



Office of the Chief Financial Officer and Treasurer

May 14, 2020

The Honorable Eric J. Holcomb
Governor of the State of Indiana
Statehouse
Indianapolis, IN 46204

Dear Governor Holcomb:

At its meeting on April 2, 2020, the Purdue University Board of Trustees approved the purchase of 225 acres of land at N 375 W, West Lafayette from McKinnis Farm Corporation.

The farm land being purchased is located immediately east of the Agronomy Center for Research and Education (ACRE) and the Animal Sciences Research and Education Center (ASREC). This purchase will expand ACRE and ASREC from 2,900 acres to 3,125 acres, an overall increase of approximately 8%.

The total cost of this purchase is \$3,000,000, which is less than the appraised value of the land. The funding sources include \$1,839,445 of Gift Funds, \$660,555 of Operating Funds-Reserves and \$500,000 of Operating Funds.

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 'CAG'.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Alexa Deaton, Chief Financial Officer, Indiana Commission for Higher Education
Jasmine Williams, Director of Finance, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Andy Cummings, Assistant Director, Indiana State Budget
Kathleen Thomason, Comptroller, Purdue University
Susan Brock Williams, Director, Government Relations, Purdue University

PROJECT COST SUMMARY
Land Purchase at N 375 W, West Lafayette

Institution:	<u>Purdue University</u>		Budget Agency Project No.:	B-1-20-3-15										
Campus:	<u>West Lafayette</u>		Institutional Priority:	<u>No</u>										
Previously approved by General Assembly:		<u>No</u>	Previously recommended by CHE:		<u>No</u>									
Part of the Institution's Long-term Capital Plan:														
Project Size: 0 GSF (1) 0 ASF (2) 0 ASF/GSF														
Net change in overall campus space: 0 GSF 0 ASF														
Total cost of the project (3):		\$ 3,000,000	Cost per ASF/GSF:		0 GSF									
Total cost of the demolition:		\$ -			0 ASF									
Funding Source(s) for project (4):		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Amount</th> <th style="width: 50%;">Type</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">\$ 1,839,445</td> <td style="padding: 5px;">Gift Funds</td> </tr> <tr> <td style="padding: 5px;">\$ 660,555</td> <td style="padding: 5px;">Operating Funds - Reserves</td> </tr> <tr> <td style="padding: 5px;">\$ 500,000</td> <td style="padding: 5px;">Operating Funds</td> </tr> </tbody> </table>	Amount	Type	\$ 1,839,445	Gift Funds	\$ 660,555	Operating Funds - Reserves	\$ 500,000	Operating Funds				
Amount	Type													
\$ 1,839,445	Gift Funds													
\$ 660,555	Operating Funds - Reserves													
\$ 500,000	Operating Funds													
Estimated annual debt payment (6):		0												
Are all funds for the project secured:		<u>Yes</u>												
Project Funding:														
Project Cost Justification														
The land is being purchased for less than the appraised value of \$3,113,000.														
Estimated annual change in cost of building operations based on the project:														
Estimated annual repair and rehabilitation investment (5):														

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

Land Purchase at N 375 W, West Lafayette

Institution:	Purdue University	Budget Agency Project No.:	B-1-20-3-15
Campus:	West Lafayette	Institutional Priority:	No

Description of Project

The purchase will include 225 acres of land located immediately east of the Agronomy Center for Research and Education (ACRE) and the Animal Sciences Research and Education Center (ASREC). Approximately 200 acres of the land are tillable, and the plot is flat and low sloping, which makes it ideal for agricultural research. The land will be used for agricultural research related to large-plot advanced robotics, autonomous vehicles and aerial work.

Need and Purpose of the Program

This purchase provides additional research space and expands ACRE and ASREC from 2,900 acres to 3,125 acres, an overall increase of approximately 8%. The fields are unobstructed, having no electrical transmission or cell towers, and lend themselves to research on large mechanical systems operations and large plot advanced robotics, which require more space to maneuver.

The large contiguous parcels allow Purdue to test various setback distances, which are required especially with open-pollinated crops, and the tract would improve the University's research space for the use of aerial sensors for phenomics projects.

The additional land will be able to take advantage of existing intra-field data communication, WiFi and fiber optic lines.

Currently, ACRE drainage water goes through this property in more than one place, and this purchase allows for the development of a more efficient drainage plan for the entire farm.

Space Utilization

ACRE is currently used by 50 researchers from three different colleges, eight academic departments and the USDA. The additional land will be helpful to their research and could provide space for additional researchers.

Comparable Projects

- McCarty Farm Purchase (2014)
 - Type: land purchase
 - Cost: \$1,850,000
 - Size: 148 acres of land
 - The 2014 purchase price of \$12,500/acre equates to about \$13,250/acre in 2020 dollars

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR LAND PURCHASE AT N 375 W, WEST LAFAYETTE

(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)				-			-
Class Lab (210,215,220,225,230,235)				-			-
Non-class Lab (250 & 255)				-			-
Office Facilities (300)				-			-
Study Facilities (400)				-			-
Special Use Facilities (500)				-			-
General Use Facilities (600)				-			-
Support Facilities (700)				-			-
Health Care Facilities (800)				-			-
Resident Facilities (900)				-			-
Unclassified (000)				-			-
B. OTHER FACILITIES							
(Please list major categories)				-			-
TOTAL SPACE	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CAPITAL PROJECT COST DETAILS

Purchase Land at N 375 W, West Lafayette

Institution: **Purdue University**
Campus: **West Lafayette**

Budget Agency Project No.: **B-1-20-3-15**
Institutional Priority: **No**

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

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

CAPITAL PROJECT OPERATING COST DETAILS

Purchase Land at N 375 W, West Lafayette

<u>Institution:</u>	Purdue University	<u>Budget Agency Project No.:</u>	B-1-20-3-15
<u>Campus:</u>	West Lafayette	<u>Institutional Priority:</u>	No

GSF OF AREA AFFECTED BY PROJECT				N/A
---------------------------------	--	--	--	-----

ANNUAL OPERATING COST/SAVINGS (1)

	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses
1. Operations	#VALUE!	\$ -		
2. Maintenance	#DIV/0!	\$ -		
3. Fuel	#DIV/0!	\$ -		
4. Utilities	#DIV/0!	\$ -		
5. Other	#DIV/0!	\$ -		
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	N/A	N/A	N/A	N/A

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