Purdue
University
Office of the Vice President for Physical Facilities

To: Members of the Board of Trustees

Via: William E. Sullivan, Treasurer and Chief Financial Officer

Fr: Michael B. Cline, Vice President for Physical Facilities

Date: July 9, 2014

Re: Purdue Village North Development

Enclosed you will find a resolution for the Purdue Village North Development. This resolution would approve certain preparatory actions related to exploring the use of an innovative procurement model (including a potential public-private partnership) for the development of housing and retail space on the site of existing University Residences housing along State Street in Purdue Village (PVIL North). This resolution also requests the assistance of the Purdue Research Foundation in this development and its support in engaging in a market-sounding exercise, which will help us determine market interest and evaluate potential structures for the redevelopment of this area. Our focus will be on adding quality facilities in the most cost effective manner.

Purdue Village is a historical family-housing facility located on approximately eight acres of land adjacent to Squirrel Park. The goals of the project are to maximize housing capacity for the site, foster innovation for mixed-use opportunities, align the project with student success initiatives and integrate housing into the development of the State Street Corridor. The site will accommodate at least 750 apartment-style beds (net 500 new beds) targeted for upper-level undergraduate, graduate, and post-doctoral students.

This proposed action is consistent with the Transformative Education component of the Purdue Moves initiative, which aims to increase student success by adding housing options so at least half of our undergraduate students live on campus. As you know, data indicate that these students tend to achieve greater academic success and graduation rates than their off-campus peers. New residence halls will bridge the gap between living and learning by, among other things, having classes taught within residence halls, locating faculty and advisor offices just steps away from students' rooms, and offering on-site study areas to provide havens from the hustle of daily life.

The Purdue Village North Development is the third phase of a plan to achieve an estimated growth of 3,000 beds in on-campus housing. Phase one, Third Street Suites, will open this fall,
adding 300 beds to the campus inventory. Phase two, Honors College and Residences, was preliminarily approved in May 2014, and will add 800 beds by fall 2016. With the anticipated loss of 76 beds from the development of the Flexible Lab Facility in Discovery Park (approved in May 2014), the Purdue Village North Development, which is considered phase 3 and entails 500 net new beds, will bring the total on-campus new-bed capacity to approximately half of the targeted growth.

In order to reach the 3,000-bed target, future phases of the University Residences expansion are in various pre-planning and evaluation stages. They are anticipated for future Board actions over the next several years. Areas under evaluation include the North Island Area (south of Stadium Avenue, west of University Street, north of Third Street, and east of Russell Avenue) and the Southeast Quadrant of Campus (south of Wood Street, west of Grant Street, north of Harrison Street and east of Marsteller Street).

Success in these developments requires integration of the colleges, programs, and interdisciplinary themes into the residential experience. Similar to the Honors College, each development will seek to cultivate and foster a true learning community, paying close attention to the link between on-campus living and student achievement.

At the July 17 meeting, we will request your approval to proceed with the market-sounding exercise for the Purdue Village North Development and to enlist the assistance of the Purdue Research Foundation in this effort. Once approved, we will engage the market in an assessment of potential project delivery options and evaluate alternative legal structures for an innovative procurement model (up to and including the potential for a public-private partnership) and then return to the Board at a future meeting with an action plan.

If you have any questions, please contact me at (765) 494-9705, Mike Cline at (765) 494-8000, or Ken Sandel at (765) 496-6300.

c: President Mitch Daniels
   Provost Deba Dutta
   Corporate Secretary Janice Indrutz
   Senior Director Ken Sandel
   Legal Counsel Steve Schultz

Attachments
RESOLUTION OF THE BOARD OF TRUSTEES OF THE TRUSTEES OF PURDUE UNIVERSITY (THE “CORPORATION”)

1. PROVIDING AUTHORITY TO PLAN, ORGANIZE, STRUCTURE AND IMPLEMENT A MARKET-SOUNDING EXERCISE FOR THE PURPOSE OF DETERMINING MARKET INTEREST AND POTENTIAL STRUCTURES FOR THE PURDUE VILLAGE REDEVELOPMENT

2. EXPRESSING CONTINUED APPRECIATION TO THE PURDUE RESEARCH FOUNDATION (THE "FOUNDATION") FOR ITS EFFORTS IN SUPPORT OF THE CORPORATION AND REQUESTING ADDITIONAL SUPPORT FROM THE FOUNDATION

WHEREAS, Purdue University (the “University”) is currently engaged in a series of initiatives known as “Purdue Moves,” one of which focuses on making Purdue a leader in transformative higher education; and

WHEREAS, one of the key goals of the transformative education initiative is increasing student success and value by (i) adding housing capacity to ensure there are on-campus living opportunities for at least half of all undergraduate students at Purdue’s West Lafayette campus, (ii) leveraging University residences to better support the University’s academic mission, and (iii) integrating colleges, programs and interdisciplinary themes into the residential experience, with faculty and advisor offices nearby; and

WHEREAS, toward this end, the University has proceeded, under the direction of the Board of Trustees (the “Board”), with a plan to achieve an estimated growth of 3,000 beds in on-campus housing, the first two phases of which consist of Third Street Suites (opening Fall 2014) and the Honors Colleges and Residences (preliminarily approved in May 2014); and

WHEREAS, an inter-disciplinary University team has been engaged in the process of exploring preliminary plans for a third phase of the student housing growth initiative, which has been designated the Purdue Village Redevelopment and which, under current plans, is anticipated to accommodate at least 750 apartment-style beds targeted for upper-level undergraduate, graduate, and post-doctoral students (thus bringing the total on-campus net new student bed capacity to approximately one-half of the targeted growth); and

WHEREAS, the Purdue Village site, which consists of approximately eight acres of land adjacent to Squirrel Park, has long been occupied by historical apartment-style family housing facilities, and its proximity to the new U.S. 231 corridor and the redevelopment of the State Street corridor makes it a prime location for the third phase of the student housing growth initiative and other potential development opportunities for the area; and

WHEREAS, the inter-disciplinary University team, in consultation with staff of the Purdue Research Foundation (the “Foundation”), has proposed to engage in a market-sounding exercise to determine market interest and potential structures for the Purdue Village
Redevelopment, including innovative procurement models and the potential for a public-private partnership—all with a view toward adding quality housing facilities in the most cost effective manner, aligning them with student success initiatives, integrating the new housing capacity into the development of the State Street corridor, and fostering potential mixed-use opportunities; and

WHEREAS, the Foundation, a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, was founded in 1930 and is organized and operated to promote educational purposes in connection with or at the request of Purdue University; and

WHEREAS, for over eighty years, the Foundation has supported and facilitated Purdue University's land-grant mission of discovery, learning and engagement by, among other things; “acquiring, constructing, or otherwise providing buildings, grounds or other suitable facilities, improvements or equipment for Purdue University or for the use or benefit of Purdue University or its faculty, staff or students; by acquiring, holding, using or providing real and personal property, funds, credit or financial assistance for the accomplishment of any or all of said objects and purposes and all matters as necessarily or properly incident thereto or connected therewith; and, by supporting and assisting, in any other manner or by any other means whatsoever, [the Corporation] in the conduct of the affairs of Purdue University and the accomplishment of the educational purposes of said institution;” and

WHEREAS, the Board has from time to time identified capital projects, acquisitions, financial support and operational support for which it has requested assistance from the Foundation, and which the Foundation has subsequently undertaken, in order to support the educational, research and economic development missions of the Corporation and Purdue University and their services to the citizens of Indiana; and

WHEREAS, the Corporation would benefit greatly from the continued support and collaboration of the Foundation in the process of exploring opportunities for the Purdue Village Redevelopment:

NOW, THEREFORE, it is hereby RESOLVED as follows:

1. The Treasurer is hereby authorized and empowered to plan, organize, structure and implement a market-sounding exercise for the purpose of determining market interest and potential structures for the Purdue Village Redevelopment, including innovative procurement models and the potential for a public-private partnership, with a view toward achieving the objectives outlined above, it being understood that such exercise shall in no way be considered a solicitation of proposals or the commencement of an actual procurement process for the project.

2. The Treasurer be, and hereby is, further authorized and empowered to delegate to one or more officers and representatives of the Corporation such tasks and responsibilities with respect to the actions described in this Resolution as he, in his sole discretion, shall deem to be in the best interests of the Corporation and Purdue University and consistent with the exercise of the authority granted above.
3. Continued deep appreciation and gratitude is hereby expressed to the Foundation by the Board for its long-standing and ongoing support of the Corporation and Purdue University and their educational, research and economic development missions and services to the citizens of Indiana.

4. The Foundation is requested to work with the Treasurer and his designees in the process of conducting the above-described market-sounding exercise, exploring potential procurement models, and evaluating possible approaches to achieve the objectives of the Purdue Village Redevelopment, including the possibility of the Foundation’s taking a lead or supporting role, subject to the approval of the Foundation’s Board, in any eventual procurement.

5. The Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Legal Counsel, Assistant Legal Counsel, Secretary and Assistant Secretary of The Trustees of Purdue University, and the Treasurer and Chief Financial Officer and the Senior Vice President for Business Services and Assistant Treasurer of Purdue University, and each of said officers respectively, are hereby authorized and empowered for, on behalf of and in the name of The Trustees of Purdue University, or of Purdue University, to take all other necessary and proper actions alone or with the assistance of the Foundation in carrying out the purpose and intent of this Resolution, whether herein specifically authorized or not, except such actions as are specifically required by law to be taken by the Board of Trustees as the governing board of The Trustees of Purdue University.

6. The Secretary of the Board is hereby authorized and instructed to transmit a copy of this resolution of appreciation and request for additional continuing support to the Foundation at her earliest convenience.