

Meeting No. 896

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

Pages 1 - 4

October 8, 1996

Austin, Texas

MEETING NO. 896

TUESDAY, OCTOBER 8, 1996.--The members of the Board of Regents of The University of Texas System convened at 12:10 p.m. on Tuesday, October 8, 1996, on the ninth floor of Ashbel Smith Hall at 201 West Seventh Street in Austin, Texas, with the following in attendance:

ATTENDANCE.--

Present

Chairman Rapoport, presiding
Vice-Chairman Smiley
Regent Deily
Regent Evans
Regent Holmes
Regent Lebermann

*Absent

Vice-Chairman Hicks
Regent Loeffler
Regent Temple

Executive Secretary Dilly

Chancellor Cunningham
Executive Vice Chancellor Burck
Executive Vice Chancellor Duncan
Executive Vice Chancellor Mullins

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Rapoport called the meeting to order. He announced that the sole purpose of this special meeting was to consider the two items set forth in Interim Agenda 97-1 which had been previously distributed to the Board. Chairman Rapoport reported to the Board that these two items are of sufficient urgency that they need to be resolved prior to the regular meeting of the Board on November 14, 1996.

*Vice-Chairman Hicks and Regents Loeffler and Temple were excused because of previous commitments.

1. U. T. El Paso: Authorization to Amend the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to Include a Project for the Renovation of the Commons/Conference Center.--Upon recommendation of the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio, the Board amended the FY 1996-2001 Capital Improvement Program and the FY 1996-1997 Capital Budget to include a project for the remodeling of the Commons/Conference Center at The University of Texas at El Paso at an estimated total project cost of \$1,000,000 to be funded from Gifts and Grants with interim funds provided from other institutional sources.

The El Paso Natural Gas Company recently announced its intention to award U. T. El Paso \$1,000,000 payable over five years to convert the Commons, a food service facility which serves a small residence hall population, into a conference center. This gift is part of the University's capital campaign initiative to be presented to the U. T. Board of Regents for approval at the November 1996 meeting.

This remodeling project will consist of subdividing the large dining areas with moveable partitions, replacement of selected kitchen equipment, creation of a sundries retail space, renovation of the existing elevator, replacement of selected mechanical equipment, and creation of an exterior entrance facing the new Undergraduate Learning Center located north of this building. The Commons, constructed in 1971, is not considered historically significant. Project implementation will be approved administratively under recently approved procedures for repair and rehabilitation projects which are not architecturally or historically significant.

2. U. T. Southwestern Medical Center - Dallas: Approval to Loan Medical Service, Research and Development Plan (MSRDP) Funds to U. T. Southwestern Health Systems, Inc. to Purchase Real Property Located at 1300 Mockingbird Lane in Dallas, Dallas County, Texas, from the Life Insurance Company of the Southwest and Authorization for the Executive Vice Chancellor for Business Affairs to Execute All Documents Related Thereto.--The Board, upon recommendation of the Chancellor, the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Wildenthal, authorized The University of Texas Southwestern Medical Center at Dallas to loan Medical Service, Research and Development Plan (MSRDP) funds in the amount of \$6,150,000 to U. T. Southwestern Health Systems, Inc., a 501(a) health care corporation, for the purpose of financing the corporation's purchase of the land and improvements located at 1300 Mockingbird Lane, Dallas, Dallas County, Texas, from the Life Insurance Company of the Southwest.

The loan will be evidenced by a promissory note and secured by, among other things, a deed of trust covering the land and improvements. All loan documents will be approved as to legal form by the U. T. System Office of General Counsel and will be approved as to content by the Executive Vice Chancellor for Health Affairs.

Further, the Board authorized the Executive Vice Chancellor for Business Affairs or his delegate to take such actions and to execute any documents, instruments, or other writings as he or his delegate may deem necessary, advisable, or proper to carry out the purpose and intent of this Regental action.

U. T. Southwestern Health Systems, Inc. desires to purchase facilities to house its business operations and has selected this 5.004 acre site with 152,959 square feet of improvements to meet this need. The property located at 1300 Mockingbird Lane includes a five-story and basement office building and 536 parking spaces. The purchase price of \$6,150,000 is fully supported by an appraisal dated September 30, 1996. This acquisition will allow the U. T. Southwestern Medical Center - Dallas to utilize space on campus for clinical programs as it is vacated by the corporation.

U. T. Southwestern Medical Center - Dallas will manage the building to assure appropriate use of the property. The purchase of the building will result in lower administrative costs, which will ultimately be reflected in savings to the public for medical care, and provide space for clinical support activities in a more economic manner than a commercial lease.

ADJOURNMENT.--Chairman Rapoport announced that the purpose for which this special meeting was called had been completed and the meeting was duly adjourned at 12:17 p.m.

/s/ Arthur H. Dilly
Executive Secretary

October 9, 1996