



Office of the Chief Financial Officer and Treasurer

August 17, 2023

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

Dear Governor Holcomb:

At its meeting on August 4, 2023, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Nursing and Pharmacy Education Building on the West Lafayette campus.

This project will construct a new, approximately 186,000 GSF facility to support the School of Nursing and College of Pharmacy. Centrally scheduled classrooms and modern clinical, instructional, student support and research spaces will be provided. Four aging buildings will be demolished as part of this project.

The new building will centralize and consolidate related instruction and research in the vicinity of other health science buildings and provide space for the growing enrollment levels in the nursing and pharmacy programs.

The estimated total project cost is \$160,000,000 with \$89,000,000 from Capital Cash Appropriation from the state, \$45,000,000 in Gift Funds and the remaining \$26,000,000 from Operating Funds - Reserves.

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 read 'CAR', 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
- Jasmine Williams, Assistant Director, Indiana State Budget
- Kathleen Thomason, Comptroller, Purdue University
- Anne Hazlett, Senior Director, Government Relations, Purdue University

**PROJECT COST SUMMARY**  
Nursing and Pharmacy Education Building

<b>Institution:</b>	Purdue University	<b>Budget Agency Project No.:</b>	B-1-24-1-02
<b>Campus:</b>	West Lafayette	<b>Institutional Priority:</b>	One
<b>Previously approved by General Assembly:</b>	No	<b>Previously recommended by CHE:</b>	No
<b>Part of the Institution's Long-term Capital Plan:</b>	Yes		

<b>Project Size:</b>	186,000 GSF (1)	115,670 ASF (2)	0.62 ASF/GSF
<b>Net change in overall campus space:</b>	88,000 GSF	57,045 ASF	

<b>Total cost of the project (3):</b>	\$ 160,000,000	<b>Cost per ASF/GSF:</b>	\$ 860.22 GSF
<b>Total cost of the demolition:</b>	\$ 6,000,000		\$ 1,383.25 ASF
<b>Funding Source(s) for project (4):</b>	Amount	Type	
	\$ 89,000,000	Capital Cash Appropriation	
	\$ 45,000,000	Gift Funds	
	\$ 26,000,000	Operating Funds - Reserves	
<b>Estimated annual debt payment (6):</b>	\$0		
<b>Are all funds for the project secured:</b>	Yes		

**Project Funding:**  
The project is being funded by \$89,000,000 Capital Cash Appropriation from the state, \$45,000,000 Gift Funds and \$26,000,0000 Operating Funds - Reserves. \$30,000,000 of the Gift Funds is backstopped by Operating Funds-Reserves.

**Project Cost Justification**  
This project's scope and cost are described more in the Capital Project Details section.

<b>Estimated annual change in cost of building operations based on the project:</b>	\$ 591,795
<b>Estimated annual repair and rehabilitation investment (5):</b>	\$ 2,400,000

(1) Gross Square Feet (GSF)- Sum of all area within the exterior envelope of the structure.  
(2) Assignable Square Feet (ASF)- Amount of space that can be used by people or programs within the interior walls of a structure. Assignable square feet is the sum of the 10 major assignable space use categories: classrooms, laboratories, offices, study facilities, special use facilities, general use facilities, support facilities, health care facilities, residential facilities and unclassified facilities. For information on assignable space use categories, see Space-Room Codes tab.  
(3) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)  
(4) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)  
(5) Estimate the amount of funding the institution would need to set aside annually to address R&R needs for the project. CHE suggests 1.5% of total construction cost  
(6) If issuing debt, determine annual payment based on 20 years at 4.75% interest rate  
- If project is a lease-purchase or lease, adjust accordingly. Note the total cost of the lease in the project cost, and annual payments in project description

**PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION**  
**Nursing and Pharmacy Education Building**

<b>Institution:</b>	Purdue University	<b>Budget Agency Project No.:</b>	B-1-24-1-02
<b>Campus:</b>	West Lafayette	<b>Institutional Priority:</b>	One

**Description of Project**

This project will construct a new, approximately 186,000 GSF building for the School of Nursing and College of Pharmacy on the West Lafayette campus. The facility will provide modern clinical, instructional, student support and centrally-scheduled classroom spaces, among others. Research and support spaces for animal and behavioral testing will also be included. The 15,000 GSF Grounds Service Building will be demolished to make way for the new facility, and several related aging and outdated buildings will be demolished once the new facility is occupied. These include Johnson Hall of Nursing, the Life Science Animal Building and the Veterinary Laboratory Animal Building. The total amount of space to be demolished for these four buildings is approximately 98,000 GSF.

**Need and Purpose of the Program**

Purdue is working to improve the health of people in Indiana, the nation and the world through the efforts and innovations of the School of Nursing and the College of Pharmacy. The new Nursing and Pharmacy Education Building will foster transformative interprofessional education, expand interdisciplinary human health and behavioral research, strengthen Purdue's life sciences and advance our land grant mission.

Four separate buildings currently house instructional and administrative space for the nursing and pharmacy programs, and these facilities are spread between the north and south sections of campus. This new facility will centralize related instruction and support in one facility in proximity to other health science buildings for students, faculty and staff. The centrally-scheduled classrooms will accommodate growth across the University.

Nearly 70 percent of Purdue's nursing graduates practice in Indiana and approximately 66 percent of Indiana pharmacists are Purdue graduates. Facility upgrades and expansion are critical to the continued success and impact of the nursing and pharmacy programs. Both have outgrown their current space, occupying facilities that were built several decades ago for a student population less than half their current or projected enrollments. The School of Nursing has seen a 20 percent increase in enrollment levels in recent years, and another 20 percent increase is anticipated. Undergraduate enrollment in the College of Pharmacy has grown by 40 percent. The new, modernized facility will enable the colleges to recruit and retain students in their programs, which is necessary to help address the nursing and pharmacy workforce shortages in Indiana.

Clinical educational facilities need to be modernized for nursing and pharmacy programs due to the critical roles that these professionals play in public health initiatives such as the COVID-19 pandemic. Students will learn advanced clinical skills, including patient screening and testing, diagnostic and antibody testing, in- and out-patient care, and flu shot and vaccination administration. The new facility will allow for approximately a 10 percent increase in pharmacy enrollment. It will also allow a 36 percent increase in nursing enrollment compared to fall 2021 with a new accelerated program that will require additional faculty and staff resources and community partnerships. This new nursing program will only be possible with the construction of a new facility.

This project helps consolidate existing animal research activities, which are currently performed by six colleges and spread among 18 facilities in various parts of campus. Additionally, these spaces cannot accommodate future expected growth. Purdue's Animal Facilities Master Plan identified 12 of the 18 current facilities as requiring renovation or replacement as they do not meet current standards for climate control and mechanical systems or holding room size.

This project supports the Purdue Moves 2.0 Transformative Education and Purdue Moves World-Changing Research initiatives and aligns with the 2018 Giant Leaps campus master plan, the College of Health and Human Sciences master plan and the College of Pharmacy master plan.

This project was listed as the first priority for the 2023-2025 biennial submittal. It was made up of the two top-ranked priority projects in 2021-2023 and also included on the 2019-2021 request.

**Space Utilization**

The proposed Nursing and Pharmacy Education Building will total over 115,000 ASF and will provide 33,000 ASF in class lab space for use by the School of Nursing and College of Pharmacy. The building will also bring 18,000 ASF of general classroom space to the southwest part of campus. About 38,000 ASF of office space will be added to support the Nursing and Pharmacy faculty. New animal research space of over 16,000 ASF will allow the demolition of outdated buildings LSA and VLAB. Other types of space in the building will include student study space and general support space.

As a result of this new building, the School of Nursing and College of Pharmacy will each gain a total of roughly 33,000 ASF. This will help to support enrollment growth in Nursing and Pharmacy.

**Comparable Projects**

Dudley Hall and Lambertus Hall (2019)

- 250,000 GSF
- \$140,000,000
- \$560/GSF
- New construction that included instructional laboratories, classrooms and collaborative spaces for interdisciplinary opportunities

The Nursing and Pharmacy Education Building is more than 60,000 GSF smaller than Dudley Hall and Lambertus Hall and requires special materials and equipment for animal holding space that the comparable project did not. Economies of scale and inflation also account for the higher costs of this project.

**Background Materials**

**CAPITAL PROJECT REQUEST FORM**  
**INDIANA PUBLIC POSTSECONDARY EDUCATION**  
**INSTITUTION CAMPUS SPACE DETAILS FOR Nursing and Pharmacy Education Building**

(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)	
<b>A. OVERALL SPACE IN ASF</b>							
Classroom (110 & 115)	335,609	(2,532)	(226)	332,851	-	18,527	351,378
Class Lab (210,215,220,225,230,235)	798,413	(16,463)	7,791	789,741	(16,587)	33,056	806,210
Non-class Lab (250 & 255)	1,705,678	25,281	(1,694)	1,729,265	(423)	1,455	1,730,297
Office Facilities (300)	2,337,380	(46,473)	(832)	2,290,075	(10,641)	37,945	2,317,379
Study Facilities (400)	416,131	55,895	10,155	482,181	(1,164)	4,316	485,333
Special Use Facilities (500)	1,207,887	8,486	11,561	1,227,934	(26,947)	16,510	1,217,497
General Use Facilities (600)	977,156	(27,128)	15,936	965,964	(436)	1,332	966,860
Support Facilities (700)	2,881,468	(876)	(8,661)	2,871,931	(2,427)	2,529	2,872,033
Health Care Facilities (800)	220,687	-	(1,900)	218,787	-	-	218,787
Resident Facilities (900)	2,424,325	-	111,146	2,535,471	-	-	2,535,471
Unclassified (000)	129,184	-	-	129,184	-	-	129,184
<b>B. OTHER FACILITIES</b> (Please list major categories)							
<b>TOTAL SPACE</b>	<b>13,433,918</b>	<b>(3,810)</b>	<b>143,276</b>	<b>13,573,384</b>	<b>(58,625)</b>	<b>115,670</b>	<b>13,630,429</b>

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:

- Schleman/Stewart Renovation
- Whistler Mechanical Project
- Ross-Ade Stadium Renovation
- Zucrow High Speed Propulsion Lab
- Mackey Locker Rooms Renovation
- Brown Family Hall Renovation
- Libraries Study Space Renovation
- University Hall and Related Renovations

Space planned and funded includes:

- Life Sciences Phenotyping Greenhouse Building
- Northwest Chiller Plant System Improvements
- Vawter Hall Electrical Enhancements and Replacement
- PMU 2nd Floor Hospitality Renovation
- Mechanical Engineering Building Renovation
- Birk Nanotechnology Center Clean Room Modernization and Related Renovations
- Chilled Water Capacity Enhancement Projects
- Runway 5-23 and Intermediate Connector Taxiway
- Purdue Airport Terminal
- Grant Street Parking Garage Repairs
- Hillenbrand Residence Hall South
- Shealy Hall Roof Replacement
- Shreve Hall Electrical Enhancements and Replacement
- University and Schleman Halls Strategic Transformer Replacement
- Wetherill Lab Drain and Supply Line Replacement Phase I

(1) Spaces to be terminated include class lab, research, office, study, special use, general use, and support spaces in the following buildings:

- Helen R. Johnson Hall of Nursing
- Grounds Service Building
- Veterinary Laboratory Animal Building
- Life Science Animal Building

(2) Spaces added as part of this project include general classroom, class labs, research, office, study, special use (animal housing), general use, and support spaces.

**CAPITAL PROJECT COST DETAILS**  
**Nursing and Pharmacy Education Building**

<b>Institution:</b>	Purdue University	<b>Budget Agency Project No.:</b>	B-1-24-1-02
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**ANTICIPATED CONSTRUCTION SCHEDULE**

	<u>Month</u>	<u>Year</u>
<b>Bid Date</b>	September	2024
<b>Start Construction</b>	October	2024
<b>Occupancy (End Date)</b>	January	2027

**ESTIMATED CONSTRUCTION COST FOR PROJECT**

	<u>Cost Basis (1)</u>	<u>Estimated Escalation Factors (2)</u>	<u>Project Cost</u>
<b><u>Planning Costs</u></b>			
a. Engineering	\$ 8,400,000		N/A
b. Architectural	\$ 7,600,000		N/A
c. Consulting	\$ 1,300,000		N/A
<b><u>Construction &amp; Demolition</u></b>			
a. Structure (Civil)	\$ 87,700,000		N/A
b. Mechanical	\$ 26,000,000		N/A
c. Electrical	\$ 10,600,000		N/A
<b><u>Movable Equipment</u></b>	\$ 2,200,000		N/A
<b><u>Fixed Equipment and Furniture</u></b>	\$ 5,800,000		N/A
<b><u>Site Development/Land Acquisition</u></b>	\$ -		N/A
<b><u>Other (PM fee, insurance, contingencies, endowment)</u></b>	\$ 10,400,000		N/A
<b>TOTAL ESTIMATED PROJECT COST</b>	<b>\$ 160,000,000</b>	<b>\$ -</b>	<b>N/A</b>

(1) Cost Basis is based on current cost prevailing as of: (INSERT MONTH AND YEAR)

(2) Explain in the Description of Project Section of the "Cap Proj Details" schedule the reasoning for estimated escalation factors

**CAPITAL PROJECT OPERATING COST DETAILS**  
Nursing and Pharmacy Education Building

<b>Institution:</b>	Purdue University	<b>Budget Agency Project No.:</b>	B-1-24-1-02
<b>Campus:</b>	West Lafayette	<b>Institutional Priority:</b>	One

					<b>GSF OF AREA AFFECTED BY PROJECT</b>	186,000
<b>ANNUAL OPERATING COST/SAVINGS (1)</b>						
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses		
1. Operations	N/A	\$ 166,534	\$ 166,534	\$ -		
2. Maintenance	N/A	\$ (92,444)	\$ (12,310)	\$ (80,134)		
3. Fuel	N/A	\$ -	\$ -	\$ -		
4. Utilities	N/A	\$ -	\$ -	\$ 517,705		
5. Other	N/A	\$ -	\$ -	\$ -		
<b>TOTAL ESTIMATED OPERATIONAL COST/SAVINGS</b>	N/A	\$ 591,795	\$ 154,224	\$ 437,571		

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

The new facility will add approximately \$1.5M in annual operating expenses. As part of the project, the university will be demolishing four buildings totaling 98,000 GSF. Those demolitions will provide a reduction in annual operating expenses of \$900k per year. The new building is projected to be more efficient than the four end-of-life buildings and have lower annual operating expenses.

(1) Based on figures from "Individual Cap Proj Desc" schedule