



**TABLE OF CONTENTS**  
**THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS**  
**CONSENT AGENDA**

**Board Meeting:**  
7/10/2013  
Austin, Texas

	<b>Page</b>
1. Resolution - <b>U. T. System Board of Regents:</b> Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect names and terms of new Regents	59
2. Employment Agreement - <b>U. T. System:</b> Appointment of Stephanie A. Bond Huie, Ph.D., as Vice Chancellor for Strategic Initiatives	61
3. Lease - <b>U. T. Austin:</b> Authorization to extend the lease of space to University Federal Credit Union for automated teller machine locations	63
4. Lease - <b>U. T. Austin:</b> Authorization to extend the lease of space from Barham Plaza Company for use as offices and classrooms for the College of Communication Semester in Los Angeles program	63
5. Lease - <b>U. T. Brownsville:</b> Authorization to lease space from RRV Klein Church, Ltd., for office and educational uses	64
6. Lease - <b>U. T. Brownsville:</b> Authorization to lease space from the City of Brownsville, for office and educational uses	65
7. Lease - <b>U. T. Brownsville:</b> Authorization to lease space from J. & M. Zamora Family, L. P., for office and educational uses	65
8. License - <b>U. T. Pan American:</b> Authorization to license space, initially in the University Bookstore and later in the Learning Resource Center, to Nebraska Book Company, Inc., for the operation of a bookstore	66
9. Lease - <b>U. T. M. D. Anderson Cancer Center:</b> Authorization to amend the lease to expand the leased premises in space leased from HCRI Nassau Bay Medical Facility, LLC, for oncology clinic use	67
10. Lease - <b>U. T. M. D. Anderson Cancer Center:</b> Authorization to amend the lease to expand the leased premises in space leased from Duke Realty Limited Partnership for oncology clinic use	68
11. Lease - <b>U. T. Medical Branch - Galveston:</b> Authorization to lease space from OC Alvin, Ltd., for medical clinic use	69



**THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS**

**CONSENT AGENDA**

**Board Meeting:**

7/10/2013

Austin, Texas

**U. T. SYSTEM ADMINISTRATION**

- 1. Resolution - U. T. System Board of Regents: Adoption of resolution regarding the list of Key Management Personnel authorized to negotiate, execute, and administer classified government contracts (Managerial Group) to reflect names and terms of new Regents

To comply with the Department of Defense National Industrial Security Program Operating Manual (NISPOM) requirements, the revised resolution regarding exclusion of individuals from the list of Key Management Personnel (KMP) authorized to negotiate, execute, and administer classified government contracts, was approved as shown in congressional style on the following pages. The revision adds the names of the new Regents and the name and term of the new Student Regent.

A Resolution amending the Managerial Group list was last adopted by the Board of Regents on May 3, 2012.

NISPOM defines KMP as "officers, directors, partners, regents, or trustees." The Manual requires that the senior management official and the Facility Security Officer must always be designated as part of the Managerial Group and be cleared at the level of the Facility Clearance. Other officials or KMPs, as determined by the Defense Security Service, must be granted Personal Security Clearances or be formally excluded by name from access to classified material.

RESOLUTION

BE IT RESOLVED:

- a. That those persons occupying the following positions at The University of Texas System and The University of Texas at Austin shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution,

and administration of Department of Defense (DoD) or User Agency contracts, as described in DoD 5220.22-M, "National Industrial Security Program Operating Manual" (NISPOM):

Francisco G. Cigarroa, M.D., Chancellor, The University of Texas System

William C. Powers, Jr., President, The University of Texas at Austin

Juan Miguel Sanchez, Vice President for Research, The University of Texas at Austin

Susan W. Sedwick, Associate Vice President for Research and Director, Office of Sponsored Projects, The University of Texas at Austin

Neil S. Fox II, Facility Security Officer, The University of Texas System

The Chief Executive Officer (i.e., the Chancellor) and the members of the Managerial Group have been processed, or will be processed, for a personnel security clearance for access to classified information to the level of the facility security clearance granted to this institution, as provided for in the NISPOM.

The Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information under classified contracts of the DoD or User Agencies of the NISPOM awarded to U. T. System, including U. T. Austin.

- b. That the following named members of the U. T. System Board of Regents shall not require, shall not have, and can be effectively excluded from access to all classified information in the possession of U. T. System, including U. T. Austin, and do not occupy positions that would enable them to affect adversely the policies and practices of U. T. System, including U. T. Austin, in the performance of classified contracts for the Department of Defense or User Agencies of the NISPOM awarded to U. T. System, including U. T. Austin, and need not be processed for a personnel security clearance:

Members of the U. T. System Board of Regents:

William Eugene Powell, Chairman

Paul L. Foster, Vice Chairman

R. Steven Hicks, Vice Chairman

Ernest Aliseda

Alex M. Cranberg

Wallace L. Hall, Jr.

Jeffery D. Hildebrand

Brenda Pejovich

Robert L. Stillwell

Nash M. Horne, Student Regent from June 1, 2013 to May 31, 2014 (nonvoting)

2. Employment Agreement - **U. T. System**: Appointment of Stephanie A. Bond Huie, Ph.D., as Vice Chancellor for Strategic Initiatives

The employment agreement summarized below has been awarded, has been approved by the Chancellor, and is recommended for approval by the U. T. System Board of Regents.

Item: Vice Chancellor for Strategic Initiatives

Funds: \$265,000 annually

Period: Beginning July 10, 2013

Description: Agreement for employment of Stephanie A. Bond Huie, Ph.D., as Vice Chancellor for Strategic Initiatives. The Vice Chancellor for Strategic Initiatives reports to and is responsible to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor. U. T. System will reimburse monthly dues, professional memberships, continuing education, as well as reasonable travel related to U. T. business. The employment agreement is on the following page.



**The University of Texas System**  
Nine Universities. Six Health Institutions. Unlimited Possibilities.

**Office of the Chancellor**  
601 Colorado Street, Austin, Texas 78701-2982  
Phone: 512 499 4201 Fax: 512 499 4215

June 3, 2013

**Dr. Stephanie A. Bond Huie**  
Vice Chancellor for Strategic Initiatives, *ad interim*  
The University of Texas System Administration  
702 Colorado Street  
Colorado Building, Suite 6.2  
Austin, Texas 78701

The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Brownsville  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas - Pan American  
The University of Texas  
of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas at Tyler

Dear Stephanie:

I am delighted to offer you the appointment of Vice Chancellor for Strategic Initiatives at The University of Texas System, effective July 10, 2013. In your position as the Vice Chancellor, you will report directly to the Chancellor and shall hold office without fixed term, subject to the pleasure of the Chancellor.

Your initial compensation will be \$265,000 gross annual salary to be paid monthly. In addition, monthly dues, professional memberships, continuing education allowances, as well as reasonable travel expenses related to U. T. business, will be reimbursed by System Administration.

Stephanie, it is a great honor to offer you this position as you have distinguished yourself while serving as Vice Chancellor, *ad interim*. I extend my thanks to you for all of the work you and your team have accomplished while you served in the interim capacity. I am excited to continue the forward momentum by which you are propelling the U. T. System and to working with you in these endeavors. The Dashboard is of the upmost importance to our success in achieving many of our goals associated with the Framework; your leadership and oversight to this effort is vital.

To indicate your acceptance of these terms, please sign and date this letter and return a copy to my office. Our office will coordinate with you on a public announcement upon receiving your signed acceptance. I look forward to working together with you to facilitate the success of the Framework, emphasizing transparency and accountability in all that we and the campuses achieve.

With greatest respect,

Francisco G. Cigarroa  
Chancellor

FGC:jbp

[www.utysystem.edu](http://www.utysystem.edu)

\_\_\_\_\_  
Signature of Acceptance

\_\_\_\_\_  
Date

### ACADEMIC INSTITUTIONS

3. Lease - U. T. Austin: Authorization to extend the lease of space to University Federal Credit Union for automated teller machine locations

Description: Extension of lease of sites for 38 automated teller machines at 24 locations on the U. T. Austin campus

Lessor: University Federal Credit Union, a federally chartered nonprofit corporation

Term: The extension term commenced on March 1, 2013, and continues through November 30, 2013, unless terminated earlier by U. T. Austin. The institution plans to select one or more automated teller machine vendors through a request for proposal process and when that selection is made, U. T. Austin will terminate the lease to University Federal Credit Union. If approval of the extension is not obtained by August 31, 2013, the lease terminates on August 31, 2013.

Lease Income: Consideration to U. T. Austin includes \$32,083.33 in base rent and \$200.00 in operating expenses per month, for a total of approximately \$290,549.00 if the lease extension runs for the full nine-month term. The original lease became effective on September 1, 2001, and was last extended by the Board of Regents on May 3, 2012. This proposed lease extension and a prior lease extension will result in aggregate additional revenue to U. T. Austin in excess of 25% of the prior authorization if the lease extends beyond August 31, 2013, and, therefore, this lease extension is being submitted to the Board of Regents for authorization.

4. Lease - U. T. Austin: Authorization to extend the lease of space from Barham Plaza Company for use as offices and classrooms for the College of Communication Semester in Los Angeles program

Description: Extension of lease of approximately 3,414 rentable square feet in Barham Plaza at 3800 Barham Boulevard, Los Angeles, California, to be used by U. T. Austin's College of Communication for its Semester in Los Angeles program. The original lease was signed on April 22, 2005, and has been renewed twice for this program. The space leased for the program has remained the same.

Lessor: Barham Plaza Company, a California limited partnership

Term: The proposed extension term commences July 1, 2013, subject to Board approval, and extends through August 30, 2016, with two three-year renewal options at a mutually agreed rental.

Lease Costs: Base rent over the extended 38-month term will total approximately \$375,450. Over the life of the lease to date, the institution paid an estimated \$860,713 in base rent. Because the proposed extension will cause the total lease expenditures to exceed the \$1,000,000 threshold, the institution is seeking Board approval of the extension.

Source of Funds: Programmatic Fees

5. Lease - U. T. Brownsville: Authorization to lease space from RRV Klein Church, Ltd., for office and educational uses

Description: Lease of approximately 17,200 square feet of space at 1601 East Price Road, Brownsville, Texas, for general office, business incubator, workforce training and professional development, economic development activities, U. T. Brownsville's Language Institute, and other uses

Lessor: RRV Klein Church, Ltd., a Texas limited partnership

Term: The commencement date is estimated to be September 1, 2013, and the initial term will expire on the third anniversary of the commencement date

Lease Costs: Approximately \$425,700 (\$9 per square foot) in base rent over the initial three-year term. In addition to base rent, U. T. Brownsville will pay for its pro rata share of the costs of common area maintenance, ad valorem property taxes, and property insurance (estimated to be \$2.50 per square foot for the first lease year). The Lessor will perform exterior renovations to the building at a cost not to exceed \$10,000 and will perform interior renovations to the premises at a cost not to exceed \$40,000. U. T. Brownsville will be responsible for the cost of any renovations beyond the allowances provided by Lessor. U. T. Brownsville will have a one year renewal option at a base rent cost of \$159,100 (\$9.25 per square foot) and one subsequent three-year renewal option at a total base rent cost of \$490,200 (\$9.50 per square foot).

Source of Funds: Operating Budget

6. Lease - U. T. Brownsville: Authorization to lease space from the City of Brownsville for office and educational uses

Description: Lease of two buildings (totaling approximately 9,258 square feet of office space) at 1301 East Madison and an adjacent lot located at 1335 East Madison, Brownsville, Texas, for office and educational uses

Lessor: The City of Brownsville, a Texas home rule municipality

Term: The commencement date is estimated to be August 1, 2013, and the term will expire on the fourth anniversary of the commencement date.

Lease Costs: Approximately \$370,320 (\$10 per building square foot) in base rent over the initial four-year term. In addition, U. T. Brownsville will be responsible for all costs of utilities, building operation, and maintenance (estimated to be approximately \$3.07 per building square foot). U. T. Brownsville will construct a parking lot for its use on the adjacent lot; the base rent during the initial term will be offset by the actual costs incurred by U. T. Brownsville in constructing the parking lot. The costs of constructing the parking lot are estimated to be \$300,000. U. T. Brownsville will have four one-year renewal options; the rent for the four renewal options will be the fair market rental (with escalations, if indicated) determined at the commencement of the first renewal option. The buildings will require minimal improvements and U. T. Brownsville will be responsible for the cost of any improvements to the buildings.

Source of Funds: Operating Budget

7. Lease - U. T. Brownsville: Authorization to lease space from J. & M. Zamora Family, L. P., for office and educational uses

Description: Lease of approximately 16,298 square feet of space at 451 East Alton Gloor, Brownsville, Texas, for office and educational uses. Due to the critical timing necessary to have the premises available for occupancy by August 1, 2013, U. T. Brownsville requests authority from the Board of Regents to complete negotiations for the premises in accordance with the general parameters outlined below, with a total cost not to exceed \$2.8 million in base rent and operating expenses over the potential eight-year term of the lease, and to authorize U. T. Brownsville's Vice President for Business Affairs to execute the lease upon its approval by the U. T. System Real Estate Office.

Lessor: J. & M. Zamora Family, L. P., a Texas limited partnership



**Term:** The commencement date is estimated to be August 1, 2013, and the initial term will expire on the fourth anniversary of the commencement date. U. T. Brownsville will have one four-year option to renew the lease.

**Lease Costs:** Currently estimated to be \$1,022,771 in base rent over the initial four-year term (\$15.69 per square foot average). In addition to base rent, U. T. Brownsville will pay for the costs of maintenance, ad valorem property taxes, and property insurance (operating expenses) attributable to the premises (estimated to be \$4.20 per square foot for the first lease year). U. T. Brownsville will lease the premises "as-is" with no improvements required. The estimated base rent cost for the period of the renewal option is \$1,151,138 (\$17.66 per square foot average), plus operating expenses.

**Source of Funds:** Operating Budget

8. License - U. T. Pan American: Authorization to license space, initially in the University Bookstore and later in the Learning Resource Center, to Nebraska Book Company, Inc., for the operation of a bookstore

**Description:** License of approximately 12,554 square feet in the University Bookstore initially, and later relocated to approximately 6,225 square feet in the Learning Resource Center at U. T. Pan American's main campus in Edinburg, Texas, for the exclusive operation of a bookstore. Licensee also has the right to sell certain merchandise in kiosks and at specific events on the campus.

**Licensee:** Nebraska Book Company, Inc., a Delaware corporation

**Term:** The License commenced on April 19, 2013, and extends for 10 years through April 18, 2023. The parties may extend the License for two additional periods of one year each. Both parties have early termination rights. This license agreement was not submitted to the Board of Regents in May 2013 because the terms of the license were not completed prior to the Consent Agenda deadline.

**Premises**

**Improvements:** Licensor shall, at its cost, renovate the final premises at the Learning Resource Center; Licensee shall make a one-time capital contribution of \$225,000 towards the cost of such improvements.

**License Revenue:** Licensor shall receive a base license fee of \$370,000 annually, a royalty varying from 16.25% to 18% on the sale of nonacademic materials, but in no event less than \$140,000 annually, and starting in the second license year, an annual renovation fee of \$12,500. As additional consideration, the Licensee shall provide credits worth \$35,000 each year to the institution's book rental scholarship fund.

Licensor is responsible for providing and paying for utilities, but Licensee shall contribute a fee of \$32,184 annually to Licensor towards such costs. Licensor shall also receive a one-time signing bonus of \$150,000. If all extensions are exercised, total consideration to U. T. Pan American will be approximately \$7.439 million.

## HEALTH INSTITUTIONS

9. Lease - U. T. M. D. Anderson Cancer Center: Authorization to amend the lease to expand the leased premises in space leased from HCRI Nassau Bay Medical Facility, LLC, for oncology clinic use

Description: Expansion of leased premises at 18100 St. John Drive, Nassau Bay, Texas, for use as an oncology clinic. U. T. M. D. Anderson Cancer Center currently leases 16,268 square feet of space from Lessor pursuant to the initial lease and the first and second amendments to the lease. The proposed third amendment will add 4,657 square feet of leased space to bring the total leased area to 20,925 square feet.

The Board of Regents approved the initial lease of approximately 8,885 square feet with a base rental amount of \$1,986,203 on November 16, 2006; at that time, operating expenses, which are in addition to base rent, were approximately \$6,590 per month.

No record found of Board of Regents' approval of the first amendment, which increased the tenant improvement allowance, or the second lease amendment, which increased the leased premises to 16,268 square feet.

Lessor: HCRI Nassau Bay, LLC, a Delaware limited liability company

Term: The initial term commenced June 7, 2007, and extends through June 30, 2017; in addition, there are two five-year renewal options. The current proposed amendment does not contain any additional lease extensions.

Lease Costs: Base rent over the initial 10-year term totals approximately \$6,678,332. That amount includes increases attributable to the amounts for amortization of the additional tenant improvement funds provided by Lessor pursuant to the first amendment and for the previous expansion of the leased premises and related tenant improvements pursuant to the second amendment to the lease. Current base rent for the expanded space is \$22.60 per square foot (plus adjustments for the amortized improvement funds) and increases by 3% each year. Base rent for each renewal option period will continue the 3% annual increases. Monthly operating expenses, which the Lessee pays in addition to base rent, have increased over

the life of the lease due to increased costs over time and to the expansion of the leased space under the second amendment. The expansion of leased space under the proposed third amendment will further increase operating expenses; 2013 operating expenses for the expanded 20,925 square feet under the third amendment are an estimated \$21,064 per month. Under the third amendment, the Lessor is providing an improvement allowance of up to \$46,570 (\$10 per square foot); U. T. M. D. Anderson Cancer Center will provide an additional \$127,110 (approximately) (\$27.29 per square foot) to fund finish-out in the leased premises.

Source of Funds: Hospital patient income

10. Lease - U. T. M. D. Anderson Cancer Center: Authorization to amend the lease to expand the leased premises in space leased from Duke Realty Limited Partnership for oncology clinic use

Description: Expansion of leased premises at 19770 Kingsland Boulevard, Katy, Texas, for use as an oncology clinic. U. T. M. D. Anderson Cancer Center currently leases 29,889 square feet of space from Lessor pursuant to the initial lease and the first through fifth amendments. The proposed sixth amendment will add 4,033 square feet of leased space to bring the total leased area to 33,922 square feet. The Board of Regents approved the initial lease of approximately 10,500 square feet with a base rental amount of \$2,205,000 on February 9, 2006; the amount of operating expenses, which are in addition to base rent, were not stated in that Board item. The Board of Regents approved the third amendment to the lease, which added 13,103 square feet to the leased premises, with an additional base rental of \$2,600,000, on May 14, 2009. Board of Regents' approval would not have been needed for the first amendment to the lease, which made some technical corrections but no substantive changes. There is no record of Board of Regents' approval of the second amendment, which corrected the leased square footage to 12,639 square feet, or the fourth lease amendment, which added 4,147 square feet to the leased premises.

Lessor: Duke Realty Limited Partnership, an Indiana limited partnership

Term: The initial term commenced November 5, 2007, and extends through November 30, 2017; in addition, there are two three-year renewal options. The current proposed amendment does not contain any additional lease extensions.

Lease Costs: Base rent over the initial 10-year term totals approximately \$4,590,233. That total includes amounts for the previous expansions of the space and amortization of additional tenant improvement

funds provided by Lessor pursuant to the initial lease and the third, fourth, and fifth amendments. Base rent is \$35.92 per square foot for each year of the initial 10-year term. Base rent for each renewal option period will be the fair market rent for the premises. 2013 operating expenses, which the Lessee pays in addition to base rent, are an estimated \$31,774 per month for the expanded 33,922 square feet leased premises under the proposed sixth amendment. Under the sixth amendment, the Lessor is providing an improvement allowance of up to \$36,330 (\$9 per square foot); U. T. M. D. Anderson Cancer Center will provide an additional \$185,670 (approximately) (\$46 per square foot) to fund finish-out in the leased premises.

Source of Funds: Hospital patient income

11. Lease - U. T. Medical Branch - Galveston: Authorization to lease space from OC Alvin, Ltd., for medical clinic use

Description: Lease of approximately 10,000 square feet in a building to be constructed at the southeast corner of Texas State Highway 6 and Highway 35 Bypass, Alvin, Texas, for medical clinic use. An existing pediatric clinic will be relocated to the new clinic space; in addition, an adult primary care practice will be located in the new space.

Lessor: OC Alvin, Ltd., a Texas limited partnership

Term: The term commences on the date that Lessor substantially completes the construction of the building and the improvements and delivers the leased premises, and continues for 10 years, plus one five-year renewal option. The estimated commencement date is May 1, 2014.

Lease Costs: Approximately \$3,289,942 in base rent and estimated operating expenses over the initial 10-year term. Base rent and estimated operating expenses for the renewal option period will be approximately \$1,761,869. The Lessor is providing an improvement allowance of up to \$50 per square foot; U. T. Medical Branch will provide up to an additional \$100 (approximately) per square foot to fund finish-out in the leased premises.

Source of Funds: Patient revenue