Honors College and Residences
Request BOT Approval to Finance, Construct and Award Construction Contract

Campus: West Lafayette

Project Description: This project will construct a new residence hall and academic facility for the Honors College that will promote academic success through development of a living learning community. It will be located on the southwest corner of Russell and Third Streets with more than 800 beds and approximately 40,000 square feet of academic space.

Architect/Engineer: CSO Architects, Inc.
Indianapolis, Indiana
BoT approval May 16, 2014

A/E Fee: $4,704,750

A/E M/WBE Participation: Schneider Engineering (WBE) 2.14 percent
Weber and Associates (WBE) 2.24 percent
Context LLC (WBE) 1.86 percent
6.24 percent

Project Budget: $90,000,000

Gross Square Feet: 311,572

Assignable Square Feet: 183,499

Cost/GSF: $288.86

Source of Funds: Student Facilities System Revenue Bond Proceeds
HFS Reserves
Institutional Reserves and Gift Funds

BoT Finance and Construct Approval: Request September 26, 2014

Budget Agency Approval: TBD

Construction Manager: Messer Construction / Powers & Sons

Construction Manager M/WBE Participation: Construction Manager is a Joint Venture including 40 percent MBE participation for Powers & Sons.
RESOLUTION OF THE BOARD OF TRUSTEES OF THE TRUSTEES OF PURDUE UNIVERSITY

1. REAFFIRMING FINDINGS AND DECLARATIONS PREVIOUSLY MADE WITH RESPECT TO THE HONORS COLLEGE AND RESIDENCES FACILITY ON THE WEST LAFAYETTE CAMPUS (THE “PROJECT”);

2. AUTHORIZING THE EXECUTION AND DELIVERY OF THE CMc CONTRACT FOR THE PROJECT;

3. APPROVING THE CONSTRUCTION AND FINANCING OF THE PROJECT PURSUANT TO THE PROVISIONS CONTAINED IN IC 21-35-3 AND OTHER APPLICABLE STATUTES;

4. AUTHORIZING CERTAIN OFFICERS OF THE CORPORATION TO REQUEST ALL NECESSARY STATE APPROVALS FOR THE PROJECT;

5. AUTHORIZING CERTAIN OFFICERS OF THE CORPORATION TO NEGOTIATE FOR AND OBTAIN INTERIM AND/OR PERMANENT FINANCING FOR THE PROJECT, SUBJECT TO ALL STATUTORY PROVISIONS AND SUBJECT TO THEIR PRIOR APPROVAL BY THE TREASURER; AND

6. REAFFIRMING OFFICIAL INTENT TO REIMBURSE CERTAIN PROJECT COSTS RELATED TO THE PROJECT WITH BOND PROCEEDS

WHEREAS, by resolutions adopted by the Board of Trustees (the “Board”) of The Trustees of Purdue University (the “Corporation”) on May 16, 2014 and on July 18, 2014 (the “Prior Resolutions”), the Board has previously approved various actions with regard to the project identified as the “Honors College and Residences” on the Purdue University West Lafayette campus (the “Project”), including Purdue University’s use of the “Construction Manager as Constructor,” or “CMc,” contracting method for the Project, as authorized by the Indiana General Assembly pursuant to its enactment in the 2014 Regular Session of House Enrolled Act No. 1196, now codified as IC 5-32 (the “CMc Statute”); and

WHEREAS, pursuant to the authority granted by the Board in the Prior Resolutions, the Treasurer of the Corporation and his delegates have taken certain actions consistent with the CMc Statute to advance the Project, including appointing members to an evaluation committee, preparing and issuing a request for proposals, causing the evaluation committee to meet with each CMc offeror who responded to the request for proposals, selecting the proposed CMc for the Project pursuant to the CMc Statute, and negotiating with the selected CMc the terms and conditions of the contract for the Project (the “CMc Contract”), including a guaranteed maximum price (“GMP”) for the work; and

WHEREAS, the Board has been apprised of the results of these activities and has received information and had the opportunity to ask questions about the CMc Contract; and

WHEREAS, the Board’s Physical Facilities Committee has recommended approval of the actions described herein at a duly constituted meeting; and
WHEREAS, the Board now desires to approve the Corporation’s entering into the CMc Contract and to authorize the designated officers of the Corporation to undertake further steps necessary to complete the Project, all as more particularly set forth below:

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Board hereby reaffirms its findings and declarations made in the Prior Resolutions and ratifies and confirms all actions heretofore taken by the Treasurer of the Corporation and his delegates in connection with advancing the Project to the CMc Contract award phase, including without limitation the selection of the Messer Construction/Powers & Sons joint venture as CMc for the Project and the negotiation with them of the GMP and other terms and conditions of the CMc Contract.

2. The CMc Contract (including the GMP of $71,000,000 set forth therein), is hereby authorized and approved, and the Treasurer is hereby authorized and empowered: (i) to execute such agreement containing the GMP and such other terms and conditions as the Treasurer may approve in his discretion and consistent with the CMc Statute (with his signature on such agreement to be conclusive evidence of his approval), and (ii) to deliver such agreement on behalf of the Corporation.

3. In order to provide funds with which to complete the Project, the Treasurer of the Corporation is hereby authorized, under the authority of this Resolution, and without the need for further authorization from the Board, to use proceeds from bonds or other obligations of the Corporation in an amount up to the total authorized Project cost, which is hereby set and approved at $90,000,000 (the “Authorized Cost Level”); provided, that the Treasurer is also authorized and empowered to use, either as funding to supplement and replace a portion of the above-referenced bond proceeds (up to the Authorized Cost Level) or to cover the financing costs thereof: (a) funds from Purdue University Housing and Food Services reserves, and (b) funds from gifts to the Honors College (to the extent available), with the latter backstopped by institutional reserves or unrestricted institutional gifts.

4. The Board hereby authorizes the financing of the Project, as further provided herein, subject to (i) the provisions for the financing thereof contained in IC 21-35-1, 21-35-3, 21-35-5 and 21-32-2 (collectively, the “Act”), (ii) the additional state approvals required by the Act, and (iii) the limitations as to costs which may be financed for said Project as set forth in the Act, so long as the principal amount of bonds or other obligations issued for the costs of said Project (excluding additional costs allowable for interest and financing charges, underwriter’s discount, debt service reserves, credit enhancement or bond or reserve insurance, or other incidental costs permitted by statute) does not exceed, in the aggregate, the Authorized Cost Level.

5. Accordingly, the Board hereby authorizes and directs the Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Legal Counsel and Assistant Legal Counsel of the Corporation, and each of them, on behalf of and in the name of the Corporation, to request and obtain all necessary approvals from the Indiana Commission for Higher Education, the Governor of the State of Indiana, the State Budget Committee and the State Budget Agency, as well as any other necessary government approvals, for the proposed design, acquisition, construction, equipping, furnishing and financing of the Project in the manner set forth herein.

6. The Board further authorizes and directs said officers of the Corporation, and each of them, as follows:
(a) If in their judgment it appears prudent, under then-current market conditions, said officers may obtain one or more series of interim, construction-period financings for the Project prior to the issuance of long-term bonds, or, in lieu thereof or in conjunction therewith, they may negotiate with commercial banks, trust companies or departments, or other lending or financial institutions, for the borrowing of funds on an interim basis, for the construction and related costs of said Project (or for one or more individual phases of said Project), in aggregate principal sums not exceeding any statutory limitations, on such terms as may be legally permissible and as said officers may determine to be in the best interests of Purdue University and of the Corporation; subject, however, to the prior approval of such interim financings and all related bonds, notes or other documents by the Treasurer of the Corporation.

(b) Subsequent to the obtaining of interim financing, or promptly upon any determination that the use of interim financing is not prudent, said officers shall commence negotiations with commercial banks, investment banking or underwriting firms, or other lending or financial institutions, and to undertake preparation of documents for the proposed permanent financing of said Project through the issuance and sale of one or more new series of fixed or variable rate student facilities system revenue bonds (covering all or less than all of said Project or a combination of all or less than all of said Project together with other properly authorized projects). Such proposed bonds are to be issued as additional First Lien Bonds under the existing Indenture of Trust dated as of January 1, 2003 (as heretofore amended and supplemented) between the Corporation and The Bank of New York Mellon Trust Company, N.A., ultimate successor in interest to Bank One Trust Company, National Association, as Trustee, relating to student facilities system revenue bonds under one or more proposed new supplements to such Indenture, to be prepared in connection with the proposed series of new bonds, all subject, however, to prior approval of the proposed terms and conditions of the proposed bonds and all of the documents related to the issuance and sale thereof by the Treasurer of the Corporation. The bonds may be issued in any denomination not greater than $100,000 with maturities not later than 30 years from the date of issuance, may be sold at a negotiated sale as provided by IC 21-32-3, and may bear interest payable at any interval or intervals not exceeding one year. The Treasurer is authorized to grant the approvals described in this Section 6(b), to execute, sell and deliver, or to authorize the execution, sale and delivery of any such bonds and to delegate to said officers of the Corporation such authority to determine and fix the final terms and conditions of the fixed or variable rate transaction as, in his sole discretion, the Treasurer deems appropriate.

7. The Board hereby reaffirms its official intent, pursuant to applicable Treasury Regulations, to plan, design, acquire, construct, equip and furnish the Project and to reimburse certain costs of design, acquisition, construction, equipping and furnishing of said Project with the proceeds of debt to be incurred by the Corporation with respect to said Project and to issue debt not in excess of the Authorized Cost Level for the Project as set forth in this Resolution and as otherwise limited or permitted by applicable statues.

8. Consistent with the authority granted in the Prior Resolutions and in this Resolution, the Treasurer is hereby authorized and empowered, for and on behalf of the
Corporation as a “public agency” under the CMc Statute, to take such further actions with regard to the CMc and/or CMc Contract as are authorized or prescribed by the CMc Statute, including without limitation the approval of work to be performed directly by the CMc (if any), the approval of payment and performance bonds, and the establishment of any written criteria (if applicable) for subcontract awards to be made on the Project.

9. The Treasurer is further authorized and empowered to delegate to one or more officers and representatives of the Corporation or of Purdue University 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 and in the Prior Resolutions.

10. The Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Legal Counsel, Assistant Legal Counsel, Secretary and Assistant Secretary of the Corporation, and the 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 and in the name of the Corporation, or of Purdue University, to take all necessary and proper actions to carry 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.