



Office of the Chief Financial Officer and Treasurer

October 12, 2023

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

Dear Governor Holcomb:

At its meeting on October 6, 2023, the Purdue University Board of Trustees approved the purchase of 0.44 acres of land at 435 Mitch Daniels Boulevard, West Lafayette, from and the transfer of 0.32 acres of land at 122 Waldron Street, West Lafayette, to the Wesley Foundation of Purdue University.

The land purchase facilitates the growth of the reimagined Mitchell E. Daniels, Jr. School of Business by acquiring an important strategic location adjacent to other facilities supporting business programs. The acquired 15,000 GSF building, as well as, the university's 31,400 GSF Krannert Center for Executive Education and Research facility will be demolished to provide space for a planned, new building to serve the needs of the growing school and West Lafayette campus. The new business school building study is near completion, and the forthcoming overall project is subject to subsequent review and necessary approvals.

The land transfer and cash payment of \$7,500,000, funded by Gift Funds, was determined using a combination of a land appraisal value and the new Wesley Foundation facility construction cost included in a recent building feasibility study. The land being transferred is not needed for future university development and will allow for the relocation of the Wesley Foundation's operations. The attached resolution is provided for your information pursuant to I.C 21-36-3-5.

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 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
Purchase and Sell Land to Wesley Foundation of Purdue University

Institution:	<input type="text" value="Purdue University"/>	Budget Agency Project No.:	<input type="text" value="B-1-24-3-13"/>
Campus:	<input type="text" value="West Lafayette"/>	Institutional Priority:	<input type="text" value="N/A"/>
Previously approved by General Assembly:	<input type="text" value="No"/>	Previously recommended by CHE:	<input type="text" value="No"/>
Part of the Institution's Long-term Capital Plan:	<input type="text" value="Yes"/>		

Project Size:	<input type="text" value="15,000"/> GSF (1)	<input type="text" value="10,000"/> ASF (2)	<input type="text" value="0.67"/> ASF/GSF
Net change in overall campus space:	<input type="text" value="0"/> GSF	<input type="text" value="0"/> ASF	

Total cost of the project (3):	<input type="text" value="\$ 7,500,000"/>	Cost per ASF/GSF:	<input type="text" value="\$ 500.00"/> GSF
Total cost of the demolition:	<input type="text" value="\$ -"/>		<input type="text" value="\$ 750.00"/> ASF
Funding Source(s) for project (4):	Amount	Type	
	<input type="text" value="\$ 7,500,000"/>	<input type="text" value="Gift Funds"/>	
	<input type="text" value=""/>	<input type="text" value=""/>	
	<input type="text" value=""/>	<input type="text" value=""/>	
Estimated annual debt payment (6):	<input type="text" value="\$0"/>		
Are all funds for the project secured:	<input type="text" value="Yes"/>		

Project Funding:
The purchase is being fully funded by Gift Funds, and all funds are secured. Purdue University will also exchange a property as part of the acquisition cost.

Project Cost Justification
The purchase price was determined using a combination of a land appraisal value and Wesley's new facility construction cost from a recently completed building feasibility study. There are no changes to campus space because this building will be immediately demolished and not added to inventory.

Estimated annual change in cost of building operations based on the project:	<input type="text" value="\$ -"/>
Estimated annual repair and rehabilitation investment (5):	<input type="text" value="\$ -"/>

(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 and Sell Land to Wesley Foundation of Purdue University

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-3-13
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

Purdue will acquire 0.44 acres of land located at 435 Mitch Daniels Boulevard, West Lafayette, from the Wesley Foundation of Purdue University. In exchange, Purdue University will provide \$7,500,000 and transfer a 0.32 acre property located at 122 Waldron Street, West Lafayette.

The Wesley Foundation has owned and operated at 435 Mitch Daniels Blvd, West Lafayette since 1917. The Wesley Foundation is a campus ministry for faculty, staff and students at Purdue's West Lafayette campus and the Ivy Tech location in Lafayette.

Need and Purpose of the Program

This acquisition of 435 Mitch Daniels Boulevard will achieve the following:

- o Long term, this transaction maintains the Wesley Foundation - one of the longest-tenured community service organizations - presence at a near campus location, places an additional cultural organization in the south Waldron Street neighborhood and allows the university to own a property at an important strategic location.
- o Near term, the facility will be demolished to provide space for the planned Mitchell E. Daniels, Jr. School of Business building to be constructed.

The proposed property is located adjacent to the existing Krannert Building and Krannert Center for Executive Education and Research facility, which currently support the Mitchell E. Daniels, Jr. School of Business programs.

This acquisition of the land provides a site for the planned Mitchell E. Daniels, Jr. School of Business building. The building would accommodate significant planned student enrollment growth and strategic initiatives in the reimagined Mitchell E. Daniels, Jr. School of Business. Undergraduate enrollment is expected to increase by 60% to 4,000 business majors, and the graduate programs will more than double in size to 2,000 students. The Daniels School of Business will create the next generation of students ready to lead or found companies; provide enhanced and new transformative learning experiences such as leadership immersion trips, case competitions, research projects, corporate consulting, career coaching and mentoring, scholarly projects and internships; and will build upon Purdue's mission as a land-grant university to make education more affordable and accessible. It is comprised of the Bruce White Undergraduate Institute and the Krannert Graduate Institute. The Bruce White Undergraduate Institute will provide students greatly enhanced experiential learning opportunities, revised curricula to stay at the cutting edge of business education and an enhanced understanding of the role of business in society. The Krannert Graduate Institute allows students to learn in residential, online or hybrid settings to further their careers through analytical and problem-solving skills.

Space Utilization

The acquired 0.44 acres is expected to be combined with 0.88 acres of university land to build a planned, new building for the Mitchell E. Daniels, Jr. School of Business. The building being acquired will immediately be demolished, and no GSF will be added to the campus with this transaction.

The 0.32 acre lot being transferred to the Wesley Foundation is a vacant lot and is surrounded by fraternity, sorority and similar non-university cultural and religious organizations. Other similar organizations in the neighborhood include: Phi Mu Sorority, Zeta Tau Alpha Sorority, Baptist Foundation, Sigma Pi Fraternity, Elmwood Church of Christ, Islamic Student Foundation, Triangle Fraternity, Alpha Chi Rho Fraternity, Farmhouse Fraternity, Pi Beta Phi Sorority, Campus House Ministry, Church of Latter Day Saints and Hillel House.

Comparable Projects

University Church Purchase, 320 North Street, West Lafayette, 2019
Type: Purchase of 0.86 acres of land and building
Cost: \$2,900,000
Size: 32,000 GSF

The proposed property is roughly half the size of the comparable purchase, both in terms of building space and acreage. No land was exchanged as part of the University Church acquisition. University Church remains standing and is used for university classroom space, while the proposed building will be demolished and is expected to be replaced with new construction for academic support.

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Purchase and Sell Land to Wesley Foundation of Purdue University

(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)	335,609	(2,532)	15,769	348,847	-	-	348,847
Class Lab (210,215,220,225,230,235)	769,774	(16,463)	7,797	761,107	-	-	761,107
Non-class Lab (250 & 255)	1,725,787	25,281	24,619	1,775,687	-	-	1,775,687
Office Facilities (300)	2,335,422	(46,473)	(20,099)	2,268,850	-	-	2,268,850
Study Facilities (400)	420,334	55,895	69,202	545,432	-	-	545,432
Special Use Facilities (500)	1,206,845	12,399	22,023	1,241,266	-	-	1,241,266
General Use Facilities (600)	976,394	(27,128)	(7,734)	941,533	-	-	941,533
Support Facilities (700)	2,891,697	(876)	(9,435)	2,881,385	-	-	2,881,385
Health Care Facilities (800)	220,231	-	(1,900)	218,331	-	-	218,331
Resident Facilities (900)	2,424,391	-	111,146	2,535,537	-	-	2,535,537
Unclassified (000)	136,754	-	-	136,754	-	-	136,754
B. OTHER FACILITIES							
(Please list major categories)							
TOTAL SPACE	13,443,238	103	211,388	13,654,728	-	-	13,654,728

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
- Zuerow High Speed Propulsion Lab
- Mackey Locker Rooms Renovation
- Brown Family Hall Renovation
- Libraries Study Space Renovation
- University Hall and Related Renovations
- Life Sciences Phenotyping Greenhouse Building

Space planned and funded includes:

- Nursing and Pharmacy Education Building
- Northwest Chiller Plant System Improvements
- Vawter Hall Electrical Enhancements and Replacement
- PMU 2nd Floor Hospitality Renovation
- Mechanical Engineering Building Renovation
- BircK 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
- Chi Omega Sorority Property Purchase & Ground Lease

CAPITAL PROJECT COST DETAILS
Purchase and Sell Land to Wesley Foundation of Purdue University

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-3-13
Campus:	West Lafayette	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	N/A	N/A
Start Construction	N/A	N/A
Occupancy (End Date)	N/A	N/A

ESTIMATED CONSTRUCTION COST FOR PROJECT

	<u>Cost Basis</u> (1)	<u>Estimated Escalation</u> Factors (2)	<u>Project Cost</u>
<u>Planning Costs</u>			
a. Engineering			N/A
b. Architectural			N/A
c. Consulting			N/A
<u>Construction</u>			
a. Structure			N/A
b. Mechanical (HVAC, plumbing, etc.)			N/A
c. Electrical			N/A
<u>Movable Equipment</u>			N/A
<u>Fixed Equipment</u>			N/A
<u>Site Development/Land Acquisition</u>			N/A
<u>Other (Please list)</u>			N/A
TOTAL ESTIMATED PROJECT COST	\$ -	\$ -	N/A

(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 and Sell Land to Wesley Foundation of Purdue University

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-3-13
Campus:	West Lafayette	Institutional Priority:	N/A

<u>ANNUAL OPERATING COST/SAVINGS (1)</u>		<u>GSF OF AREA AFFECTED BY PROJECT</u>			
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses	
1. Operations	#DIV/0!	\$ -	\$ -	\$ -	\$ -
2. Maintenance	#DIV/0!	\$ -	\$ -	\$ -	\$ -
3. Fuel	#DIV/0!	\$ -	\$ -	\$ -	\$ -
4. Utilities	#DIV/0!	\$ -	\$ -	\$ -	\$ -
5. Other	#DIV/0!	\$ -	\$ -	\$ -	\$ -
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	#DIV/0!	\$ -	\$ -	\$ -	\$ -

Description of any unusual factors affecting operating and maintenance costs/savings.
 Once purchased, this building will be immediately demolished as part of a separate, subsequent project. The costs associated with this project are only for the acquisition of the property, as any demolition will be requested separately.

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

TO: Members of the Board of Trustees
FR: Rob Wynkoop, Vice President for Auxiliary Services
DATE: September 25, 2023
RE: Approval to Purchase and Sell Land to Wesley Foundation of Purdue University

Attachments:

- Resolution
- Exhibit A: 435 Mitch Daniels Blvd. Property
- Exhibit B: 122 Waldron Street Property

Acquisition Intent:

West Lafayette campus

This land transfer with the Wesley Foundation of Purdue University (“Wesley”) will facilitate the growth of the Mitchell E. Daniels School of Business by acquiring a strategic parcel adjacent to the current Krannert Building and Krannert Center Building. Wesley has owned and operated at 435 Mitch Daniels Blvd., West Lafayette, since 1917.

- Specifically, Purdue will acquire 0.44 acres of land at 435 Mitch Daniels Boulevard from Wesley in exchange for a cash payment of \$7,500,000 and the transfer of a 0.32 acre property located at 122 Waldron Street.
 - The consideration payable to Wesley in this transaction was determined taking into account a combination of land appraisal values and the construction cost identified in a recently completed feasibility study for Wesley’s planned new facility.
 - Gift Funds will be used for the purchase.
- This acquisition of 435 Mitch Daniels Boulevard will achieve the following:
 - Long term, this transaction maintains the presence of Wesley, one of the longest-tenured community service organizations, at a near campus location, places an additional cultural organization in the south Waldron neighborhood, and allows the university to own a property at an important strategic location.
 - Near term, the facility will be demolished to provide space for the Mitchell E. Daniels, Jr. School of Business Building to be constructed.

c: Chairman Mike Berghoff
President Mung Chiang
Treasurer Chris Ruhl
Provost Patrick Wolfe
Corporate Secretary Cindy Ream
General Counsel Steve Schultz

RESOLUTION OF THE BOARD OF TRUSTEES (THE "BOARD") OF THE TRUSTEES OF PURDUE UNIVERSITY (THE "CORPORATION") AUTHORIZING TRANSACTIONS WITH THE WESLEY FOUNDATION OF PURDUE UNIVERSITY RELATED TO CERTAIN REAL ESTATE IN TIPPECANOE COUNTY, INDIANA, AND SPECIFICALLY:

- 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 (THE "UNIVERSITY"); AND**
- 2. DECLARING THAT OTHER CERTAIN REAL ESTATE IS NOT NEEDED FOR ANY PURPOSES OF CARRYING ON THE EDUCATIONAL RESEARCH, THE PUBLIC SERVICE PROGRAMS, OR THE STATUTORY RESPONSIBILITIES OF THE CORPORATION AND/OR FOR MANAGING, OPERATING, OR SERVICING THE UNIVERSITY; AND**
- 3. DECLARING THAT IT WOULD BE ADVANTAGEOUS TO THE CORPORATION AND UNIVERSITY TO TRANSFER CERTAIN REAL ESTATE TO THE WESLEY FOUNDATION OF PURDUE UNIVERSITY TO ALLOW FOR FUTURE IMPROVEMENTS ASSOCIATED WITH THE MITCHELL E. DANIELS, JR. SCHOOL OF BUSINESS; AND**
- 4. AUTHORIZING CERTAIN OFFICERS OF THE CORPORATION AND OF THE UNIVERSITY TO ACQUIRE AND SELL REAL ESTATE AND TO DO ALL ACTS NECESSARY TO ACCOMPLISH SUCH TRANSFER, SUBJECT TO ALL STATUTORY PROVISIONS AND SUBJECT TO PRIOR APPROVAL BY THE TREASURER OR ASSISTANT TREASURER.**

WHEREAS, the Corporation desires to acquire from the Wesley Foundation of Purdue University ("Wesley") certain real property located in Tippecanoe County, Indiana totaling forty-four hundredths (0.44) of an acre at 435 Mitch Daniels Boulevard, West Lafayette, and more fully described on Exhibit A attached hereto and made a part hereof (the "Acquired Real Estate"), for consideration comprised of a cash payment of Seven and a Half Million Dollars (\$7,500,000) and the transfer of thirty-two hundredths (0.32) of an acre owned by the Corporation and located at 122 Waldron Street, West Lafayette, and more fully described on Exhibit B attached hereto and made part hereof (the "Transferred Real Estate"), and

WHEREAS, as a first step in future planned improvements to its operations (the "Improvements"), Wesley has developed plans to relocate to the Transferred Real Estate; and

WHEREAS, the Board hereby declares its support for Wesley's relocation and the Improvements given (i) the advantages the Acquired Real Estate will provide to the University for the purposes of carrying on the educational research, the public service programs, or the statutory responsibilities of the Corporation and/or for managing, operating, or servicing the University and (ii) due to the Board's determination that the Transferred Real Estate is not needed for the purposes of the University; 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: (1) carrying on the educational research, public service programs, or other statutory responsibilities of Purdue University, and (2) managing, operating, or servicing Purdue University; and

WHEREAS, the Board now desires to authorize the designated officers of the Corporation and the University to take such actions as they deem necessary or appropriate to provide for the acquisition of the Acquired Real Estate from Wesley and the transfer of the Transferred Real Estate to Wesley, all as more particularly set forth below:

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

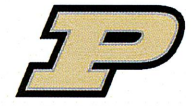
1. The Corporation hereby finds and determines that (a) the Acquired Real Estate is necessary for carrying on the educational research or other statutory responsibilities of the Corporation and/or for managing, operating, or servicing Purdue University, and that it would be advantageous to the Corporation to acquire the Acquired Real Estate by purchase pursuant to the provisions of IC 21-34-3, and (b) the Transferred Real Estate is not needed for the purposes of carrying on the educational research, public service programs or the statutory responsibilities of the Corporation and/or for managing, operating, or servicing the University.

2. The Board hereby authorizes and approves: (a) the acquisition of the Acquired Real Estate from Wesley pursuant to the provisions of IC 21-34-3 for consideration comprised of Seven Million, Five Hundred Thousand (\$7,500,000) Dollars and the transfer of the Transferred Real Estate, and (b) the related transfer of the Transferred Real Estate to Wesley pursuant to the provisions of IC 21-36-3—in each case on such other terms and conditions as the Treasurer of the Corporation shall deem to be in the best interests of the Corporation and of Purdue University.

3. The Treasurer and Assistant Treasurer of the Corporation, and the Chief Financial Officer and Treasurer and the Vice President and Deputy Chief Financial Officer of the University, and each of them, are hereby authorized and directed to negotiate, execute and deliver, in the name and on behalf of the Corporation, or of the University, such contract(s) and other documents as they deem reasonably necessary to effectuate the transactions contemplated by this Resolution (including but not limited to a deed of conveyance for the Transferred Real Estate conveying the same to Wesley), and in each case setting forth such other terms and conditions for the acquisition of the Acquired Real Estate and disposition of the Transferred Real Estate 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 directed to attest the execution of such contract(s), deed(s), and other documents.

4. The above-designated officers, together with the Chairman, Vice Chairman, General Counsel and Deputy General 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 any necessary approvals of the Governor and 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 to 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.

5. 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.



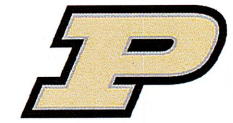
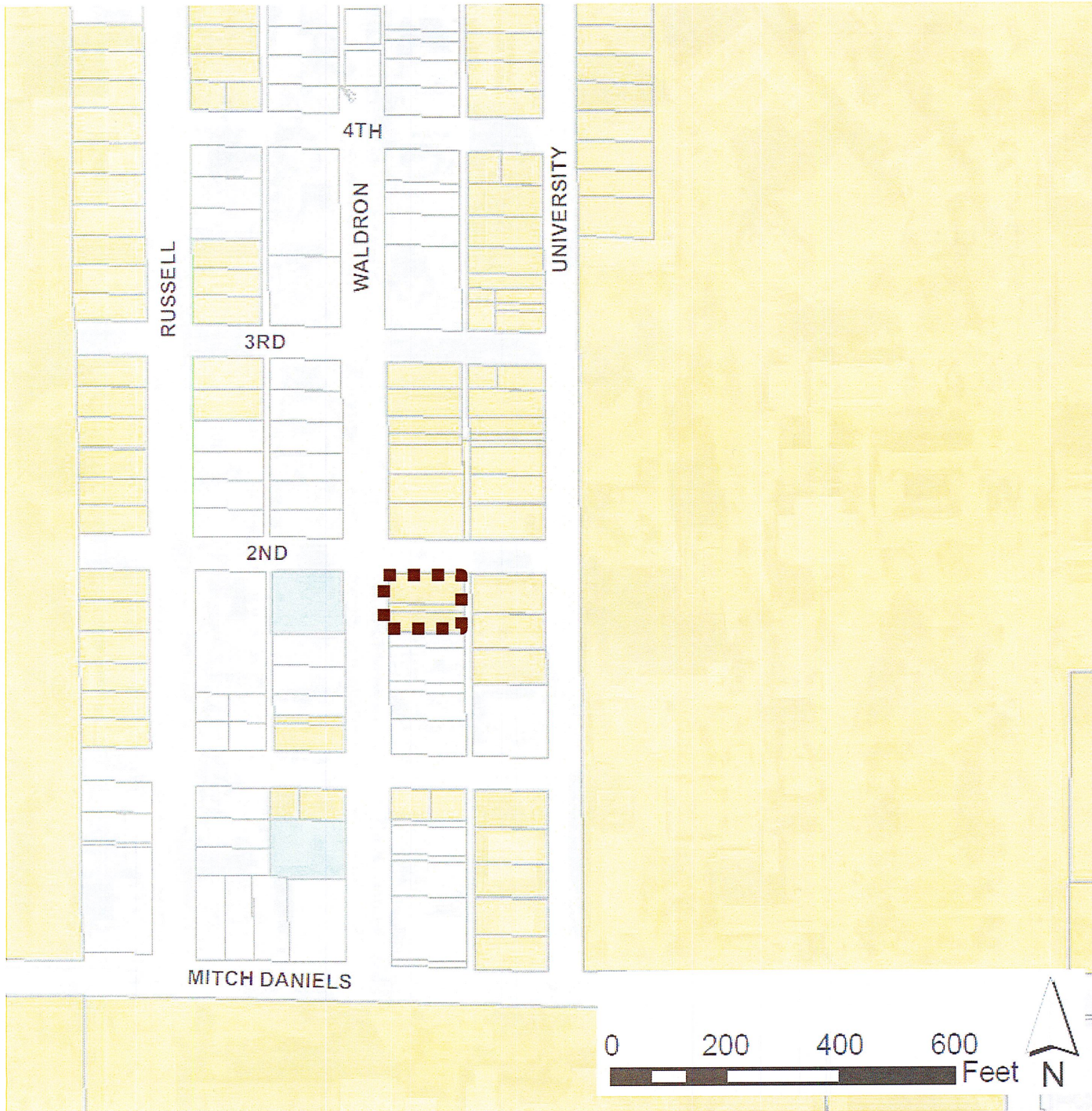
PURDUE
UNIVERSITY®

Administrative Operations

**Exhibit A: 435 Mitch Daniels
Blvd. Property**

10/6/2023

 Property to be
Acquired



PURDUE
UNIVERSITY®

Administrative Operations

**Exhibit B: 122 Waldron Street
Property**

10/6/2023

 Property to be
Transferred