

COMMISSION FOR HIGHER EDUCATION

Friday, October 9, 2009

DECISION ITEM B-2:

Construction of Marriott Hall on 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 *Construction of Marriott Hall on the Purdue University West Lafayette Campus*, as described in the project description and staff analysis dated September 30, 2009.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities of a cost greater than \$500,000 regardless of the source of funds.

The Trustees of Purdue University request approval to construct Marriott Hall, a new 42,500 GSF facility on the West Lafayette campus. Marriott Hall will house the College of Consumer and Family Sciences' Hospitality and Tourism Management (HTM) Program, one of the leading programs in the field worldwide. The estimated cost of this project is \$13,000,000, to be funded from Gift Funds (\$9,300,000) and Capital Reserve for Buildings (\$3,700,000). No state funds will support the project.

Supporting Document

Construction of Marriott Hall on the Purdue University West Lafayette Campus, September 30, 2009.

CONSTRUCTION OF MARRIOTT HALL ON THE PURDUE UNIVERSITY WEST LAFAYETTE CAMPUS

Project Description and Staff Analysis*

September 30, 2009

SUMMARY:

The Trustees of Purdue University request approval to construct Marriott Hall, a new 42,500 GSF facility on the West Lafayette campus. Marriott Hall will house the College of Consumer and Family Sciences' Hospitality and Tourism Management (HTM) Program, one of the leading programs in the field worldwide. The estimated cost of this project is \$13,000,000, to be funded from Gift Funds (\$9,300,000) and Capital Reserve for Buildings (\$3,700,000). No state funds will support the project.

DESCRIPTION OF THE PROJECT:

Marriott Hall will house the College of Consumer and Family Sciences Hospitality and Tourism Management (HTM) Program. The HTM department intends to maintain its status as one of the leading programs in the field worldwide. In order to accomplish this overall goal, the full utilization of improved resources and facilities is imperative. The facility will create an open, flexible, and service-oriented ambiance consistent with the needs of the guests. The space also will clearly communicate that the department serves both the academic mission and plays an important part of the hospitality and tourism industries. In addition, the space will foster a close collegial experience between students, staff, and industry representatives.

The new facility would be 42,500 GSF or 25,550 ASF and include classroom space (1,400 sq. ft.), class laboratories (1,700 sq. ft.), office facilities (7,340 sq. ft), general use space (14,400 sq. ft), and support space (670 sq. ft.).

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES:

Current HTM facilities are outdated and insufficient to meet departmental needs. The new facility will provide students a better learning environment and allow additional learning opportunities through improved research facilities. Without the new facility, the HTM program will be unable to maintain its top ranked undergraduate program.

RELATIONSHIP TO OTHER CAPITAL IMPROVEMENT PROJECTS:

None.

HISTORICAL SIGNIFICANCE:

None.

* The *Staff Analysis* is a Commission staff work product. Most other portions of this document are extracted from documents authored by the institution, with occasional editing to conform to agenda presentation style.

ALTERNATIVES CONSIDERED:

The university considered renovating Stone Hall. Because of the amount of work required, it would not be cost effective to update the food labs sufficiently to provide students a learning experience equivalent to that provided by our peer institutions. In addition, renovating Stone Hall would not provide sufficient space for HTM or the College of Consumer and Family Science to effectively perform their missions in the coming years.

Project Summary:		
Space in Project:	42,500 GSF	25,550 ASF
Project Cost:	\$13,000,000	\$306 per GSF
Source of Funds:		
	Gift Funds	\$9,300,000
	Capital Reserves for Buildings	<u>\$3,700,000</u>
	Total	\$13,000,000
Expected Increase in Operating Costs:	\$194,096	
Anticipated Construction Start:	March 2010	
Anticipated Completion:	July 2011	

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING:

This building will give the College of Consumer and Family Sciences space to expand the HTM program over the coming years and maintain its status as one of the leading programs in the field worldwide.

STAFF ANALYSIS:

1. The construction of the facility would be funded entirely through gift funds and Purdue University capital reserves. No state funds would be used to construct the facility.
2. The facility would be eligible to be put into the state's Repair and Rehabilitation formula, and would be eligible for plant expansion. The Commission did not recommend plant expansion in the 2009-11 biennium, and the state has not funded plant expansion for at least three consecutive biennia. Purdue University should be prepared to absorb the operating cost of the facility.
3. The cost of the facility at \$306/GSF is relatively expensive. However, because the project is primarily funded through gift funds staff concern is low.
4. Purdue University will cash fund the project. Almost all gift funds are in hand, and the remainder is expected in time to complete the project.