

ADMINISTRATIVE OPERATIONS

TO: Members of the Board of Trustees  
FR: Michael B. Cline, Senior Vice President for Administrative Operations  
DATE: November 25, 2019  
RE: Approval to Plan, Finance, Construct, and Award Construction Contract for 2550 Northwestern Avenue Renovation

**Attachments:**

- Resolution
- Exhibit A: Prior Resolution
- Exhibit B: 2550 Northwestern Avenue Floor Plan

**Project Description:**

- This project will be located on the existing 2550 Northwestern Avenue site north of the West Lafayette campus.
- The University closed on the building purchase on September 30, 2019.
- A portion of the building is already being renovated, as part of a separate project, to house swing space for the Engineering and Polytechnic Gateway Complex. This same space could be used in a variety of ways going forward including as swing space for other future capital projects, a transportation garage or as additional storage space.
- An existing tenant with a lease through November 2020 provides a revenue stream to the University that has the potential to be extended in the future.
- The total cost of the renovation project is \$17,170,000. This includes \$8,400,000 of repair and rehabilitation funding authorized by the Board of Trustees in April 2019 and \$8,770,000 of additional funding.
  - The additional funding will be used to create a high quality work environment (as requested by the Board in April) that maximizes natural light, provides an onsite fitness room and fosters a welcoming, collaborative atmosphere for Purdue employees.
  - The total cost of the renovation includes \$3,700,000 of electrical and telecommunication improvements to replace infrastructure that was removed by a previous occupant.
- The project will include the renovation of approximately 100,000 GSF of office and support space to house Administrative Operations, Marketing and Media, Internal Audit, Treasury, Safety and Security, Risk Management, Human Resources, Accounting, ITaP, Sponsored Programs and Financial Planning and Analysis.
- Project delivery method: Construction Manager as Constructor
- Guaranteed Maximum Price delivery: April 2020
- Construction start: June 2020
- Construction completion: May 2021

### **Project Benefits:**

- The renovation of 2550 Northwestern Avenue will reunite administrative departments in one location, and the following will occur upon occupancy of the facility:
  - The amount of leased space will decrease by approximately 90,000 GSF, resulting in an over \$1,700,000 decrease in annual rental expenses.
  - At least 55,000 GSF of central academic campus space will be made available along with the corresponding parking capacity in a prime area of campus.
- The cost of renovating the facility is a better value than constructing a new facility or continuing to lease space.

### **Project Cost and Funding:**

- Estimated Total Project Cost: \$17,170,000
- Sources of Funds:
  - Operating Funds-Reserves

c:     Chairman Mike Berghoff  
       President Mitch Daniels  
       Treasurer Bill Sullivan  
       Provost Jay Akridge  
       Assistant Treasurer Jim Almond  
       Corporate Secretary Janice Indrutz  
       Legal Counsel Steve Schultz

**RESOLUTION OF THE BOARD OF TRUSTEES (THE “BOARD”)  
OF THE TRUSTEES OF PURDUE UNIVERSITY (THE “CORPORATION”)**

- 1. AMENDING AND SUPPLEMENTING A PRIOR RESOLUTION DATED APRIL 12, 2019 WITH RESPECT TO, *INTER ALIA*, CERTAIN AUTHORIZATIONS FOR THE REAL ESTATE LOCATED AT 2550 NORTHWESTERN AVENUE, WEST LAFAYETTE, INDIANA, BY**
  - 2. APPROVING AND FINDING THAT A NECESSITY EXISTS FOR THE PLANNING, FINANCING AND CONSTRUCTION AS WELL AS FOR THE AWARDED OF ONE OR MORE CONTRACTS FOR THE COMPLETION OF THE PROJECT IDENTIFIED AS THE 2550 NORTHWESTERN AVENUE RENOVATION AND INCREASING THE AUTHORIZED FUNDS TO BE USED THEREFORE TO \$17,170,000 (THE “AUTHORIZED COST LEVEL”).**
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**WHEREAS**, the Board has previously approved, on April 12, 2019, a resolution authorizing the acquisition of the real estate located at 2550 Northwestern Avenue, West Lafayette, Indiana (the “Real Estate”) together with the repair and rehabilitation of the physical facilities on the Real Estate at a cost of up to Eight Million Four Hundred Thousand Dollars (\$8,400,000) (the “Authorized Rehab Cost Level”); and

**WHEREAS**, the April 12, 2019 Resolution (the “Prior Resolution”) is in the form attached hereto as Exhibit A; and

**WHEREAS**, the Board closed on the purchase and took title to the Real Estate on September 30, 2019; and

**WHEREAS**, subsequent to the Prior Resolution, the Board has considered various additional options presented to it for the repair and rehabilitation of the Real Estate in order for the Real Estate to meet the operational needs of Purdue University; and

**WHEREAS**, the Board now desires to revise the Authorized Rehab Cost Level to \$17,170,000 to allow for the repair and rehabilitation of the Real Estate (the “Project”); and

**NOW, THEREFORE, it is hereby RESOLVED** by the Board as follows:

1. The Board hereby affirms, finds and determines that a necessity exists for the planning, financing and construction as well as for the awarding of more of more contracts for the Project.
2. The Authorized Rehab Cost Level as identified in the Prior Resolution is hereby increased to \$17,170,000. The Board further authorizes and directs the Treasurer or Assistant Treasurer of the Corporation to supplement the funds authorized for the Project in the Prior Resolution by expending an additional \$8,770,000 from Operating Funds-Reserves to support the Authorized Rehab Cost Level established above.
3. For purposes of Article VII, Section 1(c) of the Bylaws, no change orders in connection with the above-referenced Project shall require further Board or Committee authorization and approval unless and until such a change order, together with all other change orders previously authorized, approved and executed by the Treasurer or Assistant Treasurer, causes the aggregate amount of expenditures incurred under such Project to exceed the Authorized Rehab Cost Level for such Project

(it being understood that any change order or any other action that would cause such Authorized Rehab Cost Level to be exceeded must, before it is given effect, receive the express prior approval of the Committee and the Board).

4. The Treasurer or Assistant Treasurer of the Corporation be, and hereby are, further authorized and empowered to delegate to one or more officers and representatives of the Corporation or of Purdue University such tasks and responsibilities with respect to the completion of the Project as he, in his sole discretion, shall deem to be in the best interests of the Corporation and Purdue University and consistent with the exercise of the authority granted above.

5. The Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Legal Counsel, Assistant Legal Counsel, Secretary and Assistant Secretary of the Corporation, and the Treasurer and Chief Financial Officer and the Senior Vice President and Assistant Treasurer of Purdue University, and each of said officers respectively, are hereby authorized and empowered for, on behalf and in the name of the Corporation, or of Purdue University, to: (a) request the necessary approvals of the Governor and the Budget Agency and all other necessary governmental approvals for the actions hereinabove authorized; and (b) take all other necessary and proper actions to carry out the purpose and intent of this Resolution, whether herein specifically authorized or not, except such actions as are specifically required by law to be taken by the Board of Trustees as the governing board of the Corporation.

April 12, 2019

JANICE INDRUTZ  
CORPORATE SECRETARYPF- 04/12/19  
BOT- 04/12/19

## ADMINISTRATIVE OPERATIONS

TO: Members of the Board of Trustees  
FR: Michael B. Cline, Senior Vice President for Administrative Operations  
DATE: April 1, 2019  
RE: Approval to Purchase State Farm Building Located at 2550 Northwestern Avenue

**Attachments:**

- Resolution
- Exhibit A: Acquired Real Estate – 2550 Northwestern Avenue

**Acquisition Intent:**

West Lafayette campus

- The proposed acquisition of the State Farm Building includes a 257,744 gross square foot facility located at 2550 Northwestern Avenue, situated north of the West Lafayette campus, and the 20 acres on which it sits; as well as a 2 acre vacant site across the street.
- The facility was last used as the regional headquarters and operations center for State Farm Mutual Automobile Insurance Company.
- The total cost to ultimately occupy the facility is estimated at \$15.1M, consisting of:
  - Purchase price of \$6.7M, and
  - Capital expenses of an estimated \$8.4M in repair and rehabilitation costs to improve the facility and make the building ready for university purposes.
- Treasurer reserve funds would be used for the purchase and for capital expenses, potentially partially offset by future gift funds.
- Repair and rehabilitation activity would have an estimated completion date in FY2020.
- If completed, this acquisition would provide near-campus space for virtually all administrative office space including Accounting, Treasury, FP&A, HR, Administrative Operations, Internal Audit and IT. By moving all of these groups into a single facility, we would free up over 40,000 square feet of space on campus and eliminate over \$2M per year in rent for off-campus space.
- Additional potential uses, which would include additional capital expenditures, include:
  - The Data Center currently housed in Mathematical Sciences Buildings
  - The Transportation Fleet garage space currently housed at the Purdue Airport
  - General storage space currently housed in various locations on campus
  - Swing space for on-campus capital projects
- The purchase agreement is terminable at any time by Purdue (for any reason in its sole discretion and with three business days' notice) during a due diligence period that expires on April 19, 2019.

c: Chairman Mike Berghoff  
President Mitch Daniels  
Treasurer Bill Sullivan  
Provost Jay Akridge  
Assistant Treasurer Jim Almond  
Corporate Secretary Janice Indrutz  
Legal Counsel Steve Schultz

# EXHIBIT A

## RESOLUTION OF THE BOARD OF TRUSTEES (THE “BOARD”) OF THE TRUSTEES OF PURDUE UNIVERSITY (THE “CORPORATION”) AUTHORIZING THE ACQUISITION OF CERTAIN REAL ESTATE IN TIPPECANOE COUNTY, INDIANA

1. **DECLARING THE NECESSITY TO ACQUIRE CERTAIN REAL ESTATE FOR THE PURPOSE OF CARRYING ON THE EDUCATIONAL RESEARCH, THE PUBLIC SERVICE PROGRAMS, OR THE STATUTORY RESPONSIBILITIES OF PURDUE UNIVERSITY AND/OR FOR MANAGING, OPERATING, OR SERVICING THE PURDUE UNIVERSITY; AND**
  2. **AUTHORIZING CERTAIN OFFICERS OF THE CORPORATION TO ACQUIRE REAL ESTATE BY PURCHASE AND TO DO ALL ACTS NECESSARY TO ACCOMPLISH SUCH ACQUISITION SUBJECT TO ALL STATUTORY PROVISIONS AND SUBJECT TO PRIOR APPROVAL BY THE TREASURER OR ASSISTANT TREASURER.**
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**WHEREAS**, the Board desires to acquire certain real property owned by LSREF2 TRACTOR REO (LAFAYETTE), LLC, a Delaware limited liability company (“Seller”), which real estate is located in Tippecanoe County, Indiana and more fully described on Exhibit A attached hereto (the “Real Estate”) for the purchase price of Six Million, Seven Hundred and One Thousand, Three Hundred and Forty-four Dollars (\$6,701,344.) (the “Purchase Price”), and

**WHEREAS**, the Real Estate consists of approximately twenty-two (22) acres located within the Purdue Research Park in West Lafayette, including a 257,744-square-foot facility suitable for administrative office purposes; and

**WHEREAS**, pursuant to IC 21-34-3, the Board is authorized and empowered to acquire any real estate that in its judgment is necessary for carrying on the educational research, public service programs, or other statutory responsibilities of Purdue University or for managing, operating, or servicing Purdue University;

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Board as follows:

1. The Board hereby finds and determines that the Real Estate is necessary for carrying on the educational research, public service programs or other statutory responsibilities of the Corporation and/or for managing, operating, or servicing Purdue University, and that it would be advantageous to the Corporation to acquire the Real Estate by purchase pursuant to the provisions of IC 21-34-3.
2. The Board hereby authorizes and approves (i) the acquisition of the Real Estate from Seller for the sum of Six Million, Seven Hundred and One Thousand, Three Hundred and Forty-four Dollars (\$6,701,344) pursuant to the provisions of IC 21-34-3 and on such terms and conditions as the Treasurer of the Corporation shall deem to be in the best interests of the Corporation and of Purdue University, and (ii) the repair and rehabilitation of the physical facilities on the Real Estate at a cost of up to Eight Million Four Hundred Thousand Dollars (\$8,400,000) (the “Authorized Rehab Cost Level”) in order to improve and make such facilities suitable for University purposes.
3. The Treasurer and Assistant Treasurer of the Corporation, and each of them, are hereby authorized to negotiate, make and execute one or more contracts, together with such other

## EXHIBIT A

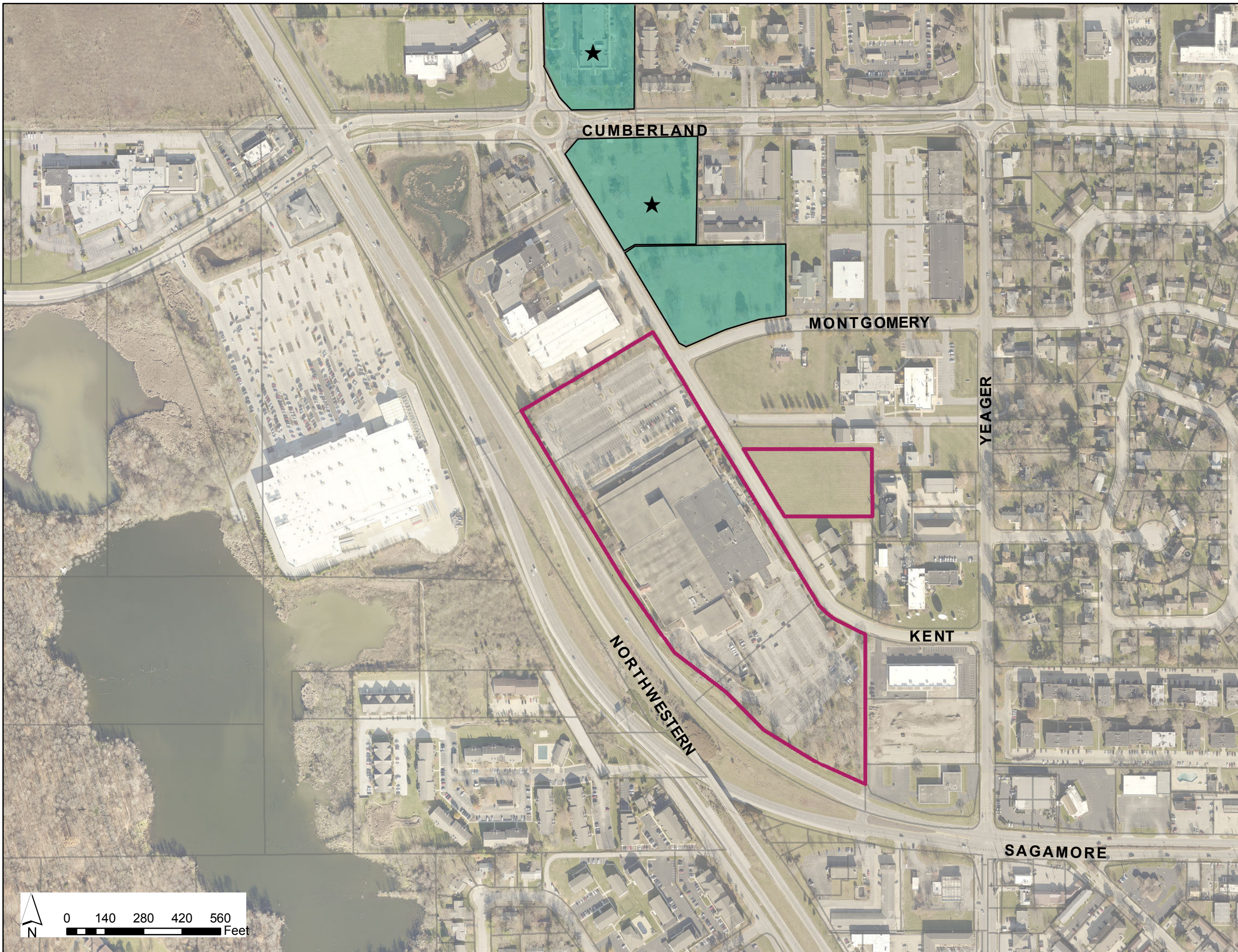
documents as are reasonably necessary to effectuate the transactions contemplated hereby, in the name and on behalf of the Corporation, setting forth such terms and conditions for the acquisition and the related repair and rehabilitation work as in their judgment may be necessary or desirable, and the Secretary and Assistant Secretary of the Corporation, and each of them, are hereby authorized and empowered to attest the execution of such contract and other documents.



4. For purposes of Article VII, Section 1(c) of the Bylaws, no change orders in connection with any contract entered into by the Corporation for the above-described repair and rehabilitation work shall require further Board authorization and approval unless and until such a change order, together with all other change orders previously authorized, approved and executed by the Treasurer, causes the aggregate amount of expenditures incurred under such contract to exceed the Authorized Rehab Cost Level (it being understood that any change order or any other action that would cause such Authorized Rehab Cost Level to be exceeded must, before it is given effect, receive the express prior approval of the Board of Trustees).
5. The above-designated officers, together with the Chairman, Vice Chairman, General Counsel and Deputy Legal Counsel of the Corporation, and each of them, are hereby authorized and empowered for, on behalf of, and in the name of the Corporation, or of the University, to: (a) request the necessary approvals of the Governor and the State Budget Agency and all other necessary governmental approvals for the actions hereinabove authorized; and (b) execute and deliver any and all documents and instruments and take any and all other actions as may be necessary or appropriate to carry out the purpose and intent of this Resolution, whether therein or herein specifically authorized or not, except for such actions as are specifically required by law to be taken by the Board as the governing body of the Corporation. All acts of said officers in conformity with the intent and purposes of this Resolution, whether taken before or after this date, are hereby ratified, confirmed, approved and adopted as the acts of the Corporation.



**EXHIBIT "A"**  
**ACQUIRED REAL ESTATE --**  
**2550 NORTHWESTERN**  
**AVENUE**

3/7/2019



-  REAL ESTATE ACQUISITION
-  PURDUE RESEARCH FOUNDATION  
PURDUE UNIVERSITY PHYSICAL FACILITIES



**EXHIBIT B:  
2550 NORTHWESTERN  
AVENUE FLOOR PLAN**

11/25/2019

