



Office of the Chief Financial Officer and Treasurer

January 2, 2025

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

Dear Governor Holcomb:

At its meeting on December 13, 2024, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for a new residence hall on the Purdue Northwest campus.

A new, three-story, approximately 42,000 gross square foot residence hall will be constructed at the intersection of 173rd Street and Woodmar Avenue in Hammond, Indiana. It will include 150 beds for freshmen and lower division students through pod-style, single and double occupancy rooms.

The new residence hall will promote academic success for residents, eliminate the existing housing waitlist and accommodate continued enrollment growth and a planned Athletics expansion to provide campus housing for more student athletes – who are currently the largest group living in student housing.

The estimated total project cost is \$29,000,000 and will be fully funded by Non-Fee Replaced Debt – Auxiliary Housing/Dining.

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 'C. Ruhl', written over a horizontal line.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Joe Habig, Deputy Director and Acting State Budget Director, Indiana State Budget Agency
Cody Wilson, Division Director, Indiana State Budget Agency
Kay Parker, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

PROJECT COST SUMMARY
New Residence Hall

Institution:	Purdue University	Budget Agency Project No.:	B-7-25-1-11
Campus:	Northwest	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 Size:	42,000	22,870 ASF (2)	0.54 ASF/GSF
Net change in overall campus space:	42,000 GSF	22,870 ASF	

Total cost of the project (3):	\$ 29,000,000	Cost per ASF/GSF:	\$ 690.48 GSF
Total cost of the demolition:	\$ -		\$ 1,268.04 ASF
Funding Source(s) for project (4):	Amount	Type	
	\$ 29,000,000	Non-Fee Replaced Debt - Auxiliary Housing/Dining	
Estimated annual debt payment (6):	\$2,280,000		
Are all funds for the project secured:	Yes		

Project Funding:
The project is being fully funded by Non-Fee Replaced Debt - Auxiliary Housing/Dining, and funds are secured.

Project Cost Justification
This project's scope and cost are described more in the Capital Project Details section

Estimated annual change in cost of building operations based on the project:	\$ 379,020
Estimated annual repair and rehabilitation investment (5):	\$ 435,000

(1) Gross Square Feet (GSF)- Sum of all area within the exterior envelope of the structure.
(2) Assignable Square Feet (ASF)- Amount of space that can be used by people or programs within the interior walls of a structure. Assignable square feet is the sum of the 10 major assignable space use categories: classrooms, laboratories, offices, study facilities, special use facilities, general use facilities, support facilities, health care facilities, residential facilities and unclassified facilities. For information on assignable space use categories, see Space-Room Codes tab.
(3) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)
(4) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)
(5) 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
(6) If issuing debt, determine annual payment based on 20 years at 4.75% 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
New Residence Hall

Institution:	Purdue University	Budget Agency Project No.:	B-7-25-1-11
Campus:	Northwest	Institutional Priority:	N/A

Description of Project

This housing project will construct an approximately 42,000 GSF residence hall to be located at the northeast corner of 173rd Street and Woodmar Avenue on the Purdue University Northwest campus in Hammond, IN. It will be comprised of 150 beds across three stories configured for freshmen and lower division students. The residence hall will include residential support spaces, including a common kitchen, laundry facilities, study areas and lounge. Room configurations will include a combination of pod-style, single and double occupancy rooms.

Need and Purpose of the Program

Purdue Northwest (PNW) has been experiencing increased demand for student housing and has had a waitlist for several years. Between 2019-2024, campus housing demand has increased 15%. This is because more in-state students want to live on campus for a more traditional college experience. Also, the number of enrolled out-of-state and international students has increased for the past several years. The number of undergraduate out-of-state students has increased 8% from 717 in fall 2019 to 776 in fall 2024 (projected to be 782 for fall 2025). Undergraduate international student enrollment nearly doubled at 84% growth from 135 students in fall 2020 to 248 in fall 2024 (projected to be 280 for fall 2025; a 13% increase from fall 2024). To help address the housing waitlist, 64 total single occupant rooms were converted to doubles in fall 2023 and fall 2024. While this was beneficial in reducing the waitlist, a small waitlist still remains. Upon completion, the new residence hall will eliminate the housing waitlist and address the current need.

The new residence hall is intended for freshmen and lower division students, and the availability will promote academic success among these students. Currently, freshmen who live in campus housing earn higher GPAs than that of the student body as a whole, and the GPA of that group has increased each of the last three years.

Student athletes are the largest group utilizing campus housing, and current capacity will not accommodate a planned Athletics expansion. Today, there are 509 student athletes at PNW, and 277 live in campus housing. An additional 275 student athletes are expected to enroll at PNW over the next five years with 50% estimated to desire on-campus housing. PNW student athletes consistently earn higher GPAs than the rest of the student body as a whole. In the spring 2024 semester, student athletes achieved a cumulative team GPA of 3.20. This is the 17th consecutive semester with over a 3.0 GPA. The top five teams with the highest GPAs are volleyball (3.73 team GPA), men's soccer (3.55), softball (3.51), women's golf (3.50) and women's soccer (3.47).

Expansion of on-campus housing capacity supports ongoing recruiting of students beyond Northwest Indiana.

This project is consistent with the campus master plan.

Space Utilization

The project will add 150 beds to the current PNW housing inventory through more than 18,000 ASF of residential space. In addition, the facility will provide almost 3,000 ASF of general use space and over 1,000 ASF of student study space.

The existing PNW housing inventory allows for 314 GSF/bed (Peregrine Hall) and 337 GSF/bed (Griffin Hall), and the proposed additional housing allows for 242 GSF/bed.

Comparable Projects

- Residence Hall South of Hillenbrand Hall, West Lafayette (BOT approved Aug. 2023)
- o \$149,000,000
 - o 252,525 GSF
 - o \$590/GSF
 - o New construction of an eight-story residence hall with 896 pod-style beds and renovations and expanded seating in the existing dining area
 - o The residence hall south of Hillenbrand Hall in West Lafayette is more than 210,000 GSF larger than the proposed facility in Hammond. It included five more stories and provided significantly more beds while also including renovations to dining that this project does not. As a larger project, bulk pricing was procured for economies of scale, making it cheaper per square foot than the proposed project.
 - o Other reasons the proposed project has a higher cost/GSF than the comparable are continued rates of inflation for materials across the industry and market conditions in northwest Indiana compared to West Lafayette. There is currently a shortage of electrical and mechanical contractors in that area of the state. Soil conditions at the PNW site were less favorable than most at PWL, requiring additional foundation work.

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR New Residence Hall

(INSERT PROJECT TITLE AND SBA No.)	Current Campus Totals			Capital Request		Net Future Space
	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	
A. OVERALL SPACE IN ASF						
Classroom (110 & 115)	88,934	-	-	88,934	-	-
Class Lab (210,215,220,225,230,235)	147,295	-	-	147,295	-	-
Non-class Lab (250 & 255)	43,270	-	-	43,270	-	-
Office Facilities (300)	264,213	-	-	264,213	-	463
Study Facilities (400)	67,648	-	-	67,648	-	1,072
Special Use Facilities (500)	92,241	-	-	92,241	-	-
General Use Facilities (600)	124,140	-	-	124,140	-	2,994
Support Facilities (700)	286,866	-	-	286,866	-	-
Health Care Facilities (800)	-	-	-	-	-	-
Resident Facilities (900)	168,641	-	-	168,641	-	18,341
Unclassified (000)	5,477	-	-	5,477	-	-
B. OTHER FACILITIES (Please list major categories)						
TOTAL SPACE	1,288,725	-	-	1,288,725	-	22,870
						1,311,595

Notes:

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

(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

Space under construction includes:

- none at this time

Space planned and funded includes:

- Fitness and Recreation Center Roof Replacement

(1) Spaces to be terminated

(2) Space added as part of this project include

- PNW Woodmar Avenue Residence Hall

CAPITAL PROJECT COST DETAILS
New Residence Hall

Institution:	Purdue University	Budget Agency Project No.:	B-7-25-1-11
Campus:	Northwest	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date (GMP delivery)	April	2025
Start Construction	July	2025
Occupancy (End Date)	August	2026

ESTIMATED CONSTRUCTION COST FOR PROJECT

	<u>Cost Basis (1)</u>	<u>Estimated Escalation Factors (2)</u>	<u>Project Cost</u>
<u>Planning Costs</u>			
a. Engineering	\$ 1,000,000		N/A
b. Architectural	\$ 850,000		N/A
c. Consulting	\$ 200,000		N/A
<u>Construction</u>			
a. Structure (Civil)	\$ 13,500,000		N/A
b. Mechanical	\$ 6,500,000		N/A
c. Electrical	\$ 2,055,000		N/A
<u>Movable Equipment</u>	\$ 1,831,000		N/A
<u>Fixed Equipment</u>	\$ 200,000		N/A
<u>Site Development/Land Acquisition</u>	\$ -		N/A
<u>Other (PM fee, contingency, insurance, material testing)</u>	\$ 2,864,000		N/A
TOTAL ESTIMATED PROJECT COST	\$ 29,000,000	\$ -	N/A

(1) Cost Basis is based on current cost prevailing as of: (INSERT MONTH AND YEAR)

(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
New Residence hall

Institution:	Purdue University	Budget Agency Project No.:	B-7-25-1-11
Campus:	Northwest	Institutional Priority:	N/A

					<u>GSF OF AREA AFFECTED BY PROJECT</u>	42,000
<u>ANNUAL OPERATING COST/SAVINGS (1)</u>						
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses		
1. Operations	\$ 4.73	\$ 198,600	\$ 188,600	\$ 10,000		
2. Maintenance	\$ 1.55	\$ 64,920	\$ 49,920	\$ 15,000		
3. Fuel	\$ -	\$ -	\$ -	\$ -		
4. Utilities	\$ 2.75	\$ 115,500	\$ -	\$ 115,500		
5. Other	\$ -	\$ -	\$ -	\$ -		
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	\$ 9.02	\$ 379,020	\$ 238,520	\$ 140,500		

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

N/A

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