

Office of the Chief Financial Officer and Treasurer

July 14, 2022

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

Dear Governor Holcomb:

At its meeting on July 11, 2022, the Purdue University Board of Trustees approved the purchase of 4.8 acres of land at 1245 W. State Street, West Lafayette, including a three-building, four-story, 387,000 square foot housing complex from the Purdue Research Foundation.

The housing complex was constructed in 2019 and features 831 beds in one-bedroom, two-bedroom and four-bedroom apartment configurations. This acquisition allows the University to provide more of its growing undergraduate population the opportunity to live on-campus and to own a property at an important strategic location adjacent to current residential and dining facilities. Through this purchase the University will eliminate a lease expense of \$5M for this property for the current fiscal year.

The total cost of this purchase is \$155,000,000, which was determined through a competitive bidding process. The funding sources are a combination of Non-Fee Replaced Debt - Auxiliary Housing/Dining, Auxiliary Funds – Housing/Dining and 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,

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Eva Nodine Vice President and Deputy Chief Financial Officer

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

Purchase Aspire at Discovery Park Property from Purdue Research Foundation

<u>Institution:</u> Campus:	<u>Purdue</u> West Lafay	<u>University</u>]	<u>Budget Agency Project No.:</u> Institutional Priority:	<u>N/A</u>	<u>B-1-23-3-02</u>		
Previously app	roved by General Assem	<u>bly: No</u>]	Previously recommended by CHE:		No		
Part of the Inst	titution's Long-term Cap	<u>ital Plan: Yes</u>]					
<u>Project Size:</u>	387,000 GSF (1)	274,736 ASF (2) 387,000 GSF	0.71 274,736	ASF/GSF ASF				
<u>Total cost of th</u> <u>Total cost of th</u>		\$ 155,000,000 \$ -	<u>Cost per ASF/</u>	<u>GSF:</u>	\$ 400.52 GSF \$ 564.18 ASF			
Funding Sourc	e(s) for project (4):	Amount \$ 125,000,000 \$ 25,000,000 \$ 5,000,000		Type aced Debt – Auxiliary Housing/Dining <u>kiliary Funds – Housing/Dining</u> Gift Funds				
Estimated ann	ual debt payment (6):	\$6,000,000						
Are all funds fo	or the project secured:	Yes						
Project Fundin								
	being funded primarily by and Gift Funds to suppler		Auxiliary Housii	ng/Dining. The University intends to use	a combination of Auxiliary	Funds -		
Project Cost Ju	ustification							
The purchase value was determined through a competitive bidding process. Purchasing this property allows the University to provide more of its growing undergraduate population the opportunity to live on-campus, and the purchase will eliminate a lease expense of \$5M for this property for the current fiscal year.								
	ual change in cost of buil ual repair and rehabilita	ding operations based on tion investment (5):	the project: \$ 2,250,000	\$ 2,276,23	2			

(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.)

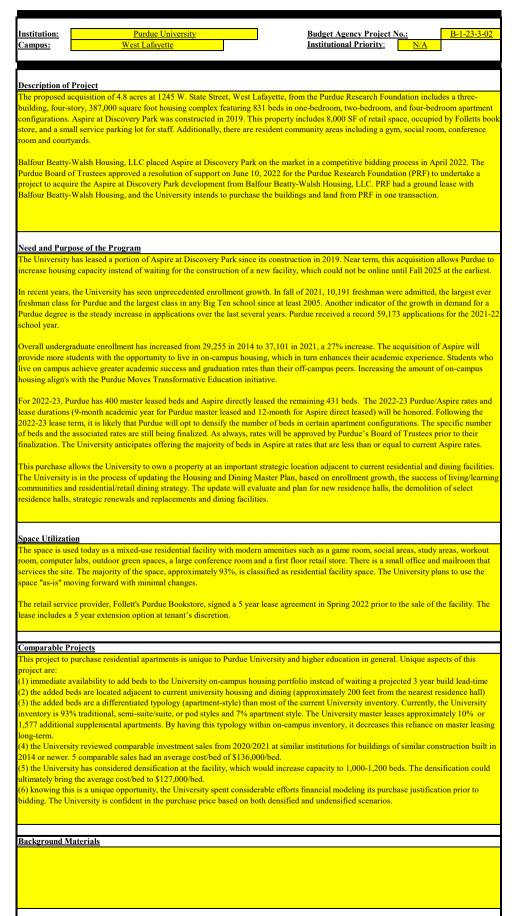
(5) Estimate the amount of funding the institution would need to set aside annually to address R&R needs for the project. CHE suggests 1.5% of total construction cost

(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

Purchase Aspire at Discovery Park Property from Purdue Research Foundation



CAPITAL PROJECT REQUEST FORM INDIANA PUBLIC POSTSECONDARY EDUCATION INSTITUTION CAMPUS SPACE DETAILS FOR PURCHASE ASPIRE AT DISCOVERY PARK PROPERTY FROM PURDUE RESEARCH FOUNDATION

	(Current Campus Tota	als		Capital	Request	
(INSERT PROJECT TITLE AND SBA No.)	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	336,164	-	-	336,164			336,164
Class Lab (210,215,220,225,230,235)	751,199	72,943	-	824,142			824,142
Non-class Lab (250 & 255)	1,660,307	20,156	29,217	1,709,680			1,709,680
Office Facilities (300)	2,376,323	15,275	8,007	2,399,605		1,445	2,401,050
Study Facilities (400)	392,685	14,337	-	407,022		664	407,686
Special Use Facilities (500)	1,218,100	-	12,709	1,230,809			1,230,809
General Use Facilities (600)	998,733	14,520	2,921	1,016,174		18,469	1,034,643
Support Facilities (700)	2,874,905	(917)	-	2,873,988			2,873,988
Health Care Facilities (800)	216,011		-	216,011			216,011
Resident Facilities (900)	2,489,928	-	-	2,489,928		254,158	2,744,086
Unclassified (000)	27,603	-	-	27,603			27,603
B. OTHER FACILITIES							
(Please list major categories)							
TOTAL SPACE	13,341,957	136,314	52,854	13,531,125		274,736	13,805,861

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

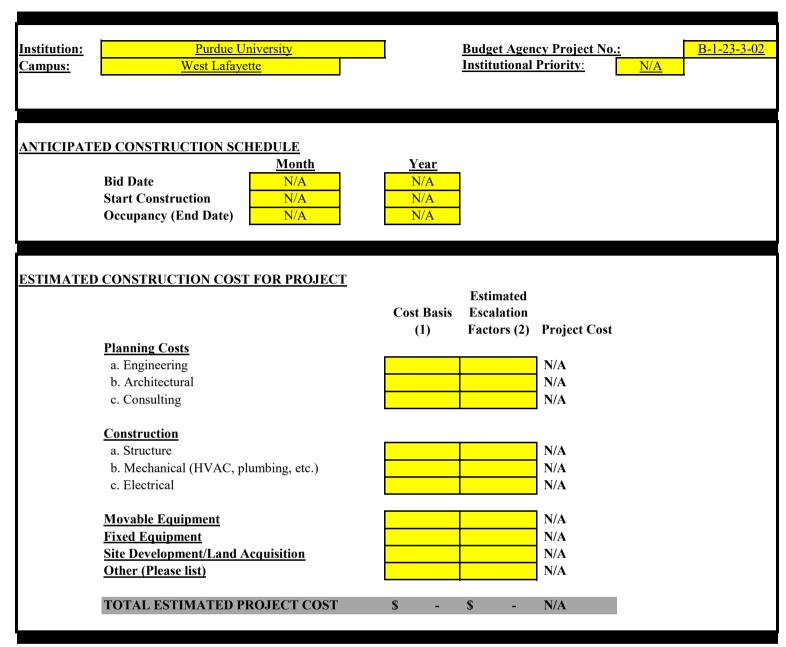
Space under construction includes: - Gateway Complex - Hypersonics Building - Secure Data Research Project - Child Care Center Building - Schleman/Stewart Renovation Space planned and funded includes:

Whistler Mechanical Project
 Life Sciences Phenotyping Greenhouse Building
 Mackey Locker Rooms Renovation
 Ross-Ade Stadium Renovation

Space to be terminated includes: N/A

CAPITAL PROJECT COST DETAILS

Purchase Aspire at Discovery Park Property from Purdue Research Foundation



(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

Purchase Aspire at Discovery Park Property from Purdue Research Foundation

Institution:	Purdue University	1		Ru	dget Agency Project No.:				ſ	B-1-23-3-02
<u>Campus:</u>	West Lafayette				titutional Priority:				N/A	<u>B-1-23-3-02</u>
Campus.	west Dalayette			1115	ditutional i Hority.				<u>1 1/1 1</u>	
					GSF OF AREA	AF	FECTED	BY	PROJECT	387,000
ANNUAL OP	<u>ERATING COST/SAVINGS (1)</u>	0						C		
			Cost per				Personal		pplies and	
			GSF		Total Operating Cost		Services	Ex	penses	
	1. Operations	\$	1.07	\$	412,750	\$	252,750	\$	160,000	
	2. Maintenance	\$	0.76		295,000		255,000		40,000	
	3. Fuel	\$	-	\$	-	\$	-	\$	-	
	4. Utilities	\$	2.46	\$	950,346	\$	-	\$	950,346	
	5. Other	\$	1.60	\$	618,136	\$	506,416	\$	111,720	
TOTAL E	STIMATED OPERATIONAL COST/SAVINGS	\$	5.88	\$	2,276,232	\$	1,014,166	\$	1,262,066	
D										
Description of	any unusual factors affecting operating and main	tenai	ice costs/	sav	ings.					

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