MINUTES OF THE MEETING
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
SPECIAL CALLED MEETING

January 18, 2008

Members Present:	**Members Absent:**
Welcome W. Wilson, Chair	Raul A. Gonzalez
Calvin W. Stephens, Vice Chair	Christopher Sharpe
Jim P. Wise, Secretary	
Michael J. Cemo	
Leroy L. Hermes	
Dennis D. Golden	
Morgan Dunn O'Connor	
Lynden B. Rose	

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The University of Houston System Board of Regents convened in Room 220 Conference Room, University of Houston, 4800 Calhoun, Houston, Texas on Friday, January 18, 2008. Noting the presence of a quorum, Chairman Wilson called the meeting to order at 2:05 p.m.

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 2:06 p.m.

EXECUTIVE SESSION REPORT

Chairman Wilson reconvened the Board meeting at 2:45 p.m. and stated that the board discussed property and personnel. There was no action taken by the Board as a result of Executive Session.

Chairman Wilson turned the meeting over to Regent Rose for the Administration and Finance Committee Meeting.

ADMINISTRATION AND FINANCE COMMITTEE

Regent Rose called the Administration and Finance Committee Meeting to order at 2:48 p.m. and turned the meeting over to Dr. Rudley to present the items on the agenda.

Dr. Rudley presented the following action items for review by the committee:

Action Items:

1. Approve Revised Budget for Graduate and Professional Student Housing on Calhoun Road – University of Houston. Board approval is requested to revise the budget for the design and construction of a graduate and professional student housing project (Calhoun Lofts). This 984 bed project was initially approved by the Board of Regents in November 2006. The total project budget has increased from $96,643,000 to $107,900,000. The budget increase has been a result of inflation, increased foundation costs, improved mechanical, plumbing and other betterments to reduce life cycle and long-term operating and maintenance costs.

2. Approve Revised Budget for Classroom/Office Building at UH System at Sugar Land – UH-Victoria. Board approval is requested to revise the budget for the construction of the classroom/office building at UH System at Sugar Land to a total project cost of $36,800,000. The initial project budget approved in 2005 was $30,000,000 and in October 2006, the budget was revised to $35,000,000. The $1,800,000 increase in the total project cost is a result of construction cost escalation; new requirements for a structural slab and a deeper foundation due to the soil conditions; earthwork to raise the floor elevation due to a delay in constructing the Levee; and, constructing a new facilities maintenance building.

Regent Stephens moved approval of the items as presented. Regent Wise seconded the motion, which passed unanimously.

Before adjourning the meeting, Regent Rose thanked Regents Wilson, Hermes, and Wise for their expertise in the area of finance, and assured the regents that the construction process would be reviewed. He also thanked the staff for their hard work in dealing with the current projects.

There being no further business to come before the committee, the meeting adjourned at 3:45 p.m.

Regent Wilson reconvened the board meeting and called for a motion to approve the recommendations of the Administration and Finance Committee. Regent Golden moved approval of the committee's recommendation. Regent O'Connor seconded the motion, which passed unanimously.

Regent Wilson called on Regent Wise for the Strategic Planning Committee Meeting.

STRATEGIC PLANNING COMMITTEE

Regent Wise called the Strategic Planning Committee Meeting to order at 3:45 p.m. and turned the meeting over to Dr. Rudley to present the item on the agenda.

Dr. Rudley presented the following action item for review by the committee:

Action Item:

1. Purchase of Property on Martin Luther King Drive – UH System

   Board approval is requested for the Board to delegate authority to the Chancellor to negotiate the purchase price and to execute all legal documents related to the purchase of approximately 43.24 acres of property located on Martin Luther King Drive. This property is located immediately East of MacGregor Park and South of the University of Houston campus. The University's acquisition of this additional acreage will accommodate projected growth of the University.

   Appraisals for the proposed acquisition have been completed and the market value for highest and best use of this property was determined to be:

   1. The Gerald A. Teel Company, Inc.: $23,020,000
   2. CBRE Valuation & Advisory Services: $23,500,000
   3. Cushman-Wakefield: $20,000,000

   This appraisal value is 7% below the price at which property is under contract of sale with the seller. The University recommends proceeding with acquisition at the contract price of $25,000,000 because of the sale-purchase complexity, strategic value to university, and future transportation improvements in the area.

Regent Hermes moved approval of the action item as presented. Regent Cemo seconded the motion, which passed unanimously.

There being no further business to come before the committee, the meeting adjourned at 3:56 p.m.

Regent Wilson reconvened the board meeting and called for a motion to approve the recommendation of the Strategic Planning Committee. Regent Stephens moved approval of the committee's recommendation. Regent Golden seconded the motion, which passed unanimously.

Next on the Agenda was the Chair's Report. Regent Wilson read the following statement:

"Thanks to Regent Dennis Golden's leadership on the issue of accountability, the University of Houston System is prepared to become a member of the Voluntary System of Accountability, a federal initiative. After having consulted with the faculty, Chancellor Khator will be sending a letter of participation on behalf of the UH System to the national organization supervising VSA. All universities within the UHS will participate and thus hold themselves accountable to the public. At the next Board meeting, Provost Foss will make a presentation to the Board on the implementation details and impact of the VSA. Again, the Board wants to thank Regent Dennis Golden, faculty and administration for this proactive step."

Regent Wilson called on Dr. Renu Khator for additional comments. Before commenting on the Voluntary System of Accountability, Dr. Khator took a moment to thank the board again, for placing their trust in her as Chancellor of the University of Houston System and President of the University of Houston. She gave the board a brief review of her first few days in office and called on Karen Clarke, Associate Vice Chancellor/Vice President for University Relations, to provide the regents with a report on the "Building Our Future: the First 100 Days" media campaign. In discussing the Voluntary System of Accountability, Dr. Khator told the regents that the administration would review all suggestions coming through the "100 Day Plan" web-site and come back to them with several system-wide initiatives. Dr. Khator assured the regents that the University would move forward, focusing on an effort of student service and success.

Regent Golden thanked Dr. Khator for the opportunity to work in the area of accountability. Chairman Wilson asked Regent Golden to send Governor Perry a memo, sharing the University's accountability initiatives.

Regent Wilson thanked Dr. Rudley for his service to the University of Houston System and congratulated him on his appointment as President of Texas Southern University. Regent Wilson recommended an Appreciation Resolution for Dr. Rudley, and the board unanimously agreed. The formal Resolution will be presented to the board for approval at the February 21, 2008 Board of Regents Meeting.

There being no further business to come before the board, the meeting adjourned at 4:10 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.

Others Present:

Renu Khator
John Rudley
Dona Cornell
Elwyn Lee
Don Foss
Michael Rierson
Jim McShan
Ed Hugetz
Michelle Moosally
Mayra Cruz
Lucy Limon
Joe Kotarba
Dan Gardner
Dave Irvin
Elaine Charlson
Jason Lisovicz
Brian Nelson
Karen Clarke
Raymond Bartlett
Anjoo Kikka
Wynne Chin
David Bell
Malcolm Davis
Peggy Cervenka