committee of the University of Houston System convened at 10:01 a.m. on Tuesday, May 14, 2013 at the University of Houston, Waldorf Astoria Ballroom E, Second Floor, 4800 Calhoun, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Jarvis V. Hollingsworth, Chair
Spencer D. Armour, III, Member
Welcome W. Wilson, Jr., Member
Nelda Luce Blair, Ex Officio

Member(s) Absent

Tilman J. Fertitta, Member

Non-Member(s) Present

Nandita V. Berry, Regent
Roger F. Welder, Regent
Gage A. Raba, Student Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum of the board present, Chair of the Committee, Jarvis V. Hollingsworth, called the meeting to order.

Regent Hollingsworth stated action Item D, Approval is requested of changes for the FY2014 undergraduate and graduate tuition and fee rates for the University of Houston System campuses – University of Houston System, F&A-D14 was pulled from the agenda.

At the meeting, there would be fifteen (15) items presented for the committee's consideration and approval. Regent Hollingsworth requested Dr. Carlucci address these items and at the conclusion of the presentations, Regent Hollingsworth would call for the committee's vote; and if approved, a motion would then be made to place the appropriate items on the Board's Consent Docket Agenda for final board approval at the Board of Regents meeting held later in the day.

Regent Hollingsworth then introduced the first item on the agenda, Item B, the approval of the minutes from the Finance and Administration Committee meeting held on January 30, 2013.

AGENDA ITEMS

Action Items:

1. Approval of Minutes – Item B

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

University of Houston System

- January 30, 2013, Finance and Administration Committee Meeting

Following the approval of the minutes, Regent Hollingsworth asked Dr. Carl Carlucci, Executive Vice Chancellor for Administration and Finance, to introduce the next action item listed on the agenda.

1. Approval is requested for the Chancellor to develop undergraduate fixed four-year tuition plans beginning in Fall 2014 for the University of Houston System campuses – University of Houston System, Item C – F&A-C6

Dr. Carlucci requested approval for the Chancellor to develop undergraduate fixed four-year tuition plans beginning in Fall 2014 for the University of Houston System campuses. Dr. Carlucci stated that most of the universities in Texas were now working on fixed tuition proposals; while in fact, a number of universities have said they will have them, they have not completed them as yet. The University of Houston System is also working on developing fixed tuition plans for our four (4) institutions. As a result of looking at our pricing and our patterns for charging tuition, Dr. Carlucci shared with the committee what has been learned by their review. Predictability in college pricing is an important factor in a student's ability to plan for higher education and earn his or her degree in a timely manner. The University of Houston System believes that providing a four-year fixed tuition and fee option is an important contributor to student success. A fully developed proposal will come back for the Board's proposal at a later date. The administration felt it was important to move forward and for the Board to approve the request to develop these plans.

Dr. Carlucci outlined the pricing strategy that was being reviewed and presented a powerpoint presentation on the fixed four-year tuition and strategic pricing process. Below is a brief summary of Dr. Carlucci's remarks.

- As a strategy, pricing at various institutions was reviewed. For the University of Houston System, our main goal is student success and how do we contribute to this goal.
- One of the issues that had been determined from looking at other institutions, particularly other research institutions, was that the University of Houston was using a very level, credit hour charging system.
- An example was presented which showed the University of Houston charges by credit hour whereas some research institutions use the first few credit hours to basically front-load what are probably all of their fixed costs. What this scenario shows is that it makes part-time enrollment very expensive.
- An example of the aggregate costs of a semester's credits under the example of a front-load pricing schedule was addressed. In the first three credits (most courses being three credits) an individual has already paid approximately 30-40% of their costs of a 15-credit hour load. This pricing appears to drive an individual to taking a full load because once you get to 12-credit hours there is no additional costs to taking 15-credit hours. It appears that this type of pricing encourages students to take a full load and discourages students from taking a part-time load.

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Dr. Carlucci stated that, after reviewing this information, how would the University of Houston build this information into a flat-rate proposal? Currently, the University has a level pricing schedule, everything is proportional (there is no front-end loading). The University is proposing a flat rate for everything over 12-credit hours to encourage students to not only take a 15-credit hour load but to give them a real price advantage if they should take more credits. The University is still trying to understand how this would affect each of our campuses and what the schedule might look like. The conclusion is that we are interested in the fixed rate plan because of its simplicity, predictability, and our real desire that any such plan improves our student per credit hour rates which would improve our graduation rates and student performance.

Chancellor Renu Khator stated the University would like to have an option available at all four (4) of the UH System institutions. Dr. Khator stated that there is currently one university, UT-Dallas, which now makes it mandatory for their incoming freshmen to be automatically enrolled in this fixed, four-year program. The University of Houston System institutions do serve a very different population; we value part-time students; and each of our institutions is different.

Dr. Khator mentioned that all of the University of Houston System institutions will have an option available to them. This proposal, once it has been studied and reviewed, will be brought to the Board for their consideration. Secondly, this proposal would be available only as an option; therefore, incoming freshmen would be able to choose whether they were going for a four-year option or whether they would take a regular tuition option. In this regard, we would not be penalizing part-time students who wanted to come for part-time or have a different goal in mind. But, at the same time, we would provide an option to those who are seeking the fast track and wanted to finish within four-years. This proposal would go into effect in the Fall of 2014. A discussion followed.

A copy of Dr. Carlucci's presentation has been filed in the Board office.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval is requested for the Chancellor to develop undergraduate fixed four-year tuition plans beginning in Fall 2014 for the University of Houston System was approved.

3. Approval is requested of changes for the FY2014 undergraduate and graduate tuition and fee rates for the University of Houston System campuses – University of Houston System, Item D – F&A-D

Regent Hollingsworth stated this item was pulled from the agenda.

4. Approval is requested for changes to the voluntary and optional fees and charges for Fiscal Year 2014 for the University of Houston System – University of Houston System, Item E – F&A-E14

University of Houston System

Dr. Carlucci presented this item requesting approval for changes to the voluntary and optional fees and charges for the University of Houston System for FY2014. The proposed increases included the following:

- University of Houston – Optional Fees and Parking
- University of Houston-Clear Lake – Optional Fees
- University of Houston-Downtown – Optional Fees

Dr. Carlucci outlined the University of Houston FY2014 voluntary and optional fee changes as follows:

- Library Fines – To encourage compliance to Library policies for use of Library resources and equipment;
- Activity/Materials Fee – Cost of activities and/or materials uniquely designed to meet a specific requirement of a program or curriculum;
- Executive/Certificate Fee – Surcharge for delivering instruction to an executive or certificate program;
- Field Study Fees – Cost of travel and materials needed for practical application of disciplines in the field; and
- Admission Application Fees – Cost of recruiting and processing admission applications to University programs.
- The results of the Parking and Transportation Parking Fee for FY2014 and FY2015 were addressed as follows:

<u>Estimated Revenue Change</u>	<u>Average Percentage Increase</u>
FY2014 - \$1,229,606	9.5% - Faculty/Staff
	9.5% - Student
FY2015 - \$ 565,941	5.0% - Faculty/Staff
	5.0% - Student

The University of Houston System FY2014 voluntary and optional fee changes were addressed as follows:

University of Houston-Clear Lake

- Domestic Application Fee (\$10 increase to \$45/Application)
- Examination Fees (Various fees from \$5 to \$92)
- Credit Card Processing Fee (1.5% of the transaction amount)

University of Houston-Downtown

- Certificate Fee (Graduate programs, up to \$168/credit hour)
- Credit Card Processing Fee (1.1% of the transaction amount)

University of Houston-Victoria

- (No changes for FY2014)

An estimated revenue change summary of the University of Houston System FY2014 Optional Fee Changes per institution was listed as follows:

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<u>Summary</u>	<u>Estimated Revenue Change</u>
<u>University of Houston</u>	
• College Optional Fees	\$ 1,888,639
• Parking FY2014	1,229,606
• Parking FY2015	<u>565,941</u>
Total University of Houston	\$ 3,684,186
 <u>University of Houston-Clear Lake</u>	
• Optional Fees	\$ 376,760
 <u>University of Houston-Downtown</u>	
• Optional Fees	\$ 428,280
 <u>University of Houston-Victoria</u>	
N/A	

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval is requested for changes to the voluntary and optional fees and charges for Fiscal Year 2014 for the University of Houston System was approved.

5. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for emergency repairs and renovations at the University of Houston – University of Houston, Item F – F&A-F28

Dr. Carlucci presented this item requesting the approval to delegate authority to the Chancellor to negotiate and execute contracts for emergency repairs and renovations at the University of Houston. Dr. Carlucci stated a “Request for Proposal” (RFP) for the selected firm would provide emergency restoration services on an “as needed” basis for the University of Houston. The university is seeking a provider or providers for a multi-year contract not to exceed \$15 million, dependent upon results of this procurement effort. This would be a three-year initial contract, with two, one-year extensions, and it is anticipated that this would result in expenses of approximately \$3 million per year, just slightly more than we are currently spending. The existing contract for the University of Houston expires on May 31, 2013 and it is essential for the purposes of business continuity to have the new contract in place prior to the May 31, 2013 expiration date.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute contracts for emergency repairs and renovations at the University of Houston was approved.

6. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract extension to purchase monographic imprints (i.e., books) for the MD Anderson Library for up to a five-year period – University of Houston, Item G – F&A-G31

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Dr. Carlucci introduced this item requesting approval to delegate authority to the Chancellor to negotiate and execute a contract extension to purchase monographic imprints for the MD Anderson Library for up to a five-year period. This agreement was awarded to Yankee Book Peddler following a competitive procurement process (ITB) for one-year beginning September 1, 2010. Per the agreement, the University of Houston has the option to extend this contract annually for a period not to exceed five (5) years. The initial contract year was FY2011. The contract has already been extended into FY2012 and FY2013. This request was to extend the contract two (2) additional years, FY2014 and FY2015. The estimated expenditures for the five-year agreement are \$2,750,000.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute a contract extension to purchase monographic imprints (i.e., books) for the MD Anderson Library for up to a five-year period was approved.

7. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for global custody of the System's endowed and non-endowed assets – University of Houston System, Item H – F&A-H33

Dr. Carlucci presented this item requesting approval to delegate authority to the Chancellor to negotiate and execute a contract for global custody of the University of Houston System's endowed and non-endowed assets. A RFP was posted to the Texas Electronic State Business Daily in October 2012 and competitively bid; and the responses were evaluated based on many factors including the ability to meet the System's custody and sub-fund accounting needs, price and the service team proposed by the respondent. A seven-member committee was formed which consisted of treasury, accounting, finance, and student financial services staff to independently evaluate each of the responses to the RFP based on the criteria established in the RFP. There were four (4) responses from large banks that do asset management and their selection was our current asset manager, The Bank of New York Mellon. The cost over a five-year period is estimated at \$950,000.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute a contract for global custody of the System's endowed and non-endowed assets was approved.

8. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the rental of stadium facilities for University of Houston home football games for the 2013 season and the 2014 Spring Game – University of Houston, Item I – F&A-I35

Dr. Carlucci stated that Athletics had been working on the contract for the rental of stadium facilities for the University of Houston home football games for some time; and the primary partner would be Reliant Stadium. Athletics has a Letter of Intent that would cover four (4) home games and the Spring game. There are two (2) games that are not covered in the Reliant Letter of Intent: one (1) game would be held at Rice Stadium and one (1) game

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would be held at the BBVA Compass Stadium. Based on our experience and reviewing what other institutions have paid, the estimated costs are reasonable.

At approximately 10:50 a.m., Regent Hollingsworth requested the above item be held for further discussion later in the meeting and asked that the next item listed on the agenda be addressed.

9. Approval is requested to delegate authority to the Chancellor to negotiate and execute a ground lease between UHS, through its Center for Industrial Partnerships, with a Special Purchase Entity, of approximately 5 acres at UH Sugar Land for educational purposes – University of Houston System, Item J – F&A-J37

Dr. Carlucci introduced this item requesting approval to delegate authority to the Chancellor to negotiate and execute a ground lease between UHS, through its Center for Industrial Partnerships, with a Special Purchase Entity, of approximately 5 acres at UH Sugar Land for educational purposes. Dr. Carlucci stated this was a lease that had been previously brought before the Board for approval, but it was being revisited because there have been changes with our business partner.

Dr. Carlucci stated Ms. Dona Cornell, Vice Chancellor for Legal Affairs and General Counsel, would address the terms of the contract. Below is a brief summary of Ms. Cornell's remarks.

Ms. Cornell stated that the facility that the previous entity the university was going to enter into an agreement with, their portion of the building no longer exists; therefore, it will be a different type of entity, but it will have the same academic purpose along with digital, media, gaming, etc. In this case, the company would actually do digital technology and robotics for the oil industry as opposed to the gaming industry. It has the same kind of benefit from an academic standpoint to the university but it is different from what we had originally presented to the board. The terms of the contract are very similar. We tightened up some of the legal language so that the university does not have any obligation to the debt itself. A brief discussion followed.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute a ground lease between UHS, through its Center for Industrial Partnerships, with a Special Purchase Entity, of approximately 5 acres at UH Sugar Land for educational purposes – University of Houston System was approved.

Dr. Carlucci addressed the next two items which are regularly brought to the board for consideration.

10. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for providing comprehensive facilities and event management services for the University of Houston athletic and agreed-upon campus facilities - University of Houston, Item K – F&A-K40

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Dr. Carlucci introduced this item requesting approval to delegate authority to the Chancellor to negotiate and execute a contract for providing comprehensive facilities and event management services for the University of Houston athletic and agreed-upon campus facilities. This contract was the result of a "Request for Proposal" (RFP); and ARAMARK was the only vendor to respond. The terms including the commission schedule and the revenue sharing were addressed. A pro forma was addressed which showed the revenue and expense and the net expense. The revenue would be included in the athletics stadium financing, so the money would be used for debt service. This is all based on the notion that we will be renting the facilities and booking our venues for non-athletic events. At the moment, there are approximately 40 anticipated events that the university would like to book into our facility.

Regent Hollingsworth stated that this was a very comprehensive contract; and below are a few questions he had addressed.

1. Was ARAMARK going to be responsible for soliciting, marketing, advertising, and booking the non-athletic events during the year;
2. What were ARAMARK's processes going to be and what has been their experiences with that; and how would it work;
3. How are other universities able to use our facilities during non-athletic times of the year; and
4. When do we anticipate entering into this agreement and when would the contract begin in earnest?

Ms. Emily Messa, Associate Vice Chancellor for Administration, and Dr. Carlucci addressed Regent Hollingsworth's questions and below is a brief summary of their remarks.

- This would be a comprehensive contract with ARAMARK; and ARAMARK would bring in a partner to do the bookings.
- The partner would be responsible for bookings, posting the events and the event services; while ARAMARK would be responsible for the facilities and the food and beverage component.
- There would be one contact person that we would deal work with, an Executive Director.
- A preliminary conversation has occurred with their legal counsel; and a contract could be generated within a few weeks.
- The contract would be done in a few phases. We would begin in earnest with a transition phase. A transition phase would allow the team time to ramp up because they would need time to make contact with promoters and individuals of that nature so that come September 1, 2014, when the stadium and the facilities are up and running, we are then able to have events lined up so that we can start generating that income.
- It would likely start over the course of the summer and begin in several phases with a transition; everyone getting used to one another; them getting some experience on the campus so that we have successful events and service beginning September of 2014.
- Other venues are the Cullen Performance Hall and Hofheinz. They would most likely begin in the Cullen Performance Hall so they are able to get comfortable with the campus and local promoters, as well as getting the experience so that they are not just starting out with the stadium prior to its opening.

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The pro forma was addressed. Non-UH event revenue (profit split) was discussed. UH Athletics would receive annual net profits from all non-UH, non-Athletic events held in all Athletic facilities. After net profits exceed \$1,000,000 in a contract year, net profits will be split between ARAMARK and UH Athletics 60-50%, with UH Athletics' share at 60%. Neither ARAMARK nor VenuWorks shall receive a financial incentive on Non-UH Event Revenue prior to net profits reaching \$1,000,000 in a contract year.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute a contract for providing comprehensive facilities and event management services for the University of Houston athletic and agreed-upon campus facilities was approved.

11. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for design and construction of Girard Street Parking Garage and Welcome Center at the University of Houston-Downtown, Item L – F&A-L46

Dr. Carlucci presented this item requesting approval to delegate authority to the Chancellor to negotiate and execute contracts for design and construction of Girard Street Parking Garage and Welcome Center at the University of Houston-Downtown. Dr. Carlucci stated that this was not a Tuition Revenue Bond (TRB) project. The project budget for the construction of this parking garage totals approximately \$16,500,000; and 350-400 parking spaces as well as an approximate 28,000 GSF of tenant space and Welcome Center of approximately 12,000 GSF will be constructed. The garage revenues would be used to pay the debt service on the bonds for this project. If approved by the Board and the Texas Higher Education Coordinating Board, construction on the project would begin in August 2013. Once completed, the garage would be ready for occupancy for use by August 2014 for the Fall 2014 semester. The interior finish work for both the tenant space on top of the garage and the Welcome Center would not be completed until October 2014 for a Spring 2015 move-in.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute contracts for design and construction of Girard Street Parking Garage and Welcome Center at the University of Houston-Downtown was approved.

The following three (3) items addressed by the Finance and Administration Committee involved the University of Houston-Victoria (UHV) campus. Dr. Carlucci stated that the Facilities, Construction and Master Planning Committee had approved the UHV master plan which expanded the footprint of the UHV campus to include parcels of land they wanted to purchase. Below is the explanation for each request.

12. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts associated with the purchase of land and associated improvements (Arlington Apartments) by the University of Houston System, Item M – F&A-63; and

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13. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contracts associated with the purchase of land and associated improvements (Casa Del Rio Apartments) by the University of Houston System, Item N – F&A-N68.

Dr. Carlucci stated that both the Arlington and the Casa Del Rio Apartments were older properties and UHV plans to demolish the improvements following the expiration of all leases assumed with the purchase so that the land can be repurposed. Both of these facilities are located on Ben Wilson St. across from the UH-Victoria campus.

Dr. Philip Castille, President of UH-Victoria, stated that their current master plan shows that they will be out of space by 2014 with their current facilities, (another building will be coming online in 2015) but in order to not have to cap enrollment and to continue with their growth curve another academic building is needed. The purchase of these two properties is for this next academic building which would be constructed on both of these properties. There would most likely be a one-year period whereby they would contract with a realtor in order to help them move the current residents out to other facilities in Victoria; and once the tenants have been relocated, the properties would then be demolished and they would then prepare for the next step of the master plan.

Arlington Apartments:

- Funding for the Arlington Apartments (\$1,700,000) will come from tuition revenue bonds.
- This is a 2.141 acre tract of land with 5 apartment buildings totaling 56 units.
- The purchase of this property is strategic in that it will add land for future expansion immediately across from the University.

Casa Del Rio Apartments:

- Funding for the Casa Del Rio Apartments (\$2,700,000) will come from tuition revenue bonds.
- This is a 2.885 acre tract of land with 7 apartment buildings totaling 80 units.
- The purchase of this property is strategic in that it will add land for future expansion immediately across from the University.

14. Approval is requested to delegate the authority to the Chancellor to negotiate and execute contracts associated with the purchase and renovations of land and associated improvements (former Regency Inn Hotel) by the University of Houston-Victoria, Item O – F&A-O73.

Dr. Carlucci requested approval to delegate authority to the Chancellor to negotiate and execute contracts associated with the purchase and renovation of the Jaguar Court (formerly Regency Inn Hotel) by UH-Victoria. This property is currently occupied and under lease to UHV for sophomore and overflow freshmen student housing. UHV proposes to purchase the Regency Inn Hotel, which is currently serving as Jaguar Court, located adjacent of Jaguar Suites (currently under construction) and Jaguar Hall. By purchasing this property, the University would retain the 105 room, 168 bed housing facility.

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Jaguar Court (formerly Regency Inn Hotel)

- Funding for the Regency Inn Hotel (\$5,300,000) would come from revenue bonds repaid through proceeds from student housing leases.
- This property is a former 105 unit hotel on approximately 5.3 acres.
- UHV currently leases the property and has completed significant improvements to the property.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the following three items were approved:

1. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts associated with the purchase of land and associated improvements (Arlington Apartments) by the University of Houston System;
2. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contracts associated with the purchase of land and associated improvements (Casa Del Rio Apartments) by the University of Houston System; and
3. Approval is requested to delegate the authority to the Chancellor to negotiate and execute contracts associated with the purchase and renovations of land and associated improvements (former Regency Inn Hotel) by the University of Houston-Victoria.

15. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for design and construction of the New Football Stadium, Phase II at the University of Houston, Item P – F&A-P89

Dr. Carlucci requested approval to delegate authority to the Chancellor to negotiate and execute contracts up to an additional \$20 million, for a total of \$105 million for design and construction of the New Football Stadium, Phase II at the University of Houston. The first phase of this project was brought to the Board for approval which totaled \$85 million and was largely based on the funds that were currently available. Phase II represents the additional funds that have been developed and are now available to take it to the \$105 million cost. What is different now, is that the University has raised additional donations as well as developed additional bonding capacity based on generated revenue. Our original goal was to use the student fee generated revenue, 50/50 between the Stadium and Hofheinz, but we knew that it would take time to raise the donations and that the bonded revenue would serve as a Plan B. So as we have developed more on the donations-side, we have shifted donations into replaced bonded revenue. In the budget, we reduced the amount of bonded revenue from student fees from \$49,000,000 to \$35,900,000 and gifts have increased to \$48,000,000 which leaves us a goal of approximately \$13 million. Below is a summary of sources – Phase I & II:

• Bonds – Student Fee Revenue	\$ 35,900,000
• Gifts	\$ 48,000,000
• HEAF	\$ 5,000,000
• Cash – Student Fee	\$ 3,600,000
• Other Institutional Revenue	<u>\$ 12,500,000</u>
TOTAL SOURCES PHASE I & II	\$105,000,000

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On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute contracts for design and construction of the New Football Stadium, Phase II at the University of Houston was approved.

16. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Health & Biomedical Sciences Building 2 at the University of Houston, Item Q – F&A-Q92.

Dr. Carlucci introduced this item requesting approval to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Health & Biomedical Sciences Building 2 at the University of Houston. Dr. Carlucci stated this was a TRB project in the amount of \$70 million and gifts/donations totaled \$5 million for a total of \$75 million. This proposed multi-story building would house the College of Pharmacy and related health research programs and would be approximately 190,000 sq. ft.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance the approval to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Health & Biomedical Sciences Building 2 at the University of Houston was approved.

17. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of a multidisciplinary research and engineering building at the University of Houston, Item R – F&A-R96.

Dr. Carlucci introduced this item requesting approval to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of a multidisciplinary research and engineering building at the University of Houston. Dr. Carlucci stated the Facilities, Construction and Master Planning Committee approved the site and program of this facility on August 13, 2013. This is a much needed addition to our engineering research capacity and it is going to be in the center of the academic core located next to engineering and business. This proposed multidisciplinary research and engineering building will be a 4-story facility with approximately 120,000 gross sq. ft. This building is unique in that the primary tenant is not any single department; it is our research office and they will be paying the debt service.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance the approval to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of a multidisciplinary research and engineering building at the University of Houston.

At the conclusion of this item, at 11:45 a.m. Chair of the Committee, Regent Hollingsworth, stated that pursuant to Subchapter D of Chapter 551 of the Texas Government Code, which allows governing boards to meet in closed session, Regent Hollingsworth stated the Committee would convene in Executive Session.

Executive Session Report

Regent Hollingsworth reconvened in Open Session at 12:10 p.m. and stated Item I, Approval to delegate authority to the Chancellor to negotiate and execute contracts for the rental of stadium facilities for University of Houston home football games for the 2013 season and the 2014 Spring Game – University of Houston was discussed. Mr. Mack Rhoades, Vice President for Athletics gave the committee an update on this issue.

Regent Hollingsworth asked for a motion to approve this item as presented.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the approval to delegate authority to the Chancellor to negotiate and execute contracts for the rental of stadium facilities for University of Houston home football games for the 2013 season and the 2014 Spring Game was approved.

Following the Executive Session report, Regent Hollingsworth asked for a motion to place all actions items, approved by the committee, be placed on the Board's Consent Docket Agenda for final Board approval at the Board of Regents meeting scheduled for today, Wednesday, May 14, 2013.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the following items will be placed on the Board of Regents' Consent Docket Agenda for final Board approval. They are as follows:

1. Approval is requested for the Chancellor to develop undergraduate fixed four-year tuition plans beginning in Fall 2014 for the University of Houston System campuses – University of Houston System;
2. Approval is requested for changes to the voluntary and optional fees and charges for Fiscal Year 2014 for the University of Houston System;
3. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for emergency repairs and renovations at the University of Houston – University of Houston;
4. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract extension to purchase monographic imprints (i.e., books) for the MD Anderson Library for up to a five-year period – University of Houston;
5. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for global custody of the System's endowed and non-endowed assets – University of Houston System;
6. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the rental of stadium facilities for University of Houston home football games for the 2013 season and the 2014 Spring Game – University of Houston;
7. Approval is requested to delegate authority to the Chancellor to negotiate and execute a ground lease between UHS, through its Center for Industrial Partnerships, with a Special Purchase Entity, of approximately 5 acres at UH Sugar Land for educational purposes – University of Houston System;

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8. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for providing comprehensive facilities and event management services for the University of Houston athletic and agree-upon campus facilities - University of Houston;
9. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for design and construction of Girard Street Parking Garage and Welcome Center at the University of Houston-Downtown;
10. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts associated with the purchase of land and associated improvements (Arlington Apartments) by the University of Houston System;
11. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contracts associated with the purchase of land and associated improvements (Casa Del Rio Apartments) by the University of Houston System;
12. Approval is requested to delegate the authority to the Chancellor to negotiate and execute contracts associated with the purchase and renovations of land and associated improvements (former Regency Inn Hotel) by the University of Houston-Victoria;
13. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for design and construction of the New Football Stadium, Phase II at the University of Houston;
14. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of the new Health & Biomedical Sciences Building 2 at the University of Houston; and
15. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the design and construction of a multidisciplinary research and engineering building at the University of Houston.

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
Eloise Dunn Stuhr
Elwyn Lee
Richard Walker

Don Guyton
Mike Glisson
Dick Phillips
Jeanne Wilson
Benjamin Wells
Jonathan Thurston
Raymond Bartlett
Mark Yzaguirre

Craig Ness
Emily Messa
Wayne Beran
David Bradley
Tom Ehardt
Ruth Shapiro
Sean York
Rhonda Thompson

University of Houston System

Others Present: (cont'd)

Philip Castille
William Flores
William Staples
Anamarie Palla
Mike Glisson
Jeffrey Cass
Richard Bonnin
Jon Aldrich
Marquette Hobbs

Caesar Moore
Dan Maxwell
Cedric Bando
Bob Browand
Maria Soliña
Oscar Gutierrez
Mark Clarke
Jeff Heflin
Gerry Mathisen

Troy Golden
Mike Emery
Lamar Pritchard
Chris Stanich
Rani Ramichandani
Gary Slading
Ed Jones
Brenda Robles