

**MINUTES**

**OF THE**

**SPECIAL TELEPHONIC MEETING OF THE**

**BOARD OF REGENTS**

**OF**

**THE TEXAS A&M UNIVERSITY SYSTEM**

**HELD IN**

**COLLEGE STATION, TEXAS**

**February 18, 2004**

*(Approved May 27-28, 2004, Minute Order 78-2004)*

**TABLE OF CONTENTS**

**MINUTES OF THE  
SPECIAL TELEPHONIC MEETING OF THE BOARD OF REGENTS  
FEBRUARY 18, 2004**

MINUTE ORDER 01-2004 (AGENDA ITEM 1) AUTHORIZATION TO EXECUTE A  
GROUND LEASE AGREEMENT FOR AN ADDITIONAL PHASE OF ON-CAMPUS HOUSING  
ON THE CAMPUS OF TEXAS A&M UNIVERSITY-CORPUS CHRISTI, THE TEXAS A&M  
UNIVERSITY SYSTEM..... 3

MINUTE ORDER 02-2004 (AGENDA ITEM 2) ACCEPTANCE OF A GIFT OF REAL PROPERTY  
FROM THE CITY OF TEXARKANA, FOR A NEW CAMPUS, APPROVAL OF THE STATEMENT  
OF WORK AND SELECTION OF AN ARCHITECT/ENGINEER TEAM FOR A NEW CAMPUS  
MASTER PLAN, THE TEXAS A&M UNIVERSITY SYSTEM..... 5

***MINUTES OF THE  
SPECIAL TELEPHONIC MEETING OF THE BOARD OF REGENTS  
FEBRUARY 18, 2004***

Mr. Lowry Mays, Chairman of the Board, convened a special telephonic meeting of the Board of Regents of The Texas A&M University System, at 8:35 am, on Wednesday, February 18, 2004, in the Board of Regents Meeting Room, Memorial Student Center, on the campus of Texas A&M University, College Station, Texas.

The following members of the Board were telephonically present:

Mr. Lowry Mays, Chairman  
Mr. Erle Nye, Vice Chairman  
Mr. Phil Adams  
Dr. Wendy Gramm  
Mr. Bill Jones  
Mr. R.H. "Steve" Stevens  
Mr. John D. White  
Dr. Susan Rudd Wynn

The following member of the Board was not present:

Mr. Lionel Sosa

Mr. Mays said that in accordance with the Texas Government Code, that allows governing boards to meet by telephone, each party to the conference call must clearly identify himself/herself prior to speaking. Mr. Mays said the purpose of the special meeting was to consider two agenda items. Item 1 - Authorization to Execute a Ground Lease Agreement for an Additional Phase of On-Campus Housing on the Campus of Texas A&M University-Corpus Christi (TAMU-CC) and Item 2 - Acceptance of a Gift of Real Property from the City of Texarkana, Texas, for a New Campus, Approval of the Statement of Work and Selection of an Architect/Engineer Team for a New Campus Master Plan for Texas A&M University-Texarkana (TAMU-T).

Mr. Mays called on Dr. Benton Cocanougher, Interim Chancellor, to present Item 1. Mr. Mays asked Mr. Nye, Chairman of the Committee on Buildings and Physical Plant, to comment on each item since these two items would normally fall under that committee.

Dr. Cocanougher said the System was requesting authorization to execute a ground lease agreement that would cover approximately 2.342 acres of land with Camden Property Trust for the construction, maintenance and operation of an additional on-campus housing facility at TAMU-CC. He said this would add a total of 252 additional beds. He said the term of the lease would be 35 years, with actual expiration of the lease being August 31, 2039. Dr. Cocanougher said Dr. Robert Furgason, President of

TAMU-CC, was available by phone for questions. Dr. Cocanougher said he recommended the approval of the agenda item.

Mr. Nye questioned why this item was coming to the Board in this fashion. He said normally this type of item would be approved at a regular Board meeting. He said he was not being critical of Dr. Furgason or Dr. Cocanougher or anybody, but Dr. Cocanougher brought this to his attention on the basis that he was uncertain of whether or not there was adequate authority for this ground lease. Mr. Nye said he believed that the System was proceeding based on a 1998 Board action approving some previous housing. Mr. Nye said he had no complaint about the need. He said the need is established. He said he was satisfied that the nature of the addition was fine and he was certainly satisfied with Camden Property Trust. Mr. Nye said he was very pleased that the university is growing as fast as it is so that it needs additional housing. Mr. Nye said we need to understand the reason that this was brought forward was because the University and the System were proceeding with adding 252 additional beds on a new ground lease using the authority of a 1998 resolution. He said looking at that resolution; it was questionable in his mind, as to whether or not additional projects were anticipated at that time. He said in fact, a couple; maybe three additional projects were built since the original resolution was passed. Mr. Nye said that going forward, there needs to be clarity around the fact that if we are going to be making a significant improvement of this nature, building on state property, then Board action should be required on all the specifics of the project, even though it is Camden's property. He said we have the obligation to pay the lease. He said we should not be running under a resolution adopted six years ago. Mr. Nye said he felt on his part that when these kinds of improvements are made in the System and any of its properties, the Board needs to review them specifically, just as if it would if the System were building them. Mr. Nye said he would like to have some assurance that this will be the case going forward.

Mr. Mays asked Dr. Furgason to comment. Dr. Furgason said he had no problem with bringing these to the Board in a very timely way. He said they had been operating on the basis that the authority was in place and that they did not have to bring these to the Board. He said from here on out, they will have these before the Board in a timely way. Dr. Cocanougher said he did not disagree with anything Mr. Nye said and that is really the reason that he contacted him about this matter. Dr. Cocanougher said there were some questions and he had some concerns. He said he did not disagree with anything that was said in terms of bringing these forward to the Board. Mr. Mays said Mr. Nye's point was a good one and asked the administration to make sure that it proceeds in that fashion in the future.

Mr. Jones asked if anyone knew if his law firm was involved with any of the negotiations with Camden Property Trust. Mr. Nye said he was not aware of any. Mr. Delmar Cain, General Counsel, said they have not been in contact with any attorney on this piece of property. Mr. Jones said his firm, Locke Liddell & Sapp, represents Camden. He said he wanted the record to reflect that. He said if anyone had issues with that, then he would abstain from the vote. Mr. Cain advised Mr. Jones to abstain from voting on this item.

Mr. Mays asked if there were any further questions or comments.

The Board took action as set forth below:

~~~~~

**MINUTE ORDER 01-2004 (AGENDA ITEM 1)**

**AUTHORIZATION TO  
EXECUTE A GROUND LEASE AGREEMENT FOR AN  
ADDITIONAL PHASE OF ON-CAMPUS HOUSING ON THE  
CAMPUS OF TEXAS A&M UNIVERSITY-CORPUS CHRISTI,  
THE TEXAS A&M UNIVERSITY SYSTEM**

*(Secretary's Note: Mr. Jones abstained from voting on this item.)*

Mr. Nye moved adoption of the agenda item. Dr. Gramm seconded the motion. Mr. Mays said he would call each regent's name so that their vote could be properly recorded. The regents voted as follows: Adams - affirmative, Gramm - yes, Jones - abstain, Nye - yes, Stevens - yes, White - yes, Wynn - yes. Mr. Mays said he voted "yes." The following minute order was adopted:

The Interim Chancellor of The Texas A&M University System, or his designee, following legal review from the Office of General Counsel, is authorized to negotiate and execute a ground lease agreement with Camden Property Trust for approximately 2.342 acres, more or less, on the campus of Texas A&M University-Corpus Christi, for the construction, maintenance and operation of an on-campus housing facility containing approximately 252 beds. The term of the lease will be approximately 35 years, expiring on August 31, 2039.

~~~~~

Mr. Mays presented Item 2. Dr. Cocanougher said on January 12, 2004, the City Council of Texarkana authorized the donation to the Board of Regents of not less than 300 acres of land adjacent to Bringle Lake. He said the donation of land was unconditional at no cost to the System except that it has the condition that the System commences construction within ten years after the date of conveyance. He said TAMU-T is requesting that the Board formally accept the land and authorize selection and hiring of an architectural/engineering firm to create a master plan for the new campus and that the Board appropriate for funding an environmental assessment and archeology evaluation of the 300 acres. He said the architectural/engineering recommendation committee has recommended the selection of the team headed by the architectural firm of Gensler of Houston, Texas, to prepare the master plan. Dr. Cocanougher said that Dr. Stephen Hensley, President of TAMU-T, was on the phone and available to answer additional questions as well as Mr. Dan Buchly, Assistant Vice Chancellor for Real

Estate, and Mr. Tim Donathen, Executive Director for Facilities Planning and Construction. Dr. Cocanougher said he recommended the approval of Item 2.

Mr. Nye asked Mr. Donathen if they will negotiate with Gensler for the specific terms and if it was likely that they will be selected or are they selected with this action. He asked if the negotiation is complete with Gensler. Mr. Donathen said they have not negotiated the final agreement with Gensler. He said it was their recommendation that the System first negotiates with Gensler. He said in the absence of getting a contract with that firm they would move to the second team on the order of the preference recommended list, a copy of which is attached to the official minutes as **Exhibit A**, which the Board had received. Mr. Nye asked if this appraisal takes into account minority and women-owned sub-contractors. Mr. Donathen replied in the affirmative. He said they have evaluated that in their spread matrix that they provided to the Board.

Mr. Jones asked the reason that this was being brought to the Board at this time, rather than at the regular Board meeting in March. Dr. Cocanougher said they would not have asked for a telephonic meeting for this item. He said that since they needed a special meeting for Item 1, TAMU-T requested that this item be added to this agenda so that they could move forward with the master plan. He added that there were some issues regarding timing with revenue bonds and so forth and it just seemed expeditious to include this item at this time.

Mr. Mays said this matter had been brought to the Board at least twice prior to this meeting.

The Board took action as set forth below:

~~~~~

**MINUTE ORDER 02-2004 (AGENDA ITEM 2)**

**ACCEPTANCE OF A GIFT OF  
REAL PROPERTY FROM THE CITY OF TEXARKANA, TEXAS,  
FOR A NEW CAMPUS,  
APPROVAL OF THE STATEMENT OF WORK AND  
SELECTION OF AN ARCHITECT/ENGINEER TEAM FOR A  
NEW CAMPUS MASTER PLAN FOR  
TEXAS A&M UNIVERSITY-TEXARKANA,  
THE TEXAS A&M UNIVERSITY SYSTEM**

Mr. Nye moved adoption of the minute order. Mr. Stevens seconded the motion. Mr. Mays said he would call each regent's name so that their vote could be properly recorded. The regents voted as follows: Adams - affirmative, Gramm - yes, Jones - yes, Nye - yes, Stevens - yes, White – yes, Wynn - yes. Mr. Mays said he voted “yes” and the vote was unanimous. The following minute order was adopted:

The Interim Chancellor of The Texas A&M University System, or his designee, following approval by the Texas Higher Education Coordinating Board (if any is required), and upon legal review by the Office of General Counsel, is authorized to do any and all things necessary to accept a gift of land from the City of Texarkana consisting of not less than 300 acres, which is situated adjacent to Bringle Lake, Bowie County, Texas.

The statement of work for a new campus master plan for land in Bowie County gifted to The Texas A&M University System is approved.

The architectural/engineering team headed by Gensler of Houston, Texas, is selected to prepare the new campus master plan. This team is also authorized to prepare the design and bid documents for the facilities to be included in the initial phase of construction after a program of requirements is prepared by Facilities Planning and Construction and approved by the Board of Regents of The Texas A&M University System.

The amount of \$800,000.00 is appropriated from Account No. 019998 F&G Higher Education Fund for a title policy for the gifted land, for a new campus master plan and related planning costs at Texas A&M University-Texarkana.

The Board of Regents of The Texas A&M University System reasonably expects to incur debt in one or more obligations for this project and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.

~~~~~

Mr. Nye extended the Board's congratulations to Dr. Hensley on this accomplishment. He said this was a major step forward. Mr. Mays said he could not agree more. He said it appeared to be a beautiful track of land. He congratulated Dr. Hensley for all the work he had done to get this accomplished. Dr. Hensley thanked everyone for his or her support. Dr. Furgason thanked the Board for taking the time to have this special meeting.

There being no further business, Mr. Mays adjourned the special telephonic meeting of the Board at 8:50 a.m., the same day.

Vickie Burt Spillers  
Executive Secretary to the Board of Regents  
The Texas A&M University System

VBS:jb