

May 19, 2015

The Honorable Michael R. Pence
Governor of the State of Indiana
State House
Indianapolis, IN 46204

Dear Governor Pence:

At its meeting on April 10, 2015, the Purdue University Board of Trustees approved the purchase of a 15+ acre portion of Dowling Park from the City of Hammond. This park is located 1.25 miles east of the Purdue University Calumet Campus.

The portion of Dowling Park to be purchased features an outdoor sports complex utilized by Purdue Calumet athletic programs. The Calumet campus has no outdoor facilities for athletic or intramural programs and is landlocked. Nonetheless, the Athletics Department currently offers 210 student athletes the opportunity to participate in twelve sports. Home games for field sports are hosted at facilities rented from nearby high schools. The fenced Dowling Park outdoor sports complex includes all-weather synthetic fields for baseball, softball and soccer, each designed specifically for collegiate competition in addition to tennis courts, spectator seating, a concession stand, restrooms and a service building.

The City of Hammond is offering the specified portion of the park property and all improvements for \$3,500,000 and limited consideration for use of the park over a 20-year period. This purchase will be funded from the Capital Planning Reserve.

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 which 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 you may wish.

Sincerely,



William E. Sullivan
Treasurer and Chief Financial Officer

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Attachments

c: Matt Hawkins, Associate Commissioner and Chief Financial Officer
Brian Bailey, State Budget Director
Kendra Cooks, Comptroller
Kevin Green, Assistant Director of Capital Planning

**PROJECT SUMMARY AND DESCRIPTION
FOR: DOWLING PARK PURCHASE**

Institution:	Purdue University	Budget Agency Project No.:	B-2-15-3-19
Campus:	Calumet	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 Summary Description:

The City of Hammond is offering, for acquisition, a 15+ acre portion of Dowling Park, featuring an outdoor sports complex utilized by Purdue Calumet athletic programs. The Calumet campus has no outdoor facilities for athletic or intramural programs and is landlocked. Nonetheless, the Athletics Department currently offers 210 student athletes the opportunity to participate in twelve sports. Home games for field sports are hosted at facilities rented from nearby high schools. The City of Hammond is offering the specified portion of the park property and all improvements for \$3,500,000 and limited consideration for use of the park over a 20-year period and the value of the university managing the facility.

Summary of the impact on the educational attainment of students at the institution:

Purdue Calumet has a flourishing intramural program with over 1,000 participants in addition to the 210 student athletes that look for the thrill of competition as well as physical and mental wellness. The retention rate for student athletes, from freshmen to sophomore year is nearly 10 percent higher. Additionally, the average GPA for our athletes has been above 3.0 for several semesters, while exceeding the university average for the same period. The athletic facilities at Dowling Park including state of the art baseball, softball, soccer and tennis venues will allow us to achieve our university mission of recruitment, retention and ultimately graduation of our students.

Project Size:	2,034 GSF	850 ASF	0.42 ASF/GSF
Net change in overall campus space:	2,034 GSF	850 ASF	

Total cost of the project (1):	\$ 3,500,000	Cost per ASF/GSF:	N/A GSF
			N/A ASF

Funding Source(s) for project (2): \$ 3,500,000 Capital Planning Reserve, fund balance is \$59,552.462 as of 5/15/15

Estimated annual debt payment (4): N/A

Are all funds for the project secured: Yes

Estimated annual change in cost of building operations based on the project: \$ 172,383

Estimated annual repair and rehabilitation investment (3): \$ 187,500

(1) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)
 (2) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)
 (3) 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
 (4) If issuing debt, determine annual payment based on 20 years at 5.75% 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
FOR: DOWLING PARK PURCHASE**

Institution:	Purdue University	Budget Agency Project No.:	B-2-15-3-19
Campus:	Calumet	Institutional Priority:	N/A

Description of Project

In December 2014, Chancellor Keon (Purdue Calumet) presented a proposal to the Purdue Board of Trustees to acquire a 15+ acre portion of Dowling Park featuring an outdoor sports complex utilized by Purdue Calumet athletic programs from the City of Hammond. Located 1.25 miles east of campus, the fenced Dowling Park outdoor sports complex includes all weather synthetic fields for baseball, softball and soccer, each designed specifically for collegiate competition in addition to tennis courts, spectator seating, a concession stand, restrooms and a service building. The City of Hammond is offering the specified portion of the park property and all improvements for \$3,500,000 and limited consideration for use of the park over a 20-year period and the value of the university managing the facility.

Need and Purpose of the Program

Purdue University Calumet has expanded intercollegiate athletics and intramural sports to enhance student life and build the campus community. Our changing undergraduate students are now overwhelmingly full time and largely of traditional age. As such, they prefer opportunities to engage in a full complement of campus activities and programs including intramurals and varsity athletics. Purdue Calumet's athletic program also advances its core mission by enabling the athletic department to recruit, retain and graduate more degree-persistent students. The retention rate from freshmen to sophomore year is nearly 10 percent higher for our student athletes compared to the student body as a whole. Additionally, the average GPA for our student athletes has been above 3.0 for several semesters, while exceeding the university average GPA for the same period. The varsity athletic program has 210 participants and the intramural programs have over 1,000 participants...both with numerous fan supporters, which creates an nurturing campus environment and strong community pride. This pride helps strengthen the bond between the City of Hammond and the university.

Space Utilization

The acquisition of Dowling Park adds 15+ acres to Purdue Calumet's land inventory; but, the athletic fields and associated improvements are the first of its kind at Purdue Calumet.

Comparable Projects

There are no comparable athletic complex purchases.

Background Materials

Attached are supporting exhibits.

**CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Dowling Park Purchase**

B-2-15-3-19	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
<u>A. OVERALL SPACE IN ASF</u>							
Classroom (110 & 115)	62,344	-	-	62,344	-	-	62,344
Class Lab (210,215,220,225,230,235)	101,575	-	-	101,575	-	-	101,575
Non-class Lab (250 & 255)	19,730	-	-	19,730	-	-	19,730
Office Facilities (300)	178,969	-	-	178,969	-	68	179,037
Study Facilities (400)	53,568	-	-	53,568	-	-	53,568
Special Use Facilities (500)	43,053	-	-	43,053	-	339	43,392
General Use Facilities (600)	80,590	-	-	80,590	-	443	81,033
Support Facilities (700)	302,900	-	-	302,900	-	-	302,900
Health Care Facilities (800)	1,314	-	-	1,314	-	-	1,314
Resident Facilities (900)	165,242	-	-	165,242	-	-	165,242
Unclassified (000)	6,718	-	-	6,718	-	-	6,718
<u>B. OTHER FACILITIES</u>							
(Please list major categories)				-			-
TOTAL SPACE	1,016,003	-	-	1,016,003	-	850	1,016,853

Notes:

(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

(2) Should include capital projects requested by the institution based on 2013-15 Capital Request Summary

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

Space under construction includes:

Space planned and funded includes:

Space to be terminated includes:

**CAPITAL PROJECT COST DETAILS
FOR: DOWLING PARK PURCHASE**

Institution:	Purdue University	Budget Agency Project No.:	B-2-15-3-19
Campus:	Calumet	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

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
<u>Planning Costs</u>			
a. Engineering			\$ -
b. Architectural			\$ -
c. Consulting			\$ -
<u>Construction</u>			
a. Structure			\$ -
b. Mechanical (HVAC, plumbing, etc.)			\$ -
c. Electrical			\$ -
<u>Movable Equipment</u>			\$ -
<u>Fixed Equipment</u>			\$ -
<u>Site Development/Land Acquisition</u>			\$ 3,500,000
<u>Other (Please list)</u>			\$ -
TOTAL ESTIMATED PROJECT COST		\$ -	\$ 3,500,000

(1) Cost Basis is based on current cost prevailing as of: (April 2015)

(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
FOR: DOWLING PARK PURCHASE**

Institution:	Purdue University	Budget Agency Project No.:	B-2-15-3-19
Campus:	Calumet	Institutional Priority:	N/A

		GSF OF AREA AFFECTED BY PROJECT			653,400
ANNUAL OPERATING COST(1)					
	Cost per GSF	Total Operating Cost	Personnel Services	Supplies and Expenses	
1. Operations	\$0.24	\$159,283	\$143,273	\$16,010	
2. Maintenance	\$0.00	\$700		\$700	
3. Fuel	\$0.00	\$0			
4. Utilities	\$0.02	\$11,200		\$11,200	
5. Other	\$0.00	\$1,200		\$1,200	
TOTAL ESTIMATED OPERATIONAL COST	\$0.26	\$172,383	\$143,273	\$29,110	

Description of any unusual factors affecting operating and maintenance costs.

The site is 15 acres...which computes to 653,400 GSF.

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