

COMMISSION FOR HIGHER EDUCATION

Thursday, June 13, 2013

DECISION ITEM C4:

Purdue University: West Lafayette Campus – Softball Stadium Sublease

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee the following project: *B-1-13-5-25*. Staff recommendations are noted in the staff analysis.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million five hundred thousand dollars (\$1,500,000). A project that has been approved or authorized by the General Assembly is subject to review by the Commission for Higher Education. The Commission for Higher Education shall review a project approved or authorized by the General Assembly for which a state appropriation will be used. All other non-state funded projects must be reviewed within ninety (90) days after the project is submitted to the Commission.

The Trustees of Purdue University seeks authorization to proceed with a long-term sublease of the Softball Stadium and related facilities on the West Lafayette campus. The lease of 25 years, will allow for the renovation and upgrade of the softball complex. The annual payment is expected to be \$1 million and will be funded with athletic department revenues.

Supporting Document

Purdue University Softball Stadium Sublease, June 13, 2013

**PURDUE UNIVERSITY: WEST LAFAYETTE CAMPUS – SOFTBALL STADIUM SUBLEASE
Project Description**

DESCRIPTION OF THE PROJECT

This project will develop Phase II of the Northwest Athletics Site (NWAS) to include construction of a new intercollegiate varsity softball stadium and related site work, facilities, and infrastructure. The project will include a playing field, bleachers, press box, locker rooms, meeting rooms, and other necessary home and visiting team facilities. Also included are public restrooms and concessions, scoring system, sound system, competition field lights, and parking. The stadium will be designed to hold up to 1,000 spectators with the ability to expand to the minimum capacity needed to host NCAA post-season competition. The new stadium will allow Purdue's Softball program to stay abreast of and be competitive in the Big Ten Conference and nationally in the areas of recruiting, field quality, and fan and media amenities, and will allow intercollegiate athletics to meet and maintain gender and equity goals in compliance with Title IX requirements. This is the final component of the Mackey Complex/NWAS master plan developed in 2005-06 which is a continuation of Intercollegiate Athletics' 25-year facility master plan.

LEASE-OUT TERMS

The proposed lease of land to the Ross-Ade foundation enables the Foundation to construct the proposed softball Stadium and other associated improvements to the Northwest Athletics Site. The cost of the lease is a nominal sum of \$1.00 per year and includes the provision that the University retains the right to make additional improvements to the land and buildings, as needed, through the term of the lease. This lease, not to exceed 25 years, will run concurrently with the separate sublease agreement, both of which can be terminated with the satisfaction of all sublease payments.

SUBLEASE-BACK TERMS

The proposed sublease of land and improvements from the Ross-Ade Foundation to the University enables the Foundation to finance the improvements at the Northwest Athletics Site. Payments for the financing will be made possible through this sublease between the University and the Ross-Ade Foundation. The University will acquire the Softball Stadium and associated improvements at the end of the lease term, not to exceed 25 years. The annual sublease payments are estimated to be \$1,000,000 based on financing under Certificates of Participation (COPs) for 20 years at 4% interest for the total project cost plus the associated issuance and capitalized interest costs. The payments will be made using Athletics Department Funds

STAFF ANALYSIS

The Softball Sublease project represents the final component of a multi-year effort to upgrade and renovate many of Purdue's athletic facilities at West Lafayette's campus. This project allows for the Ross-Ade Foundation to pursue upgrades on the University's behalf consistent with other projects the Commission has approved. The softball facility represents a key component to meeting Title IX gender equity requirements.

Based on the analysis conducted by staff, staff recommends the Commission provide a favorable review of the capital project.