COMMISSION FOR HIGHER EDUCATION
Friday, October 8, 2010

DECISION ITEM B-7: **Drug Discovery Facility 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 *Drug Discovery Facility at the Purdue University West Lafayette Campus*, as described in the project description and staff analysis October 8, 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 August 30, 2010, the Purdue University Board of Trustees approved the project, "Drug Discovery Facility" on the Purdue University West Lafayette Campus. The proposed new facility would provide state-of-the-art chemistry research space that is safe, modular, and capable of the strict environmental control needed for ground-breaking research in biochemistry related to drug discovery. The estimated cost of this project is $25,000,000, to be funded from Bond Proceeds ($20,000,000) as authorized by the General Assembly in 2009 and Gifts or Facility Administrative Cost Recovery Funds ($5,000,000).

Supporting Document

Drug Discovery Facility at the Purdue University West Lafayette Campus, October 8, 2010.

DRUG DISCOVERY FACILITY AT THE PURDUE UNIVERSITY WEST LAFAYETTE CAMPUS

Project Description and Staff Analysis

SUMMARY

This proposed new facility will provide state-of-the-art chemistry research space that is safe, modular, and capable of the strict environmental control needed for ground-breaking research in biochemistry related to drug discovery. The new facility will be part of the Life and Health Sciences Quad and will partially replace existing laboratory space in Wetherill Laboratory, an aging facility with substantial limitations, particularly control of temperature, humidity, and growth of molds. In addition, this authorization will support an animal imaging center with support space for animal housing, microscopy and tissue culture research. This will involve up to $2,000,000 of the $25,000,000 total project budget to support renovations of the Hansen Life Sciences Research Building.

DESCRIPTION OF THE PROJECT

The true breakthrough for drug discovery can occur only through new discovery and the understanding of the relevant chemical processes at the atomic and molecular level. Research involving novel molecules and reactions is the backbone to cures for cancer, AIDS, Alzheimer's, and other diseases that face our society. The Department of Chemistry is currently engaged in research at the forefront of several of these key areas, but is poised to make much greater advances using state-of-the-art facilities designed for 21st century chemical research that encourages interdisciplinary collaborations from researchers across the campus. As an example, Professor Phil Low's research group has developed targeted drug therapies with unparalleled power and specificity towards cancer cells and a range of inflammatory diseases. Based on the intellectual property from his group, Endocyte (based in Purdue Research Park) currently has several drug candidates with exceptional promise in clinical trials. The facility will be part of the Life and Health Sciences Quad.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This project will be the second facility in the development of Purdue’s Life and Heath Science Quad and will establish the architectural and academic framework for future facilities.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

N/A

ALTERNATIVES CONSIDERED

None

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project is consistent with the Campus Master plan.

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Purdue University is requesting approval of a capital project to construct the new Drug Discovery Facility on the West Lafayette Campus. The cost of the facility is estimated at $25 million and will be funded with $5 million to come from gifts or indirect cost recovery revenues and $20 million in bonds that will be paid for through indirect cost recovery revenues to the University. Annual operating costs for the new facility will be approximately $251,000 and will be funded through the University's general fund.

The 36,400 GSF structure will be housed in the University's new Life and Health Sciences Quad and will house chemistry research space which will replace existing research space on campus. Current space being utilized will be vacated; however, the space may be reallocated by the University for other academic purposes, thus no additional operational savings will be realized from this new project.

Drug Discovery will house valued researchers that are part of Purdue's ongoing effort to expand research projects and opportunities for the university. Dr. Phil Low's research, which was presented to the Commission during its visit to Purdue in September of 2010, will be included as part of the overall drug research being conducted in the new facility. This new facility will allow Dr. Low to expand his laboratory from a 5,000 square foot area to a larger facility with a focus on drug related research.

As noted above, a majority of the funding for this project will come from indirect cost recovery revenues provided to Purdue. Purdue intends to use these indirect cost recovery funds to pay the debt service associated with this facility. Staff notes that Purdue understands that if indirect cost recovery funds decrease and are unable to cover the cost of the building, Purdue will need to identify alternative funding sources to cover the cost of the building. This project is Purdue's number one capital priority of those capital projects with non-fee replacement.