

MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
FACILITIES, CONSTRUCTION AND MASTER PLANNING COMMITTEE

Monday, May 13, 2013 – The members of the Facilities, Construction and Master Planning Committee (“FCMP”) of The University of Houston System convened at 10:53 a.m. on Monday, May 13, 2013, at the Hilton University of Houston Hotel, Waldorf Astoria Ballroom E, Second Floor, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Tilman J. Fertitta, Chair
Welcome W. Wilson, Jr., Regent
Spencer D. Armour III, Regent
Gage A. Raba, Student Regent
Nelda Luce Blair, Ex Officio

Non-Member(s) Present

Nandita V. Berry, Regent
Jarvis V. Hollingsworth, Regent
Roger F. Welder, Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum present, Chair of the Committee, Tilman J. Fertitta called the meeting to order. Regent Fertitta stated five (5) action items would be presented for the committee’s consideration following the introduction of the first item on the agenda, the approval of minutes.

AGENDA ITEMS

Action Items:

1. Approval of Minutes – Item B

On motion of Regent Wilson Jr., seconded by Regent Blair, and by a unanimous vote of the committee members in attendance, the following minutes from the meeting listed below were approved:

- January 29, 2013, Facilities, Construction and Master Planning Committee Meeting

Regent Fertitta requested Dr. Carl Carlucci, Executive Vice Chancellor for Administration and Finance, introduce the remaining five (5) action items to the committee.

2. Approval is requested to update the University of Houston Energy Research Park (UHERP) master plan – University of Houston, Item C – FCMP-C4

Dr. Carlucci introduced this item and stated the University Research Park has never had a fully developed master plan presented to the Board. With the addition of this new property that the Board had approved, Dr. Carlucci requested the Board consider this property be

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incorporated into the master plan and he also wanted to take this opportunity to discuss the potential uses of this property. Part of that reason is because this is frontage property on the I-45 feeder so it offers the university an opportunity to do a number of things that would be new to the UHERP. Dr. Carlucci then presented a powerpoint presentation outlining the request. Below is a brief summary of his remarks.

- Schlumberger had gifted two parcels of land to the University of Houston:
 - (a) Tract 1 – 2.37 acres which fronts on the feeder road; and
 - (b) Tract 2 - .46 acres, a small piece of land which gives access to the property.
- UHERP's current usage plan was outlined as follows.
 - (a) The front of the property has been used as Administrative office space;
 - (b) Academic and Research space; and
 - (c) Third Party lease space.
- Potential development options for the new space were addressed as follows:
 - (a) Establishing a Compressed Natural Gas (CNG) fueling facility that would not only be service to the University's vehicles and buses but also part of our research;
 - (b) An Academic building (because it is available land where we have teaching research); and/or
 - (c) A Commercial property.

Dr. Carlucci stated the plan that seems to have the most support for this new space is a CNG Fueling Station. A current and proposed layout of CNG stations in the Houston area was presented although it was missing the new Apache station located in the center of the loop that was not shown on the map.

Dr. Carlucci asked Dr. Rathindra Bose, Vice Chancellor for Research and Technology Transfer, to address the Board on the alternative, energy clean fuels group; and mentioned that Dr. Bose has been talking to both CenterPoint and private companies about partnering to produce a CNG fueling facility.

Dr. Bose mentioned there have been a few meetings with several faculty members who have been interested in putting in a CNG fueling station partly because they feel:

- (a) They could create an education program to train these students;
- (b) The faculty could utilize the gas through our Clean Emissions Fuel Center which is nationally recognized. Dr. Bose stated they can deform the fuel, test the engines and complete other research since a center infrastructure is already in place;
- (c) Faculty members are very interested in developing academic and other education programs; and
- (d) This would afford the university funding opportunities so that we could actually receive a significant amount of funds to defer the costs for putting in the station.

Dr. Bose stated that he and Dr. Carlucci had met with individuals from CenterPoint and the Gas Technology Institute as well as others who have talked with us but were unable to attend the meeting believe they could double-up a CNG station with us.

Dr. Carlucci reiterated that when the CNG station was first addressed, we were mainly interested in simply doing our own vehicles but what we have learned was that there was a research program in CNG as well as a need for workforce development in the use of CNG.

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The reason this is being addressed now was that this will need to be brought back to the Board if a plan is actually developed to build this facility. In the case of CNG, there are three types of CNG fueling facilities that are different based on the type of vehicles being fueled:

- (a) Trucks;
- (b) Buses; and/or
- (c) Cars.

The Fast-Fill version would fuel passenger vehicles and the reason that this would be possible is because we now have frontage on the highway. We would need frontage on the highway in order to receive a grant to help us build the CNG facility.

The preliminary cost of building this facility would be approximately \$1.0 million, but would depend on the type of facility built.

As mentioned earlier, Dr. Carlucci stated an alternative to developing a CNG facility would be to place an Academic and/or Commercial Office building. A brief discussion followed.

On motion from Regent Wilson, Jr., seconded by Regent Armour, and by a unanimous vote of the committee members in attendance, the approval to update the University of Houston Energy Research Park (UHERP) was approved.

3. Approval is requested for site and program for the University of Houston multidisciplinary research and engineering building – University of Houston, Item D – FCMP-D15.

Dr. Carlucci introduced this item requesting approval for the site and program of a four-story multidisciplinary research and engineering building (MREB). The building would be approximately 120,000 gross square feet and would include a research core that houses major facilities that would serve the critical needs of the University's engineering, energy and health research and would be managed by the Division of Research. This is the last building site that is core to the campus.

Dr. Carlucci requested Dr. Rathindra Bose address the program for this facility. A powerpoint presentation was given by Dr. Bose and below is a brief summary of Dr. Bose's remarks.

- Strategic Goals were defined as follows:
 - Increase Federal Funding (high competitive endeavors)
 1. Center Grants
 2. Multidisciplinary Grants
 3. Applied/Translational Research
 - Increase funding from for-profit entities
 - Increase royalty income
 - Aggressively commercialize technology
 - Invest in STEM fields (Talent and Infrastructure)
 1. Recruit excellent faculty
 2. Provide ample start-up
 3. Build core facility

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- Create, enhance infrastructure
- Meet Houston regional needs
- By 2020, the Tier-One goal is to reach \$200 million in research expenditures.
- This new building is needed to address the shortage of quality laboratory research space in Engineering, foster collaboration across campus, minimize investments in multiple and redundant instrumentation facilities, house core facilities in a neutral location, and sustain and enhance research growth.
- This new building is needed to sustain Tier One Research as follows:
 - Research funding is increasingly competitive;
 - Building is targeted for housing Applied and Translational Research; and
 - Reflects Multidisciplinary approach favored by agencies.
- The following new facilities are now occupied. They are:
 - Science and Engineering Research Center
 - Health and Biomedical Sciences Center 1
 - In the planning phase is the Health and Biomedical Sciences Center 2.
- The Human Genome Project was mentioned. The \$3.8 billion spent on the HGP may well represent the best single investment every made in science.
 - Economic Impact was \$796 billion;
 - It created 310,000 jobs; and
 - It launched the genomic revolution.
- Federal Funding for FY2012 totaled approximately \$68.8 million with Engineering being 33% and NSM being 27% of this total.
- The College of Engineering has nine (9) National Academic Members; and seven (7) NSF CAREER Award recipients in 2012 and 2013.
- The existing multidisciplinary core facilities include the following:
 - Animal Care Operations; and
 - Nanofabrication Facility
- The projected new building cost is \$51.0 million and will house specific core facilities.
 - Research Core Facilities would include:
 1. High performance computational facility;
 2. High-end multi-dimensional imaging facility;
 3. Proteomics and genomics facility;
 4. State-of-the-art mass spectrometry facility; and
 5. High-field NMR spectrometer.
 - Engineering Facilities would include:
 1. Research laboratories for Engineering facility; and
 2. Hands-on laboratory experience for graduate and undergraduate students.
- The new building would be 4-stories with 120,000 square feet of which 90,000 sq. ft. would be developed and 30,000 sq. ft. of shell space for future expansion.
 - A breakdown of the 90,000 sq. ft. to be developed was addressed as follows:
 1. 26,150 sq. ft. – Core Facilities;
 2. 28,700 sq. ft. – Engineering Labs; and
 3. 35,150 sq. ft. – Building Support.
- The High Performance Computing Center was addressed and is highly needed at the University.

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On motion from Regent Wilson, Jr., seconded by Regent Armour, and by a unanimous vote of the committee members in attendance, the approval for site and program for the University of Houston multidisciplinary research and engineering building at the University of Houston was approved.

A copy of Dr. Bose's powerpoint presentation has been filed in the Board office.

4. Approval is requested to delegate authority the Chancellor to convey a perpetual easement to Harris County at the University of Houston-Clear Lake campus – University of Houston-Clear Lake, Item E – FCMP-E53

Dr. Carlucci introduced this item requesting approval to delegate authority to the Chancellor to negotiate and execute an agreement to convey, under mutually acceptable conditions, a fifteen foot (15') wide perpetual easement to Harris County, Texas for road, sidewalk and berm improvements at the University of Houston-Clear Lake. This is a portion of the UH-Clear Lake campus along the south-side of Middlebrook Drive. The county is in the process of adding improvements to the road; and the UH-Clear Lake campus and the General Counsel, Dona Cornell, have been working with them to come up with what is basically a perpetual easement.

Dr. William Staples, President of UH-Clear Lake stated that Middlebrook Drive is the north boundary of the UH-Clear Lake campus. At the present time, except for one stretch which is where Harris County comes into it, UHCL has a complete sidewalk that circles the campus. This was a stretch where there was no sidewalk, so basically Harris County is providing this, at no cost to the university. President Staples stated that this would be a great addition to the UH-Clear Lake campus.

On motion from Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the committee members in attendance, the approval to delegate authority to the Chancellor to convey a perpetual easement to Harris County at the University of Houston-Clear Lake campus was approved.

5. Approval is requested to delegate authority to the Chancellor to convey easements to allow access and development under the Facilities Development Agreement Phase One Infrastructure to the City of Sugar Land leased property on the UH Sugar Land campus – University of Houston, Item F – FCMP-F55

Dr. Carlucci stated the City of Sugar Land has requested two (2) easements that will be used to construct a roadway and driveway to provide the city access to the 52 acre lease parcel. This would be to allow for the development of basic infrastructure required for the future development of their leased property for higher education purposes; and all development shall be consistent with the University of Houston-Sugar Land Campus Use Plan. The University will reserve the right to access and use of the easement area to the extent such use will not prevent the City of Sugar Land from exercising its rights under the easement.

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Dr. Carlucci asked Dick Phillips, Associate Vice Chancellor for System Initiatives to brief the committee on the estimated value and the value the University will receive as a result of this improvement.

Mr. Phillips stated that when the difference of the value of the land swap was reviewed there were two (2) estimates given between \$450,000 and \$950,000; but either way, the City of Sugar Land, at their own costs is going to put in \$6,000,000 worth of infrastructure and the University will have access to the eight (8) streets that are going into this area and to the access road in this exchange.

Dr. Carlucci stated the City of Sugar Land will ultimately come back to the University with a Facility Development Agreement (FDA) for Phase Two which would be for parking and then Phase Three which would be for the building of the Amphitheater.

At some point, Regent Blair asked whether or not it had been confirmed that the University could use the land for the festival site? Ms. Cornell stated that legislation is still pending that should address this issue.

Regent Wilson, Jr. recommended that there be a review of the connector T-road that goes down to the festival site and its location to see if that should be shifted further south and/or curved from either an aesthetic standpoint and/or leave as much acreage on the freeway frontage site as possible. There was a brief discussion and Regent Wilson, Jr. recommended the University shift the T-connector road south to where the 10 acres is on the freeway frontage side and the eight (8) acres is on the bottom side. Mr. Phillips stated that this could be accomplished. Regent Fertitta asked Dr. Carlucci if this adjustment could be completed and this recommendation was accepted.

On motion of Regent Wilson, Jr., seconded by Regent Armour, and by a unanimous vote of the committee members in attendance, the request to delegate authority to the Chancellor to convey easements to allow access and development under the Facilities Development Agreement Phase One Infrastructure to the City of Sugar Land leased property on the UH Sugar Land campus with the recommended changes was approved.

6. Approval is requested for site and program for the renovation and expansion of Hofheinz Pavilion at the University of Houston – University of Houston, Item G – FCMP-G58

Dr. Carlucci introduced this item requesting approval for site and program for the renovation and expansion of Hofheinz Pavilion at the University of Houston. Dr. Carlucci stated the site has been fairly well defined for Hofheinz. It is the existing site because it is simply a renovation with an addition to the current site. The program includes a number of elements, mainly for the renovation, but also includes the expansion. It was requested at the meeting the approval to develop the program into a fully developed proposal in order to go for financing.

Dr. Carlucci asked Mr. Mack Rhoades, Vice President for Intercollegiate Athletics, to present a powerpoint presentation on the elements of this program. Below is a brief summary of Mr. Rhoades remarks.

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Mr. Rhoades showed a photo of the current structure as it currently exists, along with a copy of a conceptual drawing based on the feasibility study performed in the summer of 2010. This conceptual drawing shows a completely new face for the arena. Mr. Rhoades stated this project was being developed in two phases:

- Phase I – Construction of a
- new men’s and women’s basketball practice facility (47,570 GSF); and
- Phase II – Renovation of Hofheinz Pavilion (154,659 GSF).
- Construction of Phase 1-A – Men’s and Women’s Basketball Practice Facility would include the following:
 - Student-Athlete Facilities (one men’s and one women’s for each)
 - (a) Locker Rooms;
 - (b) Team Lounges; and
 - (c) Academic/Film Rooms
 - Team Training Areas
 - (a) Practice Courts (2);
 - (b) Sports Medicine; and
 - (c) Sports Performance (strength and conditioning)
- Construction of Phase 1-B – Men’s and Women’s Basketball Practice Facility would include the following:
 - Office Suites (men’s program and women’s program); and
 - Shared Support Areas (administrative, reception, copy room and kitchenette)
- Alternate Option
 - Inclusion of Similar Areas for Women’s Volleyball (student-athlete facilities, office suites and administrative support area)
- Phase II – Renovation of Hofheinz Pavilion
 - Replacement of Fan Amenities
 - (a) Video Boards/Score Boards (east and west);
 - (b) Sound System;
 - (c) Concessions; and
 - (d) Merchandising (points of sale)
 - Addition of Premium Seating Options
 - (a) Open Air Suites (10 at concourse level);
 - (b) Loge Boxes (integrated into lower bowl seating); and
 - (c) Floor Seats (three rows)
 - Creation of Donor Club
 - (a) Game Day Team Meals;
 - (b) Pregame Donor Receptions;
 - (c) Half-Time Donor Gatherings; and
 - (d) Other Special Events

In conclusion, Mr. Rhoades stated that in order for the University of Houston to be nationally competitive in men’s and women’s basketball, he noted that at the moment, all of the following universities will be in the new conference (SMU, UCF, ECU, Tulane, Memphis, UConn, USF, Cincinnati, and Temple) and which all have a brand new or recently built practice facility and some type of new arena. A brief discussion followed.

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A complete copy of Mr. Rhoades' presentation has been filed in the Board office.

On motion of Regent Armour, seconded by Regent Wilson, Jr., and by a unanimous vote of the committee members in attendance, the approval for site and program for the renovation and expansion of Hofheinz Pavilion at the University of Houston was approved.

At the conclusion of the approval of the five (5) action items, Regent Fertitta called for a motion to place these action items on the Board's Consent Docket Agenda for final board approval.

On motion of Regent Wilson, Jr., seconded by Regent Armour, and by a unanimous vote of the committee members in attendance, the following five (5) action items will be placed on the Board's Consent Docket Agenda at the Board of Regents meeting scheduled for May 14, 2013 for final board approval.

- (1) Approval is requested to update the University of Houston Energy Research Park (UHERP) master plan – University of Houston;
- (2) Approval is requested for site and program for the University of Houston multidisciplinary research and engineering building – University of Houston;
- (3) Approval is requested to delegate authority to the Chancellor to convey a perpetual easement to Harris County at the University of Houston-Clear Lake – UH-Clear Lake;
- (4) Approval is requested to delegate authority to the Chancellor to convey easements to allow access and development under the Facilities Development Agreement Phase One Infrastructure to the City of Sugar Land leased property on the UH Sugar Land campus with the recommended changes – University of Houston; and
- (5) Approval is requested for site and program for the renovation and expansion of Hofheinz Pavilion at the University of Houston – University of Houston.

No Executive Session was called.

There being no further business to come before the committee, the meeting adjourned at 11:41 a.m.

All documentation submitted to the Committee in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Committee, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

Others Present:

Renu Khator
Paula Myrick Short
Carl Carlucci
Dona Cornell

Benjamin Wells
Don Guyton
Doug Biggers
Wayne Beran

Mark Zaguirre
Emily Messa
Rani Ramchandani
Steve Wallace

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Others Present (cont'd)

Rathindra Bose
Elwyn Lee
Eloise Dunn Stuhr
Richard Walker
Philip Castille
Oscar Gutierrez
Jeffrey Cass
Anna Marie Palla
Mark Clarke
Brenda Robles
Gerry Mathisen

Bob Browand
Sean York
Mark Rhoades
Craig Ness
Ed Hugetz
Willie Munson
Mike Emery
Jonathan Thurston
Jeff Heflin
Ed Jones

Tom Ehardt
Darren Dunne
Cris Milligan
Dick Phillips
Chris Stanich
D. Michael Fields
Dan Maxwell
Richard Bonnin
Jon Aldrich
Marquette Hobbs