



Office of the Chief Financial Officer and Treasurer

June 15, 2023

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

Dear Governor Holcomb:

At its meeting on June 9, 2023, the Purdue University Board of Trustees approved the planning, financing, construction and award of construction contracts for the Runway 5-23 Rehabilitation at the Purdue University Airport adjacent to the West Lafayette campus.

This project will repave the smaller of the two airport runways as the asphalt is near the end of its useful life. A connector taxiway will be relocated to improve safety by providing more distance and a wider turning angle during landings. Another connector taxiway that is unused will be removed as part of this project.

This project is supported by the Federal Aviation Administration and fulfills Purdue's obligation to maintain its airport infrastructure. The availability of Runway 5-23 is critical to maintaining current levels of airport operations, including the success of Purdue's enrolled flight students as the primary users of this runway.

The estimated total project cost is \$3,600,000 and is funded by \$3,147,625 of Federal – Grant and \$452,375 of 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,

A handwritten signature in dark ink, appearing to read 'C. Ruhl'.

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

Hovde Hall of Administration – 610 Purdue Mall – West Lafayette, IN 47907 – (765) 494-9705

PROJECT COST SUMMARY
Runway 5-23 Rehabilitation

Institution:	<u>Purdue University</u>	Budget Agency Project No.:	<u>B-1-23-2-17</u>
Campus:	<u>West Lafayette</u>	Institutional Priority:	<u>N/A</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:	<u>Yes</u>		

Project Size:	<u>0</u>	GSF (1)	<u>0</u>	ASF (2)	<u>N/A</u>	ASF/GSF
Net change in overall campus space:	<u>0</u>	GSF	<u>0</u>	ASF		

Total cost of the project (3):	<u>\$ 3,600,000</u>	Cost per ASF/GSF:	<u>N/A</u>	GSF
Total cost of the demolition:	<u>\$ 86,052</u>		<u>N/A</u>	ASF

Funding Source(s) for project (4):	Amount	Type
	<u>\$ 3,147,625</u>	<u>Federal - Grant</u>
	<u>\$ 452,375</u>	<u>Operating Funds - Reserves</u>

Estimated annual debt payment (6):	<u>\$0</u>
Are all funds for the project secured:	<u>No</u>

Project Funding:

The project is being funded primarily by Federal - Grant funds with the remainder from Operating Funds - Reserves. The Federal Aviation Administration (FAA) supports the prioritization and completion of this project and is awarding grant funding to cover the majority of the total project cost, as noted above.

Project Cost Justification

Since the project's scope is infrastructure-based (paving work), the cost/square foot indicators are not a good measure. 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:	<u>N/A</u>
Estimated annual repair and rehabilitation investment (5):	<u>\$ 54,000</u>

(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
Runway 5-23 Rehabilitation

Institution:	Purdue University	Budget Agency Project No.:	B-1-23-2-17
Campus:	West Lafayette	Institutional Priority:	N/A

Description of Project

This project will repave runway 5-23 at the Purdue University Airport adjacent to the West Lafayette campus. A small connector taxiway (Bravo 3) will be relocated and reconstructed to provide more distance before turning during landings. Additionally, another smaller connector taxiway (Bravo 2) is no longer used and will be eliminated as part of this project.

Need and Purpose of the Program

The Purdue University Airport is the second busiest airport in the state, only behind the Indianapolis International Airport.

Purdue's airport is used to support a number of operations, including flight instruction for professional flight students in the School of Aviation Technology and Transportation. The program's largest incoming class is anticipated for fall 2023, with approximately 1,000 beginning students. Purdue is helping to address the national pilot and aviation professional shortages through the graduating of these students.

The FAA requires Purdue University to maintain the runways at the airport as part of its operations. Runway 5-23 was last repaved in 2001 and has reached the end of its useful life. The Purdue University Airport consists of two runways. Runway 5-23, included in this project's scope, is the smaller of the two runways and only equipped for small aircraft use. The other, runway 10-28, is larger and is usable by both large and small aircraft. However, given the volume of airport operations, both runways are needed to continue operating at current levels. Student flights primarily use runway 5-23. Runway 5-23 diverts smaller aircraft from runway 10-28, which makes runway 10-28 more readily available for larger aircraft.

Relocating and reconstructing a connector taxiway will improve airport safety by providing a more distance for aircrafts to land and turn.

Space Utilization

There is no space impact from this project.

Comparable Projects

Airport Runway 10-28 Rehabilitation, 2016

* \$11M

* This project repaired the other Purdue Airport runway in three phases from 2016 to 2018.

Runway 10-28 is a larger runway than 5-23 in length, width and depth to support larger aircraft. The comparable project had a higher total project cost due to the need for more asphalt for the larger size.

Background Materials

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Runway 5-23 Rehabilitation

	Current Campus Totals				Capital Request		
(INSERT PROJECT TITLE AND SBA No.)	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	336,770	-	(2,758)	334,012			334,012
Class Lab (210,215,220,225,230,235)	821,564	4,425	(17,763)	808,226			808,226
Non-class Lab (250 & 255)	1,689,952	28,557	(4,970)	1,713,539			1,713,539
Office Facilities (300)	2,327,447	(3,312)	(47,907)	2,276,228			2,276,228
Study Facilities (400)	397,274	8,166	48,926	454,366			454,366
Special Use Facilities (500)	1,209,277	8,796	3,603	1,221,676			1,221,676
General Use Facilities (600)	1,018,077	6,056	(31,581)	992,552			992,552
Support Facilities (700)	2,934,774	(726)	(2,505)	2,931,543			2,931,543
Health Care Facilities (800)	217,205	-	-	217,205			217,205
Resident Facilities (900)	2,427,355	-	-	2,427,355			2,427,355
Unclassified (000)	115,749	-	-	115,749			115,749
B. OTHER FACILITIES							
(Please list major categories)							
TOTAL SPACE	13,495,444	51,962	(54,955)	13,492,451	-	-	13,492,451

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:

- Schleman/Stewart Renovation
- Whistler Mechanical Project
- Ross-Ade Stadium Renovation
- Zucrow High Speed Propulsion Lab
- Mackey Locker Rooms Renovation

Space planned and funded includes:

- Life Sciences Phenotyping Greenhouse Building
- Northwest Chiller Plant System Improvements
- Vawter Hall Electrical Enhancements and Replacement
- Brown Family Hall Renovation
- PMU 2nd Floor Hospitality Renovation
- Libraries Study Space Renovation
- University Hall and Related Renovations
- Mechanical Engineering Building Renovation
- Birck Nanotechnology Center Clean Room Modernization and Related Renovations
- Chilled Water Capacity Enhancement Projects

(2) This project has no impact to assignable space.

CAPITAL PROJECT COST DETAILS

Runway 5-23 Rehabilitation

Institution: Purdue University
Campus: West Lafayette

Budget Agency Project No.: B-1-23-2-17
Institutional Priority: N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	May	2023
Start Construction	May	2024
Occupancy (End Date)	June	2024

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	\$ 563,845		N/A
b. Architectural	\$ -		N/A
c. Consulting	\$ -		N/A
<u>Construction</u>			
a. Structure (Civil)	\$ 2,749,445		N/A
b. Mechanical	\$ -		N/A
c. Electrical	\$ -		N/A
<u>Movable Equipment</u>	\$ -		N/A
<u>Fixed Equipment</u>	\$ -		N/A
<u>Site Development/Land Acquisition</u>	\$ -		N/A
<u>Other (PM fee, insurance, contingencies)</u>	\$ 286,710		N/A
TOTAL ESTIMATED PROJECT COST	\$ 3,600,000	\$ -	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
Runway 5-23 Rehabilitation

Institution:	<u>Purdue University</u>	Budget Agency Project No.:	<u>B-1-23-2-17</u>
Campus:	<u>West Lafayette</u>	Institutional Priority:	<u>N/A</u>

<u>GSF OF AREA AFFECTED BY PROJECT</u>					<u>N/A</u>
<u>ANNUAL OPERATING COST/SAVINGS (1)</u>	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses	
1. Operations	N/A	N/A	\$ -	\$ -	
2. Maintenance	N/A	N/A	\$ -	\$ -	
3. Fuel	N/A	N/A	\$ -	\$ -	
4. Utilities	N/A	N/A	\$ -	\$ -	
5. Other	N/A	N/A	\$ -	\$ -	
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	N/A	N/A	\$ -	\$ -	

<u>Description of any unusual factors affecting operating and maintenance costs/savings.</u>
N/A

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