MINUTES
UNIVERSITY OF HOUSTON SYSTEM
SPECIAL CALLED
BOARD OF REGENTS MEETING
Wednesday
December 2, 2009

The Chair of the Board, Welcome W. Wilson, Sr., convened the meeting of The University of Houston System Board of Regents in the Board of Regents Office, Board Room 128, Ezekiel Cullen Building, Houston, Texas on Wednesday, December 2, 2009. The following Board members were present: Welcome W. Wilson, Sr., Chair; Jim P. Wise, Vice Chair; Nelda Luce Blair, Secretary; Nandita V. Berry; Tilman J. Fertitta; Jarvis V. Hollingsworth; Jacob M. Monty; Carroll Robertson Ray; and Kristen Lindley. Regent Mica Mosbacher was unable to attend. Noting the presence of a quorum, Chairman Wilson called the meeting to order at 11:01 a.m.

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The first item on the agenda was the Executive Session.

Pursuant to Subchapter D of Chapter 551 of the Texas Government Code, which allows governing boards to meet in closed session, the Board of Regents went into Executive Session at 11:04 a.m. The Board reconvened the meeting at 12:06 p.m.

EXECUTIVE SESSION REPORT

Chairman Wilson announced that the regents had consulted with the General Counsel, Dona Cornell and Dr. Carl Carlucci, Executive Vice Chancellor for Administration and Finance, and stated that property and personnel issues had been discussed. The Chairman stated that no action had been taken in Executive Session, but the Board would reconvene the Executive Session after the conclusion of the Finance and Administration Committee.

Chairman Wilson then recessed for the Finance and Administration Committee at 12:07 p.m. and turned the meeting over to the Chair of the Committee, Regent Jim P. Wise.

Regent Wise called the Finance and Administration Committee to order at 12:07 p.m. and stated there was one action item on the agenda for consideration. Dr. Carl Carlucci presented the following item for re-approval:

Action Item:

1. Re-approval is requested to delegate authority to the Chancellor to negotiate and execute contracts up to $9 million related to the purchase of a hotel and

renovations for use as a residence hall and academic support space and for other University functions by the University of Houston-Victoria – UH-Victoria.
Dr. Carlucci requested to re-approve the delegation of authority to the Chancellor to negotiate and execute contracts up to $9 million related to the purchase of a hotel and renovation for use as a residence hall and academic support space by the University of Houston-Victoria. This is a revised budget reflecting the results of due diligence on the condition of the property.

Tim Hudson, President of UH-Victoria and Wayne Beran, Vice President for Administration and Finance, UH-Victoria, presented a powerpoint presentation which outlined the various components of this project. Below is an overview of the presentation as given:

- Business Plan had been completed over a five-year period;
- American Campus Communities from Austin, Texas, suggested single occupancy for the first three years. This scenario would increase revenue;
- (1) 156 freshmen students would be housed in the first year;
  (2) 274 freshmen and sophomore students in the second year; and
  (3) 310 student by the third year;
- It would be mandated that freshmen and sophomores live in the dorm; and
- The maximum number of rooms/students would be two to a room or 208/416 students.

Mr. Beran stated there were limited apartment options in Victoria with a 90% current occupancy rate. The Business Plan had been verified by American Campus Communities Management Company. This company currently manages 145 facilities in the U.S., 50+ properties in Texas alone. The Residential Housing Operations would also be outsourced. Everything from the management of the property, custodial and maintenance of the property, marketing and leasing of the property, as well as student life issues would be managed. Dining Services would be outsourced as well and ARAMARK would handle the catering.

An assessment of the property had been completed and the biggest issue raised was how to convert a hotel to a dorm. Mr. Beran emphasized these would be dorms and not apartments. Each room would have double occupancy with a bath; and the price for an academic year would run approximately $4,000 per student.

President Hudson called upon Cheri Norgard, Vice President for Recruitment and Student Success, who discussed Residential Services. Below is a brief summary of her remarks:

- Residential Services would include:
  1. Welcome and Information Center;
  2. Academic tutoring and advising;
  3. Computer lab with technical support;
  4. Group and individual study areas;
  5. Peer-to-peer mentoring;

6. Social engagement/networking activities;
7. Full dining services;
8. Fitness facility; and
9. Internet, cable, and utilities.

- The importance of residential housing was addressed:
  1. Parents prefer their son/daughter live in university housing;
  2. Increased engagement with peers, faculty, and the institution;
  3. More personal growth and development;
  4. Campus involvement and sense of community;
  5. Safe and secure environment;
  6. Higher satisfaction, persistence and graduation rates;
  7. Closer ties build a stronger alumni base; and
  8. A holistic experience.

- Ms. Norgard gave an overview of the recruiting efforts currently taking place; early recruitment feedback; and late Fall/Spring recruitment efforts. Below is brief summary of her remarks concerning these issues:
  1. Since October 2009, recruiting has been done in San Antonio, Houston, Corpus Christi area, Coastal Bend area (outside Victoria College service area) and The Valley;
  2. They have conducted: 120 recruiting visits to schools; 48 college fair recruiting network events; five tours and campus visits for prospective students and parents; two counselor campus visits; 1,356 contacts in the database as of November 30, 2009; and 89 applications received since applications opened on November 16, 2009;
  3. A counselor from Cy-Ridge high school had commented that our 190 target was too low;
  4. A counselor from Cypress-Springs high school had stated their demographic matched ours – value, scholarship opportunities, and smaller class size;
  5. 145 visits per month in the Spring to high schools will be done;
  6. 65 high school visits devoted to juniors; and
  7. Campaign Victoria aggressively raising funds for freshman and sophomore student scholarships.

The revenue projections for this project were addressed. Mr. Beran stated for single occupancy the number of students for 2010-11 through 2014-15 would be:
1. 52 versus the number of students in double occupancy in 2010-11 – 156;
2. 2011-12 – 274;
3. 2012-13 – 310;
4. 2013-14 – 332; and
5. 2014-15 – 362.

The total revenue projected would be:
1. 2010-11 would be $878,000;

2. 2011-12 - $1,467,750;
3. 2012-13 - $1,695,170;
4. 2013-14 - $1,842,104; and
5. 2014-15 - $2,032,313.

The funding amount for this project would total $9,000,000: $7,000,000 from Revenue Bonds; $750,000 from HEAF; $900,000 from capital improvements from residential housing rental; and $350,000 from capital investment by dining services company.

Regent Ray moved committee approval of this item as presented; Regent Berry seconded the motion; and members of the committee concurred. At the conclusion of the Finance and Administration Committee meeting the Board reconvened and this item was presented for final Board approval.

Chairman Wilson reconvened the Board meeting at 12:48 p.m. and called for a motion to approve the recommendation of the Finance and Administration Committee to approve the item as presented. Regent Wise moved approval of the committee's recommendation. Regent Blair seconded the motion, which passed unanimously.

EXECUTIVE SESSION (reconvened)

Chairman Wilson reconvened the Executive Session at 12:49 p.m. to continue their prior discussion on property and personal issues. At approximately 1:10 p.m. Chairman Wilson reconvened the Board meeting and stated that the Board had discussed personnel issues, but no action had been taken in Executive Session.

In absence of further business, the Board adjourned at 1:10 p.m.

All documentation submitted to the Board in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Board, 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.

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Others Present:

Renu Khator	Wayne Beran	Tom Ehardt
Carl Carlucci	Dave Irvin	Ed Hugetz
John Antel	Jon Aldrich	Raymond Bartlett
Dona Cornell	Mike Emery	Barbara Stanley
Michael Rierson	David Bell	Oscar Gutierrez
Elwyn Lee	Ed Jones	Chari Norgard
Tim Hudson	Marquette Hobbs	Dineta Frazier
Grover Campbell	Gerry Mathisen	