



Office of the Chief Financial Officer and Treasurer

April 14, 2022

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

Dear Governor Holcomb:

At its meeting on April 8, 2022, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Mackey Arena Locker Rooms Renovation on the West Lafayette campus.

This project includes the renovation of an approximately 11,800 assignable square feet in Mackey Arena to update and modernize men's and women's basketball locker rooms and the John Wooden Club. Technology, finishes, furnishings and layouts will be improved as part of this project.

Upon completion of this project, space will be used more efficiently; the team experience at Mackey arena will be improved, helping with student athlete recruitment and retention; and premium seat holders will enjoy an enhanced experience in the John Wooden Club.

The estimated total project cost is \$6,700,000, funded by Gift 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 'C. Ruhl', with a long horizontal line extending to the right.

Christopher A. Ruhl
Chief Financial Officer and Treasurer

Attachments

c: Seth Hinshaw, Chief Financial Officer, Indiana Commission for Higher Education
Zachary Jackson, Director, Indiana State Budget Agency
Jasmine Williams, Assistant Director, Indiana State Budget
Kathleen Thomason, Comptroller, Purdue University
Anne Hazlett, Senior Director, Government Relations, Purdue University

PROJECT COST SUMMARY
Mackey Arena Locker Rooms Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-22-2-11
Campus:	West Lafayette	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:	12,500 GSF (1)	11,828 ASF (2)	0.94624 ASF/GSF
Net change in overall campus space:	0 GSF	310 ASF	

Total cost of the project (3):	\$ 6,700,000	Cost per ASF/GSF:	536 GSF
Total cost of the demolition:	\$ -		566 ASF

Funding Source(s) for project (4):	Amount	Type
	\$ 6,700,000	Gift Funds

Estimated annual debt payment (6):	N/A
Are all funds for the project secured:	Yes

Project Funding:
This project is funded by Gift Funds, and all funds are secured.

Project Cost Justification
The project cost/GSF is similar to the effective cost/GSF of the project listed in the Comparable Project section. Justification is included in the Comparable Project section.

Estimated annual change in cost of building operations based on the project:	N/A
Estimated annual repair and rehabilitation investment (5):	\$ 100,500

(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

Mackey Arena Locker Rooms Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-22-2-11
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

This project will renovate approximately 9,700 ASF of men's and women's basketball locker room space and approximately 2,100 ASF in the existing John Wooden Club in the lower level of Mackey Arena on the West Lafayette campus.

Renovations will focus on updating and modernizing the layouts, technology, finishes and furnishings in all three spaces. Student athletes spend the majority of their time in the locker room and lounge areas, which are currently the smallest areas. This project will better allocate space based on its use.

The John Wooden Club is located adjacent to the court and offers a unique courtside view on game days. Available to premium seat holders, the Wooden Club offers additional amenities, including drinks and appetizers, during games. On non-game days, both basketball teams use the space for dining, and this renovation will allow for better space utilization, making the dual use space function better.

Need and Purpose of the Program

This project will result in a more efficient use of existing space and add new student athlete wellness amenities to both locker rooms, including space for post-game and practice recovery and a nutrition area to provide healthy snacks.

This project will enhance the team experience at Mackey Arena, which will help with student athlete recruitment and retainment.

Additionally, the renovations to the Wooden Club will result in a better experience for premium ticket holders on game days and allow for improved use by student athletes for dining on non-game days.

Space Utilization

With the renovation, 345 ASF of office space and a small portion of non-assignable public restroom space will be repurposed as general use lounge space, resulting in a net increase of 359 ASF of general use space. In the locker room area, existing structural space will be repurposed as special use space, resulting in a net increase of 296 special use ASF. These changes result in a net increase of campus space of 310 ASF.

Comparable Projects

Kozuch Football Performance Complex (2017)

- o 114,000 GSF
- o \$65,000,000
- o \$570/GSF

The Kozuch Football Performance Complex included the construction of a three-level addition to the Mollenkopf Athletic Center. It included a locker room, weight room, coaching offices, meeting rooms, player development room, equipment area and a space for sports medicine.

The Football Performance Complex included more square feet at a higher total cost, though the cost/GSF and type of work is similar to the proposed project. Both projects are athletic-centric and include locker room space.

Additionally, construction cost escalation in typical years is estimated by the market to be 4%. With supply chain issues and other global market conditions, 2020 showed escalation to be 15% and 2021 to be 20%. In looking at the Kozuch Football Performance Complex project in 2022 dollars, the cost/GSF would be higher than the proposed locker room renovation.

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Mackey Arena Locker Rooms Renovation

	Current Campus Totals			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)	
(INSERT PROJECT TITLE AND SBA No.)						
A. OVERALL SPACE IN ASF						
Classroom (110 & 115)	338,423	-	-			338,423
Class Lab (210,215,220,225,230,235)	745,937	86,679	-			832,616
Non-class Lab (250 & 255)	1,661,670	20,156	29,217			1,711,043
Office Facilities (300)	2,378,501	18,284	8,352	(345)		2,404,792
Study Facilities (400)	390,846	15,169	-			406,015
Special Use Facilities (500)	1,217,709	-	12,413		296	1,230,418
General Use Facilities (600)	987,864	15,462	2,562		359	1,006,247
Support Facilities (700)	2,871,393	(662)	-			2,870,731
Health Care Facilities (800)	208,803	-	-			208,803
Resident Facilities (900)	2,697,807	-	-			2,697,807
Unclassified (000)	20,868	-	-			20,868
B. OTHER FACILITIES (Please list major categories)						
TOTAL SPACE	13,519,820	155,088	52,544	(345)	655	13,727,762

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

Space under construction includes:

- Gateway Complex
- Purdue Bands & Orchestra Building
- Hypersonics Building
- Secure Data Research Project
- Child Care Center Building
- Schleman/Stewart Renovation

Space planned and funded includes:

- Whistler Mechanical Project
- Life Science Ranges Phenotyping Greenhouse Building
- Ross-Ade Stadium Renovation
- Zucrow High Speed Propulsion Lab

(2) Space added as part of this project includes special use (locker rooms) and general use (lounge) spaces.

CAPITAL PROJECT COST DETAILS
Mackey Arena Locker Rooms Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-22-2-11
Campus:	West Lafayette	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date (GMP delivery)	November	2022
Start Construction	March	2023
Occupancy (End Date)	October	2023

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	\$ 242,618		\$ 242,618
b. Architectural	\$ 363,927		\$ 363,927
c. Consulting	\$ 5,000		\$ 5,000
<u>Construction</u>			
a. Structure	\$ 2,527,271		\$ 2,527,271
b. Mechanical (HVAC, plumbing, etc.)	\$ 1,263,636		\$ 1,263,636
c. Electrical	\$ 1,263,636		\$ 1,263,636
<u>Movable Equipment</u>	\$ 250,000		\$ 250,000
<u>Fixed Equipment</u>			\$ -
<u>Site Development/Land Acquisition</u>			\$ -
<u>Other (PM fees, contingencies)</u>	\$ 783,912		\$ 783,912
TOTAL ESTIMATED PROJECT COST	\$ 6,700,000	\$ -	\$ 6,700,000

(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
Mackey Arena Locker Rooms Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-22-2-11
Campus:	West Lafayette	Institutional Priority:	N/A

GSF OF AREA AFFECTED BY PROJECT 12,500

ANNUAL OPERATING COST/SAVINGS (1)

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

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

[Redacted area]

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