



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 Purdue Airport Terminal near the West Lafayette campus.

This project will construct a new, approximately 10,000 GSF airport terminal west of the existing Terminal Building. It will include space for ticketing and passenger screening, baggage claim and a waiting area. New short-term parking will be added, and safety improvements will be made to the nearby railroad track pedestrian crossing.

The new terminal building will provide the support space needed for commercial air service to support the Greater Lafayette area at the Purdue University Airport.

The estimated total project cost is \$11,800,000, to be funded by \$7,000,000 from the State, \$3,300,000 from Gift Funds and \$1,500,000 from Federal - Grant sources.

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 'C. Ruhl', written over a white background.

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
Purdue Airport Terminal

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-1-03
Campus:	West Lafayette	Institutional Priority:	N/A
Previously approved by General Assembly:	No	Previously recommended by CHE:	No
Part of the Institution's Long-term Capital Plan:	Yes		

Project Size:	9,887	7,780	ASF (2)	0.79	ASF/GSF
Net change in overall campus space:	3,561	GSF	1,474	ASF	

Total cost of the project (3):	\$ 11,800,000	Cost per ASF/GSF:	\$ 1,193.49	GSF
Total cost of the demolition:	\$ 95,000		\$ 1,516.71	ASF
Funding Source(s) for project (4):	Amount	Type		
	\$ 7,000,000	State		
	\$ 3,300,000	Gift Funds		
	\$ 1,500,000	Federal - Grant		
Estimated annual debt payment (6):	\$0			
Are all funds for the project secured:	Yes			

Project Funding:
The project is being funded primarily by the state from the Indiana Economic Development Corporation, Regional Economic Acceleration and Development Initiative (IEDC READI). Gift Funds listed in the section above will be sought from the Lilly Endowment and other sources. The remaining portion will be funded by Federal - Grant funds, from the Federal Aviation Administration Bipartisan Infrastructure Law (FAA BIL). The federal grant funding is pending but will be backstopped by Operating Funds - Reserves.

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

Estimated annual change in cost of building operations based on the project:	\$ 65,749
Estimated annual repair and rehabilitation investment (5):	\$ 177,000

(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
Purdue Airport Terminal

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-1-03
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

This project will construct a new approximately 10,000 GSF airport terminal directly west of the existing Terminal Building at the Purdue University Airport to include ticketing and passenger screening, baggage claim, a waiting area and restrooms. The airport is located near the West Lafayette campus. The new terminal will comply with Transportation Security Administration and Federal Aviation Administration requirements. Additionally, safety improvements will be made to the nearby railroad track pedestrian crossing, and new parking will be added in place of an existing storage hangar.

Need and Purpose of the Program

The new terminal building will provide the support space needed for commercial air service supporting the Greater Lafayette area at the Purdue University Airport. Regularly scheduled commercial airline service has not been provided at the Purdue University Airport since 2003. The Purdue University Airport has all necessary infrastructure in place for commercial air service, including runway(s), fuel farm, Air Traffic Control Tower and proximity to highways, with the exception of an appropriate terminal. The existing Terminal Building is not TSA-compliant, limiting current flights to charter and on-demand services only, such as corporate airlines and helicopters.

The Purdue University Airport is the second busiest airport in the state, only behind the Indianapolis International Airport. It is busier than the Evansville, Fort Wayne and South Bend, IN airports combined. The closest airports that serve the Purdue community are Indianapolis and Chicago, which create longer business traveling times.

Renovations to the existing Terminal Building and other locations for a new terminal were evaluated and determined to be cost prohibitive.

Space Utilization

The new airport terminal building will add nearly 8,000 ASF in merchandising (e.g. ticketing, person and baggage screening, concessions, gift shop) and office space. Also, existing health care facilities in an adjacent building will be repurposed as office space. Due to the demolition of existing hangar T-1, the net impact to campus ASF is the addition of roughly 1,500 ASF.

Comparable Projects

Airport Terminal Building, St. Joseph, Missouri (Bid Dec. 2022)

- 8,100 GSF
- \$7,900,000
- \$975/GSF
- New construction of an airport terminal

The proposed and comparable projects have similar costs per square foot.

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Purdue Airport Terminal

(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)	18,301	351,378	-	-	351,378
Class Lab (210,215,220,225,230,235)	798,413	(16,463)	24,260	806,210	-	-	806,210
Non-class Lab (250 & 255)	1,705,678	25,281	(662)	1,730,297	-	-	1,730,297
Office Facilities (300)	2,337,380	(46,473)	24,012	2,314,919	-	2,460	2,317,379
Study Facilities (400)	416,131	55,895	13,307	485,333	-	-	485,333
Special Use Facilities (500)	1,207,887	8,486	1,124	1,217,497	-	-	1,217,497
General Use Facilities (600)	977,156	(27,128)	9,522	959,550	-	7,310	966,860
Support Facilities (700)	2,881,468	(876)	(2,253)	2,878,339	(6,306)	-	2,872,033
Health Care Facilities (800)	220,687	-	90	220,777	(1,990)	-	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. OTHER FACILITIES (Please list major categories)							
TOTAL SPACE	13,433,918	(3,810)	198,847	13,628,955	(8,296)	9,770	13,630,429

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
- 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
- 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 support facilities in the Tee-Hangar No. 1 building. In addition, health care facilities will be repurposed to office space in the renovated Terminal building.

(2) Space added as part of this project include office and general use (merchandising) spaces.

CAPITAL PROJECT COST DETAILS
Purdue Airport Terminal

Institution:	Purdue University	Budget Agency Project No.:	B-1-24-1-03
Campus:	West Lafayette	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	March	2024
Start Construction	May	2024
Occupancy (End Date)	July	2025

ESTIMATED CONSTRUCTION COST FOR PROJECT

	<u>Cost Basis (1)</u>	<u>Estimated Escalation Factors (2)</u>	<u>Project Cost</u>
<u>Planning Costs</u>			
a. Engineering	\$ 570,000		N/A
b. Architectural	\$ 465,000		N/A
c. Consulting	\$ -		N/A
<u>Construction</u>			
a. Structure (Civil)	\$ 4,470,000		N/A
b. Mechanical	\$ 650,000		N/A
c. Electrical	\$ 950,000		N/A
<u>Movable Equipment</u>	\$ 420,000		N/A
<u>Fixed Equipment</u>	\$ -		N/A
<u>Site Development/Land Acquisition</u>	\$ 1,930,000		N/A
<u>Other (PM fee, insurance, contingencies, geotechnical)</u>	\$ 2,345,000		N/A
TOTAL ESTIMATED PROJECT COST	\$ 11,800,000	\$ -	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
Purdue Airport Terminal

Institution:	<u>Purdue University</u>	Budget Agency Project No.:	<u>B-1-24-1-03</u>
Campus:	<u>West Lafayette</u>	Institutional Priority:	<u>N/A</u>

					GSF OF AREA AFFECTED BY PROJECT	9,887
ANNUAL OPERATING COST/SAVINGS (1)						
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses		
1. Operations	\$ 3.90	\$ 38,560	\$ 16,907	\$ 21,653		
2. Maintenance	\$ 1.19	\$ 11,765	\$ 10,381	\$ 1,384		
3. Fuel	\$ -	\$ -	\$ -	\$ -		
4. Utilities	\$ 1.56	\$ 15,424	\$ -	\$ 15,424		
5. Other	\$ -	\$ -	\$ -	\$ -		
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ 6.65	\$ 65,749	\$ 27,288	\$ 38,461		

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

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