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Committee Meeting: 11/8/2007

Board Meeting: 11/9/2007  
Austin, Texas

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7. <b>U. T. El Paso: Authorization to ground lease approximately 0.73 acres located on Oregon Street between Glory Road and Cincinnati Avenue and consisting of Lots 11 through 20, Block 224, Alexander Addition, El Paso, El Paso County, Texas, to the City of El Paso for a term of 30 years plus a period for design, permitting, and construction, for the construction and operation of a transit terminal with parking garage; and authorization to lease back parking spaces from the City of El Paso</b>	3:01 p.m. <b>Action</b> <i>President Natalicio Ms. Mayne</i>	<b>Action</b>	<b>138</b>
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9. <b>U. T. Pan American: Authorization to purchase approximately 4.5 acres of unimproved land located on FM 3167 immediately south of South Texas College's Starr County Campus, out of Lots 44, 45, 46, and 47, Unit 2, Valle Rico Del Rio Grande Little Farms, in Porcion No. 76, Rio Grande City, Starr County, Texas, from South Texas College, a public community college, for a purchase price of \$441,000 for U. T. Pan American's Starr County Upper Level Center</b>	3:07 p.m. <b>Action</b> <i>President Cárdenas Ms. Mayne</i>	<b>Action</b>	<b>147</b>
10. <b>U. T. System: Report and discussion of enrollment management including potential changes in admission standards, retention, and graduation rates</b>	3:10 p.m. <b>Report</b> <i>Dr. Prior</i>	Not on Agenda	<b>150</b>
<b>Adjourn</b>	3:30 p.m.		

1. **U. T. System: Requested expansion of degree planning authority**

**RECOMMENDATION**

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs and the presidents of the academic institutions that proposed changes to the institution Table of Programs for U. T. Arlington, U. T. El Paso, U. T. Permian Basin, U. T. San Antonio, and U. T. Tyler on Page 125 be approved and forwarded to the Texas Higher Education Coordinating Board for consideration.

**BACKGROUND INFORMATION**

*Texas Education Code* Section 61.051(e) requires the Texas Higher Education Coordinating Board to review public university Mission Statements and Tables of Programs every four years. These documents broadly describe the academic mission of each institution and the academic fields and degree levels that are appropriate to the mission. The Table of Programs specifically describes the current degree granting authority of each institution and those academic fields and degree levels within fields that each institution has the authority to plan for future degree offerings. Coordinating Board approval of new degree programs involves two steps: gaining planning authority for a program via the Table of Programs and submitting an acceptable proposal.

The four-year cycle of review is due for the academic institutions of The University of Texas System. Changes to the Table of Programs must be approved by the Board of Regents prior to submittal to the Coordinating Board for consideration.

## **Requested Expansion of Degree Planning Authority**

### **The University of Texas at Arlington**

Ph.D. in Social Sciences

### **The University of Texas at El Paso**

Master of Rehabilitation Counseling Program  
Master of Science in Clinical Research  
Master of Science in Intelligence and National Security Studies  
Master of Science in Construction Management  
Master of Science in Clinical Laboratory Science  
Master of Science and Ph.D. in Biomedical Engineering  
Ph.D. in Communication  
Ph.D. in Transnational Society, Culture, and Politics  
Doctorate in Public Administration (DPA)  
Doctorate in Physical Therapy (DPT)

### **The University of Texas of the Permian Basin**

Bachelor of Science in Physics  
Bachelor of Science in Chemical Engineering; Mechanical Engineering; and Petroleum  
Engineering  
Bachelor of Science in Nursing  
Master of Health Services Administration

### **The University of Texas at San Antonio**

Bachelor in Public Health  
Ph.D. in Mathematics

### **The University of Texas at Tyler**

Bachelor of Arts in Religious Studies  
Bachelor of Science in Chemical Engineering  
Bachelor of Science in New Media Technology

2. **U. T. El Paso: Approval regarding proposed revisions to Mission Statement**

**RECOMMENDATION**

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and President Natalicio that proposed changes to the U. T. El Paso Mission Statement as set forth below be approved by the U. T. System Board of Regents and forwarded to the Texas Higher Education Coordinating Board for approval.

**Proposed Revised Mission Statement**

The University of Texas at El Paso is dedicated to the advancement of the El Paso region through education, creative and artistic production, and the generation, interpretation, application and dissemination of knowledge. UTEP embraces its role as an intellectual, cultural and socio-economic asset to the region, offering programs to meet human resource needs and contribute to the quality of life.

As a public university, UTEP is committed to providing access and opportunity to the people of the El Paso region and the State of Texas. UTEP's mission of ensuring access is coupled with a commitment to excellence, reflected in rigorous programs which prepare students to make significant contributions to their professions, their communities and the world.

As a research/doctoral institution, UTEP fosters a climate of scholarly inquiry, with a special focus on applying innovative interdisciplinary approaches to explore and address major issues that confront the United States and Mexico border region.

**Current Mission Statement**

The University of Texas at El Paso (UTEP) is dedicated to teaching and to the creation, interpretation, application and dissemination of knowledge. UTEP prepares its students to meet lifelong intellectual, ethical and career challenges through quality educational programs, excellence in research and in scholarly and artistic production, and innovative student programs and services, which are created by responsive faculty, students, staff and administrators.

As a component of The University of Texas System, UTEP accepts as its mandate the provision of higher education to the residents of El Paso and the surrounding region. Because of the international and multicultural characteristics of this region, the University provides its students and faculty with distinctive opportunities for learning, teaching, research, artistic endeavors, cultural experiences and service.

Approved by U. T. System Board of Regents on 5/11/2000.

## BACKGROUND INFORMATION

U. T. El Paso's new Mission Statement is the product of a two-year strategic thinking process that involved an extensive scan of the environment and a comprehensive assessment of the institution's strengths, challenges, and opportunities. This process drew a broad campus and community participation, including the Centennial Commission (100 community and alumni stakeholders), as well as three Commission Task Forces and the Strategic Thinking Committee, both comprised of U. T. El Paso faculty, staff, and students. The resulting draft statements of mission, vision, and strategic initiatives were then communicated electronically to U. T. El Paso faculty and staff, and formal input was sought from the Faculty Senate, the Student Government Association, the U. T. El Paso Development Board, and other external constituents.

### **3. U. T. Permian Basin: Approval regarding proposed revisions to Mission Statement**

## RECOMMENDATION

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and President Watts that proposed changes to the U. T. Permian Basin Mission Statement as set forth below be approved by the U. T. System Board of Regents and forwarded to the Texas Higher Education Coordinating Board for approval.

### **Proposed Revised Mission Statement**

The University of Texas of the Permian Basin is a general academic university of The University of Texas System. The University of Texas System is committed to pursue high-quality educational opportunities for the enhancement of the human resources of Texas, the nation, and the world through intellectual and personal growth.

The mission of The University of Texas of the Permian Basin is to provide quality education to all qualified students in a supportive educational environment; to promote excellence in teaching, research, and service; and to serve as a resource for the intellectual, social, economic, and technological advancement of the diverse constituency in Texas and the region.

## BACKGROUND INFORMATION

U. T. Permian Basin undertook a strategic planning process in Spring 2005 by instituting the president's listening tour. President Watts and other University administrators visited community leaders in 19 West Texas communities asking how the University could best meet the needs of West Texas in the coming 30 years. Information from the listening tour was transcribed and provided to a special task force, known as the Group of Thirty,

which consisted of 30 community leaders from West Texas. The Group of Thirty developed a list of directions it recommended U. T. Permian Basin follow in its strategic planning.

The University's standing Budget and Planning Committee has taken the Group of Thirty's recommendations, the strategies and strategic initiatives from The University of Texas System Strategic Plan for 2007-2017, and other inputs and is drafting a new University strategic plan. A key element in the institution's strategic planning is its mission statement. The Committee, which consists of representatives from the administration, the Faculty Senate, the Student Government, and the staff, recommended the proposed changes to the University community. This statement provides a much more concise and succinct statement of the University's mission on which its strategic planning can focus as compared to the current statement.

The draft statement was shared with the University faculty, staff, and student leadership. In addition to being recommended by the Budget and Planning Committee, it was endorsed unanimously by the University's Administrative Council, which includes University administrators, the President of the Faculty Senate, the President of the Student Government, and the Chair of the Staff Advisory Council.

The previous Mission Statement was approved by the Board of Regents in May 1998 as part of the institution's Strategic Plan.

#### **4. U. T. Tyler: Approval regarding proposed revisions to Mission Statement**

##### **RECOMMENDATION**

The Chancellor concurs with the recommendation of the Executive Vice Chancellor for Academic Affairs and President Mabry that proposed changes to the U. T. Tyler Mission Statement as set forth below be approved by the U. T. System Board of Regents and forwarded to the Texas Higher Education Coordinating Board for approval.

##### **Proposed Revised Mission Statement**

The University of Texas at Tyler is a comprehensive institution of higher education offering undergraduate and graduate degree programs as an institution of the renowned University of Texas System. The University of Texas at Tyler's vision is to be nationally recognized for its high quality education in the professions and in the humanities, arts and sciences, and for its distinctive core curriculum. Guided by an outstanding and supportive faculty, its graduates will understand and appreciate human diversity and the global nature of the new millennium. They will think critically, act with honesty and integrity, and demonstrate proficiency in leadership, communication skills, and the use of technology.

The University is committed to providing a setting for free inquiry and expects excellence in the teaching, research, artistic performances and professional public service provided by its faculty, staff, and students. As a community of scholars, the University develops the individual's critical thinking skills, appreciation of the arts, humanities and sciences, international understanding for participation in the global society, professional knowledge and skills to enhance economic productivity, and commitment to lifelong learning.

Within an environment of academic freedom, students learn from faculty scholars who have nationally recognized expertise in the arts and sciences, and in such professions as engineering, public administration, education, business, health sciences, and technology. The faculty engages in research and creative activity, both to develop and maintain their own scholarly expertise and to extend human knowledge. The results of that research and other creative efforts are made available to students in the classroom and to the general public through publication, technology transfer, and public service activities. The institution also seeks to serve individuals who desire to enhance their professional development, broaden their perspectives, or enrich their lives.

### BACKGROUND INFORMATION

In Fall 1999, U. T. Tyler developed its New Millennium Vision -- a vision statement, mission statement, and strategic plan that reflected what the University wanted to see U. T. Tyler become in the next decade as it entered the 21st century. At the time, a mission statement was written and approved by faculty and staff, approved by the U. T. System and the Texas Higher Education Coordinating Board, but not submitted for Board approval. In 2002, a group of faculty reviewed the New Millennium Vision and realized that the mission statement did not adequately portray the excellence and strengths of the University, did not fully develop the role of the University as a four-year institution, and did not express the University's desire to make research a significant component of faculty and student teaching and learning.



5. **U. T. Arlington: Authorization to purchase approximately 0.93 acres and improvements located at 108 West Second Street and 115 West Third Street, Arlington, Tarrant County, Texas, from DZFL LLC, a Texas limited liability company, for a purchase price not to exceed fair market value as established by an independent appraisal, for initial use as expansion of adjacent surface parking and for future programmed development of campus expansion**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Spaniolo that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Arlington, to

- a. purchase approximately 0.93 acres and improvements located at 108 West Second Street and 115 West Third Street, Arlington, Tarrant County, Texas, from DZFL LLC, a Texas limited liability company, for a purchase price not to exceed fair market value as established by an independent appraisal, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for initial use as expansion of adjacent surface parking and for future programmed development of campus expansion; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

### BACKGROUND INFORMATION

The subject 0.93-acre property consists of two contiguous mid-block tracts that extend from West Second Street to West Third Street in Arlington, Texas. The property abuts portions of U. T. Arlington's campus on both sides, and completes the assembly of the block in which the parcels are located. It lies within the boundaries of the institution's Campus Master Plan approved by the Board on May 11, 2000, and the institution's Campus Master Plan that was presented to the Board on May 9, 2007. The property is also in U. T. Arlington's legislatively-approved acquisition zone.

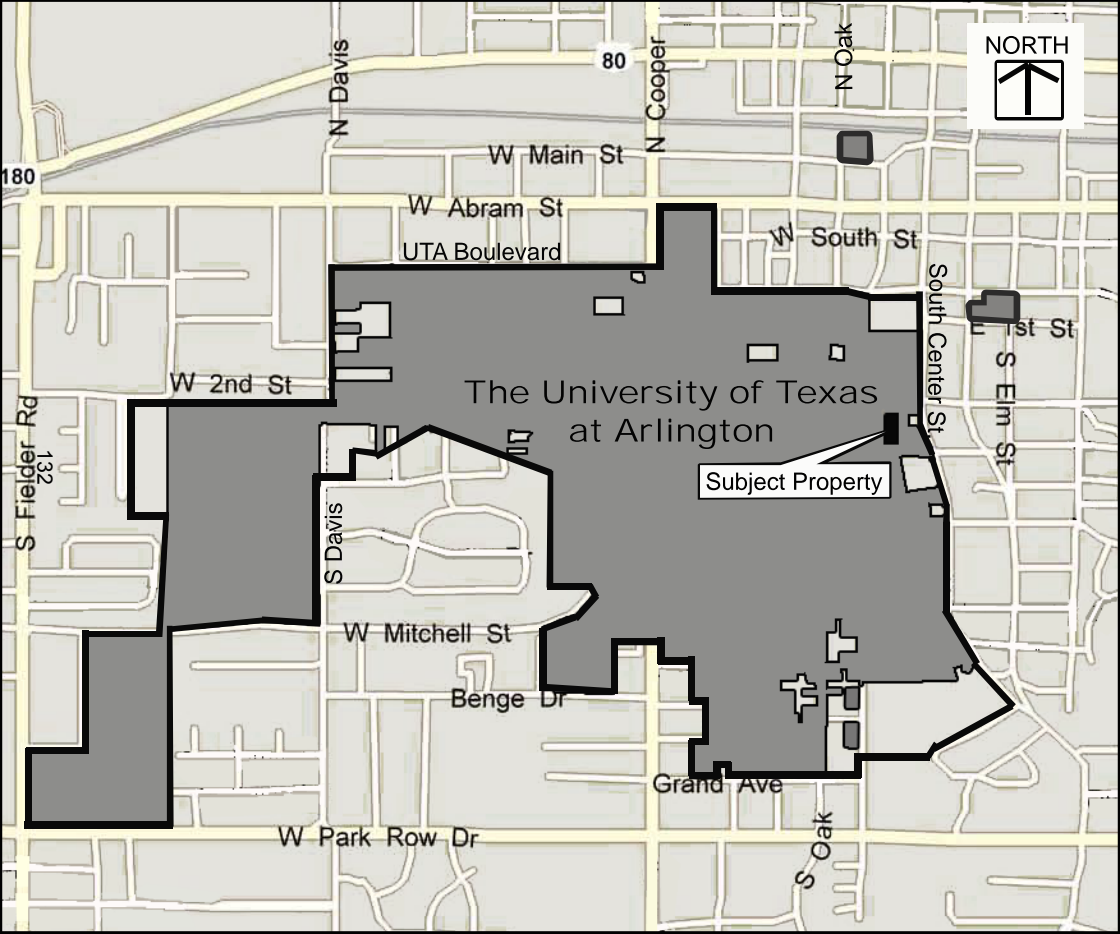
The property is improved with two apartment complexes under common ownership and operated as one, known as the Alpha Delta Apartments. The complexes contain a total of 48 units, comprising approximately 26,040 gross square feet. They are approximately

40 years old and suffer from physical deterioration. U. T. Arlington proposes to demolish the improvements after existing leases expire. The property will be used to expand adjacent surface parking and subsequently for future programmed development of campus expansion.

Institutional funds from operations will be used to fund the purchase, the terms and conditions of which are reflected in the summary of the transaction below:

Transaction Summary

Institution:	U. T. Arlington
Type of Transaction:	Purchase
Total Area:	Approximately 0.93 acres
Improvements:	Two apartment complexes, totaling approximately 26,040 gross square feet
Location:	108 West Second Street and 115 West Third Street, Arlington, Tarrant County, Texas; see attached map
Seller:	DZFL LLC, a Texas limited liability company
Purchase Price:	Not to exceed fair market value as established by an independent appraisal
Appraised Value:	\$1,350,000 (James Hanes, MAI, Hanes Appraisal Company, September 25, 2007)
Source of Funds:	Institutional funds
Intended Use:	Expansion of adjacent surface parking; future programmed development of campus expansion



NORTH



The University of Texas  
at Arlington

Subject Property

N Davis

N Cooper

N Oak

80

180

W Main St

W Abram St

UTA Boulevard

W South St

W 2nd St

South Center St

S Elm St

S Fielder Rd  
132

S Davis

W Mitchell St

Benge Dr

Grand Ave

W Park Row Dr

S Oak

6. **U. T. Dallas: Authorization to acquire approximately 20.59 acres of unimproved real property located at 3410 and 3420 Waterview Parkway, Richardson, Collin County, Texas, from the Dallas International School, a Texas nonprofit corporation, in exchange for the conveyance to the Dallas International School of approximately 13.8 acres located on Waterview Parkway, south of the Dallas Area Rapid Transit right-of-way, consisting of approximately 12.8 acres of unimproved real property out of the U. T. D. Synergy Park - Phase I, plus approximately one acre at the rear of 17919 Waterview Parkway, Dallas, Collin County, Texas, and the payment of cash compensation to constitute an even exchange of fair market values as established by independent appraisals, with the 20.59-acre tract to be used as the future main entrance to the U. T. Dallas campus and for future programmed development of campus expansion**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Daniel that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Dallas, to

- a. acquire approximately 20.59 acres of unimproved real property located at 3410 and 3420 Waterview Parkway, Richardson, Collin County, Texas, (the Richardson Tract) from the Dallas International School, a Texas nonprofit corporation, to be used as the future main entrance to the U. T. Dallas campus and for future programmed development of campus expansion;
- b. convey to the Dallas International School, approximately 13.8 acres located on Waterview Parkway, south of the Dallas Area Rapid Transit right-of-way, consisting of approximately 12.8 acres of unimproved real property out of the U. T. D. Synergy Park - Phase I, plus approximately one acre at the rear of 17919 Waterview Parkway, Dallas, Collin County, Texas (the Dallas Tracts), together with the payment of sufficient cash compensation to constitute an even exchange of fair market values as established by independent appraisals; and
- c. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations.

## BACKGROUND INFORMATION

On August 23, 2007, the Board of Regents approved the ground lease of a 12.8-acre unimproved tract, plus approximately one acre of land located at 17919 Waterview Parkway, both in Dallas, to the Dallas International School for use as a private school offering prekindergarten through secondary education.

Subsequently, the Dallas International School has contracted to purchase the Richardson Tract for approximately \$6.3 million from Waterview Commons L.P., a Texas limited partnership. The Board of Regents sold the Richardson Tract to Asset XVI Holdings Company L.L.C., a Massachusetts limited liability company and an affiliate of STB Systems, Inc. in 1997; Waterview Commons L.P., which is controlled by Stanford University, subsequently bought the property as an investment and is now marketing the property for sale.

Although the Dallas International School has placed the Richardson Tract under contract, it prefers to locate its proposed school on the Dallas Tracts, and also prefers to own its school site. Therefore, it approached U. T. Dallas regarding the exchange of the Richardson Tract for the Dallas Tracts together with the payment by U. T. Dallas of sufficient cash compensation to constitute an even exchange of fair market values.

U. T. Dallas desires to acquire the Richardson Tract to create a northern entrance that links the campus to the President George Bush Turnpike, which has become a significant conductor of traffic to the institution. In addition, the City of Richardson has designated the Richardson Tract as the preferred location for a future Dallas Area Rapid Transit station. Ownership of this vital property will enable U. T. Dallas to control the approaches to its campus, as well as to have greater control regarding possible future transit-oriented uses.

The Dallas International School is a private, coeducational school currently offering a rigorous prekindergarten through middle school curricula featuring an international perspective and extensive instruction in French, English, and Spanish. The Dallas International School is affiliated with the Mission Laïque, a French nonprofit corporation that promotes French-speaking schools worldwide. The Dallas International School may initially construct a middle and high school on the Dallas Tracts.

The institution's Excellence in Education Foundation endowment will be used to partially fund the proposed property exchange, the terms and conditions of which are specified in the transaction summary below:

### Transaction Summary

#### **Acquisition of Richardson Tract**

Institution: U. T. Dallas

Type of Transaction: Exchange

Total Area: Approximately 20.59 acres

Improvements: None

Location: 3410 and 3420 Waterview Parkway, Richardson, Collin County, Texas; see attached map

Seller: Dallas International School, a Texas nonprofit corporation

Consideration: Conveyance to Dallas International School of the Dallas Tracts, together with the payment by U. T. Dallas to the Dallas International School of sufficient cash compensation to constitute an even exchange of fair market values as established by independent appraisals; cash compensation is anticipated to be approximately \$3 million

Appraised Value: \$6,000,000 (James Underhill, MAI, Appraisal Lynx, Inc., September 14, 2007)  
Second appraisal pending

Source of Funds: Excellence in Education Foundation endowment

Intended Use: Campus entrance from Waterview Parkway leading to the George Bush Turnpike; future programmed development of campus expansion

### **Conveyance of Dallas Tracts**

Institution: U. T. Dallas

Type of Transaction: Exchange

Total Area: Approximately 13.8 acres in two parcels

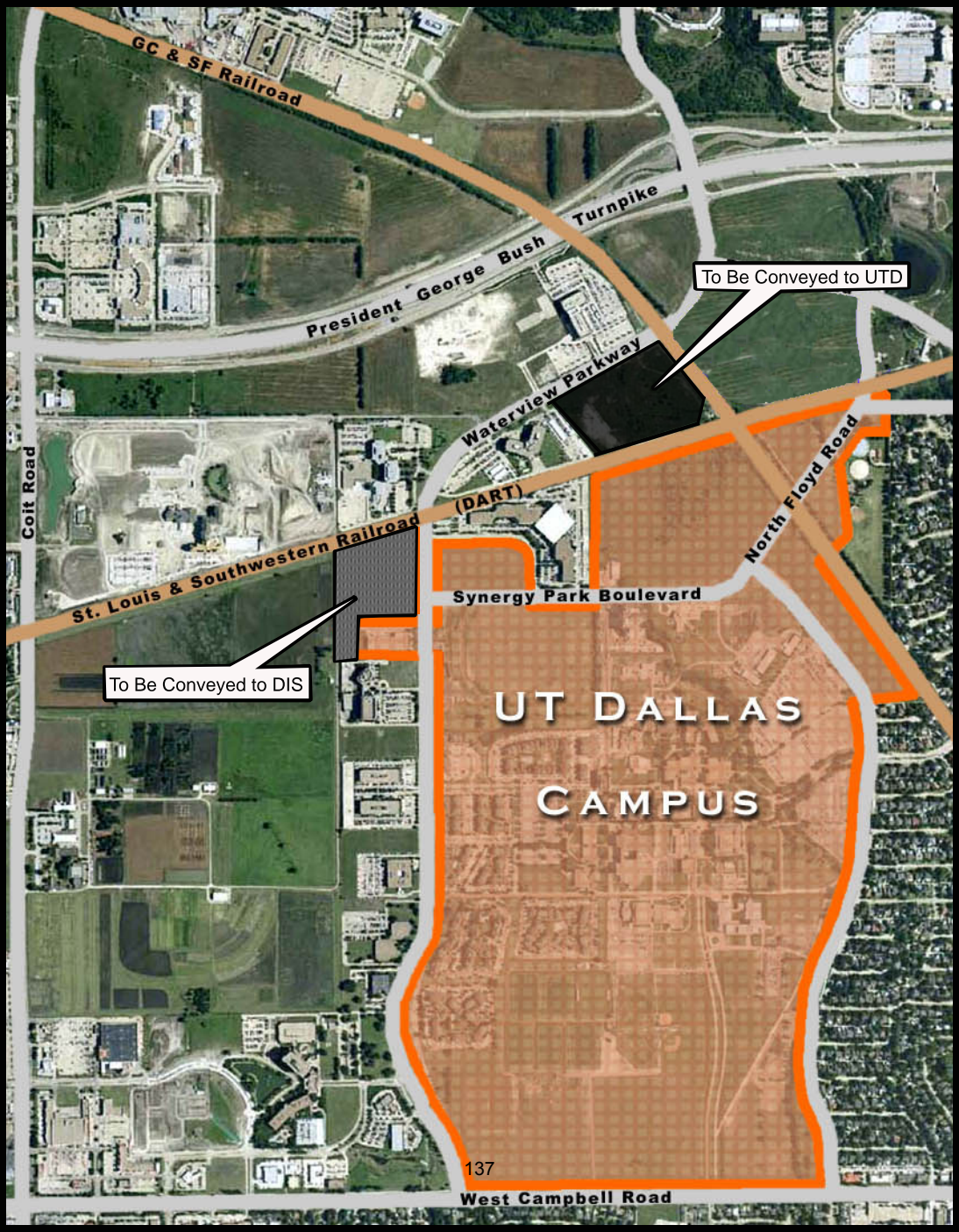
Improvements: None, except for a small amount of paving at the rear of 17919 Waterview Parkway

Location: Approximately 12.8 acres on Waterview Parkway, south of the Dallas Area Rapid Transit right-of-way, consisting of the remainder of U. T. D. Synergy Park – Phase I, and approximately one acre at the rear of 17919 Waterview Parkway, Dallas, Collin County, Texas; see attached map

Buyer: Dallas International School, a Texas nonprofit corporation

Consideration: Conveyance to the Board of Regents of the Richardson Tract

Appraised Value: 12.8-acre tract: \$2,900,000 (James Underhill, MAI, Appraisal Lynx, Inc., June 21, 2007); the same per square foot value is assumed for the additional one-acre parcel



GC & SF Railroad

President George Bush Turnpike

To Be Conveyed to UTD

Waterview Parkway

Coit Road

St. Louis & Southwestern Railroad

(DART)

North Floyd Road

To Be Conveyed to DIS

Synergy Park Boulevard

UT DALLAS  
CAMPUS

137

West Campbell Road



7. **U. T. El Paso: Authorization to ground lease approximately 0.73 acres located on Oregon Street between Glory Road and Cincinnati Avenue and consisting of Lots 11 through 20, Block 224, Alexander Addition, El Paso, El Paso County, Texas, to the City of El Paso for a term of 30 years plus a period for design, permitting, and construction, for the construction and operation of a transit terminal with parking garage; and authorization to lease back parking spaces from the City of El Paso**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. El Paso, to

- a. ground lease approximately 0.73 acres located on Oregon Street between Glory Road and Cincinnati Avenue, and consisting of Lots 11 through 20, Block 224, Alexander Addition, El Paso, El Paso County, Texas, to the City of El Paso, for a term of 30 years plus a period for design, permitting, and construction, on the terms stated below, for the construction and operation of a transit terminal with parking garage;
- b. enter into a lease with the City of El Paso for parking spaces under the terms and conditions described below; and
- c. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendations.

### BACKGROUND INFORMATION

The City of El Paso, for the benefit of Sun Metro, its mass transit department, has requested to lease the subject property, located across Glory Road from the Don Haskins Special Events Center on a site on the edge of U. T. El Paso's campus, to construct and operate a transit terminal with parking garage. The property is currently improved with surface parking sufficient to accommodate 110 vehicles. The transit terminal with parking garage will consist of a ground level bus terminal and multilevel structured parking to accommodate approximately 500 vehicles.

The institution proposes to ground lease the property to the City for a term of 30 years, plus a 36-month period for design, permitting, and construction. During the 30-year term, U. T. El Paso may lease back 220 weekday parking spaces, approximately

475 spaces on 20 event days, and 160 parking spaces for eight commencement and other campus events at a cost that approximately matches the ground lease rent and U. T. El Paso's share of gross parking revenues. The City of El Paso will have use of the garage's other parking spaces at all other times, and constant use of the bus terminal facilities.

The ground rent and the weekday parking rate will be increased (but not decreased) every 10 years based on a reappraisal of the land. U. T. El Paso's gross parking revenue floor, as well as the cost of event, commencement, and other campus event parking will be increased (but not decreased) every 10 years based on changes to the Consumer Price Index. Rental details are included in the transaction summary below.

The property is located immediately across the street from U. T. El Paso's Don Haskins Special Events Center arena and is a short walk from Sun Bowl Stadium. The proposed transit terminal is expected to improve bus service to major events held at these facilities and to the institution. The parking garage component of the facility will increase the capacity and the convenience of parking at U. T. El Paso, particularly for events at the Don Haskins Special Events Center. This arena hosts many U. T. El Paso sponsored events, including men's and women's basketball games and commencement ceremonies. In addition, the Don Haskins Special Events Center hosts a number of community outreach and private events, including high school graduations, career and science fairs, cheerleader camps, and concerts.

The City of El Paso will construct the facilities at its own expense, using a combination of grants from the Federal Transit Administration and local transit funds. The City will operate the facility at all times and at its own expense, and will pay all taxes. The lease will give U. T. El Paso the right to approve the plans and specifications of the proposed improvements and will limit the use of the property to a transit terminal with parking garage. The federal grants similarly limit the use of the property. The ground lease will also contain provisions in which the tenant, to the extent allowed by the laws and Constitution of the State of Texas, indemnifies the landlord for all matters arising from the tenant's use of occupancy of or activities on the premises.

The terms and conditions of the proposed ground lease and lease back of parking spaces are specified in the transaction summary below:

#### Transaction Summary

Institution:	U. T. El Paso
Type of Transaction:	Ground lease and lease back of parking spaces
Tenant:	City of El Paso
Total Area:	Approximately 0.73 acres

Improvements: Paved surface parking; the ground tenant will demolish the surface parking and construct a transit terminal with parking garage

Location: Northeast side of Oregon Street, between Glory Road and Cincinnati Avenue, Lots 11-20, Block 224, Alexander Addition, El Paso, El Paso County, Texas

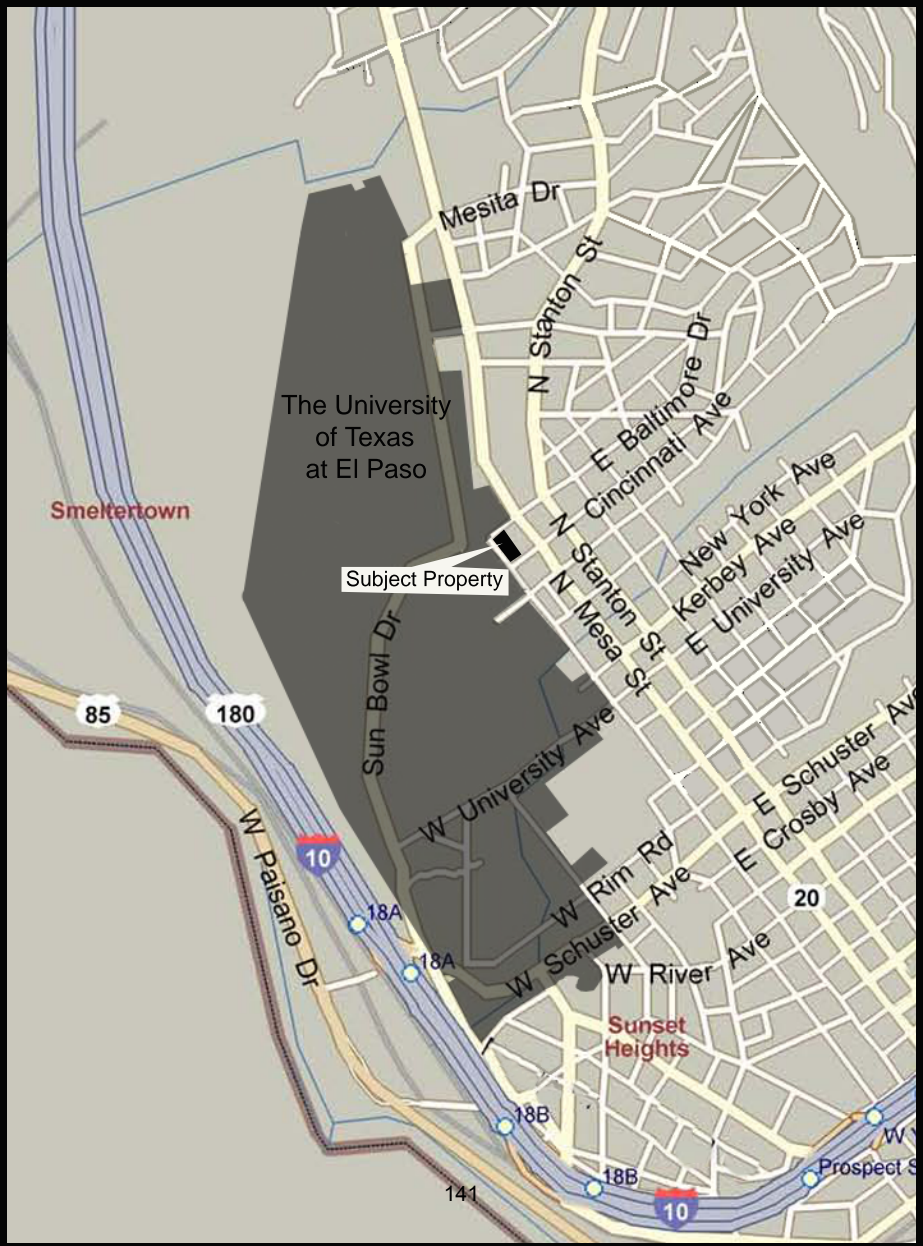
Ground Rent and Other Revenues: Initial annual ground rent will be \$79,300, to be increased (but not decreased) every 10 years based on reappraisal of the land. In addition, U. T. El Paso will receive 13% of gross parking revenues, but no less than \$50,000 annually, this floor to be increased (but not decreased) every 10 years based on changes to the Consumer Price Index

Parking Rent Paid: 220 parking spaces for weekday use at a monthly rate of \$30.00 per space (\$79,200 annually) to be increased (but not decreased) every 10 years based on reappraisal of the land; approximately 475 spaces for 20 event days at a cost of \$5.00 per space (\$47,500 annually); 160 spaces for up to eight commencement and other campus events at a cost of \$4.00 per space (up to \$5,120 annually), to be increased (but not decreased) every 10 years based on changes to the Consumer Price Index

Appraised Value: \$793,000 (Curtis Sellers, CRE, Ralph Sellers & Associates, March 16, 2007)

Lease Term: 30 years plus initial design, permitting, and construction period not to exceed 36 months

Uses: Transit terminal with parking garage



The University  
of Texas  
at El Paso

Smelertown

Subject Property

Sunset  
Heights

85

180

10

18A

18A

18B

18B

141

10

20

Prospect S

8. **U. T. El Paso: Authorization to purchase approximately 4.6 acres and improvements located at 212, 300, 303, 315, and 400 West Schuster Avenue, and 1617 Randolph Drive, El Paso, Texas, and described as Lots 1 through 10, Block 52; Lots 1 through 9 and 12 through 20 and 16 feet of Lots 10 and 11, Block 53; Lots 11 through 20, Block 54; Lots 1 through 8 and 13 through 20, Block 80, all in the Alexander Addition, an addition to the City of El Paso, El Paso County, Texas, from Richard C. and Jean W. Price for a total purchase price of \$4.6 million for relocation of U. T. El Paso's child care center that is currently located on the future site of U. T. El Paso's planned Physical Sciences/Engineering Core Facility, and for future programmed development of campus expansion; and resolution regarding parity debt**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Natalicio that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. El Paso, to

- a. purchase approximately 4.6 acres and improvements located at 212, 300, 303, 315, and 400 West Schuster Avenue, and 1617 Randolph Drive, El Paso, Texas, and described as Lots 1 through 10, Block 52; Lots 1 through 9 and 12 through 20 and 16 feet of Lots 10 and 11, Block 53; Lots 11 through 20, Block 54; Lots 1 through 8 and 13 through 20, Block 80, all in the Alexander Addition, an addition to the City of El Paso, El Paso County, Texas, from Richard C. and Jean W. Price for a total purchase price of \$4.6 million, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for relocation of U. T. El Paso's child care center and future programmed development of campus expansion;
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation; 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;
- U. T. El Paso, 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 not to exceed \$5 million; and
- this resolution satisfies the official intent requirements set forth in Section 1.150-2 of the *Code of Federal Regulations* that evidences the Board's intention to reimburse project expenditures with bond proceeds.

#### BACKGROUND INFORMATION

The subject 4.6-acre property consists of six tracts: four contiguous tracts on the south side of West Schuster Avenue and two tracts on the north side of West Schuster Avenue. The tracts are approximately one-half block from the campus boundaries. Purchase of the subject property will provide significant additional acreage for future development of campus expansion. The property lies within the boundaries of an identified possible acquisition area of the institution's Campus Master Plan approved by the Board on February 10, 2000. U. T. El Paso sees the acquisition as a strategic one, as it is not likely that all of the parcels will soon be offered again for sale as a unit.

The property is improved with five apartment complexes and one duplex. The improvements contain a total of 138 units, comprising approximately 110,000 gross square feet. U. T. El Paso proposes to remodel and renovate the improvements on the north side of West Schuster Avenue (303 and 315 West Schuster Avenue) to serve as U. T. El Paso's child care center. That action will enable the current child care center in the campus core to be demolished and the site cleared in preparation for construction of U. T. El Paso's new Physical Sciences/Engineering Core Facility, which was added to the Capital Improvement Program on August 10, 2006. Renovation costs for the child care center are included within the project budget for the Physical Sciences/Engineering Core Facility.

While the acquisition is a strategic one, the University has no immediate campus use for the four parcels on the south side of West Schuster Avenue (212, 300 and 400 West Schuster Avenue, and 1617 Randolph Drive). Consequently, the closing on the acquisition of those parcels will occur later than the closing on the two parcels on the north side of West Schuster Avenue. During the interim, U. T. El Paso will incorporate the site in its long-range planning process.

Revenue Financing System debt not to exceed \$5 million, to be repaid from institutional funds from operations, will be used to fund the purchase. The institution's debt service coverage ratio is expected to be at least 1.4 times and to average 2.1 times during the period from Fiscal Year 2008 through Fiscal Year 2013. The terms and conditions of the acquisition are reflected in the summary of the transaction below:

#### Transaction Summary

Institution: U. T. El Paso

Type of Transaction: Purchase

Total Area: Approximately 4.6 acres

Improvements: Five apartment complexes and one duplex totaling 110,000 gross square feet

Location: 212, 300, 303, 315, and 400 West Schuster Avenue, and 1617 Randolph Drive, El Paso, Texas, and described as Lots 1 through 10, Block 52; Lots 1 through 9 and 12 through 20 and 16 feet of Lots 10 and 11, Block 53; Lots 11 through 20, Block 54; Lots 1 through 8 and 13 through 20, Block 80, all in the Alexander Addition, an addition to the City of El Paso, El Paso County, Texas; see attached map

Seller: Richard C. and Jean W. Price

Purchase Price: \$4.6 million total purchase price, broken down as follows:  
303 and 315 West Schuster Avenue: \$1,357,084  
212, 300, and 400 West Schuster Avenue, and 1617 Randolph Drive: \$3,242,916

Appraised Value: \$5.227 million when combined as a single unit, or \$5,159,000 when based on individual values and allocated as follows:  
303 and 315 West Schuster Avenue: \$1,522,000  
212, 300, and 400 West Schuster Avenue, and 1617 Randolph Drive: \$3,637,000  
(Curtis R. Sellers, CRE, GAA, Ralph Sellers & Associates, June 22, 2007)

\$4.312 million total value, allocated as follows:  
303 and 315 West Schuster Avenue: \$1,200,000  
212, 300, and 400 West Schuster Avenue, and 1617 Randolph Drive: \$3,112,000  
(John P. Kemp, Jr., MAI, July 19, 2007)

Source of Funds: Revenue Financing System debt not to exceed \$5 million, to be repaid from institutional funds from operations

Intended Use: Child care center and future programmed development of campus expansion





U. T. EL PASO

Mesita Dr

N Mesa St

Cincinnati Ave

20

N Stanton St

N Oregon St

Subject Properties

E Grosby Ave

N El Paso St

Sun Bowl Dr

W University Ave

Hawthorne St

W Rim Rd

W Schuster Ave

Randolph Dr

W Paisano Dr

85

180

10

18A

18A

9. **U. T. Pan American: Authorization to purchase approximately 4.5 acres of unimproved land located on FM 3167 immediately south of South Texas College's Starr County Campus, out of Lots 44, 45, 46, and 47, Unit 2, Valle Rico Del Rio Grande Little Farms, in Porcion No. 76, Rio Grande City, Starr County, Texas, from South Texas College, a public community college, for a purchase price of \$441,000 for U. T. Pan American's Starr County Upper Level Center**

### RECOMMENDATION

The Chancellor concurs in the recommendation of the Executive Vice Chancellor for Academic Affairs, the Executive Vice Chancellor for Business Affairs, and President Cárdenas that authorization be granted by the U. T. System Board of Regents, on behalf of U. T. Pan American, to

- a. purchase approximately 4.5 acres of unimproved land located on FM 3167 immediately south of South Texas College's Starr County Campus, out of Lots 44, 45, 46, and 47, Unit 2, Valle Rico Del Rio Grande Little Farms, in Porcion No. 76, Rio Grande City, Starr County, Texas, from South Texas College, a public community college, for a purchase price of \$441,000, plus all due diligence expenses, closing costs, and other costs and expenses to complete the acquisition of the property as deemed necessary or advisable by the Executive Director of Real Estate, for U. T. Pan American's Starr County Upper Level Center; and
- b. authorize the Executive Director of Real Estate to execute all documents, instruments, and other agreements, subject to approval of all such documents as to legal form by the Office of General Counsel, and to take all further actions deemed necessary or advisable to carry out the purpose and intent of the foregoing recommendation.

### BACKGROUND INFORMATION

U. T. Pan American desires to purchase the subject property, consisting of approximately 4.5 acres of unimproved land for a purchase price of \$441,000. The property, located on FM 3167, is immediately south of South Texas College's Starr County Campus. The property will be used as the campus for U. T. Pan American's Starr County Upper Level Center.

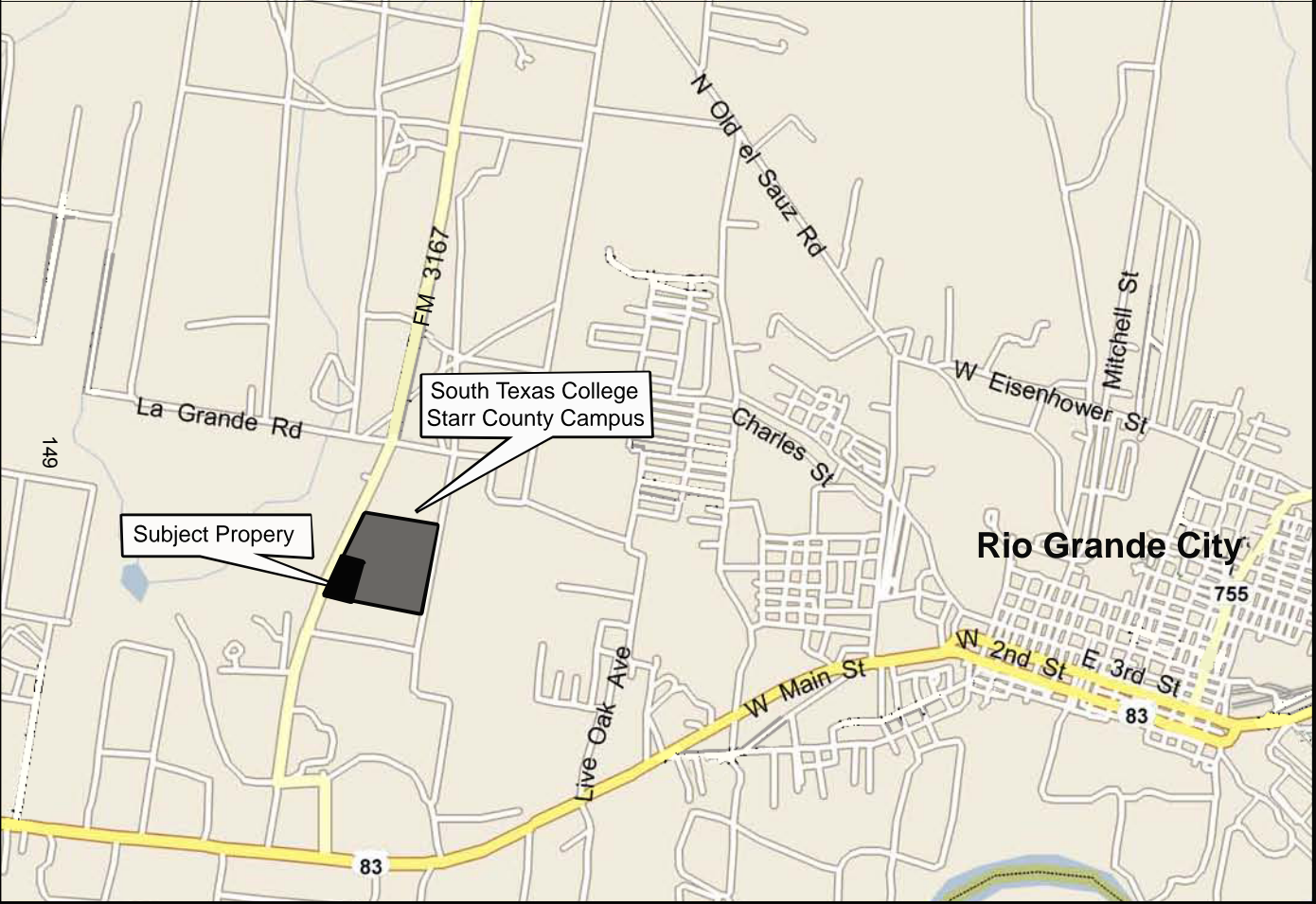
The 79th Texas Legislature approved Tuition Revenue Bonds in the amount of \$6 million to fund the construction of the Starr County Upper Level Center. The estimated cost of the facility is \$7.5 million. On August 10, 2006, the Board of Regents approved the use of Revenue Financing System debt to fund the \$1.5 million balance of the facility costs.

Although the subject property is not included in the institution's Campus Master Plan, the 77th Texas Legislature authorized U. T. Pan American to establish an extension campus in Rio Grande City if the institution elected to enter into a cooperative agreement with South Texas College to offer upper-division courses (*Texas Education Code* Section 77.12).

The Higher Education Assistance Fund (HEAF) will be used to fund the purchase, the terms and conditions of which are reflected in the summary of the transaction below:

Transaction Summary

Institution:	U. T. Pan American
Type of Transaction:	Purchase
Total Area:	Approximately 4.5 acres
Improvements:	None
Location:	On FM 3167, immediately south of the South Texas College's Starr County Campus, out of Lots 44, 45, 46, and 47, Unit 2, Valle Rico Del Rio Grande Little Farms, in Porcion No. 76, Rio Grande City, Starr County, Texas; see attached map
Seller:	South Texas College, a public community college
Purchase Price:	\$441,000
Appraised Value:	\$490,000 (Joe Patterson, MAI, SRA, Aguirre & Patterson, Inc., June 22, 2007) \$390,000 (B.C. Prothero, MAI, SRA, Professional Appraisal Services, Inc., May 23, 2007)
Source of Funds:	Higher Education Assistance Fund (HEAF)
Intended Use:	Starr County Upper Level Center



South Texas College  
Starr County Campus

Subject Property

Rio Grande City

FM 3167

La Grande Rd

N Old el Sauz Rd

Charles St

W Eisenhower St

Mitchell St

Live Oak Ave

W Main St

W 2nd St

E 3rd St

83

755

83

149

10. **U. T. System: Report and discussion of enrollment management including potential changes in admission standards, retention, and graduation rates**

REPORT

The Board of Regents charged the U. T. System to develop an enrollment management plan that addressed goals and strategies to improve student persistence, retention, and success, including graduation rates.

Executive Vice Chancellor Prior will report on progress to develop enrollment management models that integrate increasing student admission standards, progress on graduation rates, and enrollment goals throughout the academic institutions. Executive Vice Chancellor Prior will also demonstrate a student enrollment management model.

**Supplemental Materials: Enrollment Management Report for November 2007 on Pages 83 - 108 of Volume 2.**