



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 planning, financing, construction and award of construction contracts for the Purdue Memorial Union Ground Floor Renovation.

This project will improve the retail dining space within the union and will include the renovation of approximately 67,600 GSF of space, including 63,700 GSF in the union and 3,900 GSF in Stewart Center.

The project will also include the construction of two exterior terraces totaling approximately 11,600 GSF that will be located on the south end of the Purdue Memorial Union. This renovation will provide enhanced space for high quality dining options and increased seating capacity at a key destination on the West Lafayette campus.

The estimated total project cost is \$47,300,000. This includes \$37,300,000 in Auxiliary Funds-Housing/Dining and \$10,000,000 in 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 'C. Ruhl', written over a white background.

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
Purdue Memorial Union Ground Floor Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-20-2-16
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: 67,600 GSF (1) 67,600 ASF (2) 1 ASF/GSF

Net change in overall campus space: 0 GSF 0 ASF

Total cost of the project (3):	\$ 47,300,000	Cost per ASF/GSF:	\$700 GSF
Total cost of the demolition:	\$ -		\$700 ASF

Funding Source(s) for project (4):	Amount	Type
	\$ 37,300,000	Auxiliary Funds - Housing/Dining
	\$ 10,000,000	Operating Funds

Estimated annual debt payment (6): N/A

Are all funds for the project secured: Yes

Project Funding:

[Redacted Project Funding Information]

Project Cost Justification

The cost per GSF is high for this project due to the basement infrastructure work (mechanical, electrical and plumbing) included in the scope of the project.

Estimated annual change in cost of building operations based on the project: N/A

Estimated annual repair and rehabilitation investment (5): N/A

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

Purdue Memorial Union Ground Floor Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-20-2-16
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

This project includes the renovation of approximately 67,600 GSF in order to improve retail dining space within the Purdue Memorial Union (PMU). Approximately 3,900 GSF of that space is located in Stewart Center (STEW) and is being renovated in order to allow a non-dining retail operation to move from the ground floor of the Union to the main floor of STEW. In addition to the renovation work, two new, exterior terraces totaling approximately 11,600 GSF will be constructed on the south end of the Union.

Need and Purpose of the Program

Through a separate, competitive Request for Proposals (RFP) process, a third party campus retail partner will be selected to manage 37 retail locations on the West Lafayette campus. The Purdue Memorial Union retail dining locations included in the scope of the renovation are among the identified locations the third party operator will manage.

The current retail dining area was last renovated in 2006. Upon completion, the building operations will be improved due to better kitchen efficiencies and new mechanical and plumbing systems. The new design will result in more natural light through improved windows and the addition of the terraces. Current seating capacity for the PMU dining area is 870, and upon completion of the project, seating capacity will be 1253.

The Purdue Memorial Union is a key destination on the West Lafayette campus, and this project will enhance the facility and allow for high quality dining options. Additionally this project aligns with the 2018 Giant Leaps Master Plan and will help further enhance the Union in conjunction with Union Club Hotel renovations.

Space Utilization

There will be a loss of 257 ASF as the result of repurposing a former General Use space (assignable space) into a mechanical room (non-assignable space).

Comparable Projects

- Purdue Memorial Union Club Hotel Renovation
 - o 89,600 GSF
 - o \$35,000,000
 - o This project included the renovation of hotel guest rooms and lobby space and the creation of a new restaurant and bar
 - o The ground floor renovation includes additional, adjacent mechanical, electrical and plumbing infrastructure work

Background Materials

**CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Purdue Memorial Union Ground Floor Renovation**

(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	New Space in Capital Request (2)	
A. OVERALL SPACE IN ASF						
Classroom (110 & 115)	330,369	3,119	-	333,488		333,488
Class Lab (210,215,220,225,230,235)	624,324	122,381	25,636	772,341		772,341
Non-class Lab (250 & 255)	1,580,078	10,213	3,900	1,594,191		1,594,191
Office Facilities (300)	2,252,320	46,400	(57,596)	2,241,124	1,923	2,239,201
Study Facilities (400)	381,012	17,396	832	399,240		399,240
Special Use Facilities (500)	1,247,377	-	(579)	1,246,798		1,246,798
General Use Facilities (600)	945,106	46,100	15,293	1,006,499	1,666	1,008,165
Support Facilities (700)	2,940,123	(499)	255	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. OTHER FACILITIES (Please list major categories)				-		-
TOTAL SPACE	13,171,518	510,561	(12,259)	13,669,820	1,923	13,669,563

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: Chaney-Hale Hall of Science (formerly called STEM Teaching Lab Facility), ABE Renovation/Addition, Meredith South, Griffin Residence Hall North (formerly Third Street North), Vet Med Teaching Hospital, and Gateway Complex

Space planned and funded includes: Data Science, Hagle Hall (formerly Purdue Bands & Orchestra), 2550 Northwestern, and Child Care Center

Space to be terminated includes 1,923 decrease in total Office Facilities (300) in PMU

(2) New Space in Capital Request includes 1,666 increase in General Use Facilities (600) in PMU

CAPITAL PROJECT COST DETAILS

Purdue Memorial Union Ground Floor Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-20-2-16
Campus:	West Lafayette	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	Aug.	2020
Start Construction	Aug.	2020
Occupancy (End Date)	Dec.	2021

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
<u>Planning Costs</u>			
a. Engineering	\$ 2,500,000		\$ 2,500,000
b. Architectural	\$ 1,900,000		\$ 1,900,000
c. Consulting			\$ -
<u>Construction</u>			
a. Structure	\$ 16,400,000		\$ 16,400,000
b. Mechanical (HVAC, plumbing, etc.)	\$ 14,100,000		\$ 14,100,000
c. Electrical	\$ 7,600,000		\$ 7,600,000
<u>Movable Equipment</u>	\$ 900,000		\$ 900,000
<u>Fixed Equipment</u>	\$ 1,700,000		\$ 1,700,000
<u>Site Development/Land Acquisition</u>			\$ -
<u>Other (PM fee, contingencies)</u>	\$ 2,200,000		\$ 2,200,000
TOTAL ESTIMATED PROJECT COST	\$ 47,300,000	\$ -	\$ 47,300,000

CAPITAL PROJECT OPERATING COST DETAILS

Purdue Memorial Union Ground Floor Renovation

Institution:	Purdue University	Budget Agency Project No.:	B-1-20-2-16
Campus:	West Lafayette	Institutional Priority:	N/A

	GSF OF AREA AFFECTED BY PROJECT			
ANNUAL OPERATING COST/SAVINGS (1)				67,600
	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses
1. Operations		\$ -		
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.