

ADMINISTRATIVE OPERATIONS

TO: Members of the Board of Trustees  
FR: Michael B. Cline, Senior Vice President for Administrative Operations  
DATE: June 3, 2019  
RE: Approval to Plan, Finance, Construct, and Award Construction Contract for the Veterinary Medicine Teaching Hospital

**Attachments:**

- Resolution
- Exhibit A: Veterinary Medicine Teaching Hospital Site Plan

**Project Description:**

- This project will construct a new Veterinary Medicine Teaching Hospital that consists of a 78,500 GSF equine hospital, a 62,000 GSF small animal hospital and a 24,000 GSF farm animal hospital.
- The facility will be located on the south end of the West Lafayette campus adjacent to the existing Lynn Hall of Veterinary Medicine, which will continue to be occupied by the College of Veterinary Medicine upon completion of the new facilities.
- The new hospitals will house receiving, waiting rooms, exam rooms, surgery, anesthesia, radiology, cardiology, physiology, physical therapy, internal medicine, ophthalmology, soft tissue, orthopedics, intensive care unit, intermediate care, therio, recovery and supply space.
- Project delivery method: Construction Manager as Constructor
- Guaranteed Maximum: Price delivery: January 2020
- Construction start: March 2020
- Construction completion: December 2021

**Project Benefits:**

- The new Veterinary Medicine Teaching Hospital will meet the standards of accreditation by the American Veterinary Medical Association Council on Education, provide state-of-the-art facilities and teaching environments and have the capability to remain adaptive to technology advancements in veterinary medicine.
- The new facilities provide the opportunity for an increased class size (from 84 to 120), caseload growth, greater teaching opportunities and additional clinical revenue for hospital operation.

**Project Cost and Funding:**

- Estimated Total Project Cost: \$108,000,000
- Sources of Funds:
  - Fee Replaced Debt: \$73,000,000
  - Operating Funds-Reserves: \$30,000,000
  - Gift Funds: \$5,000,000

c: Chairman Mike Berghoff  
President Mitch Daniels  
Treasurer Bill Sullivan  
Provost Jay Akridge  
Assistant Treasurer Jim Almond  
Corporate Secretary Janice Indrutz  
Legal Counsel Steve Schultz

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

- 1. DECLARING THE NECESSITY FOR WEST LAFAYETTE CAMPUS PROJECTS IDENTIFIED AS THE:
  - a. ENGINEERING AND POLYTECHNIC GATEWAY BUILDING; AND**
  - b. COLLEGE OF VETERINARY MEDICINE TEACHING HOSPITAL;****
- 2. APPROVING SAID PROJECTS AND THE CONSTRUCTION AND FINANCING THEREOF PURSUANT TO THE AUTHORIZATION CONTAINED IN PUBLIC LAW 108-2019, SUBJECT TO THE PROVISIONS CONTAINED THEREIN AND IN OTHER APPLICABLE STATUTES;**
- 3. AUTHORIZING THE TREASURER TO EXPEND ADDITIONAL CORPORATION FUNDS TO SUPPLEMENT THE PROJECT BUDGETS FOR SAID PROJECTS;**
- 4. AUTHORIZING CERTAIN OFFICERS OF THE CORPORATION TO REQUEST ALL NECESSARY STATE APPROVALS FOR THE PROJECTS;**
- 5. AUTHORIZING CERTAIN OFFICERS OF THE CORPORATION TO NEGOTIATE FOR AND OBTAIN INTERIM AND/OR PERMANENT FINANCING FOR THE PROJECTS, SUBJECT TO ALL STATUTORY PROVISIONS AND SUBJECT TO THEIR PRIOR APPROVAL BY THE TREASURER OR ASSISTANT TREASURER; AND**
- 6. DECLARING OFFICIAL INTENT TO REIMBURSE CERTAIN PROJECT COSTS WITH BOND PROCEEDS**

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**WHEREAS**, Article VII, Section 1 of the Bylaws of the Corporation sets forth the various authorizations required for contracts and instruments that, by virtue of the level of expenditure involved, require approval of the Board of Trustees (the “Board”), the Board’s Physical Facilities Committee (the “Committee”), and/or the Treasurer (“Treasurer”) of the Corporation; and

**WHEREAS**, although not expressly required by Article VII, Section 1 of the Bylaws, the Board and the Committee have from time to time granted the respective approvals required of them at separate stages of a project or transaction, including the planning, finance and construction, and contract award stages, thus resulting in the need to consider the project or transaction multiple times over the course of several meetings; and

**WHEREAS**, the Board has considered the potential efficiencies, time savings, market timing opportunities and other benefits to be derived from a single, comprehensive authorization and approval granted at the early stage of a project or transaction, pursuant to which the appropriate officers of the Corporation would be delegated the full authority to take the project or transaction through the contract award stage, thus avoiding the need to revisit an already-approved project or

transaction at later meetings unless changes in project scope or funding composition necessitate a supplemental or amendatory resolution; and

**WHEREAS**, the Indiana General Assembly, by Public Law 108-2019 (the “Act”) authorized the Corporation to issue and sell bonds under IC 21-34 in support of the facilities on its West Lafayette campus hereinafter described as the Engineering and Polytechnic Gateway Building and the College of Veterinary Medicine Teaching Hospital (the “Projects”), subject to the additional approvals required by IC 21-33-3, so long as the proceeds of any such bond issues (excluding additional costs allowable for interest and financing charges, debt service reserves, credit enhancement and bond or reserve insurance, or other incidental costs or other additional costs permitted by statute) do not exceed:

- a. Engineering and Polytechnic Gateway Building: \$60,000,000; and
- b. College of Veterinary Medicine Teaching Hospital: \$73,000,000; and

**WHEREAS**, the Corporation expects to issue debt for the purpose of paying or reimbursing all or a portion of the costs of planning, acquiring, constructing, furnishing or equipping said Projects; and

**WHEREAS**, the Board, at its July 24, 2017 meeting, previously approved the use of University Funds - Central Reserve (\$30,000,000) and University Gift Funds (\$5,000,000) for an initial \$35,000,000 phase of the College of Veterinary Medicine Teaching Hospital; and

**WHEREAS**, the Board of Trustees of the Corporation now desires to affirm and declare the necessity for and approve said Projects and the construction project budgets; and to authorize the designated officers of the Corporation to undertake necessary steps for the planning, acquisition, construction, furnishing, equipping and financing of said Projects, all as more particularly set forth below;

**NOW, THEREFORE, it is hereby RESOLVED** by the Board of Trustees of the Corporation as follows:

1. The Board hereby finds and declares that a necessity exists for the planning, funding, construction, furnishing, equipping, and financing of each of the Projects, as well as for the awarding of one or more contracts for the completion of each such Project.

2. The Board hereby approves said Projects and their construction budgets as set forth below:

- a. Engineering and Polytechnic Gateway Building: \$80,000,000; and
- b. College of Veterinary Medicine Teaching Hospital: \$108,000,000

(respectively the “Authorized Cost Level”) and authorizes the planning, acquisition, construction, furnishing, equipping and financing thereof, as further provided herein, subject to the specific legislative authorization of said Projects and provisions for the

financing thereof contained in the Act and IC 21-34, and subject to the additional state approvals required and to the limitations as to costs which may be financed for said Projects, all as set forth in said Act.

3. The Board further authorizes and directs the Treasurer or Assistant Treasurer of the Corporation to supplement the legislatively authorized bond proceeds available for the Engineering and Polytechnic Gateway Building by expending an additional \$20,000,000 from University Funds-Central Reserves and University Gift Funds, and for the College of Veterinary Medicine Teaching Hospital by expending an additional \$35,000,000 from University Funds-Central Reserves and University Gift Funds (as previously approved by the Board at its July 24, 2017 meeting) to support the construction project budgets established above.

4. For purposes of Article VII, Section 1(c) of the Bylaws, no change orders in connection with either of the above-referenced Projects shall require further Board or Committee authorization and approval unless and until such a change order, together with all other change orders previously authorized, approved and executed by the Treasurer or Assistant Treasurer, causes the aggregate amount of expenditures incurred for such Projects to exceed the Authorized Cost Level for such Project (it being understood that any change order or any other action that would cause such Authorized Cost Level to be exceeded must, before it is given effect, receive the express prior approval of the Committee and the Board).

5. The Board further authorizes and directs said officers of the Corporation, and each of them, as appropriate, as follows:

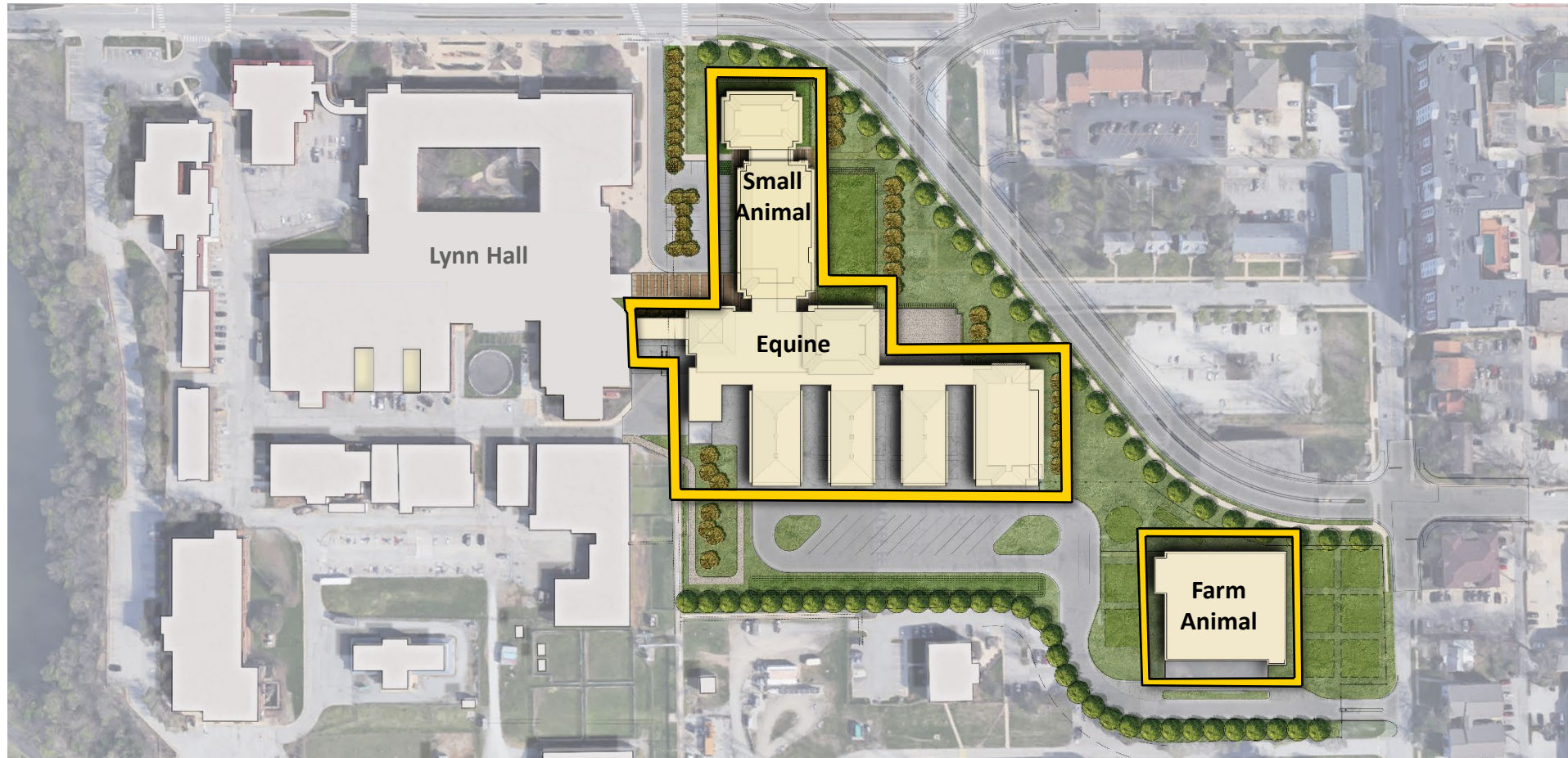
- a. If in their judgment it appears prudent, under then-current market conditions, said officers may obtain one or more series of interim, construction-period financing prior to the issuance of long-term bonds, to negotiate with commercial banks, trust companies or departments, or other lending or financial institutions, for the borrowing of funds on an interim basis, for the construction and related costs of said Projects (individually or in combination with other authorized projects), in aggregate principal sums (with respect to each Project) 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 or Assistant 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, and only with respect to the legislatively authorized amounts described above, to 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 Projects through the issuance and sale of one or more

new series of bonds (covering all or less than all of said Project or a combination of all or less than all of said Projects together with other properly authorized projects). Such proposed bonds are to be issued as additional Bonds under the existing Trust Indenture dated July 1, 1985 (Amended and Restated as of May 1, 1996), as heretofore amended and supplemented between the Corporation and the Bank of New York Mellon Trust Company, National Association (as successor in interest to Bank One Trust Company, National Association), as Trustee, relating to student fee bonds under one or more proposed new supplements to such Trust 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 or Assistant Treasurer of the Corporation. Pursuant to IC 21-38-3-2 the Board hereby delegates to the Treasurer and Assistant Treasurer, and each of them, the authority to approve: (1) the general terms and conditions of the bond issue; (2) the final principal amount (subject to the limitations established herein), maturities, denominations, interest rates, interest payment dates, security, prices, manner of sale and other necessary terms of said bonds; (3) the issuance of said bonds in one or more series; and (4) the form of all indentures, agreements and other documents and instruments relating to the Projects and the issuance and sale of said bonds. The Treasurer and Assistant Treasurer, and each of them, is further authorized to approve the execution, sale and delivery of said bonds and such indentures, agreements and other documents, and to determine and fix the final terms and conditions of the transaction and the Treasurer and above designated officers, and each of them, are authorized and directed to execute said bonds and all documents in connection therewith in the name of the Corporation as, in such officer's discretion, such officer deems appropriate.

6. The Board hereby declares the Corporation's official intent, pursuant to applicable Treasury Regulations, to plan, design, acquire, construct, renovate, remodel, equip and furnish said Projects and to reimburse certain costs of design, planning, acquisition, construction, equipping and furnishing of said Projects with the proceeds of debt to be incurred by the Corporation with respect to said Projects and to issue debt not in excess of the maximum amounts for said Projects as set forth in specific legislative authorization of said Projects, this Resolution and as otherwise limited or permitted by applicable statutes.

7. The Chairman, Vice Chairman, Treasurer, Assistant Treasurer, Legal Counsel, Assistant Legal Counsel, Secretary and Assistant Secretary of the Corporation, and the Treasurer and Chief Financial Officer and the Senior Vice President 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 Corporation, or of Purdue University, to: (a) request any necessary approvals (if not already obtained and to the extent not otherwise provided in this Resolution) of the Indiana Commission for Higher Education, the Governor of the State of Indiana, the State Budget Committee and the State Budget Agency for the actions hereinabove authorized, as well as such

other governmental approvals as may be required by law; and (b) execute and deliver any and all documents and instruments and 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. All acts of said officers in conformity with the intent and purposes of this Resolution, whether taken before or after this date, are ratified, confirmed, approved and adopted as the acts of this Corporation.



**EXHIBIT A**  
**VETERINARY MEDICINE**  
**TEACHING HOSPITAL SITE PLAN**

**05/07/19**

West Lafayette campus