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FOR
FACILITIES PLANNING AND CONSTRUCTION
COMMITTEE**

Committee Meeting: 8/19/2009

Board Meeting: 8/20/2009
Austin, Texas

*Printice L. Gary, Chairman
James D. Dannenbaum
R. Steven Hicks
Wm. Eugene Powell*

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Hurricane Ike Recovery Projects

8. U. T. Medical Branch – Galveston: Hurricane Ike Recovery Projects - Academic and Business Buildings, Healthcare Buildings, Infrastructure, and Research Buildings - Amendment of the FY 2010-2015 Capital Improvement Program to include projects; approval of total project costs; and appropriation of funds (Final Board approval)	3:31 p.m. Action <i>Mr. O'Donnell</i>	Action	136
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Addition to the CIP

9. U. T. Medical Branch – Galveston: Center for Technology and Workforce Development - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)	3:41 p.m. Action <i>Mr. O'Donnell</i>	Action	139
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<u>Design Development Approvals</u>			
10. U. T. Austin: College of Communication Building - New - Amendment of the FY 2010-2015 Capital Improvement Program to decrease the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)	<i>3:43 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	140
11. U. T. Health Science Center – Houston: Research Park Complex - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to increase scope of the Dental Branch Building portion of the project; reapproval of design development of the Dental Branch Building; appropriation of additional funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)	<i>3:46 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	143
<u>Modifications to the CIP</u>			
12. U. T. Arlington: Engineering Research Complex - Amendment of the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost; approval to reallocate approved funding; revise the funding sources; authorization of expenditure of additional funds; and remove the Center for Structural Engineering Research project from the CIP (Final Board approval)	<i>3:50 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	147
13. U. T. Austin: Peter T. Flawn Academic Center Renovation - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval of additional funding sources; and appropriation of funds (Final Board approval)	<i>3:52 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	149
14. U. T. San Antonio: Multifunction Office Building I - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to redesignate the project as the Multifunction Office Buildings 1 and 2; and authorization of Office of Facilities Planning and Construction management (Preliminary Board approval)	<i>3:55 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	151

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15. U. T. Southwestern Medical Center – Dallas: Library, Equipment, Repair and Rehabilitation (LERR) 09 - Renovation of Lab and Office Space V - Amendment of the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost; approval to reallocate approved funding; and authorization of expenditure of additional funds (Final Board approval)	<i>4:00 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	152
16. U. T. Southwestern Medical Center – Dallas: North Campus Phase 5 - Amendment of the FY 2010-2015 Capital Improvement Program to revise the funding sources; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	<i>4:05 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	153
17. U. T. Medical Branch – Galveston: Blocker Burn Unit Renovation, Labor and Delivery Renovation, and John Sealy Hospital Modernization - Amendment of the FY 2010-2015 Capital Improvement Program to combine the three projects and redesignate as the John Sealy Hospital Modernization and approval to increase the total project cost; and revise the funding sources (Final Board approval)	<i>4:10 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	155
18. U. T. M. D. Anderson Cancer Center: Mid-Campus Building No. 1 (formerly Administrative Support Building) - Amendment of the FY 2010-2015 Capital Improvement Program to revise the funding sources; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)	<i>4:13 p.m.</i> Action <i>Mr. O'Donnell</i>	Action	157
Adjourn	<i>4:15 p.m.</i>		

1. U. T. San Antonio: 2009 Campus Master Plan Update

REPORT

President Romo and Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will present an updated 2009 Campus Master Plan for U. T. San Antonio along with Mr. Carl L. Gromatzky, Principal from the architectural firm of Barnes Gromatzky Kosarek that facilitated and documented the strategic discussion that has resulted in the updated Campus Master Plan.

At the time the U. T. San Antonio Campus Master Plan was approved by The University of Texas System Board of Regents on November 16, 2000, it was anticipated that the Plan would be updated every 7 to 10 years.

Executive Summary

The Campus Master Plan seeks to reestablish the urban character and connectivity to the landscape set forth in the original concept for the Main Campus and extends those concepts to the Downtown Campus and the recently acquired UTSA Park West area of the Main Campus.

The Plan for the Main Campus reinforces the original core of the campus - the Sombrilla, the Paseos, and the buildings that define them - and extends its influence outward to organize the site. The plan creates an extended and interconnected network of vehicular and pedestrian streets. It provides building sites and establishes a green reserve of primary campus open spaces. The plan proposes that a new athletics complex and mixed use development be constructed on the recently acquired land adjoining Loop 1604 to the west of the Main campus, and that the eastern portion of the Main campus be preserved in a natural state.

The Campus Master Plan proposes that, as the Downtown Campus grows, it incorporate the entire block west of South Frio Street and that architectural and landscape design for the entire campus be developed to create a coherent ensemble.

The UTSA HemisFair Park Campus is the home of the Institute of Texan Cultures. The City of San Antonio is currently conducting a separate master plan for the entire HemisFair area. U. T. San Antonio will conduct an additional master plan for the HemisFair Park Campus after the City's plan is complete. The scope of this update is limited to a review of the HemisFair Park Campus' wayfinding systems and recommendations for their improvement.

Supplemental Materials: PowerPoint presentation on Pages 256 - 283 of Volume 2.

2. **U. T. System: Capital Improvement Program Update**

REPORT

Mr. Michael O'Donnell, Associate Vice Chancellor for Facilities Planning and Construction, will provide the annual update of the Capital Improvement Program (CIP) pursuant to the *Rules and Regulations*, Rule 80301, Section 1. The CIP consists of major new construction and repair and rehabilitation projects to be implemented and funded from institution and Systemwide revenue sources. Projects included in the CIP correspond to the highest priority needs identified by institutional administration.

3. **U. T. System Board of Regents: Amendment of Section 3 regarding definition of criteria of major and minor projects in Regents' Rules and Regulations, Rule 80301 (Capital Improvement Program); Rule 80402 (Major Construction and Repair and Rehabilitation Projects); Rule 80403 (Minor Construction and Repair and Rehabilitation Projects); Rule 80404 (Institutional Management of Major Construction and Repair and Rehabilitation Projects); and Rule 80901 (Constitutional and Legislative Restrictions on Capital Improvements)**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Health Affairs, and the Vice Chancellor and General Counsel that the following Regents' *Rules and Regulations* be amended as set forth below in congressional style:

- a. Amend the Definition of Major Project in Rules 80301 (Capital Improvement Program), 80402 (Major Construction and Repair and Rehabilitation Projects), and 80404 (Institutional Management of Major Construction and Repair and Rehabilitation Projects) as follows:

3. Definitions

Major Project – Any project that meets one or more of the following criteria: 1) new building construction with a value of ~~more than \$1~~ **\$4 million or more**, 2) road, paving, and repair and rehabilitation projects with a value of ~~more than \$2~~ **\$4 million or more**, 3) any project determined by the Board to be architecturally or historically significant, 4) any project that is debt financed [Revenue Financing System (RFS), Tuition Revenue Bond (TRB), Permanent University Fund (PUF)] regardless of dollar value, and 5) any campus planning efforts that are intended to result in a capital project meeting one or more of these criteria.

- b. Amend the Definition of Minor Project in Rule 80403 (Minor Construction and Repair and Rehabilitation Projects) as follows:

3. Definitions

Minor Project – New building construction and road, paving, and repair and rehabilitation projects of \$4 less than \$4 million that are not funded in any part with debt or ~~less and road, paving, and repair and rehabilitation projects of \$2 million or less.~~

- c. Amend the Authority to Increase Project Cost in Section 7 of Rule 80402 (Major Construction and Repair and Rehabilitation Projects) to be consistent with Section 4 of Rule 80402 as follows:

Sec. 7 Authority to Increase Project Cost. The Chancellor, with the advice of the appropriate Executive Vice Chancellor, Office of Finance, and institutional president, is authorized to increase the approved Total Project Cost not more than 10% or \$500,000, whichever is greater. To provide funding for the increase, the Chancellor may reallocate funding between or among approved projects at a single institution if funding for such projects has previously been authorized or approved funding from some other source available to the institution.

- d. Amend the Authority to Increase Project Cost in Section 7 of Rule 80404 (Institutional Management of Major Construction and Repair and Rehabilitation Projects) to be consistent with Section 5 of Rule 80404 as follows:

Sec. 7 Authority to Increase Project Cost. The institutional president, with the advice of the appropriate Executive Vice Chancellor, is authorized to increase the approved Total Project Cost not more than 10% or \$500,000, whichever is greater. To provide funding for the increase, the institutional president may reallocate funding between or among approved projects at the institution if funding for such projects has previously been authorized or is from some other source of approved funds available to the institution.

- e. Amend Rule 80901 (Constitutional and Legislative Restrictions on Capital Improvements) as follows:

Sec. 1 Approval by Coordinating Board. ...

1.1 Unless otherwise authorized by law, new construction and major repair and rehabilitation projects ~~in excess of \$4 \$4 million or more and major repair and rehabilitation projects in excess of \$2 million~~ must be approved by the Texas Higher Education Coordinating Board. Format for submission will be as prescribed by the Coordinating Board.

Submission will be prepared by the institution, in consultation with and assisted by System Administration's Office of Facilities Planning and Construction, if necessary, and forwarded to System Administration for review, approval, and handling of submission. It is anticipated that necessary documents will be submitted to the Coordinating Board when the project scope and estimated cost are sufficiently defined to meet the Coordinating Board's requirements for approval. Normally, submission will be made after the institutional president, Chancellor, and or the Board of Regents have approved the Design Development Plans and the related cost estimate.

Sec. 2 Delegation by Board of Regents. The Texas Higher Education Coordinating Board requires a signed Board of Regents Certification form ~~has delegated to its Commissioner approval authority for certain projects qualifying under Coordinating Board Rule 17.21. Coordinating Board Rule 17.46. This delegation requires a certification that the project meets specified criteria.~~ The authority to execute this certification for the Board of Regents is delegated to the Executive Vice Chancellor for Business Affairs or the Associate Vice Chancellor for Facilities Planning and Construction.

BACKGROUND INFORMATION

In response to Senate Bill 1796 from the 81st Texas Legislature, the Texas Higher Education Coordinating Board has revised its Board Rules applying to construction project approval thresholds. The new Coordinating Board Rules require all new construction and repair and rehabilitation projects with a cost of \$4 million or greater be submitted for approval.

The proposed amendments to the current Regents' *Rules and Regulations* will provide alignment with the revised Coordinating Board Rules. The proposed amendments to Rules 80301, 80402, and 80404 would revise the definition of a Major Project requiring addition to the CIP to include new construction and repair and rehabilitation projects with a value of \$4 million or greater in lieu of the previous \$1 million and \$2 million thresholds. The proposed amendment to Rule 80403 would revise the definition of a Minor Project to include projects that are less than \$4 million in lieu of the previous thresholds. The proposed amendment to Rule 80901 would revise the threshold of projects to \$4 million for new construction and repair and rehabilitation projects and includes the institutional President on those approving design development as delegated in Rule 80404.

The proposed changes would be effective September 1, 2009.

4. U. T. Arlington: FY 10 High Priority Fire and Life Safety Corrections Phase 2 - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the FY 10 High Priority Fire and Life Safety Corrections Phase 2 project at The University of Texas at Arlington as follows:

Project No.: 301-498
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: February 2011
Total Project Cost:

<u>Source</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$1,400,000

- a. approve a total project cost of \$1,400,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; and
- c. authorize U. T. Arlington to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$1,400,000 from PUF Bond Proceeds for Fiscal Year 2010 for the project.

Project Description

The project is the second of three allocations to address various fire and life safety deficiencies identified as high priority items. The scope of the project includes fire protection systems on two floors in the Library, means of egress deficiencies, emergency egress lighting systems in additional buildings including the Business Building, Physical Education Building, and Pickard, Wolf, and Preston Halls. Other specific areas being addressed include handrail corrections, installation of fire doors in several buildings, and upgrading a fire protection water line on South Oak Street.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Arlington Facility Management personnel who have the experience and capability to manage all aspects of the work.

5. U. T. Austin: FY 10 High Priority Fire and Life Safety Corrections - Phase 2 - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the FY 10 High Priority Fire and Life Safety Corrections - Phase 2 project at The University of Texas at Austin as follows:

Project No.: 102-499
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: February 2011
Total Project Cost:

<u>Source</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$4,800,000

- a. approve a total project cost of \$4,800,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; and
- c. authorize U. T. Austin to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$4,800,000 from PUF Bond Proceeds for Fiscal Year 2010 for the project.

Project Description

The project addresses various fire and life safety deficiencies identified as high priority items including fire protection systems. The project will include design and installation of fire sprinkler and fire alarm systems, and correction of egress deficiencies including emergency lighting and door hardware. The buildings involved will include the Chemical and Petroleum Engineering Building, the Music Recital Hall, Painter Hall, Goldsmith Hall, Sid Richardson Hall, and the Main Building.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Austin Facility Management personnel who have the experience and capability to manage all aspects of the work.

6. **U. T. Medical Branch – Galveston: FY 09 High Priority Fire and Life Safety Projects - University Hospital Clinics Building - Amendment of the FY 2010-2015 Capital Improvement Program to redesignate the project as the FY 09/FY 10 High Priority Fire and Life Safety Project - University Hospital Clinics Building; approval to increase the total project cost; and appropriation of additional funds (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents approve the recommendations for the FY 09 High Priority Fire and Life Safety Projects - University Hospital Clinics Building at The University of Texas Medical Branch at Galveston as follows:

Project No.: 601-454
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: March 2011

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Permanent University Fund Bond Proceeds	\$ 600,000	\$1,200,000
	Hospital Revenues	\$ 600,000	\$ 600,000
		\$1,200,000	\$1,800,000

- a. redesignate the project as the FY 09/FY 10 High Priority Fire and Life Safety Project - University Hospital Clinics Building;
- b. increase the total project cost from \$1,200,000 to \$1,800,000; and
- c. appropriate additional funding of \$600,000 from Permanent University Fund (PUF) Bond Proceeds.

BACKGROUND INFORMATION

Previous Board Actions

On August 14, 2008, the Board approved the allocation of \$600,000 from PUF Bond Proceeds for Fiscal Year 2009 and for Fiscal Year 2010. On November 13, 2008, the project was included in the CIP with a total project cost of \$1,200,000 with funding of \$600,000 from PUF Bond Proceeds and \$600,000 from Hospital Revenues and authorized institutional management.

Project Description

This institutionally managed project will address installation of fire sprinklers on all floors of the University Hospital Clinics Building. The increase to the total project cost will complete the repairs and renovations needed to upgrade the building to current life safety codes.

Design development plans and authorization of expenditure of funding will be approved by the President at a later date.

- 7. **U. T. Health Science Center – San Antonio: FY 10 High Priority Fire and Life Safety Projects - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; appropriation of funds; and authorization of institutional management (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Henrich that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement

Program (CIP) to include the FY 10 High Priority Fire and Life Safety Projects at The University of Texas Health Science Center at San Antonio as follows:

Project No.: 402-500
Institutionally Managed: Yes No
Project Delivery Method: Competitive Sealed Proposals
Substantial Completion Date: May 2010
Total Project Cost:

<u>Source</u>	<u>Proposed</u>
Permanent University Fund Bond Proceeds	\$1,700,000

- a. approve a total project cost of \$1,700,000 with funding from Permanent University Fund (PUF) Bond Proceeds;
- b. appropriate funds; and
- c. authorize U. T. Health Science Center – San Antonio to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts.

BACKGROUND INFORMATION

Previous Board Action

On August 14, 2008, the Board approved the allocation of \$1,700,000 from PUF Bond Proceeds for Fiscal Year 2010 for the project.

Project Description

The project will include installing a fire sprinkler system and upgrading the fire alarm system in the Lecture Hall Building.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the President at a later date. It has been determined that this project would best be managed by the U. T. Health Science Center – San Antonio Facility Management personnel who have the experience and capability to manage all aspects of the work.

8. U. T. Medical Branch – Galveston: Hurricane Ike Recovery Projects - Academic and Business Buildings, Healthcare Buildings, Infrastructure, and Research Buildings - Amendment of the FY 2010-2015 Capital Improvement Program to include projects; approval of total project costs; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the Hurricane Ike Recovery Projects – Academic and Business Buildings, Healthcare Buildings, Infrastructure, and Research Buildings at The University of Texas Medical Branch at Galveston as follows:

Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: November 2014

Academic and Business Buildings (Project No. 601-504)	<u>Source</u>	<u>Proposed</u>
	FEMA Insurance Claims	\$109,367,000
	Private Insurance Claims	\$ 16,283,000
	State Matching Funds (Unexpended Plant Funds)	<u>\$ 36,455,000</u>
Total Project Cost:		\$162,105,000
Healthcare Buildings (Project No. 601-505)	<u>Source</u>	<u>Proposed</u>
	FEMA Insurance Claims	\$183,284,000
	Private Insurance Claims	\$ 27,289,000
	State Matching Funds (Unexpended Plant Funds)	<u>\$ 61,095,000</u>
Total Project Cost:		\$271,668,000
Infrastructure (Project No. 601-506)	<u>Source</u>	<u>Proposed</u>
	FEMA Insurance Claims	\$ 98,522,000
	Private Insurance Claims	\$ 14,669,000
	State Matching Funds (Unexpended Plant Funds)	<u>\$ 32,841,000</u>
Total Project Cost:		\$146,032,000
Research Buildings (Project No. 601-507)	<u>Source</u>	<u>Proposed</u>
	FEMA Insurance Claims	\$ 58,827,000
	Private Insurance Claims	\$ 8,759,000
	State Matching Funds (Unexpended Plant Funds)	<u>\$ 19,609,000</u>
Total Project Cost:		\$ 87,195,000

- a. approve a total project cost of \$162,105,000 with funding of \$109,367,000 from Federal Emergency Management Agency (FEMA) Insurance Claims, \$16,283,000 from Private Insurance Claims, and \$36,455,000 from State Matching Funds (Unexpended Plant Funds) for the Academic and Business Buildings;

- b. approve a total project cost of \$271,668,000 with funding of \$183,284,000 from FEMA Insurance Claims, \$27,289,000 from Private Insurance Claims; and \$61,095,000 from State Matching Funds (Unexpended Plant Funds) for Healthcare Buildings;
- c. approve a total project cost of \$146,032,000 with funding of \$98,522,000 from FEMA Insurance Claims, \$14,669,000 from Private Insurance Claims; and \$32,841,000 from State Matching Funds (Unexpended Plant Funds) for Infrastructure;
- d. approve a total project cost of \$87,195,000 with funding of \$58,827,000 from FEMA Insurance Claims, \$8,759,000 from Private Insurance Claims, and \$19,609,000 from State Matching Funds (Unexpended Plant Funds) for Research Buildings; and
- e. appropriate funds.

BACKGROUND INFORMATION

The academic and business buildings, healthcare buildings, infrastructure, and research buildings were severely damaged due to the flooding that inundated the U. T. Medical Branch – Galveston (UTMB) campus during Hurricane Ike in September 2008. The following scopes of work propose to repair the damaged facilities consistent with the “Guiding Principles for Future Construction” presented in the UTMB Hurricane Mitigation Study by Walter P. Moore and Associates dated December 2008.

The Academic and Business Buildings scope of work will include repair and mitigation work in over 20 buildings serving academic and business functions. The work involves repair and mitigation of all first floor spaces, crawl spaces, basement areas, building elevators, mechanical, electrical, and plumbing (MEP) systems, heating, ventilation, and air conditioning (HVAC) units, security and life safety systems, telecommunication systems, and building envelope repairs. Some first floor building areas affected include office space, classrooms, and support spaces.

The Healthcare Buildings scope of work will include repair and mitigation work in 10 adjacent/connected hospital and healthcare buildings. The work involves repair and mitigation of first floor spaces, crawl spaces, basement areas, building elevators, roof repair, windows and building envelope, MEP systems, building utilities, HVAC units, security and life safety systems, air quality, medical gas systems, and additional support services. These buildings housed many of the support facilities for the hospital, and work will likely include relocation of kitchen, pharmacy, clinical laboratories, and core infrastructure for the complex.

Infrastructure repairs will involve campus-wide distribution systems including: cathodic protection, potable water, fire alarm system communications, fire suppression, domestic water, storm sewer, diesel supply loop, underground fuel tanks, building card readers,

security systems, aboveground propane tanks, electrical emergency power, steam transmission, chilled water systems, electrical power, telecommunication systems, underground telecommunication and data cabling, condensate return system, and elevator systems.

The Research Buildings scope of work will include repair and mitigation work in 10 research buildings on the campus. This work involves repair and mitigation of all first floor building spaces, basement areas, crawl spaces, building elevators, MEP systems, HVAC units, roof repairs, building envelope, telecommunications, and security and life safety systems. First floor building areas affected include research laboratory space and support space.

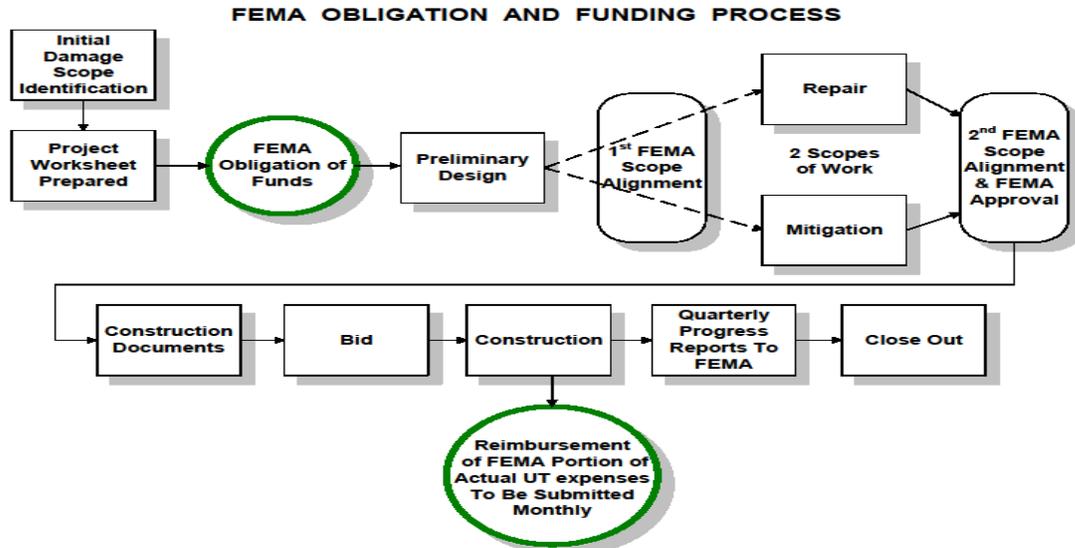
The combined total for the Hurricane Ike Recovery projects is \$667,000,000 with funding of \$450,000,000 from FEMA Insurance Claims, \$67,000,000 from Private Insurance Claims, and \$150,000,000 from State Matching Funds (Unexpended Plant Funds).

It is essential that the campus be returned to a fully functioning level and that appropriate mitigation strategies be provided to protect the campus from future weather events.

To effectively manage this critical program, the Office of Facilities Planning and Construction (OFPC) has created a new regional team, increasing campus support from eight staff to 18, including the following positions: Regional Program Manager (new); three Senior Project Managers (two new); one Senior Resident Construction Manager; three Project Managers (two new); seven Construction Inspectors (three new); one Program Analyst (new); and two Administrative Assistants (one new).

OFPC and U. T. System staff will work as an integrated team to manage the architectural, engineering, and construction services for each of the projects. Recognizing the importance of carefully defining, documenting, processing, and reporting FEMA-funded work, U. T. Medical Branch – Galveston has engaged J. L. Witt and Associates, a firm with expertise in packaging and coordinating FEMA funding applications. Further, the campus is currently procuring the services of an accounting firm focused on the repair/mitigation activities and versed in FEMA requirements to provide a fully auditable record of transactions and funding. OFPC's program analyst and accountants will coordinate with these groups to ensure accurate and accountable billing by the service providers. A summary "FEMA Obligation and Funding Process" flowchart is shown on Page 139.

The work included in these projects is limited to repair, remediation, and mitigation of damage caused by Hurricane Ike, with some renovation of space where it is appropriate to improve the space rather than return it to the same condition it was in pre-Hurricane Ike. This work does not include new buildings such as the Jennie Sealy Hospital Replacement or University Boulevard Research Building.



These proposed repair and rehabilitation projects have been approved by U. T. System staff and meet the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the Chancellor at a later date.

9. U. T. Medical Branch – Galveston: Center for Technology and Workforce Development - Amendment of the FY 2010-2015 Capital Improvement Program to include project; approval of total project cost; and appropriation of funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents amend the FY 2010-2015 Capital Improvement Program (CIP) to include the Center for Technology and Workforce Development project at The University of Texas Medical Branch at Galveston as follows:

Project No.:	601-503	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	November 2011	
Total Project Cost:	<u>Source</u> Grants	<u>Proposed</u> \$10,000,000

- a. approve a total project cost of \$10,000,000 with funding from an Economic Development Administration (EDA) Grant; and
- b. appropriate funds.

BACKGROUND INFORMATION

Prior to Hurricane Ike, which struck the U. T. Medical Branch campus in September 2008, the Center for Technology and Workforce Development was housed on the first and second floors of 1700 The Strand. The building was severely damaged and the Center was relocated to the third floor of the Medical Research Building.

U. T. Medical Branch – Galveston received a grant on May 28, 2009, from the Economic Development Administration (EDA) for \$10,000,000 toward renovations of the building at 1700 The Strand. The renovations will allow the Center to relocate back to 1700 The Strand.

The proposed scope of work under the EDA grant will be used for the building envelope, the new elevator, interior and exterior improvements, and upgrades to the facility that include approximately 45,026 gross square feet and is envisioned as a state-of-the-art incubator/accelerator for new and emerging technologies that will provide modern training facilities for several programs.

The Center will accommodate emerging companies through affordable office and laboratory space, common space, printing services, and reception and meeting rooms. The appropriate mitigation strategies to protect the Center from future weather events will be completed as part of the Hurricane Ike Recovery projects for the Academic and Business Buildings, presented as Agenda Item 8, which will include repairing damage to the ground floor of the building, the existing elevator, and the roof.

This proposed repair and rehabilitation project has been approved by U. T. System staff and meets the criteria for inclusion in the CIP. Design development plans and authorization of expenditure of funding will be approved by the Chancellor at a later date.

- 10. U. T. Austin: College of Communication Building - New - Amendment of the FY 2010-2015 Capital Improvement Program to decrease the total project cost; approval to revise the funding sources; approval of design development; appropriation of funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the College of Communication Building - New project at The University of Texas at Austin as follows:

Project No.: 102-041
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: March 2012

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Gifts	\$54,000,000	\$14,542,000
	Unexpended Plant Funds		\$ 6,024,000
	Revenue Financing System Bond Proceeds		<u>\$30,094,000</u>
			\$50,660,000

Investment Metrics:

- The Jesse H. Jones Communication Center was completed in 1974 to serve 1,000 students. Today, the College of Communication includes more than 4,200 students, 125 faculty and 140 staff. Construction of the new facility will provide the resources necessary to meet the demands of past growth by 2012.
 - The new facility will consolidate and reduce the burden of more than 40% of the communication classes that are taught in other buildings on campus by 2013.
- a. amend the FY 2010-2015 Capital Improvement Program to decrease the total project cost from \$54,000,000 to \$50,660,000;
 - b. revise the funding sources from \$54,000,000 from Gifts to \$14,542,000 from Gifts, \$6,024,000 from Unexpended Plant Funds, and \$30,094,000 from Revenue Financing System Bond Proceeds;
 - c. approve design development plans;
 - d. appropriate funds and authorize expenditure of funds;
 - e. approve the evaluation of alternative energy economic feasibility; and
 - f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Austin, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$30,094,000.

BACKGROUND INFORMATION

Debt Service

The \$30,094,000 in aggregate Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$30,094,000 Revenue Financing System debt is expected to be \$2,187,000. The institution's debt service coverage is expected to be at least 1.8 times and average 1.9 times over FY 2010-2015. Approximately \$1,160,000 of the aggregate \$30,094,000 Revenue Financing System debt proceeds is anticipated to be used for interest expense during construction.

Previous Board Actions

On November 11, 1999, the project was included in the CIP with a total project cost of \$32,000,000 with funding from Gifts. With the adoption of the FY 2008-2013 CIP on August 23, 2007, the total project cost increased to \$45,000,000 with funding from Gifts. On February 7, 2008, the total project cost was increased to \$54,000,000 with funding from Gifts.

Project Description

The new College of Communication Building will create approximately 120,000 gross square feet (GSF) of state-of-the-art facilities that will enable teaching, learning, and research to cross traditional boundaries and create new forms of communication and collaboration that include multiuse classrooms, research labs, performance production and broadcast studios, public forum spaces, and offices. The project includes approximately 20,000 GSF of shelled space for future use by KUT Radio for multimedia production, studios, and office and community space with an emphasis on audio services, including specialized studio, performance, and digital networking facilities. The total project cost will be decreased to match available funding sources.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 50-75 years
- Building Systems: 25-30 years
- Interior Construction: 15-20 years

The exterior appearance and finish are consistent with existing buildings. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with existing campus buildings.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

11. U. T. Health Science Center – Houston: Research Park Complex - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to increase scope of the Dental Branch Building portion of the project; reapproval of design development of the Dental Branch Building; appropriation of additional funds and authorization of expenditure; approval of evaluation of alternative energy economic feasibility; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Kaiser that the U. T. System Board of Regents approve the recommendations for the Dental Branch Building (DBB) portion of the Research Park Complex project at The University of Texas Health Science Center at Houston as follows:

Project No.:	701-320		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion:	June 2011		
Total Project Cost for the Research Park Complex:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Unexpended Plant Funds	\$ 36,840,739	\$ 40,380,739
	Permanent University Fund Bond Proceeds	\$ 59,100,000	\$ 59,100,000
	Tuition Revenue Bond Proceeds	\$ 60,000,000	\$ 60,000,000
	Gifts	\$ 2,000,000	\$ 2,000,000
	Revenue Financing System Bond Proceeds	\$ 10,000,000	\$ 70,800,000
		\$167,940,739	\$232,280,739
Total Project Cost for Stage 1 Behavioral and Biomedical Sciences Building (BBSB) of the Research Park Complex:	<u>Source</u>	<u>Current</u>	
	Unexpended Plant Funds	\$36,180,739	
	Permanent University Fund Bond Proceeds	\$41,100,000	
		\$77,280,739	

Total Project Cost for Stage 2 (DBB) of the Research Park Complex:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
		Unexpended Plant Funds	\$ 660,000
	Permanent University Fund Bond Proceeds	\$18,000,000	\$ 18,000,000
	Tuition Revenue Bond Proceeds	\$60,000,000	\$ 60,000,000
	Gifts	\$ 2,000,000	\$ 2,000,000
	Revenue Financing System Bond Proceeds	<u>\$10,000,000</u>	<u>\$ 70,800,000</u>
		\$90,660,000	\$155,000,000

Investment Metrics:

- Increase enrollment by 19% to 100 students by the end of 2012
 - Increase patient visits and treatments by 15% by the end of 2013
 - Accommodate more students in a smaller overall facility through modern facility design
- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost from \$167,940,739 to \$232,280,739;
 - b. revise the scope and increase total project cost of the DBB portion of the project from \$90,660,000 to \$155,000,000 with funding of \$4,200,000 from Unexpended Plant Funds, \$18,000,000 from Permanent University Fund (PUF) Bond Proceeds, \$60,000,000 from Tuition Revenue Bond Proceeds, \$2,000,000 from Gifts, and \$70,800,000 from Revenue Financing System Bond Proceeds;
 - c. reapprove design development plans for the DBB portion of the project;
 - d. appropriate additional funds and authorize expenditure of funds of \$3,540,000 from Unexpended Plant Funds and \$60,800,000 from Revenue Financing System Bond Proceeds;
 - e. approve the evaluation of alternative energy economic feasibility; and
 - f. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and

- U. T. Health Science Center – Houston, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$60,800,000.

BACKGROUND INFORMATION

Debt Service

The additional \$60,800,000 in Revenue Financing System debt will be repaid from institutional funds. Annual debt service on the \$60,800,000 Revenue Financing System debt is expected to be approximately \$5,300,000. The institution's debt service coverage is expected to be at least 1.8 times and average 2.0 times over FY 2010-2015. The Revenue Financing System debt service for this project is supported significantly by the Campus Projects Coordination Agreement between U. T. M. D. Anderson Cancer Center (UTMDACC) and U. T. Health Science Center – Houston (UTHSC-H), which calls for an upfront payment of \$2,500,000 and annual installment payments from UTMDACC to UTHSC-H over 20 years in the amount of \$2,725,000 per year, commencing in 2009 (see Item 3 on Page 119 in Health Affairs Committee.)

Previous Board Actions

Biomedical Research and Education Facility (BREF) - On August 10, 2006, the project was included in the CIP with a preliminary project cost of \$62,000,000 with funding of \$41,100,000 from PUF and \$20,900,000 from Gifts.

Dental Branch Replacement Building (DBRB) - On August 10, 2006, the project was included in the CIP with a preliminary project cost of \$80,000,000 with funding of \$18,000,000 from PUF Bond Proceeds, \$60,000,000 from Tuition Revenue Bond Proceeds, and \$2,000,000 from Gifts.

Mental Sciences Institute Replacement Facility - On November 11, 1999, the project was included in the CIP with a preliminary project cost of \$20,700,000 with funding from Unexpended Plant Funds. On August 9, 2001, the Board approved reducing the total project cost to \$16,500,000 with funding from Unexpended Plant Funds. On August 8, 2002, the Board approved the increase in the total project cost to \$22,500,000 with funding of \$16,500,000 from Unexpended Plant Funds and \$6,000,000 from Hospital Revenues.

Research Park Complex - On November 16, 2006, the three above mentioned projects were combined and redesignated as the Research Park Complex, and funding was revised with a total project cost of \$161,500,000 with funding of \$60,000,000 from

Tuition Revenue Bond Proceeds, \$59,100,000 from PUF Bond Proceeds, \$19,500,000 from Unexpended Plant Funds, and \$22,900,000 from Gifts. With the adoption of the FY 2008-2013 CIP, the project scope was increased to include a parking garage and the funding was revised for a total project cost of \$161,500,000 with funding of \$60,000,000 from Tuition Revenue Bond Proceeds, \$59,100,000 from PUF Bond Proceeds, \$22,900,000 from Unexpended Plant Funds, \$2,000,000 from Gifts, and \$17,500,000 from Revenue Financing System Bond Proceeds and redesignated as the U. T. Research Park Complex. On August 23, 2007, the Board approved design development plans for the BREF portion of the project with a total project cost of \$64,000,000 with funding of \$41,100,000 from PUF Bond Proceeds and \$22,900,000 from Unexpended Plant Funds. On February 7, 2008, the Board approved the increase in the total project cost for the BREF portion of the project from \$64,000,000 to \$77,280,739 with funding of \$41,100,000 from PUF Bond Proceeds and \$36,180,739 from Unexpended Plant Funds. On July 23, 2009, the Associate Vice Chancellor for Facilities Planning and Construction approved the redesignation of the project as the Research Park Complex with Stage I redesignated as Research Park Complex 1 – Behavioral and Biomedical Sciences Building (BBSB) and Stage 2 redesignated as Research Park Complex 2 – Dental Branch Building.

Project Description

Stage 2 of the project, the Dental Branch Building, will construct the second building in the complex consisting of a six-story structure to house approximately 298,521 gross square feet (GSF) and an expansion to the central plant. The building will include departmental offices, administrative offices, auditoriums, and educational components including classrooms and clinics with support space, preclinical and simulation laboratories. Originally, this facility was planned to be approximately 197,000 GSF and executed in phases. The increase in the total project cost will provide for the full development of the facility to provide the optimal teaching environment for the students instead of executing the construction in phases. The project budget also includes funding for the central plant which is approximately \$13,000,000 of the project budget.

Basis of Design

The planned building life expectancy includes the following elements:

- Enclosure: 45-50 years
- Building Systems: 25-30 years
- Interior Construction: 20-30 years

The exterior appearance and finish are consistent with existing campus buildings and with the existing Campus Master Plan. The mechanical and electrical building systems are designed with sufficient flexibility and space for future capacity to allow for changes without significant disruption to ongoing activities. The interior appearance and finish are consistent with high-end commercial clinical and administrative space.

Texas Government Code Section 2166.403 requires the governing body of a State agency to verify in an open meeting the economic feasibility of incorporating alternative energy devices into a new State building or an addition to an existing building. Therefore, the Project Architect prepared a renewable energy evaluation for this project in accordance with the Energy Conservation Design Standards for New State Buildings. This evaluation determined that alternative energy devices such as solar, wind, biomass, or photovoltaic energy are not economically feasible for the project.

12. U. T. Arlington: Engineering Research Complex - Amendment of the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost; approval to reallocate approved funding; revise the funding sources; authorization of expenditure of additional funds; and remove the Center for Structural Engineering Research project from the CIP (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that the U. T. System Board of Regents approve the recommendations for the Engineering Research Complex project at The University of Texas at Arlington as follows:

Project No.:	301-258		
Project Delivery Method:	Construction Manager at Risk		
Substantial Completion Date:	January 2011		
Total Project Cost for Engineering Research Complex:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Unexpended Plant Funds	\$ 12,780,000	\$ 0
	Permanent University Fund Bond Proceeds	\$ 37,000,000	\$ 62,000,000
	Revenue Financing System Bond Proceeds	\$ 25,500,000	\$ 23,280,000
	Tuition Revenue Bond Proceeds	\$ 70,430,000	\$ 70,430,000
		\$145,710,000	\$155,710,000
Total Project Cost for Center for Structural Engineering Research:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Permanent University Fund Bond Proceeds	\$ 25,000,000	
	Gifts	\$ 9,000,000	
		\$ 34,000,000	\$ 0

- Investment Metrics:**
- Increase office and conference room space by 23% by 2011
 - Create a new paradigm of highly flexible, interdisciplinary research space by 43% by 2011

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost from \$145,710,000 to \$155,710,000;

- b. approve the reallocation of \$25,000,000 of Permanent University Fund (PUF) Bond Proceeds from the Center for Structural Engineering Research project;
- c. revise the funding sources from \$12,780,000 from Unexpended Plant Funds, \$37,000,000 from PUF, \$25,500,000 from Revenue Financing System Bond Proceeds, and \$70,430,000 from Tuition Revenue Bond Proceeds to \$62,000,000 from PUF, \$23,280,000 from Revenue Financing System Bond Proceeds, and \$70,430,000 from Tuition Revenue Bond Proceeds;
- d. authorize the expenditure of the additional \$25,000,000 from PUF; and
- e. remove the Center for Structural Engineering Research project from the CIP.

BACKGROUND INFORMATION

Previous Board Action

Engineering Lab Building Addition - On February 8, 2007, the project was included in the CIP with a total project cost of \$10,450,000 with funding from Revenue Financing System Bond Proceeds.

Engineering Research Building - On June 20, 2006, the project was included in the CIP with a total project cost of \$80,430,000 with funding of \$70,430,000 from Tuition Revenue Bond Proceeds and \$10,000,000 from Revenue Financing System Bond Proceeds. On August 10, 2006, the Board approved revising the funding to \$70,430,000 from Tuition Revenue Bond Proceeds and \$10,000,000 from PUF Bond Proceeds.

Expansion of Engineering Research Building - On August 10, 2006, the repair and rehabilitation project was included in the CIP with a total project cost of \$30,000,000 with funding appropriated in the amount of \$27,000,000 from PUF Bond Proceeds and \$3,000,000 from Revenue Financing System Bond Proceeds.

Engineering Research Complex - With the adoption of the FY 2008-2013 CIP, the three above mentioned projects were combined and redesignated as the Engineering Research Complex with a total project cost of \$125,430,000 with funding of \$70,430,000 from Tuition Revenue Bond Proceeds, \$37,000,000 from PUF Bond Proceeds, and \$18,000,000 from Revenue Financing System Bond Proceeds. On May 15, 2008, the Board approved design development plans and increased the total project cost to \$138,210,000 with funding of \$70,430,000 from Tuition Revenue Bond Proceeds, \$37,000,000 from PUF Bond Proceeds, \$18,000,000 from Revenue Financing System Bond Proceeds, and \$12,780,000 from Unexpended Plant Funds. On June 11, 2008, the Chancellor approved the increase to the total project cost to

\$145,710,000 with funding of \$70,430,000 from Tuition Revenue Bond Proceeds, \$37,000,000 from PUF Bond Proceeds, \$25,500,000 from Revenue Financing System Bond Proceeds, and \$12,780,000 from Unexpended Plant Funds.

Center for Structural Engineering Research - On November 9, 2007, the project was included in the CIP with a total project cost of \$34,000,000 with funding of \$25,000,000 from PUF and \$9,000,000 from Gifts.

Project Description

The project includes Phase I and II of the Engineering Research Complex. Phase I will expand the existing two-story Engineering Lab Building by 27,300 gross square feet (GSF) into a three-story facility. Portions of the first and second floors will be renovated to meet new programming needs. Mechanical and fire protection improvements are also included for the first and second floors. The expanded building will be approximately 76,150 GSF and will accommodate teaching and research laboratories, laboratory support spaces, and administrative spaces. Phase II includes construction of a new Engineering Research Building with 234,000 GSF.

Due to cost inflation and market conditions, U. T. Arlington initially decided to build the maximum size new facility that is economically feasible while finishing out only part of the building. At this time, the decision has been made to fully fund completion of the shell space using the PUF funding previously designated for the Center for Structural Engineering Research. The proposed increase to the total project cost to reallocate PUF funding from the Center for Structural Engineering Research project to the Engineering Research Complex will allow the complete finish out of the facility rather than having shell space. The building will provide state-of-the-art multidisciplinary teaching and research laboratories, laboratory support spaces, and faculty, student, and administrative offices. The Center for Structural Engineering Research project will be added back to the CIP at a future date when economic conditions improve and there is more private support for the project.

13. **U. T. Austin: Peter T. Flawn Academic Center Renovation - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval of additional funding sources; and appropriation of funds (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Powers that the U. T. System Board of Regents approve the recommendations for the Peter T. Flawn Academic Center Renovation project at The University of Texas at Austin as follows:

Project No.: 102-406
Project Delivery Method: Construction Manager at Risk

Substantial Completion Date: April 2011

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Interest on Local Funds	\$20,000,000	\$20,000,000
	Designated Funds		\$ 1,500,000
	Unexpended Plant Funds		<u>\$ 500,000</u>
			\$22,000,000

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost from \$20,000,000 to \$22,000,000;
- b. revise the funding sources from \$20,000,000 from Interest on Local Funds to \$20,000,000 from Interest on Local Funds, \$1,500,000 from Designated Funds, and \$500,000 from Unexpended Plant Funds; and
- c. appropriate additional funding of \$1,500,000 from Designated Funds and \$500,000 from Unexpended Plant Funds.

BACKGROUND INFORMATION

Previous Board Action

On August 14, 2008, the project was included in the CIP with a total project cost of \$20,000,000 with funding from Interest on Local Funds.

Project Description

The project will improve the critical building systems and upgrade the life safety components as required to comply with current codes to provide a complete renovation/reconstruction of the third and fourth floors of the Peter T. Flawn Academic Center at U. T. Austin. The renovation work includes upgrades to the fire alarm system components, telecommunications and data systems, and repair/replacement of the mechanical, electrical, and plumbing systems to comply with the latest campus design standards, accessibility standards, and environmental regulations. The increase to the total project cost will upgrade the heating, ventilation, and air conditioning (HVAC) system serving the third and fourth floor renovated areas and complete the renovation of the unassigned space on the fourth floor.

14. **U. T. San Antonio: Multifunction Office Building I - Amendment of the FY 2010-2015 Capital Improvement Program to increase the total project cost; approval to redesignate the project as the Multifunction Office Buildings 1 and 2; and authorization of Office of Facilities Planning and Construction management (Preliminary Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Romo that the U. T. System Board of Regents approve the recommendations for the Multifunction Office Building I project at The University of Texas at San Antonio as follows:

Institutionally Managed: Yes No

Project Delivery Method: Design/Build

Substantial Completion Date: August 2010

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Designated Funds	\$4,750,000	\$15,250,000

Investment Metric:

- Add 20,000 net assignable square feet to make more educational and general space available in core campus buildings by 2010

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost from \$4,750,000 to \$15,250,000;
- b. redesignate the project as the Multifunction Office Buildings 1 and 2; and
- c. authorize the Office of Facilities Planning and Construction to manage the project.

BACKGROUND INFORMATION

Previous Board Action

On February 12, 2009, the project was included in the CIP with a total project cost of \$4,750,000 with funding from Designated Funds and approved for institutional management.

Project Description

The project originally was envisioned as a single building of approximately 37,500 gross square feet (GSF) with a total project cost of \$4,750,000, and was institutionally managed. U. T. San Antonio has determined that additional office and administrative

space is needed, and that the campus would be best served by providing two buildings with combined 75,328 GSF of space, separated by a courtyard, with a total project cost of \$15,250,000. Moving administrative functions to the new buildings will free up classroom space in core academic buildings to support the increased student population. It has been determined that the U. T. System Office of Facilities Planning and Construction will manage all aspects of the work. Design development plans will be presented to the Board at a later date.

15. U. T. Southwestern Medical Center – Dallas: Library, Equipment, Repair and Rehabilitation (LERR09) - Renovation of Lab and Office Space V - Amendment of the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost; approval to reallocate approved funding; and authorization of expenditure of additional funds (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Podolsky that the U. T. System Board of Regents approve the recommendations for the LERR09 - Renovation of Lab and Office Space V project at The University of Texas Southwestern Medical Center at Dallas as follows:

Institutionally Managed: Yes No

Project Delivery Method: Design/Build

Substantial Completion Date: September 2009

Project No.: 303-439	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
LERR09-Renovation of Lab and Office Space I Total	Permanent University Fund Bond Proceeds	\$ 500,000	
	Interest on Local Funds	\$ 500,000	\$ 500,000
Project Cost:		\$1,000,000	\$ 500,000
Project No.: 303-443	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
LERR09-Renovation of Lab and Office Space V Total	Permanent University Fund Bond Proceeds	\$ 233,337	\$ 733,337
	Interest on Local Funds	\$ 258,337	\$ 593,121
Project Cost:		\$ 491,674	\$1,326,458

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to increase the total project cost from \$491,674 to \$1,326,458;
- b. approve the reallocation of \$500,000 from Permanent University Fund (PUF) Bond Proceeds from the LERR09 - Renovation of Lab and Office Space I project; and
- c. authorize the expenditure of the additional \$500,000 from PUF and \$334,784 from Interest on Local Funds.

BACKGROUND INFORMATION

Previous Board Action

On August 23, 2008, the project was included in the CIP with a total project cost of \$491,674 with funding of \$233,337 from PUF and \$258,337 from Interest on Local Funds.

Project Description

The request is for the proposed renovation of an outdated laboratory and office space for the Department of Pediatrics located in the Harry S. Moss Clinical Science Building. The proposed increase to the total project cost is due to an increase in the scope of the original plan from 2,900 gross square feet (GSF) to 4,727 GSF. The allocated funds in the amount of \$500,000 for the LERR09 - Renovation of Lab and Office Space I project will not be spent because the project was completed with institutional funds in Fiscal Year 2008 due to a pressing need from the department. The LERR09 funds are available for transfer to the Renovation of Lab Office Space V project.

16. **U. T. Southwestern Medical Center – Dallas: North Campus Phase 5 - Amendment of the FY 2010-2015 Capital Improvement Program to revise the funding sources; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Podolsky that the U. T. System Board of Regents approve the recommendations for the North Campus Phase 5 project at The University of Texas Southwestern Medical Center at Dallas as follows:

Project No.: 303-288
Institutionally Managed: Yes No
Project Delivery Method: Construction Manager at Risk
Substantial Completion Date: November 2010

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Tuition Revenue Bond Proceeds	\$ 42,000,000	\$ 42,000,000
	Permanent University Fund Bond Proceeds	\$ 42,000,000	\$ 42,000,000
	Gifts	\$ 43,000,000	\$ 0
	Revenue Financing System Bond Proceeds	<u>\$ 29,000,000</u>	<u>\$ 72,000,000</u>
		\$156,000,000	\$156,000,000

Investment metrics:

- Growth in research funding/assignable square feet of research space
 - Increase in number of faculty
 - Recruitment of new chairs in cell biology, pathology, and radiology, and new pediatric research institute director
 - Increase in number and size of National Institutes of Health (NIH) grants
- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to revise the funding source of \$43,000,000 from Gifts to Revenue Financing System Bond Proceeds;
- b. appropriate and authorize expenditure of additional funds in the amount of \$43,000,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
- parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. Southwestern Medical Center – Dallas, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$43,000,000.

BACKGROUND INFORMATION

Debt Service

The \$43,000,000 in aggregate Revenue Financing System debt will be repaid from indirect cost recovery. Annual debt service on the \$43,000,000 Revenue Financing System debt is expected to be \$3,800,000. The institution's debt service coverage is expected to be at least 1.6 times and average 2.2 times over FY 2010-2015.

Previous Board Actions

On August 10, 2006, the project was included in the CIP with a total project cost of \$156,000,000 with funding of \$42,000,000 from Tuition Revenue Bond Proceeds, \$42,000,000 from PUF Bond Proceeds, \$29,000,000 from Revenue Financing System Bond Proceeds, and \$43,000,000 from Gifts. On August 23, 2007, the Board approved the design development plans for the project.

Project Description

The North Campus Phase 5 building project will consist of a 12 story, 474,206 gross square foot tower building, including one floor of parking. The scale of the project has not changed. When the project was originally planned, four floors of office space and research laboratories were to be completed. However, as a result of the availability of project savings and a good bidding climate, six floors can be completed within the same project budget. Four floors of research laboratories will remain as shell space. The proposed request to revise the Gift funding to Revenue Financing System Bond Proceeds will allow the construction to move forward in a timely manner.

17. **U. T. Medical Branch – Galveston: Blocker Burn Unit Renovation, Labor and Delivery Renovation, and John Sealy Hospital Modernization - Amendment of the FY 2010-2015 Capital Improvement Program to combine the three projects and redesignate as the John Sealy Hospital Modernization and approval to increase the total project cost; and revise the funding sources (Final Board approval)**

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Callender that the U. T. System Board of Regents approve the recommendations for the Blocker Burn Unit Renovation, Labor and Delivery Renovation, and John Sealy Hospital Modernization projects at The University of Texas Medical Branch at Galveston as follows:

Project No.:	601-486	
Project Delivery Method:	Construction Manager at Risk	
Substantial Completion Date:	March 2014	
Total Project Cost for Blocker Burn Unit Renovation:	<u>Source</u> Gifts	<u>Current</u> \$ 6,000,000
Total Project Cost for Labor and Delivery Renovation:	<u>Source</u> Gifts Hospital Revenues	<u>Current</u> \$ 6,000,000 \$ 2,000,000 \$ 8,000,000

Total Project Cost for John Sealy Hospital Modernization:	<u>Source</u> Gifts	<u>Current</u> \$22,000,000
Total Project Cost for Combined Projects:	<u>Source</u> Gifts	<u>Proposed</u> \$36,000,000

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to combine the three projects and redesignate as the John Sealy Hospital Modernization;
- b. approve the increase in the total project cost from \$22,000,000 to \$36,000,000; and
- c. revise the combined funding from \$34,000,000 from Gifts and \$2,000,000 from Hospital Revenues to \$36,000,000 from Gifts.

BACKGROUND INFORMATION

Previous Board Actions

Blocker Burn Unit Renovation - On August 23, 2007, the project was included in the CIP with a total project cost of \$6,000,000 with funding from Gifts and was institutionally managed.

Labor and Delivery Renovation - On August 23, 2007, the project was included in the CIP with a total project cost of \$8,000,000 with funding of \$6,000,000 from Gifts and \$2,000,000 from Hospital Revenues and was institutionally managed.

John Sealy Hospital Modernization - On February 12, 2009, the project was included in the CIP with a total project cost of \$22,000,000 with funding from Gifts.

Project Description

The three projects are all within one wing of the John Sealy Hospital. The request to combine three existing projects provides the opportunity to complete the project more efficiently and safely. The revitalization and modernization of the John Sealy Hospital project will provide for renovation of approximately 75,000 gross square feet (GSF) of the upper floors of the John Sealy Tower not affected by Hurricane Ike. The project will result in much improved patient rooms in the building. The Blocker Burn Unit will renovate approximately 16,500 GSF on the second floor of the hospital to provide acute burn treatment space, outpatient treatment, and hydrotherapy areas. The replacement of the Labor and Delivery suites will upgrade approximately 21,000 GSF of the hospital for state-of-the-art building systems to meet code requirements and provide for efficient and effective patient care and medical instruction. The project will provide treatment space, nursing stations, and healthcare supply rooms.

This combined project, with a total cost of \$36,000,000, is the first phase of the John Sealy Hospital Modernization. It is anticipated that an additional \$54,000,000 will be spent on future phases of the modernization. These costs are included in the proposed \$266,000,000 to be used for modernization, repair, and mitigation of the John Sealy Hospital. The remaining \$176,000,000 has been included in the Healthcare Buildings – Ike Recovery project for repair and mitigation (see Item 8 on Page 136.)

It has been determined that the U. T. System Office of Facilities Planning and Construction will manage the entire project. Design development plans and authorization of expenditure of funding will be approved by the Chancellor at a later date.

18. U. T. M. D. Anderson Cancer Center: Mid-Campus Building No. 1 (formerly Administrative Support Building) - Amendment of the FY 2010-2015 Capital Improvement Program to revise the funding sources; appropriation of additional funds and authorization of expenditure; and resolution regarding parity debt (Final Board approval)

RECOMMENDATION

The Chancellor concurs with the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Mendelsohn that the U. T. System Board of Regents approve the recommendations for the Mid-Campus Building No. 1 project at The University of Texas M. D. Anderson Cancer Center as follows:

Project No.: 703-404
Project Delivery Method: Design/Build
Substantial Completion Date: September 2012
Institutionally Managed: Yes No

Total Project Cost:	<u>Source</u>	<u>Current</u>	<u>Proposed</u>
	Revenue Financing System Bond Proceeds	\$ 75,000,000	\$150,000,000
	Hospital Revenues	<u>\$275,000,000</u>	<u>\$200,000,000</u>
		\$350,000,000	\$350,000,000

- Investment Metrics:**
- Begin vacating existing leases by 2012
 - Provide shell and core space by 2012 to accommodate future build-out space for the relocation of other existing leases
 - Provide shell and core space by 2012 to accommodate future build-out of space for the relocation of north campus personnel

- a. amend the FY 2010-2015 Capital Improvement Program (CIP) to revise the funding of \$75,000,000 from Revenue Financing System Bond Proceeds and \$275,000,000 from Hospital Revenues to \$150,000,000 from Revenue Financing System Bond Proceeds and \$200,000,000 from Hospital Revenues;
- b. appropriate and authorize expenditure of additional funds in the amount of \$75,000,000 from Revenue Financing System Bond Proceeds; and
- c. resolve in accordance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System that
 - parity debt shall be issued to pay the project's cost, including any costs prior to the issuance of such parity debt;
 - sufficient funds will be available to meet the financial obligations of the U. T. System, including sufficient Pledged Revenues as defined in the Master Resolution to satisfy the Annual Debt Service Requirements of the Financing System, and to meet all financial obligations of the U. T. System Board of Regents relating to the Financing System; and
 - U. T. M. D. Anderson Cancer Center, which is a "Member" as such term is used in the Master Resolution, possesses the financial capacity to satisfy its direct obligation as defined in the Master Resolution relating to the issuance by the U. T. System Board of Regents of tax-exempt parity debt in the aggregate amount of \$75,000,000.

BACKGROUND INFORMATION

Debt Service

The \$75,000,000 in aggregate Revenue Financing System debt will be repaid from Hospital Revenues. Annual debt service on the \$75,000,000 Revenue Financing System debt is expected to be \$6,600,000. The institution's debt service coverage is expected to be at least 4.7 times and average 4.9 times over FY 2010-2015.

Previous Board Actions

Administrative Support Building - Phase 1 - On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$194,695,000 with funding of \$33,000,000 from Revenue Financing System Bond Proceeds and \$161,695,000 with funding from Hospital Revenues.

Administrative Support Building - Phase 2 - On August 11, 2005, the project was included in the CIP with a preliminary project cost of \$30,976,000 with funding of \$8,976,000 from Revenue Financing System Bond Proceeds and \$22,000,000 with funding from Hospital Revenues.

Administrative Support Building - Phase 3 - On August 22, 2007, the project was included in the CIP with a preliminary project cost of \$20,031,000 with funding from Hospital Revenues.

Data Center Expansion - On August 22, 2007, the project was included in the CIP with a preliminary project cost of \$20,000,000 with funding from Hospital Revenues.

Administrative Support Building - On May 15, 2008, the Board approved combining four projects and redesignation of the project as the Administrative Support Building. Design development plans and increasing the total project to \$350,000,000 with funding of \$275,000,000 from Hospital Revenues and \$75,000,000 from Revenue Financing System Bond Proceeds were also approved. On June 15, 2009, the Executive Vice Chancellor for Health Affairs approved the redesignation of the project as the Mid-Campus Building No. 1.

Project Description

Pursuant to a Memorandum of Understanding effective August 26, 2004, U. T. M. D. Anderson Cancer Center has been delegated authority for institutional management of construction projects under the continued oversight of the Office of Facilities Planning and Construction. The institutionally managed projects are subject to review by the Board of Regents for design development.

The construction of the Mid-Campus Building No. 1 (formerly Administrative Support Building) is underway. U. T. M. D. Anderson Cancer Center is proposing to revise the funding sources by increasing the amount of Revenue Financing System debt and reducing the amount of Hospital Revenues being used to fund this project. The current economic environment provides for the issuance of low-cost debt allowing U. T. M. D. Anderson Cancer Center to conserve its current cash position.

The project will construct a shell and core of 1,353,000 gross square feet (GSF) and build out 374,000 GSF. U. T. M. D. Anderson Cancer Center currently leases space in eight different locations in the vicinity of the Texas Medical Center. The multiple locations present a variety of issues including increased operating costs because of the need to maintain an extensive and costly shuttle system and decreased employee productivity because of time spent in transit from facility to facility. Projections indicate the need for additional support space as growth in patient care and research continues. The estimated net present value savings is \$10,200,000 to build rather than lease.

The growth rates have also resulted in the need for additional data processing infrastructure and hardware. The Mid-Campus Building No. 1 will include approximately 25,000 GSF for a new data center along with mechanical and electrical systems to support additional redundancy. The new data center will provide redundant capabilities for network systems and improve reliability for critical applications.

The Mid-Campus Building No. 1 provides the opportunity to vacate leases as they expire and consolidate several departments that are currently separated into many disparate locations. In addition, growth space will be provided to meet growth projections.