

January 15, 2020

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

Dear Governor Holcomb:

At its meeting on December 6, 2019, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for a Child Care Facility north of the Purdue West Lafayette campus.

This project includes the construction of a new, 16,600 GSF child care facility on a two-acre parcel adjacent to 2550 Northwestern Avenue in West Lafayette. The facility will be owned by Purdue and operated by a third-party vendor. It will serve 150 children with rooms specific to infants, toddlers and preschoolers. Each room includes meal preparation areas and bathrooms.

The new facility will provide additional capacity to help offset the closure of the Patty Jischke Early Care and Education Center, which will be demolished as part of the Discovery Park District development.

The estimated cost of this project is \$6,900,000 and will be funded with Operating Funds-Reserves.

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,



Christopher A. Ruhl  
Chief Financial Officer and Treasurer

Attachments

- c: Jasmine Williams, Director of Finance, Indiana Commission for Higher Education
- Zachary Jackson, Director, Indiana State Budget Agency
- Kathleen Thomason, Comptroller, Purdue University
- Susan Williams, Director, Government Relations, Purdue University

## PROJECT COST SUMMARY

Child Care Facility

|   |                          |                                   |                                       |                    |                                      |  |
|---|--------------------------|-----------------------------------|---------------------------------------|--------------------|--------------------------------------|--|
| <u>Institution:</u>   | <u>Purdue University</u> |                                   | <u>Budget Agency Project No.:</u>     | <u>B-1-20-1-11</u> |                                      |  |
| <u>Campus:</u>  | <u>West Lafayette</u>    |                                   | <u>Institutional Priority:</u>        | <u>N/A</u>         |                                      |  |
| <u>Previously approved by General Assembly:</u>                                     |                          | <u>No</u>                         | <u>Previously recommended by CHE:</u> |                    |                                      | <u>No</u>  |
|   |                          |                                   |                                       |                    |                                      |  |
| <u>Part of the Institution's Long-term Capital Plan:</u>                            |                          |                                   |                                       |                    |                                      | <u>Yes</u>   |
|   |                          |                                   |                                       |                    |                                      |  |
| <u>Project Size:</u>  |                          |                                   |                                       |                    |                                      | <u>16,600</u> GSF (1) <u>12,470</u> ASF (2) <u>0.751204819</u> ASF/GSF |
| <u>Net change in overall campus space:</u>  |                          |                                   |                                       |                    |                                      | <u>16,600</u> GSF <u>12,470</u> ASF                                    |
|   |                          |                                   |                                       |                    |                                      |  |
| <u>Total cost of the project (3):</u>   |                          | <u>\$ 6,900,000</u>               | <u>Cost per ASF/GSF:</u>              |                    | <u>\$416</u> GSF<br><u>\$553</u> ASF |  |
| <u>Total cost of the demolition:</u>  |                          | <u>\$ -</u>                       |                                       |                    |                                      |  |
| <u>Funding Source(s) for project (4):</u>   |                          |                                   |                                       |                    |                                      |  |
|   | <u>Amount</u>            | <u>Type</u>                       |                                       |                    |                                      |  |
|   | <u>\$ 6,900,000</u>      | <u>Operating Funds - Reserves</u> |                                       |                    |                                      |  |
|   |                          |                                   |                                       |                    |                                      |  |
|   |                          |                                   |                                       |                    |                                      |  |
|   |                          |                                   |                                       |                    |                                      |  |
| <u>Estimated annual debt payment (6):</u>   |                          |                                   |                                       |                    |                                      | <u>N/A</u>   |
| <u>Are all funds for the project secured:</u>                                       |                          |                                   |                                       |                    |                                      | <u>Yes</u>   |
| <u>Project Funding:</u>   |                          |                                   |                                       |                    |                                      |  |
|   |                          |                                   |                                       |                    |                                      |  |
| <u>Project Cost Justification</u>   |                          |                                   |                                       |                    |                                      |  |
| The project is consistent with the project noted in the Comparable Project Section. |                          |                                   |                                       |                    |                                      |  |
|   |                          |                                   |                                       |                    |                                      |  |
| <u>Estimated annual change in cost of building operations based on the project:</u> |                          |                                   |                                       |                    |                                      | <u>\$ 95,172</u>   |
| <u>Estimated annual repair and rehabilitation investment (5):</u>                   |                          |                                   |                                       |                    |                                      | <u>\$ 103,500</u>  |
|   |                          |                                   |                                       |                    |                                      |  |

## PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

### Child Care Facility

|                     |                   |                                   |             |
|---------------------|-------------------|-----------------------------------|-------------|
| <u>Institution:</u> | Purdue University | <u>Budget Agency Project No.:</u> | B-1-20-1-11 |
| <u>Campus:</u>      | West Lafayette    | <u>Institutional Priority:</u>    | N/A         |

#### Description of Project

This project includes the construction of a new, approximately 16,600 GSF child care facility on the two acre parcel adjacent to 2550 Northwestern Avenue in West Lafayette. The facility will be owned by Purdue and operated by a third-party vendor.

The new facility will serve approximately 150 children with rooms specific to infants, toddlers, and preschoolers. Each room includes meal preparation areas, storage space and bathrooms. The exterior façade of the new facility will be similar to the Purdue University Early Care and Education Center (ECEC), located on West State Street, with minor interior changes.

#### Need and Purpose of the Program

The new child care facility will provide additional capacity to help offset the closure of the Patty Jischke Early Care and Education Center, which will be demolished as part of the Discovery Park District development. Currently the Patty Jischke Center serves 88 children with a waiting list of approximately 500 children.

The consolidation and revision of the University's operating agreement with a selected child care provider will generate revenue, including lease payments, to help offset the cost to construct the facility.

#### Space Utilization

Approximately 7,300 ASF will be lost when the Patty Jischke Early Care and Education Center is demolished (which will be done separately and is not a component of this project). Upon completion, the new Child Care Facility will consist of 12,470 ASF- a net increase of 5,170 ASF of child care space.

#### Comparable Projects

- Purdue University Early Care and Education Center (2015)
  - 16,400 GSF
  - \$5.3M
  - \$323/GSF
  - Facility was constructed by the Purdue Research Foundation with a capacity for 140 children

#### Background Materials

**CAPITAL PROJECT REQUEST FORM**  
**INDIANA PUBLIC POSTSECONDARY EDUCATION**  
**INSTITUTION CAMPUS SPACE DETAILS FOR CHILD CARE CENTER**

| CHILD CARE CENTER                   | Current Campus Totals    |                              |                              | Subtotal Current and Future Space | Capital Request            |                                  | Net Future Space  |
|-------------------------------------|--------------------------|------------------------------|------------------------------|-----------------------------------|----------------------------|----------------------------------|-------------------|
|                                     | Current Space in Use (3) | Space Under Construction (1) | Space Planned and Funded (1) |                                   | Space to be Terminated (1) | New Space in Capital Request (2) |                   |
| <b>A. OVERALL SPACE IN ASF</b>      |                          |                              |                              |                                   |                            |                                  |                   |
| Classroom (110 & 115)               | 330,369                  | 3,119                        |                              | 333,488                           |                            |                                  | 333,488           |
| Class Lab (210,215,220,225,230,235) | 624,324                  | 53,863                       | 94,154                       | 772,341                           |                            |                                  | 772,341           |
| Non-class Lab (250 & 255)           | 1,580,078                | 28,176                       | (14,063)                     | 1,594,191                         |                            |                                  | 1,594,191         |
| Office Facilities (300)             | 2,252,320                | 17,515                       | (28,073)                     | 2,241,762                         |                            | 1,285                            | 2,243,047         |
| Study Facilities (400)              | 381,012                  | 11,225                       | 7,003                        | 399,240                           |                            |                                  | 399,240           |
| Special Use Facilities (500)        | 1,247,377                |                              | (579)                        | 1,246,798                         |                            |                                  | 1,246,798         |
| General Use Facilities (600)        | 945,106                  | 45,900                       | 2,642                        | 993,648                           |                            | 11,185                           | 1,004,833         |
| Support Facilities (700)            | 2,940,123                | (365)                        | 121                          | 2,939,879                         |                            |                                  | 2,939,879         |
| Health Care Facilities (800)        | 116,291                  |                              | 89,901                       | 206,192                           |                            |                                  | 206,192           |
| Resident Facilities (900)           | 2,459,515                | 175,550                      |                              | 2,635,065                         |                            |                                  | 2,635,065         |
| Unclassified (000)                  | 295,004                  |                              |                              | 295,004                           |                            |                                  | 295,004           |
| <b>B. OTHER FACILITIES</b>          |                          |                              |                              |                                   |                            |                                  |                   |
| (Please list major categories)      |                          |                              |                              | -                                 |                            |                                  | -                 |
| <b>TOTAL SPACE</b>                  | <b>13,171,518</b>        | <b>334,983</b>               | <b>151,106</b>               | <b>13,657,607</b>                 | <b>-</b>                   | <b>12,470</b>                    | <b>13,670,077</b> |

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

Space under construction includes: STEM Teaching Lab Facility, ABE Renovation/Addition, Meredith South, Third Street North

Space planned and funded includes: Vet Med Teaching Hospital, Gateway Complex, Data Science, Purdue Bands & Orchestra, and 2550 Northwestern Ave.

(3) Current Space in Use has increased due to the addition of 2550 Northwestern Ave. and University Church buildings.

# CAPITAL PROJECT COST DETAILS

Child Care Facility

|                     |                   |                                   |             |
|---------------------|-------------------|-----------------------------------|-------------|
| <u>Institution:</u> | Purdue University | <u>Budget Agency Project No.:</u> | B-1-20-1-11 |
| <u>Campus:</u>      | West Lafayette    | <u>Institutional Priority:</u>    | N/A         |

## ANTICIPATED CONSTRUCTION SCHEDULE

|                      | Month   | Year |
|----------------------|---------|------|
| Bid Date             | April   | 2020 |
| Start Construction   | June    | 2020 |
| Occupancy (End Date) | January | 2021 |

## ESTIMATED CONSTRUCTION COST FOR PROJECT

|  | Estimated<br>Escalation | Cost Basis (1) | Factors (2)         | Project Cost |
|--|-------------------------|----------------|---------------------|--------------|
| <u>Planning Costs</u>                    |                         |                |                     |              |
| a. Engineering                           | \$ -                    | \$ -           |                     |              |
| b. Architectural                         | \$ 280,500              | \$ 280,500     |                     |              |
| c. Consulting                            |                         |                |                     | \$ -         |
| <u>Construction</u>                      |                         |                |                     |              |
| a. Structure                             | \$ 2,600,000            | \$ 2,600,000   |                     |              |
| b. Mechanical (HVAC, plumbing, etc.)     | \$ 524,000              | \$ 524,000     |                     |              |
| c. Electrical                            | \$ 205,000              | \$ 205,000     |                     |              |
| <u>Movable Equipment</u>                 | \$ 215,000              | \$ 215,000     |                     |              |
| <u>Fixed Equipment</u>                   | \$ 75,000               | \$ 75,000      |                     |              |
| <u>Site Development/Land Acquisition</u> | \$ 1,757,000            | \$ 1,757,000   |                     |              |
| <u>Other (Please list)</u>               | \$ 1,243,500            | \$ 1,243,500   |                     |              |
| <b>TOTAL ESTIMATED PROJECT COST</b>      | <b>\$ 6,900,000</b>     | <b>\$ -</b>    | <b>\$ 6,900,000</b> |              |

## CAPITAL PROJECT OPERATING COST DETAILS

Child Care Facility

|                     |                   |                                   |             |
|---------------------|-------------------|-----------------------------------|-------------|
| <u>Institution:</u> | Purdue University | <u>Budget Agency Project No.:</u> | B-1-20-1-11 |
| <u>Campus:</u>      | West Lafayette    | <u>Institutional Priority:</u>    | N/A         |

|  |  | <b>GSF OF AREA AFFECTED BY PROJECT</b> | 16,600 |
|--|--|--|--------|
| <b>ANNUAL OPERATING COST/SAVINGS (1)</b> |  |  |        |

|   | Cost per<br>GSF | Total<br>Operating<br>Cost | Personal<br>Services | Supplies<br>and<br>Expenses |
|---|-----------------|----------------------------|----------------------|-----------------------------|
| 1. Operations                                   | \$ 1.31         | <b>\$ 21,704</b>           | 20395                | 1309                        |
| 2. Maintenance                                  | \$ 3.29         | <b>\$ 54,648</b>           | 43188                | 11460                       |
| 3. Fuel   | \$ -            | \$ -                       | -                    | -                           |
| 4. Utilities                                    | \$ 1.13         | <b>\$ 18,820</b>           | 4083                 | 14737                       |
| 5. Other  | \$ -            | \$ -                       | -                    | -                           |
| <b>TOTAL ESTIMATED OPERATIONAL COST/SAVINGS</b> | <b>\$ 5.73</b>  | <b>\$ 95,172</b>           | <b>\$ 67,666</b>     | <b>\$ 27,506</b>            |

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