

COMMISSION FOR HIGHER EDUCATION

Friday, September 10, 2010

DECISION ITEM B-2: Northwest Athletics Complex Phase I at the Purdue University West Lafayette Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Northwest Athletics Complex Phase I at the Purdue University West Lafayette Campus*, as described in the project description and staff analysis September 10, 2010.

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 dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

At its meeting on May 28, 2010, the Purdue University Board of Trustees approved the project, "Northwest Athletics Complex Phase I" on the Purdue University West Lafayette Campus. The new stadium will allow Purdue's Baseball program to stay abreast of and competitive in the Big Ten Conference and nationally in the areas of recruiting, field quality, and fan and media amenities. The estimated cost of this project is \$21,000,000, to be funded from Departmental Funds – Athletics; approximately \$11,000,000 from Big Ten television monies and \$10,000,000 from restricted gifts. This mix could change as Purdue is continuing to raise gift dollars.

Supporting Document

Northwest Athletics Complex Phase I at the Purdue University West Lafayette Campus, September 10, 2010.

NORTHWEST ATHLETICS COMPLEX PHASE I AT THE PURDUE UNIVERSITY WEST LAFAYETTE CAMPUS

Project Description and Staff Analysis

SUMMARY

The scope of the current \$21,000,000 Northwest site project is the construction of a new baseball facility at a cost of approximately \$10,600,000, the construction of a team/public facilities for Soccer at a cost of approximately \$4,400,000 and the remaining \$6,000,000 is for site improvements (mainly earthwork to address drainage, storm water runoff, etc.), infrastructure improvements (access roads, utilities, etc.), and a plaza and concourse.

DESCRIPTION OF THE PROJECT

Develop phase one of the Northwest Athletics Complex. This initial phase of development will include a new intercollegiate baseball stadium to replace the existing Lambert Field facility. The stadium will be designed to hold 1500 spectator seats with the ability to expand to 2500 seats. Work at the Northwest Athletic Complex also includes upgrades to the existing adjacent soccer facility by adding team/public and press facilities, high definition lighting system and a new synthetic turf field. Also included are site related developments and infrastructure to support both facilities as well as the newly constructed Grand Prix facility.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This project is a continuation of the execution of Athletics' 25-yr facility master plan.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

The new stadium will allow Purdue's Baseball program to stay abreast of and competitive in the Big Ten Conference and nationally in the areas of recruiting, field quality, and fan and media amenities.

ALTERNATIVES CONSIDERED

None

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

It was determined that this project would become a component of the Mackey complex master plan and related business plan. This project includes a new Baseball complex, upgrades to the existing Soccer complex, plus related site development and infrastructure to support both facilities as well as the new Grand Prix facility.

HISTORICAL SIGNIFICANCE

N/A

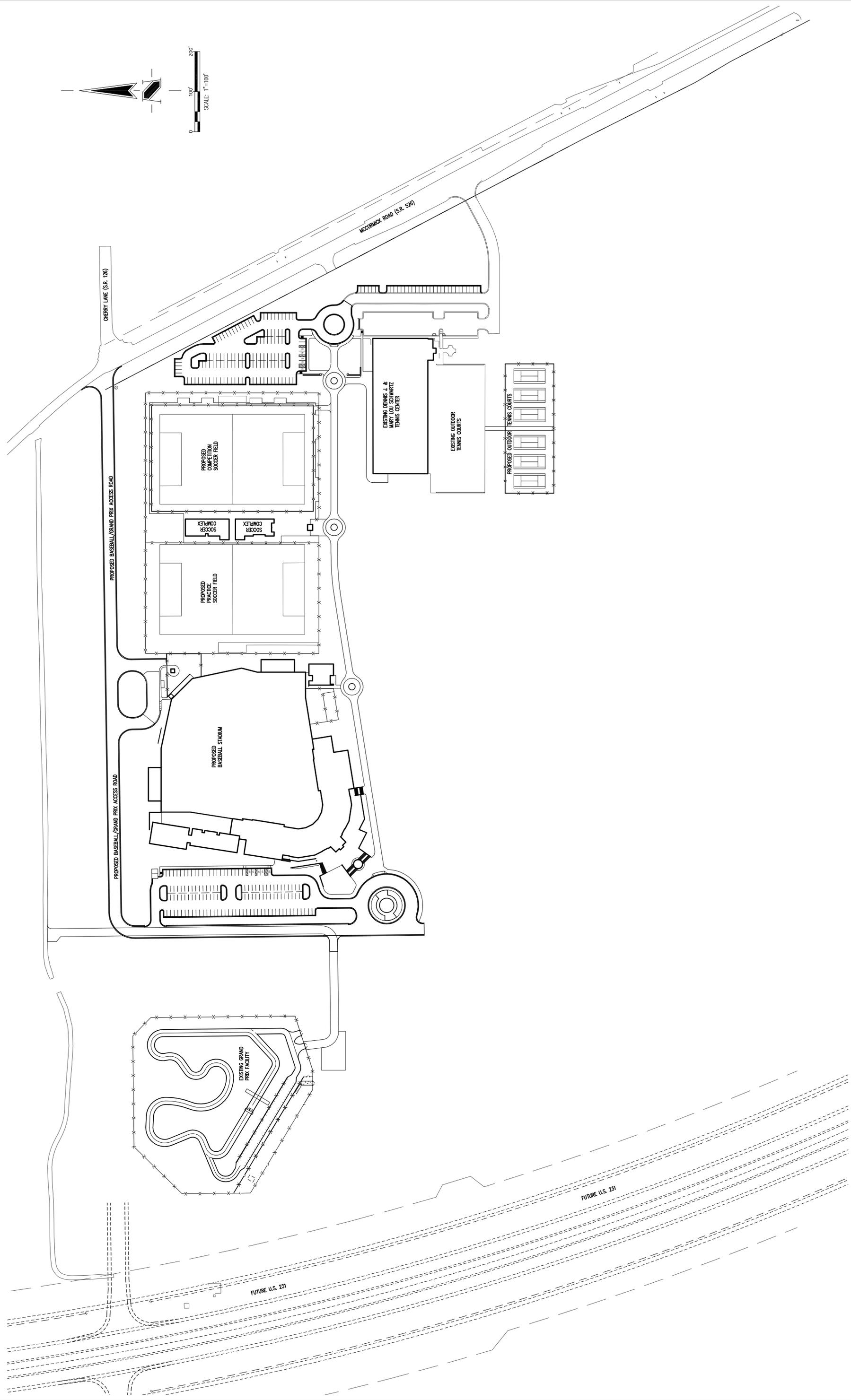
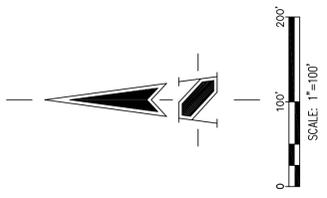
STAFF ANALYSIS

The Northwest Athletics Complex will allow for the construction of a new baseball field, Grand Prix facility, soccer improvements, a new athletic quad, new satellite field house, relocation of the cross country facility and other infrastructure improvements. These improvements and construction projects were triggered by the expansion and renovation of the Recreation Sports Center, which created the need for additional parking, thus resulting in the removal of the current baseball complex. Purdue's long term capital plan for athletic complexes did include the eventual construction of a new baseball complex.

Financing for the new Northwest Athletics Complex will come from two sources: gifts and donations, and guaranteed revenue from a 20 year contract with the Big Ten Network and Fox. The total cost of the project is \$21M: \$10M from gifts and donations, and \$11M from the guaranteed revenue from the Big Ten Network and Fox. Currently Purdue has secured the full \$10M in gifts and donations and will use those sources first to begin paying for the construction and costs associated with this project, then followed up with Big Ten Network contract funds. The project is expected to begin in November 2010 and end in February 2012.

Concerning the funding from the Big Ten Network and Fox television contract, Purdue has been guaranteed a minimum of approximately \$8.0M in the 2011-2012 academic year, and will receive the same amount (plus inflation) over the 20 year agreement. Of the approximate \$8M per year, Purdue will use \$3.6M to fund the Northwest Athletics Complex during its construction, up to \$11M overall. The remaining \$4.4M per year will be used to cover administrative overhead and auxiliary costs for the athletics department and operational costs at Mackey Arena. Once the Northwest Athletics Complex project is complete, Purdue will be able to reallocate the \$3.6M annually to other areas.

Purdue notes that with improvements in its athletic facilities and the use of the Big Ten Network revenues to accomplish such, the possibility for additional exposure and expansion of its athletics program will benefit Purdue in the long run. It is noted by staff that the revenues generated from the Big Ten Network contract have the ability be used outside of athletic operations and facilities. While the revenues from the Big Ten Network contract have a minimum guarantee for 20 years, staff notes that if for any reason those revenues do not materialize, Purdue will need to find alternative funding sources for athletic facilities and athletic operational costs.



PURDUE UNIVERSITY NORTHWEST ATHLETIC COMPLEX

WEST LAFAYETTE, INDIANA - 5/17/10



Purdue University Athletic Master Plan

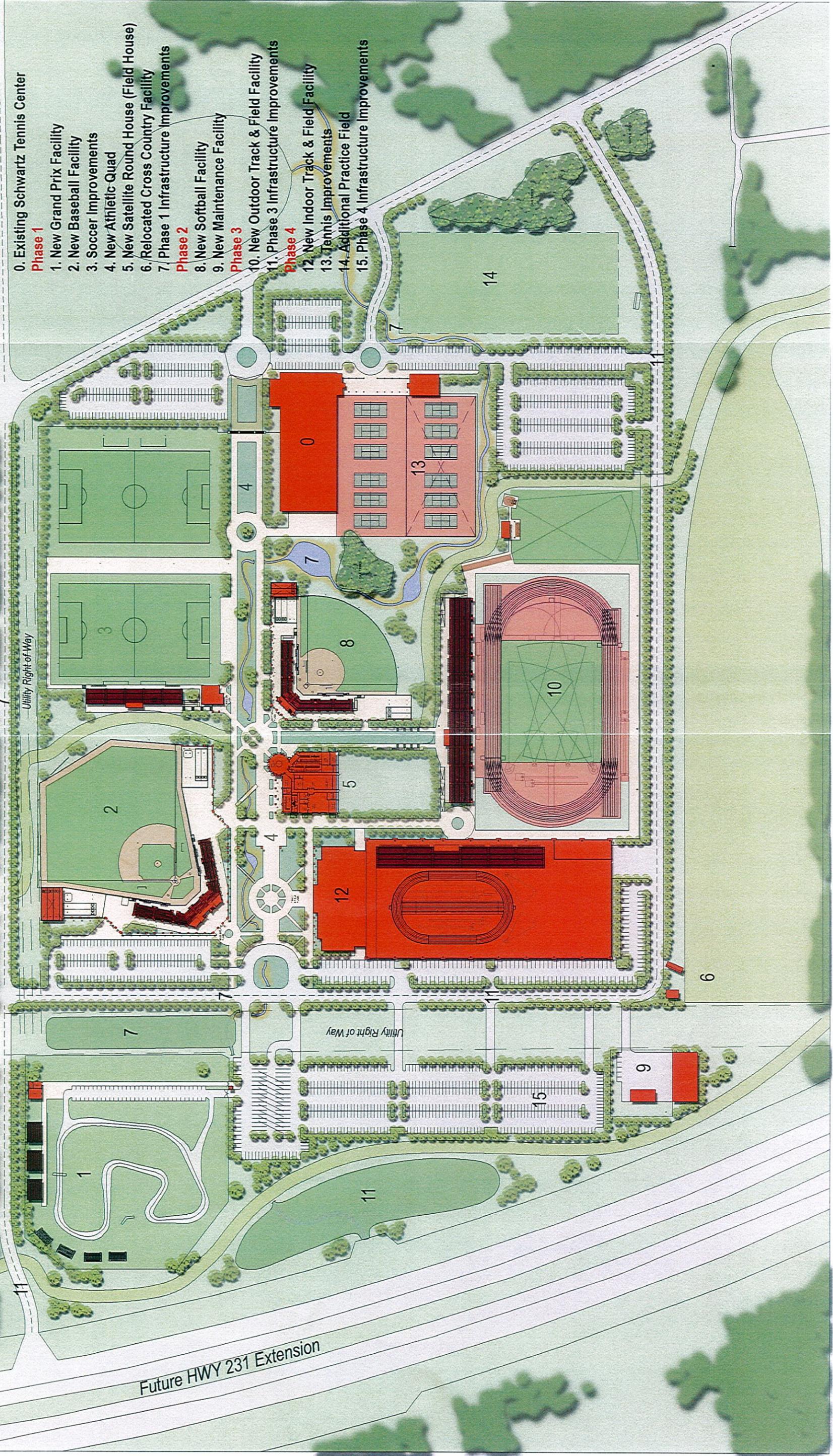
Northwest Athletic Site
9/30/07



McCormick Road

Cherry Lane
Cherry Lane Extension

- 0. Existing Schwartz Tennis Center
- Phase 1**
- 1. New Grand Prix Facility
- 2. New Baseball Facility
- 3. Soccer Improvements
- 4. New Athletic Quad
- 5. New Satellite Round House (Field House)
- 6. Relocated Cross Country Facility
- 7. Phase 1 Infrastructure Improvements
- Phase 2**
- 8. New Softball Facility
- 9. New Maintenance Facility
- Phase 3**
- 10. New Outdoor Track & Field Facility
- 11. Phase 3 Infrastructure Improvements
- Phase 4**
- 12. New Indoor Track & Field Facility
- 13. Tennis Improvements
- 14. Additional Practice Field
- 15. Phase 4 Infrastructure Improvements



Future HWY 231 Extension