

Meeting No. 927

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 3

January 14, 2000

Austin, Texas

MEETING NO. 927

FRIDAY, JANUARY 14, 2000.--The members of the Board of Regents of The University of Texas System convened at 9:25 a.m. on Friday, January 14, 2000, on the ninth floor of Ashbel Smith Hall at 201 West Seventh Street in Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Evans, presiding	*Vice-Chairman Loeffler
Vice-Chairman Clements	
Regent Hunt	
Regent Miller	
Regent Oxford	
Regent Riter	
Regent Romero	
Regent Sanchez	

Executive Secretary Frederick

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Evans called the meeting to order. He announced that the sole purpose of this special meeting was to consider The University of Texas - Pan American land acquisition item as set forth on the Agenda for Special Meeting No. 927 which had been previously distributed to the Board. He noted that it was necessary to hold this meeting prior to the next regularly scheduled meeting of the U. T. Board of Regents in February as the seller requires a closing prior to their fiscal year-end on January 31, 2000.

*Vice-Chairman Loeffler was excused due to a previous commitment.

U. T. Pan American: Authorization to Purchase Real Property Located at 2412 South U. S. Highway 281, Edinburg, Hidalgo County, Texas, and Authorization for the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate to Execute All Documents Related Thereto

Upon motion of Regent Riter, seconded by Regent Hunt, authorization was given for The University of Texas System Real Estate Office, on behalf of The University of Texas - Pan American, to purchase the real property located at 2412 South U. S. Highway 281, in Edinburg, Hidalgo County, Texas, at or below its appraised market value.

Further, the Executive Vice Chancellor for Business Affairs or the Executive Director of Real Estate was authorized to execute all documents, instruments, and other agreements and to take all such further actions deemed necessary or desirable to carry out the purpose and intent of the foregoing action.

The subject property is a former Wal-Mart store which consists of a 67,043 square foot building and associated parking on a 5.87-acre site. In 1994, Wal-Mart granted U. T. Pan American a seven-year, rent-free lease of the building which has been used by the institution for community outreach, standardized testing, continuing education, and economic outreach services for residents of the Lower Rio Grande Valley. U. T. Pan American was to consider either purchasing or replacing the facility prior to the expiration of the lease term.

In the summer of 1999, Wal-Mart expressed its interest in selling the facility on the open market after first offering it to U. T. Pan American at a price of \$1,500,000. More recently, Wal-Mart agreed to a bargain sale arrangement with the institution resulting in a \$500,000 sales price reduction to \$1,000,000. The current MAI appraised value of the property, as restricted, is \$1,520,000. The transfer of the property to U. T. Pan American will be subject to a deed restriction prohibiting the property from being used as a discount department store, wholesale club, grocery store, or drug store for a period of 35 years.

The source of funding for this acquisition will be U. T. Pan American unexpended plant funds. Approximately \$450,000 has been pledged by external foundations and corporations to reimburse the institution for that portion of the purchase price.

President Nevárez assured the members of the Board that this purchase was budgeted for institutional land expansion and Chairman Evans congratulated Dr. Nevárez and his team for maintaining a focus on the vision to accommodate for tremendous growth in South Texas in the years ahead.

ADJOURNMENT.--Chairman Evans announced that the purpose for which this meeting was called had been completed and the meeting was duly adjourned at 9:30 a.m.

/s/ Francie A. Frederick
Executive Secretary

January 27, 2000