

1. U. T. Arlington - Brick Repairs - Pickard Hall and the College of Business Administration (Project No. 301-017): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Reduce Total Project Cost; Approval to Include New Project; Approval to Transfer Funds; Approval of Total Project Cost for New Project; Appropriation of Funds and Authorization of Expenditure; and Authorization of Institutional Management

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Witt that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to reduce the total project cost for the Brick Repairs – Pickard Hall and the College of Business Administration at U. T. Arlington from \$13,068,800 to \$9,462,953
- b. Approve the addition of the Fire and Life Safety and Security Projects to the Capital Improvement Program
- c. Approve transfer of funds of \$3,605,847 to the Fire and Life Safety and Security Projects
- d. Approve a total project cost of \$3,605,847 for the new project
- e. Appropriate funds and authorize expenditure of \$3,605,847 with funding from Permanent University Fund Bond Proceeds
- f. Authorize U. T. Arlington to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Fire and Life Safety and Security Projects.

BACKGROUND INFORMATION

The Brick Repairs – Pickard Hall and College of Business Administration project at U. T. Arlington is included in the FY 2002-2007 Capital Improvement Program and FY 2002-2003 Capital Budget at a total project cost of \$13,068,800 with funding of \$12,500,000 from Permanent University Fund Bond Proceeds and \$568,800 from Tuition Revenue Bond Proceeds. The project was substantially completed in November 2001.

U. T. Arlington is requesting approval to add a new project to the Capital Improvement Program entitled Fire and Life Safety and Security Projects to address significant fire and life safety code deficiencies as well as security concerns. The funding for the new project in the amount of \$3,605,847 would be transferred from the Brick Repairs – Pickard Hall and College of Business Administration project resulting in a revised total project cost for that project of \$9,462,953. This project would best be managed by the U. T. Arlington Facilities Management personnel who have the experience and capability to manage all aspects of the work.

This proposed off-cycle capital improvement project has been approved by U. T. System staff and was presented to the Facilities Planning and Construction Committee and the Academic Affairs Committee in April 2002. It meets the criteria for inclusion in the Capital Improvement Program.

2. U. T. Arlington - Continuing Education and Workforce Development Center (Project No. 301-118): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Witt that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds from \$7,302,000 in Revenue Financing System Bond Proceeds and \$1,282,400 from Gifts and Grants to \$7,084,000 from Revenue Financing System Bond Proceeds and \$1,500,400 from Gifts and Grants
- b. Approve design development plans for the Continuing Education and Workforce Development Center at U. T. Arlington
- c. Approve the evaluation of alternative energy economic feasibility
- d. Approve a total project cost of \$8,584,400
- e. Appropriate funds and authorize expenditure of \$7,084,000 from Revenue Financing System Bond Proceeds and \$1,500,400 from Gifts and Grants.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 97, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. 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. Board of Regents relating to the Financing System
- c. U. T. Arlington, 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. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$7,084,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Continuing Education and Workforce Development Center project at U. T. Arlington is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$8,584,400 with funding of \$7,302,000 from Revenue Financing System Bond Proceeds and \$1,282,400 from Gifts and Grants. U. T. Arlington also has requested a revised source of funds of \$7,084,000 from Revenue Financing System Bond Proceeds and \$1,500,400 from Gifts and Grants as additional Gifts and Grants money has become available.

The Center will be a multipurpose classroom and administrative facility jointly occupied by the University Continuing Education Department and by training and workforce organizations representing governmental agencies; local and regional educational organizations; and local and regional nonprofit organizations. The facility will contain approximately 56,000 gross square feet of classroom and support spaces and will have dedicated administrative spaces.

The debt is to be repaid from net revenues from U. T. Arlington's Continuing Education and Workforce Development Center. Annual debt service during the construction period is projected to be \$247,940 in FY 2003 assuming a 3.5% short-term borrowing rate. The interest expense during the construction period will be paid from interest on local funds. Beginning FY 2005, the annual debt service is projected to be \$592,784 based on a 5.5% long-term borrowing rate with a 20-year amortization period. The annual debt service coverage on the completed project is expected to be at least 1.10 times, and overall debt service coverage for the component is expected to be at least 2.11 times. The financing forecast for this project is set forth on Page 98.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Continuing Education and Workforce Development Center at U. T. Arlington, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of April, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

3. U. T. Arlington - HVAC/IAQ Improvements - Life Science Animal Wing (Project No. 301-073): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Reduce Total Project Cost; Approval to Include New Project; Approval to Transfer Funds; Approval of Total Project Cost for New Project; Appropriation of Funds and Authorization of Expenditure; and Authorization of Institutional Management

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Witt that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to reduce the total project cost for the HVAC/IAQ Improvements – Life Science Animal Wing at U. T. Arlington from \$2,620,000 to \$2,340,000
- b. Approve the addition of the Natural History Specimen Annex to the Capital Improvement Program
- c. Approve transfer of funds of \$280,000 to the Natural History Specimen Annex
- d. Approve a total project cost of \$280,000 for the new project
- e. Appropriate funds and authorize expenditure of \$155,000 with funding from Tuition Revenue Bond Proceeds and \$125,000 from Designated Tuition
- f. Authorize U. T. Arlington to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Natural History Specimen Annex.

BACKGROUND INFORMATION

The HVAC/IAQ Improvements – Life Science Animal Wing project at U. T. Arlington is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$2,620,000 with funding of \$2,320,000 from Tuition Revenue Bond Proceeds, \$175,000 from Interest on Local Fund Balances, and \$125,000 from Designated Tuition. The project achieved substantial completion in March 2002.

U. T. Arlington is requesting approval to add a new project to the Capital Improvement Program entitled Natural History Specimen Annex. The large collection of specimens now stored in the basement of the Life Science Building must be removed and stored in a properly equipped facility to comply with applicable fire and life safety code provisions. Funding in the amount of \$280,000 for the new project would be transferred from the HVAC/IAQ Improvements – Life Science Animal Wing project resulting in a revised total project cost of \$2,340,000 for that project.

This project would best be managed by the U. T. Arlington Facilities Management personnel who have the experience and capability to manage all aspects of the work.

This proposed off-cycle capital improvement project has been approved by U. T. System staff and was presented to the Facilities Planning and Construction Committee and the Academic Affairs Committee in April 2002. It meets the criteria for inclusion in the Capital Improvement Program.

4. U. T. Austin - Benedict/Mezes/Batts Renovation - Phase I (Project No. 102-027): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Faulkner that the U. T. Board of Regents:

- a. Approve design development plans for the Benedict/Mezes/Batts Renovation – Phase I at U. T. Austin
- b. Approve the evaluation of alternative energy economic feasibility
- c. Approve a total project cost of \$32,000,000
- d. Appropriate funds and authorize expenditure of \$32,000,000 from Designated Tuition.

BACKGROUND INFORMATION

The Benedict/Mezes/Batts Renovation - Phase I project at U. T. Austin is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$32,000,000 with funding from Designated Tuition.

Benedict Hall, Mezes Hall, and Batts Hall form the eastern edge of the buildings on the south mall of the central campus and comprise approximately 110,000 gross square feet of classroom/lab instruction space and faculty office space. The buildings were occupied in 1951 and have not been renovated since that time. The renovation includes all modifications necessary to bring the buildings into code and life safety standards compliance. The proposed infill building between Benedict Hall and Mezes Hall will completely link the buildings, will add 20,000 gross square feet, and will improve traffic circulation.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

5. U. T. Austin - Jack S. Blanton Museum of Art - Phase I (Project No. 102-965): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Revise the Source of Funds; Reduce Appropriation and Expenditure of Funds; and Appropriation of Funds and Authorization of Expenditure

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Faulkner that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to revise the source of funds for the Jack S. Blanton Museum of Art – Phase I at U. T. Austin from \$58,500,000 from Gifts and Grants to \$32,000,000 from Gifts and Grants and \$26,500,000 from Designated Tuition
- b. Approve a reduced appropriation and expenditure of \$26,500,000 from Gifts and Grants
- c. Appropriate funds and authorize expenditure of \$26,500,000 from Designated Tuition.

BACKGROUND INFORMATION

The Jack S. Blanton Museum of Art – Phase I at U. T. Austin is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$58,500,000 with funding from Gifts and Grants.

In February 2002, the U. T. Board of Regents approved the design development plans, total project cost, alternative energy economic feasibility, and appropriated and authorized expenditure of \$58,500,000 from Gifts and Grants.

U. T. Austin has requested a funding change to reduce the appropriation of \$58,500,000 from Gifts and Grants to \$32,000,000, and to appropriate \$26,500,000 from Designated Tuition. The funding change identifies actual funding sources.

6. U. T. Austin - Erwin Center Renovations/Fire and Life Safety/Basketball Practice Facility (Project No. 102-053): Request for Approval to Name Facility (Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.3, Honorific Namings)

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Faulkner that the U. T. Board of Regents name the Basketball Practice Facility at U. T. Austin as the Denton A. Cooley, M.D. Basketball Center to recognize Dr. Cooley's significant contributions and commitment to the campus.

BACKGROUND INFORMATION

The Erwin Center Renovations/Fire and Life Safety/Basketball Practice Facility project at U. T. Austin is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$52,500,000 with funding of \$25,750,000 from Revenue Financing System Bond Proceeds, \$15,000,000 from Unexpended Plant Funds, \$5,750,000 from Gifts and Grants, and \$6,000,000 from Auxiliary Enterprises.

The new construction includes 45,000 gross square feet for new practice space for the men's and women's basketball programs and will be a separate building located adjacent to the Frank Erwin Center. The facility will include offices for coaches, meeting rooms, and space for conditioning and other training functions.

Denton A. Cooley, M.D. is an internationally renowned heart surgeon and founder of Houston's Texas Heart Institute. Dr. Cooley received his undergraduate degree from U. T. Austin in 1941, graduating Phi Beta Kappa, and earned his M.D. degree from Johns Hopkins University in 1944. He has been a basketball player and avid fan since his youth. An award winning center while at San Jacinto High School in Houston, he earned a place on the U. T. varsity team and was a first-line player from 1939-41. In 1966, the Ex-Students' Association honored him as a Distinguished Alumnus, in 1967 he was recognized for his athletic skill by entry into the Longhorn Hall of Honor, and in 1995 he was named to the Texas Association of Basketball Coaches' High School Hall of Fame.

Dr. Cooley was a member of the Centennial Commission, is a former member of the Development Board, and with Mrs. Cooley is a member of the Chancellor's Council, Littlefield Society, and President's Associates.

The naming of the Denton A. Cooley, M.D. Basketball Center in honor of and in appreciation of the support and generosity of Dr. Cooley is consistent with the Regents' Rules and Regulations, Part One, Chapter VIII, Section 1, Subsection 1.3, and institutional guidelines on the naming of facilities.

7. U. T. El Paso - Seamon Hall Renovation: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project and Authorize Institutional Management

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Natalicio that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Seamon Hall Renovation at U. T. El Paso at a preliminary project cost of \$2,500,000 with funding from Gifts and Grants
- b. Authorize U. T. El Paso to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Seamon Hall Renovation project.

BACKGROUND INFORMATION

The Seamon Hall Renovation project at U. T. El Paso involves the renovation of a structure built in 1928 that has no heating or cooling, no interior rest rooms, and no interior connections between floors. Seamon Hall, which is adjacent to the Fox Fine Arts Center in which the Art Department is located, offers additional space

and an attractive site to accommodate both the art studio and gallery needs of the department. The Art Department has experienced space limitations for some time. Studio space is inadequate to accommodate students, and the primary exhibition gallery is small and not readily accessible to the public. With a relatively modest investment to provide heating and cooling, ADA compliance, and interior and exterior renovation, the currently underutilized facility can be remodeled and become a valuable asset to students and faculty in the Art Department.

This repair and rehabilitation project would best be managed by the U. T. El Paso Facilities Management personnel who have the experience and capability to manage all aspects of the work.

This proposed off-cycle capital improvement project has been approved by U. T. System staff and was presented to the Facilities Planning and Construction Committee and the Academic Affairs Committee in April 2002. It meets the criteria for inclusion in the Capital Improvement Program.

8. U. T. Pan American - Education Complex Addition and Renovation (Project No. 901-057): Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Reduce the Preliminary Project Cost

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Nevárez that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to reduce the preliminary project cost for the Education Complex Addition and Renovation project at U. T. Pan American from \$24,350,000 to \$22,000,000.

BACKGROUND INFORMATION

The Education Complex Addition and Renovation project at U. T. Pan American is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$24,350,000 with funding from Tuition Revenue Bond Proceeds.

The 77th Session of the Texas Legislature authorized \$29,950,000 of tuition revenue bonds to be issued for U. T. Pan American for education complex, library, and multipurpose center renovation and construction. Accordingly, U. T. Pan American plans to utilize the \$29,950,000 as follows: \$22,000,000 for the Education Complex Addition and Renovation; \$3,325,000 for a Campus Entrance/Visitors Center (See Item 8 on Page 46); \$2,800,000 for the Academic Annex Renovation (See Item 9 on Page 107); \$275,000 for the Administrative Offices Renovation (See Item 7 on Page 42); and \$1,550,000 for Campus Repair and Renovations (See Item 10 on Page 112).

9. U. T. Pan American - Academic Annex Renovation: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Appropriation of Additional Funds and Authorization of Expenditure; Authorization of Institutional Management; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Nevárez that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to approve an increase in the total project cost for the Academic Annex Renovation at U. T. Pan American from \$2,000,000 to \$2,800,000
- b. Appropriate and authorize expenditure of \$2,800,000 from Tuition Revenue Bond Proceeds

- c. Authorize U. T. Pan American to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Academic Annex Renovation.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 110, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt
- b. 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. Board of Regents relating to the Financing System
- c. U. T. System components, which are "Members" as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$800,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Academic Annex Renovation project at U. T. Pan American is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$2,000,000 with funding from Tuition Revenue Bond

Proceeds. U. T. Pan American has requested that the total project cost be increased to \$2,800,000 and the additional funding of \$800,000 from Tuition Revenue Bond Proceeds be reallocated from the Education Complex Addition and Renovation project.

This repair and rehabilitation project would best be managed by the U. T. Pan American Facilities Management personnel who have the experience and capability to manage all aspects of the work.

The 77th Session of the Texas Legislature authorized \$29,950,000 of tuition revenue bonds to be issued for U. T. Pan American for education complex, library, and multipurpose center renovation and construction. Accordingly, U. T. Pan American plans to utilize the \$29,950,000 as follows: \$22,000,000 for the Education Complex Addition and Renovation (See Item 8 on Page 106); \$3,325,000 for a Campus Entrance/Visitors Center (See Item 8 on Page 46); \$2,800,000 for the Academic Annex Renovation; \$275,000 for the Administrative Offices Renovation (See Item 7 on Page 42); and \$1,550,000 for Campus Repair and Renovations (See Item 10 on Page 112).

The debt service coverage for authorized Tuition Revenue Bond Proceeds is reflected on Page 111.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Academic Annex Renovation at U. T. Pan American, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of April, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

10. U. T. Pan American - Campus Repair and Renovations: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project; Appropriation of Funds and Authorization of Expenditure; Authorize Institutional Management; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Nevárez that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Campus Repair and Renovations project at U. T. Pan American at a preliminary project cost of \$1,550,000 with funding from Tuition Revenue Bond Proceeds
- b. Appropriate funds and authorize expenditure of \$1,550,000 from Tuition Revenue Bond Proceeds
- c. Authorize U. T. Pan American to manage the total project budgets, appoint architects, approve facility programs, prepare final plans, and award contracts associated with the Campus Repair and Renovations project.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 115, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. 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. Board of Regents relating to the Financing System
- c. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$1,550,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

U. T. Pan American has requested that the Campus Repair and Renovations project be included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget. The total project cost in the amount of \$1,550,000 will be funded from Tuition Revenue Bond Proceeds that will be reallocated from the Education Complex Addition and Renovation project.

The project includes repair and renovation to the Fine Arts Building complex, chilled water distribution system, and Southwick Hall renovation and other minor projects.

This repair and rehabilitation project would best be managed by the U. T. Pan American Facilities Management personnel who have the experience and capability to manage all aspects of the work.

The 77th Session of the Texas Legislature authorized \$29,950,000 of tuition revenue bonds to be issued for U. T. Pan American for education complex, library, and multipurpose center renovation and construction. Accordingly, U. T. Pan American plans to utilize the \$29,950,000 as follows: \$22,000,000 for the Education Complex Addition and Renovation (See Item 8 on Page 106); \$3,325,000 for a Campus Entrance/Visitors Center (See Item 8 on Page 46); \$2,800,000 for the Academic Annex Renovation (See Item 9 on Page 107); \$275,000 for the Administrative Offices Renovation (See Item 7 on Page 42); and \$1,550,000 for Campus Repair and Renovations.

The debt service coverage for authorized Tuition Revenue Bond Proceeds is reflected on Page 116.

This proposed off-cycle capital improvement project has been approved by U. T. System staff and was presented to the Facilities Planning and Construction Committee and the Academic Affairs Committee in April 2002. It meets the criteria for inclusion in the Capital Improvement Program.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Campus Repair and Renovations at U. T. Pan American, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of April, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

11. U. T. Permian Basin - Student Housing Phase II: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Include Project

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Watts that the U. T. Board of Regents amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to include the Student Housing Phase II project at U. T. Permian Basin at a preliminary project cost of \$4,800,000 with funding from Revenue Financing System Bond Proceeds.

BACKGROUND INFORMATION

The Student Housing Phase II project at U. T. Permian Basin involves the construction of campus housing consisting of 60,000 gross square feet capable of housing 120 residents. There is a strong demand for University-owned and operated apartment units on campus due to increased student enrollment and additional athletic programs. The current housing has a capacity of 119 students and is at a 100% occupancy rate. Currently, trailer units are adding 48 beds to address the need and will also be 100% occupied.

This proposed off-cycle capital improvement project has been approved by U. T. System staff and was presented to the Facilities Planning and Construction Committee and the Academic Affairs Committee in April 2002. It meets the criteria for inclusion in the Capital Improvement Program.

12. U. T. San Antonio - Biotechnology, Sciences and Engineering Building (Project No. 401-030): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Romo that the U. T. Board of Regents:

- a. Approve design development plans for the Biotechnology, Sciences and Engineering Building at U. T. San Antonio
- b. Approve the evaluation of alternative energy economic feasibility
- c. Approve a total project cost of \$83,700,000
- d. Appropriate funds and authorize expenditure of \$54,000,000 from Permanent University Fund Bond Proceeds, \$22,950,000 from Tuition Revenue Bond Proceeds, and \$6,750,000 from Gifts and Grants.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 121, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. 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. Board of Regents relating to the Financing System
- c. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$22,950,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Biotechnology, Sciences and Engineering Building project at U. T. San Antonio is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$83,700,000 with funding of \$54,000,000 from Permanent University Fund Bond Proceeds, \$22,950,000 from Tuition Revenue Bond Proceeds, and \$6,750,000 from Gifts and Grants.

The project will contain 219,542 gross square feet including state-of-the-art technology, additional lecture halls, seminar and conference rooms, classrooms, teaching and research laboratories, and offices needed to accommodate increasing enrollments in undergraduate and graduate programs within the College of Sciences and College of Engineering. Part of the project is the renovation of the current Science Building necessitated by the expansion of the Department of Computer Science. The vivarium in the existing Biosciences Building will also be enlarged by approximately 2,870 gross square feet as part of the project.

The 77th Session of the Texas Legislature authorized \$22,950,000 of tuition revenue bonds to be issued to enable U. T. San Antonio to construct a science building on the main campus. This new building will help to address the critical space shortage in the biology programs.

The debt service coverage for authorized Tuition Revenue Bond Proceeds is reflected on Page 122.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Biotechnology, Sciences and Engineering Building at U. T. San Antonio, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of April, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

13. U. T. San Antonio - Student Housing Expansion - Phase I (Project No. 401-139): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval to Increase Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and President Romo that the U. T. Board of Regents:

- a. Approve design development plans for the Student Housing Expansion – Phase I project at U. T. San Antonio
- b. Approve the evaluation of alternative energy economic feasibility
- c. Approve an increase in the total project cost from \$12,000,000 to \$16,200,000
- d. Appropriate funds and authorize expenditure of \$16,200,000 from Revenue Financing System Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 126, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. 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. Board of Regents relating to the Financing System
- c. U. T. San Antonio, 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. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$16,200,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Student Housing Expansion – Phase I project at U. T. San Antonio was included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget in February 2002 at a preliminary project cost of \$12,000,000 with funding from Revenue Financing System Bond Proceeds. U. T. San Antonio has requested that the total project cost be increased from \$12,000,000 to \$16,200,000 to fund the increase in total square footage for the construction.

The apartment complex will consist of 142,314 gross square feet, capable of housing 500 students, with private bedrooms and shared living space.

The debt is to be repaid from net revenues generated from the new and existing housing operations. Annual debt service during the construction period is projected to be \$567,000 in FY 2003 assuming a 3.5% short-term borrowing rate. The interest expense during the construction period will be paid from existing housing operations. Beginning FY 2004, the annual debt service is projected to be \$1,355,605 based on a 5.5% long-term borrowing rate with a 20-year amortization period. The annual debt service coverage on the completed project is expected to be at least 1.37 times, and overall debt service coverage for the component is expected to be at least 1.20 times. The financing forecast for this project is set forth on Page 127.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Student Housing Expansion – Phase I at U. T. San Antonio, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of April, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

14. U. T. Health Science Center - Houston - Repair of the Medical School Building, Phase I: Request for Approval to Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to Increase Total Project Cost; Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Acting Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Willerson that the U. T. Board of Regents:

- a. Amend the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget to increase the total project cost for the Repair of the Medical School Building, Phase I at U. T. Health Science Center – Houston from \$20,000,000 with funding from Insurance Proceeds to \$50,000,000 with additional funding of \$30,000,000 from Revenue Financing System Bond Proceeds
- b. Appropriate funding and authorize expenditure of \$30,000,000 from Revenue Financing System Bond Proceeds and \$20,000,000 from Insurance Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 131, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. 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. Board of Regents relating to the Financing System
- c. 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. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$30,000,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

At the February 2002 U. T. Board of Regents’ meeting, U. T. Health Science Center - Houston requested approval for Phase I repair and institutional management to complete demolition of the basement, installation of new air handling units and related components, and relocation of transformers and primary electrical distribution systems.

The expanded scope of Repair of the Medical School Building, Phase I at U. T. Health Science Center – Houston at a total project cost of \$50,000,000, with funding of \$30,000,000 from Revenue Financing System Bond Proceeds and \$20,000,000 from Insurance Proceeds, is necessary to build back and reconfigure the basement and ground floors of the Medical School Building damaged in June 2001 as a result of Tropical Storm Allison. The new work will complete architectural programming and the renovation and reconfiguration of space in the basement and ground floors of the Medical School Building.

The debt will be repaid as insurance proceeds from U. T. System’s Comprehensive Property Protection Plan and public assistance grants are received from the Federal Emergency Management Agency. Interest expense will be paid from local funds while the debt is outstanding. Interest expense on the \$30,000,000 is projected to

be \$1,050,000 on an annual basis assuming a 3.5% short-term interest rate. Overall debt service coverage for the component is expected to be at least 1.19 times. The financing forecast for this component is set forth on Page 132.

This project was presented to the Facilities Planning and Construction Committee and the Health Affairs Committee in April 2002.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Repair of the Medical School Building, Phase I at U. T. Health Science Center - Houston, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of April, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

15. U. T. Health Science Center - San Antonio - Student Services/Academic Administration Building (Project No. 402-113): Request for Approval of Design Development Plans; Approval of Evaluation of Alternative Energy Economic Feasibility; Approval of Total Project Cost; and Appropriation of Funds and Authorization of Expenditure; and Approval of Use of Revenue Financing System Parity Debt, Receipt of Parity Debt Certificate, and Finding of Fact with Regard to Financial Capacity

RECOMMENDATION

The Chancellor concurs in the recommendation of the Acting Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, and President Cigarroa that the U. T. Board of Regents:

- a. Approve design development plans for the Student Services/Academic Administration Building project at U. T. Health Science Center – San Antonio
- b. Approve the evaluation of alternative energy economic feasibility
- c. Approve a total project cost of \$17,900,000
- d. Appropriate funds and authorize expenditure of \$12,900,000 from Tuition Revenue Bond Proceeds and \$5,000,000 from Permanent University Fund Bond Proceeds.

The Chancellor also concurs in the recommendation of the Executive Vice Chancellor for Business Affairs that, in compliance with Section 5 of the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System, adopted by the U. T. Board of Regents on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, and upon delivery of the Certificate of an Authorized Representative as set out on Page 136, the U. T. Board of Regents resolves that:

- a. Parity Debt shall be issued to pay the project's cost, including any project costs prior to the issuance of such Parity Debt

- b. 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. Board of Regents relating to the Financing System
- c. U. T. System components, which are “Members” as such term is used in the Master Resolution, possess the financial capacity to satisfy their direct obligation as defined in the Master Resolution relating to the issuance by the U. T. Board of Regents of tax-exempt Parity Debt in the aggregate amount of \$12,900,000
- d. This resolution satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

BACKGROUND INFORMATION

The Student Services/Academic Administration Building project at U. T. Health Science Center – San Antonio is included in the FY 2002-2007 Capital Improvement Program and the FY 2002-2003 Capital Budget at a preliminary project cost of \$17,900,000 with funding of \$12,900,000 from Tuition Revenue Bond Proceeds and \$5,000,000 from Permanent University Fund Bond Proceeds.

The facility will contain approximately 60,000 gross square feet and will consolidate all student services functions into a single space. The building will contain administrative offices for the President and Vice Presidents for the Health Science Center and their support staffs, as well as state-of-the-art laboratory/classrooms. The new building is anticipated to become the gateway to which new visitors and students will be drawn upon entering the Health Science Center.

The 77th Session of the Texas Legislature authorized \$28,900,000 of tuition revenue bonds for U. T. Health Science Center – San Antonio to construct a facility for student services and academic administration and to construct a facility for the Laredo Campus Extension for educational and administrative purposes. U. T. Health Science Center – San Antonio plans to use \$12,900,000 of this authorization for the Student Services/Academic Administration Building project, \$3,300,000 for the D. D. Hachar Building approved by the Board in November 2001, and \$12,700,000 for the Teaching/Learning Lab – Laredo project approved by the Board in August 2001.

The debt service coverage for authorized Tuition Revenue Bond Proceeds is reflected on Page 137.

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. Therefore, the Project Architect prepared an 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.

The economic impact of the project will be reported to the U. T. Board of Regents as part of the design development presentation.

PARITY DEBT CERTIFICATE OF U. T. SYSTEM REPRESENTATIVE

I, the undersigned Assistant Vice Chancellor for Finance of The University of Texas System, a U. T. System Representative under the Amended and Restated Master Resolution Establishing The University of Texas System Revenue Financing System (the "Master Resolution"), adopted by the U. T. Board of Regents ("Board") on February 14, 1991, and amended on October 8, 1993 and August 14, 1997, do hereby execute this certificate for the benefit of the Board pursuant to Section 5(a)(ii) of the Master Resolution in connection with the authorization by the Board to issue "Parity Debt" to finance the construction cost of the Student Services/Academic Administration Building at U. T. Health Science Center – San Antonio, and do certify that to the best of my knowledge, the Board is in compliance with and not in default of any terms, provisions, and conditions in the Master Resolution, the First Supplemental Resolution Establishing the Revenue Financing System Commercial Paper Program ("First Supplemental"), the Second Supplemental Resolution, the Third Supplemental Resolution, the Fourth Supplemental Resolution, the Fifth Supplemental Resolution, the Sixth Supplemental Resolution, the Seventh Supplemental Resolution as amended, the Eighth Supplemental Resolution, the Ninth Supplemental Resolution as amended, and the Tenth Supplemental Resolution.

EXECUTED this 10th day of April, 2002

/s/ Philip Aldridge

Assistant Vice Chancellor for Finance

INFORMATIONAL REPORT

U. T. System: Quarterly Report on Historically Underutilized
Business (HUB) Expenditures for Building Construction

REPORT

Committee Chairman Clements will summarize Historically Underutilized Business (HUB) expenditures for building construction.