Meeting No. 1,256

THE MINUTES OF THE BOARD OF REGENTS

OF

THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 12

June 23, 2025

Austin, Texas

MEETING NO. 1,256

MONDAY, JUNE 23, 2025.--The members of the Board of Regents of The University of Texas System convened a special called meeting in Open Session on Monday, June 23, 2025 at 2:00 p.m. via telephone conference call, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the following participation:

ATTENDANCE.--

Present	Absent
Chairman Eltife	Regent Schwartz, Student Regent, nonvoting
Vice Chairman Longoria	
Vice Chairman Weaver	
Regent Crain	
Regent Gauntt	
Regent Jiles	
Regent Perez	
Regent Stedman	
Regent Warren	

CONVENE THE BOARD IN OPEN SESSION TO RECESS TO EXECUTIVE SESSION.--At 2:01 p.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session, then recessed the Board to Executive Session pursuant to *Texas Government Code* Sections 551.071, 551.072, 551.073, 551.074, 551.076, and 551.089 to consider the matters listed on the Executive Session agenda.

RECONVENE THE BOARD IN OPEN SESSION TO CONSIDER ACTION ON EXECUTIVE SESSION ITEMS AND AGENDA ITEM.--Chairman Eltife reconvened the Board in Open Session at 2:33 p.m. to consider action on the following items.

1a. U.T. System: Discussion and appropriate action regarding individual personnel matters relating to appointment, employment, evaluation, compensation, assignment, and duties of presidents (academic and health institutions including interim presidents); U.T. System Administration officers (Executive Vice Chancellors and Vice Chancellors); other officers reporting directly to the Board (Chancellor, General Counsel to the Board, and Chief Audit Executive); Board members; and U.T. System and institutional employees

No action was taken on this item.

1b. U.T. Health Science Center - Houston: Discussion and appropriate action on individual personnel matters related to presidential search

Vice Chairman Longoria made the following motion:

I move that the U.T. System Board of Regents authorize the Chairman and the Interim Chancellor to take action as recommended and discussed in Executive Session, to invite candidates for the University of Texas Health Science Center at Houston presidency to interview with the Board at a future meeting. This motion is made with the understanding that the names of finalists for the presidency will be made public at least 21 days before a vote to name a president.

The motion was seconded by Regent Gauntt and carried unanimously.

2. U.T. System Institutions: Discussion and appropriate action regarding proposed negotiated gifts, including potential naming features

Regent Crain made the following motion:

I move that the U.T. System Board of Regents authorize Interim Chancellor Zerwas, Vice Chancellor Safady, and the President of U.T. Dallas to conclude negotiations necessary to finalize, approve, and accept gifts and to finalize and execute any agreements related to gift-associated namings consistent with the terms and conditions outlined and recommended in Executive Session.

The motion was seconded by Vice Chairman Weaver and carried unanimously.

3a. U.T. System Board of Regents: Discussion with Counsel on pending legal issues

This was not an action item.

3b. U.T. Austin: Discussion and appropriate action regarding legal issues associated with a proposed master lease with purchase option and related agreements with 25.02 HEDF, LLC for a condominium interest in a newly constructed office building with related parking known as 1121@Symphony Square, located at 1121 Red River Street, Austin, Travis County, Texas; delegation of authority to lease vacant office space to to-be-determined subtenants; delegation of authority to purchase the property; finding of public purpose; and resolution regarding parity debt

See related Item 5 for action taken in Open Session.

4. <u>U.T. System Board of Regents: Discussion and appropriate action regarding safety and security issues, including security audits and the deployment of security personnel and devices</u>

No action was taken on this item.

5. <u>U.T. Austin: Discussion and appropriate action regarding a proposed master lease with purchase option and related agreements with 25.02 HEDF, LLC for a condominium interest in a newly constructed office building with related parking known as 1121@Symphony Square, located at 1121 Red River Street, Austin, Travis County, Texas; delegation of authority to lease vacant office space to to-be-determined subtenants; delegation of authority to purchase the property; finding of public purpose; and resolution regarding parity debt</u>

Regent Gauntt made the following motion:

I move that the U.T. System Board of Regents take the following actions on behalf of U.T. Austin:

a. authorize entering into a master lease with purchase option and related agreements with 25.02 HEDF, LLC, for a condominium interest in a newly constructed Class A office building with related parking known as 1121@Symphony Square, consisting of approximately 172,500 vacant, net rentable square feet located at 1121 Red River St., Austin, Travis County, Texas (the "Building"), on terms and in accordance with parameters outlined in Executive Session;

b. authorize U.T. Austin to utilize U.T. System's Revenue Financing System ("RFS") to fund prepaid rent for the master lease and the cost of tenant improvements and alterations to the Building, on terms in accordance with the parameters outlined in Executive Session; and

c. make the findings required under Section 5 of the Amended and Restated Master Resolution establishing the RFS relating to the issuance of parity debt on behalf of U.T. Austin in an aggregate amount as outlined in Executive Session and that this action satisfies the official intent requirements set forth in Section 1.150-2 of the Code of Federal Regulations.

I further move that the Board:

a. delegate authority to the Executive Vice Chancellor and Chief Operating Officer, following review and approval by Interim President Davis, the Interim Chancellor, the Executive Vice Chancellor for Academic Affairs, and the Vice Chancellor and General Counsel (or their respective designees), to execute a master lease to the Board of Regents from 25.02 HEDF, LLC, for the lease of the Building for the use, benefit, and enjoyment of U.T. Austin, and a construction agreement with 25.02 HEDF, LLC, for the design and construction by 25.02 HEDF, LLC of tenant improvements in the Building, and to take all further actions deemed necessary to enter into such master lease and construction agreement on terms and in accordance with parameters outlined in Executive Session;

b. delegate authority to Interim President Davis, following review and approval by the Interim Chancellor, the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor and Chief Operating Officer, and the Vice Chancellor and General Counsel (or their designees) to take other steps necessary to effectuate this authorization, including the authority to execute ancillary agreements with 25.02 HEDF, LLC and other parties related to the use, operation, marketing, and leasing of the Building for the use, benefit, and enjoyment of U.T. Austin;

c. delegate authority to the Executive Vice Chancellor and Chief Operating Officer, following review and approval by Interim President Davis, to sublease vacant office space and ground floor commercial space in the Building, to to-be-determined tenants on terms in accordance with the parameters outlined in Executive Session; and

d. delegate authority to the Executive Vice Chancellor and Chief Operating Officer, following review and approval by Interim President Davis, to purchase the Building in accordance with the parameters outlined in Executive Session.

I also recommend that the Board find that:

1. the master lease and any related agreements support the public mission of and serve a public purpose appropriate to the function of U.T. Austin;

2. pursuant to the master lease, U.T. Austin will have sufficient safeguards in place to ensure the public purpose will continue to be met on an ongoing basis; and

3. the transaction will result in adequate consideration and benefits to U.T. Austin and the State of Texas.

The motion was seconded by Vice Chairman Longoria and carried unanimously.

AGENDA ITEMS

1. U.T. System Board of Regents: Approval of Consent Agenda items

   Chairman Eltife noted the following related to the Consent Agenda:

   - Item a) requests approval of the Minutes for the regular May meeting, and 3 special called meetings.

   - Item b) is an employment agreement for John M. Zerwas, M.D., as Chancellor *ad interim*.

   - Item c) requests authorization to accept a gift of outdoor art for U.T. El Paso

   Regent Perez moved approval, which was seconded by Regent Crain. The Board then approved the Consent Agenda, which is set forth on Pages 6 - 12.

   In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by officials of The University of Texas System or respective U.T. institution involved, as appropriate.

ADJOURNMENT.--There being no further business, the meeting was adjourned at 2:40 p.m.

/s/
Jasmina Hasanovic
Assistant Secretary to the Board of Regents
June 23, 2025

THE UNIVERSITY OF TEXAS SYSTEM
BOARD OF REGENTS
CONSENT AGENDA

Special Called Board Meeting:
June 23, 2025
Austin, Texas

a. Minutes - **U.T. System Board of Regents**: Approval of Minutes of the regular meeting held May 7-8, 2025; and the special called meetings held May 7, 2025, May 20, 2025, and May 30, 2025

b. Employment Agreement - **U.T. System**: Approval of Terms of Employment with John M. Zerwas, M.D., as Chancellor *ad interim*

Proposed terms of employment for John M. Zerwas, M.D., as Chancellor *ad interim* are summarized below and recommended for approval by the U.T. System Board of Regents.

Item:	U.T. System Chancellor *ad interim*
Funds:	$912,230 per year, prorated over term of service and payable monthly
Period:	June 1, 2025, through the selection and transition to office of the next Chancellor
Description:	Agreement for employment of John M. Zerwas, M.D., as Chancellor *ad interim*. On May 31, 2025, Chancellor James B. Milliken stepped down as Chancellor. At the request of the Board, Dr. Zerwas agreed to serve in the position as Chancellor *ad interim* until the successor to Chancellor Milliken is named and transitioned to office. A letter agreement covering the terms of service for the transition period is on the following pages.

The University of Texas System

OFFICE OF THE BOARD OF REGENTS

210 WEST SEVENTH STREET
AUSTIN, TX 78701
512-499-4402
UTSYSTEM.EDU

May 9, 2025

Dr. John Zerwas
210 W. 7th Street
Austin, Texas 78701

Dear Dr. Zerwas:

The other members of the Board of Regents and I greatly appreciate your willingness to serve as Chancellor *ad interim* of The University of Texas System effective June 1, 2025. This letter sets forth the terms and conditions associated with your service as approved by the Board.

Your annual salary will be $912,230 per year, prorated over the term of your service and payable monthly.

Additional terms related to this service are:

a. Interim appointment as holder of the Lee Hage and Joseph D. Jamail Regents Chair in Higher Education Leadership during your service as Chancellor *ad interim*.

b. As Chancellor *ad interim*, you have agreed to serve, to oversee, and to administer the activities and operations of the System with maximum application of effort, experience, and ability consistent with Board and System policies and to devote your time and attention and to use your talents and best efforts to perform the duties assigned to you. You may, with prior written consent of the Chairman of the Board, participate as a member of boards of directors of for-profit and non-profit corporations, subject to law, Regents' Rules, and applicable policy.

c. You may also continue to expend reasonable time on charitable and other professional activities, provided that these activities do not interfere with your full and faithful performance of duties as Chancellor *ad interim*. All income or other compensation due to you in connection with any approved outside activities shall be paid to and retained by you and reported in accordance with applicable law and established System policy.

d. Subject to any limitations of the laws of the State of Texas, the System shall allocate sufficient funds for your office and for salaries for personnel required to staff the office and for travel, official entertainment expenses, and other official activities. Reasonable travel, entertainment and other business expenses incurred in your capacity as Chancellor *ad interim* shall be paid directly or reimbursed to you, as appropriate, from an appropriate source of funds.

e. Expenses for official travel for Mrs. Zerwas, pursuant to the approved policy on Spousal Travel, will be paid directly or reimbursed as appropriate.

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f. The cost of club memberships for you as Chancellor *ad interim*, as agreed to by the Chairman of the Board, will be paid directly or reimbursed as appropriate.

Any elements of your compensation subject to federal income tax will be subject to withholding and reported on the W-2 form. You should, of course, consult your tax advisor as to the handling of business or other offsetting deductions.

Sincerely,

Kevin P. Eltife
Chairman

KE:sn

Members of the Board of Regents
Executive Vice Chancellor and Chief Operating Officer Jonathan Pruitt

Accepted:

____
John Zerwas, M.D.

5/9/2025 tkm
____
Date

c. Gift - **U.T. El Paso**: Authorization to accept a gift of outdoor art to be installed within the named space, the "Paso del Norte Health Foundation Terrace"

Description:	Gift of outdoor art is proposed as a landscape feature within the 3,150-square-foot "Paso del Norte Health Foundation Terrace" located adjacent to the U.T. El Paso College of Health Sciences Building (Building 255). The gift of outdoor art symbolizes the shared commitment between the Paso del Norte Health Foundation (PdNHF), Texas Tech University Health Sciences Center El Paso, and U.T. El Paso to advancing health, preventing disease, and engaging in work dedicated to reducing health disparities across the Paso del Norte region. This vision has been supported by a long-standing partnership spanning 20 years, during which U.T. El Paso has received more than $25,000,000 in philanthropic support from PdNHF. In recognition of its most recent $4,500,000 matching grant for UTEP Health in 2024, the revitalization of a named space, complemented by the addition of this outdoor work of art, celebrates and reinforces the enduring collaboration between the institutions. The planned sculpture will be integrated into the designated garden bed space (13.2' x 11.4'). It will feature three "stylized" vertical forms, each approximately five feet tall, anchored on a concrete base with a commemorative plaque. Constructed using molded fiberglass elements over an internal metal framework, the artwork will have a bronze finish in keeping with the natural landscape and architectural tones of the surrounding campus environment.
Artist:	Julio Sanchez De Alba immigrated to the United States from his native Bolivia in 1980. After a successful career as a mechanical engineer in the manufacturing sector, he made a bold transition in 2000 to pursue his passion as a full-time sculptural artist. His work is featured in private collections around the world, with distinguished clients including President George H.W. Bush. Among his accomplishments, Sanchez De Alba takes pride in his public art commissions - especially those that reside in El Paso, Texas. PdNHF previously collaborated with this artist in 2022, to create a similar outdoor sculpture at the Texas Tech University Health Sciences Center in El Paso, to honor their partnership.

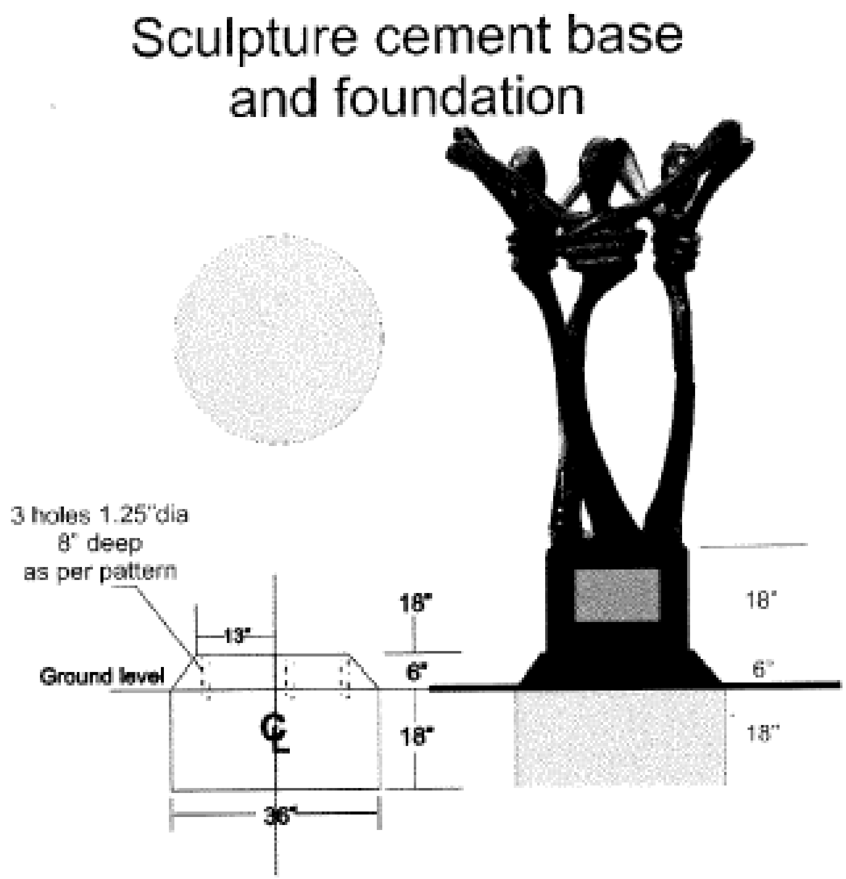
Donor:	Paso del Norte Health Foundation, El Paso, TX; a Texas nonprofit organization
Value:	The outdoor art and its installation are valued at $40,000, based on the proforma submitted by the commissioned artist, who was selected by PdNHF. Ongoing maintenance is expected to be minimal and will primarily involve the removal of dust and debris. Under normal conditions, thorough cleaning may be required just once annually.

<u>U.T. El Paso, Paso Del Norte Health Foundation Sculpture (& specifications)</u>

The 5-foot sculpture will be constructed using a steel frame anchored to a steel base and secured to the cement foundation with three ½” x 12” bolts.

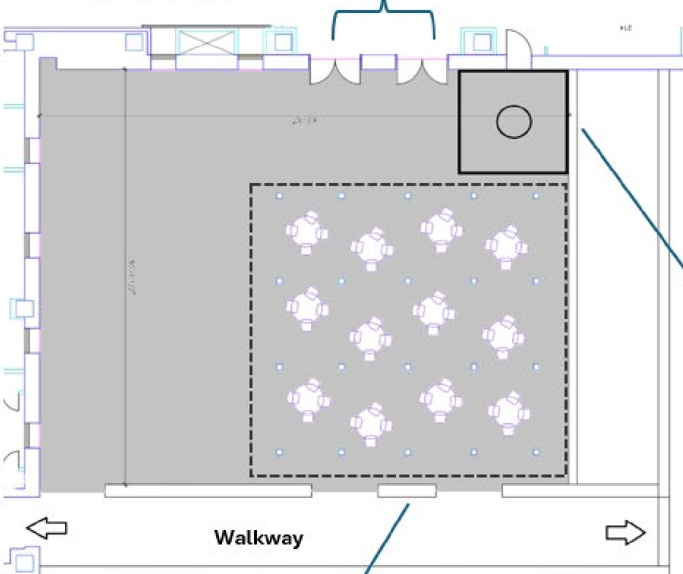
This anchoring system provides the structural integrity needed to withstand the strong winds commonly experienced in El Paso.

The sculpture weighs approximately 400 pounds.



Julio Sanchez De Alba
Sculptor

Paso del Norte Health Foundation Terrace.
The entrance doors to the College of Health Sciences (Building 255).



Designated garden bed with sculpture centered. The artwork will be anchored to a concrete base that will include a commemorative plaque.

Existing pergola structure on the outdoor terrace space.