



Office of the Chief Financial Officer and Treasurer

February 15, 2024

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on December 8, 2023, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Music Center Addition on the Fort Wayne campus.

A new, approximately 26,000 gross square foot addition will be constructed on the existing Music Center to accommodate recent and expected continuing enrollment growth in several music programs. The addition will provide state-of-the-art music space and technologies including rehearsal rooms, recording studios and control rooms, editing suites and a critical listening laboratory, among others.

The Music Center and an off campus leased facility are both operating at maximum capacity, and the completion of the addition will consolidate music programming into a single, on-campus location and allow cost avoidances once the leased space is relinquished.

The estimated total project cost is \$22,000,000 with \$15,000,000 provided by Capital Cash Appropriation and \$7,000,000 from Gift Funds.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. Attached are the completed forms that the Commission has prescribed for its review of such projects. We will be happy to answer any questions you or your staff may have or to provide any additional information that is needed.

Sincerely,

A handwritten signature in black ink, appearing to be 'C. Ruhl', written over a light blue horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Cody Wilson, Division Director, Indiana State Budget Agency
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

PROJECT COST SUMMARY

Music Center Addition

Institution:	<u>Purdue University</u>	Budget Agency Project No.:	<u>B-3-24-2-18</u>
Campus:	<u>IPFW</u>	Institutional Priority:	<u>Two</u>
Previously approved by General Assembly:	<u>No</u>	Previously recommended by CHE:	<u>No</u>
Part of the Institution's Long-term Capital Plan:	<u>Yes</u>		

Project Size:	<u>26,000</u> GSF (1)	<u>16,000</u> ASF (2)	<u>0.615384615</u> ASF/GSF
Net change in overall campus space:	<u>17,875</u> GSF	<u>10,323</u> ASF	

Total cost of the project (3):	<u>\$ 22,000,000</u>	Cost per ASF/GSF:	<u>\$846</u> GSF
Total cost of the demolition:	<u>\$ -</u>		<u>\$1,375</u> ASF

Funding Source(s) for project (4):	Amount	Type
	<u>\$ 15,000,000</u>	<u>Capital Cash Appropriation</u>
	<u>\$ 7,000,000</u>	<u>Gift Funds</u>

Estimated annual debt payment (6):	<u>N/A</u>
Are all funds for the project secured:	<u>Yes</u>

Project Funding:

The majority of funding is requested from the state, and the remainder will be provided by gift funds. All funds are secured.

Project Cost Justification

The project scope and cost are similar to the project listed in the comparable project section.

Estimated annual change in cost of building operations based on the project:	<u>\$ 617,000</u>
Estimated annual repair and rehabilitation investment (5):	<u>\$ 330,000</u>

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

Music Center Addition

Institution:	Purdue University	Budget Agency Project No.:	B-3-24-2-18
Campus:	IPFW	Institutional Priority:	Two

Description of Project

This project will construct an approximately 26,000 GSF addition onto the existing Music Center on the Purdue Fort Wayne campus to accommodate the current programs and their expected future growth. The addition will include large and small rehearsal rooms, several recording studios with control rooms, student editing suites, a critical listening laboratory, a small classroom, and related support spaces.

The addition will accommodate the Popular Music, Music Technology and Music Industry programs, which have seen significant enrollment growth with further increases anticipated in the coming years. The existing Music Center and an 8,200 GSF, supplemental off campus leased facility that currently support the School of Music are operating at maximum capacity. Upon completion of the building addition, programming will be consolidated into a single, on-campus location, and elimination of the lease will result in cost avoidance. Expanded student collaboration will be made possible with this project with students benefiting from new, advanced music technologies that are unavailable at most other universities.

Need and Purpose of the Program

The Purdue University Fort Wayne School of Music opened a remote learning facility on the Sweetwater Sound campus in 2018, and the approximately 8,200 GSF of leased space provided newly remodeled facilities for the school's new degrees in Music Technology, Popular Music and Music Industry. These degree programs enable students to enter the highly technical segment of the entertainment industry, in addition to their knowledge of classical music training.

The initial lease term was six years, ending in November 2023, with three one-year mutual extensions available until November 2026. When completed, the lease will be terminated with programming relocated to the Music Center addition.

School of Music undergraduate enrollment has increased approximately 55% since the remote leased facility opened, requiring more space and amenities than are present in the current location. Two new music minors and an MBA 4+1 program have been added since 2018 when the lease began, and enrollment in these programs has increased from 33 students to 155 students (nearly 500%) as of fall 2023. By fall 2032, enrollment in these programs is expected to nearly double from its current count to 300 students. The leased facility is operating at full capacity and cannot support anticipated future enrollment growth. The building addition will house the growing programs listed above, allow for expanded student collaboration opportunities, leverage existing specialty music spaces, provide state-of-the-art music technology found at few other universities and consolidate programming into a single, on campus location.

This project was listed as the second priority on the 2023-2025 biennial submittal. It also appeared on the 2021-2023 and 2019-2021 biennial submittals.

Space Utilization

When complete, the leased remote learning facility (8,200 GSF/6,640 ASF) will be released. The new facility will include large and small rehearsal rooms (approx. 3,000 ASF); several studios with control rooms (approx. 2,800 ASF); music editing suites (approx. 1,300 ASF); office and classroom space (approx 2,400 ASF); and a critical listening laboratory (approx. 800 ASF). The remainder of the space will include restroom, equipment storage, and circulation/student spaces.

Comparable Projects

Hagle Hall (Bands and Orchestras Building), 2019

- \$22M
- 36,000 GSF / 19,000 ASF
- \$611/GSF; \$1,158/ASF

New Bands and Orchestras facility on the West Lafayette campus that included shared rehearsal spaces, practice and instruction rooms, academic spaces and offices.

Hagle Hall included more square footage than the Music Center Addition, and the completed project was new construction instead of an addition onto an existing building. The addition includes some specialized spaces with higher costs including control rooms, music editing space and a critical listening laboratory. The costs per GSF are similar when accounting for inflation and specialty materials and equipment.

Background Materials

**CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Music Center Addition**

(INSERT PROJECT TITLE AND SBA No.)	Current Campus Totals			Subtotal Current and Future Space	Capital Request		Net Future Space
	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)		Space to be Terminated (1)	New Space in Capital Request (2)	
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	88,890	-	-	88,890	(326)	1,712	90,277
Class Lab (210,215,220,225,230,235)	132,508	-	-	132,508	(409)	5,325	137,425
Non-class Lab (250 & 255)	37,769	-	-	37,769	(1,731)	3,971	40,009
Office Facilities (300)	233,284	-	-	233,284		975	234,259
Study Facilities (400)	56,226	-	-	56,226		1,500	57,726
Special Use Facilities (500)	139,547	-	-	139,547	(2,499)	-	137,048
General Use Facilities (600)	146,566	-	-	146,566	(445)	-	146,121
Support Facilities (700)	932,411	-	-	932,411	(268)	342	932,485
Health Care Facilities (800)	4,853	-	-	4,853		-	4,853
Resident Facilities (900)	335,911	-	-	335,911		-	335,911
Unclassified (000)	60,748	-	-	60,748		2,175	62,923
B. OTHER FACILITIES (Please list major categories)				-			-
TOTAL SPACE	2,168,713	-	-	2,168,713	(5,677)	16,000	2,179,036

Notes:

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

Space under construction includes:

N/A

Space planned and funded includes:

N/A

Space to be terminated includes:

- Sweetwater Music Center (lease that will be disposed)

(2) New Space in Capital Request includes general use classrooms, clinical instruction spaces, study spaces, offices and common space.

CAPITAL PROJECT COST DETAILS

Music Center Addition

Institution:	Purdue University	Budget Agency Project No.:	B-3-24-2-18
Campus:	IPFW	Institutional Priority:	Two

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	August	2024
Start Construction	September	2024
Occupancy (End Date)	March	2026

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
<u>Planning Costs</u>			
a. Engineering	\$ 209,000	.	\$ 209,000
b. Architectural	\$ 1,250,700		\$ 1,250,700
c. Consulting	\$ 509,611		\$ 509,611
<u>Construction</u>			
a. Structure	\$ 11,600,030		\$ 11,600,030
b. Mechanical (HVAC, plumbing, etc.)	\$ 1,729,490		\$ 1,729,490
c. Electrical	\$ 2,907,483		\$ 2,907,483
<u>Movable Equipment</u>	\$ 975,000		\$ 975,000
<u>Fixed Equipment</u>	\$ 250,000		\$ 250,000
<u>Site Development/Land Acquisition</u>	\$ 19,140		\$ 19,140
<u>Other (PM fee, contingencies, insurance, testing)</u>	\$ 2,549,546		\$ 2,549,546
TOTAL ESTIMATED PROJECT COST	\$ 22,000,000	\$ -	\$ 22,000,000

CAPITAL PROJECT OPERATING COST DETAILS

Music Center Addition

Institution:	Purdue University	Budget Agency Project No.:	B-3-24-2-18
Campus:	IPFW	Institutional Priority:	Two

GSF OF AREA AFFECTED BY PROJECT 26,000

ANNUAL OPERATING COST/SAVINGS (1)

	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses
1. Operations	\$ 3.94	\$ 102,350	\$ 92,750	\$ 9,600
2. Maintenance	\$ 1.45	\$ 37,650	\$ 23,250	\$ 14,400
3. Fuel	\$ -	\$ -		\$ -
4. Utilities	\$ 6.25	\$ 162,500	\$ -	\$ 162,500
5. Other	\$ 12.10	\$ 314,500	116000	198500
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ 23.73	\$ 617,000	\$ 232,000	\$ 385,000

Description of any unusual factors affecting operating and maintenance costs/savings.

Termination of the leased space will result in savings (cost avoidance) of \$230,000/year. The new operating expenses for the addition are typical for this type of facility.