

Procedure 15-02

JOINT BOARD
ORGANIZED UNDER THE
INTERLOCAL COOPERATION AGREEMENT BETWEEN
THE CITY OF WEST LAFAYETTE AND
THE TRUSTEES OF PURDUE UNIVERSITY
DATED AS OF MARCH 12, 2014

**Procedures for Documenting and Sharing
Information on Project Indirect
Costs Incurred for the
State Street Redevelopment Project**

1.0 Background and Purpose.

- 1.1** Pursuant to the February 2015 Memorandum of Understanding approved by the Common Council of the City of West Lafayette and the Trustees of Purdue University (the “MOU”), a joint management team was formed to cooperate and collaborate on all activities associated with the procurement of the State Street Redevelopment Project (the “Project”).
- 1.2** The subsequent Project Development Agreement among the City, the University, the West Lafayette Redevelopment Commission, the Purdue Research Foundation and the Joint Board, which was approved by the governing bodies of such parties and executed in May, 2015 (the “PDA”), modified the MOU protocol on incurring Project expenses. Specifically, it provided that, in addition to the sharing of information on certain “Pre-Development Expenses,” information on “Project Indirect Costs” incurred by the University would be tracked and shared between the parties and provided to the Secretary/Treasurer of the Joint Board and to the Disbursing Officer described in the PDA. Terms used but not otherwise defined in these procedures have the meaning ascribed to them in the PDA.
- 1.3** Since the PDA was entered into, the joint management team (which was granted broad delegated powers under the PDA to advance the Project) has generally followed the information-sharing protocol described in this document for Project Indirect Costs. In order to formalize this protocol, and in accordance with the PDA and prudent measures for the oversight of public funds, the Joint Board hereby adopts these procedures.

2.0 Procedures.

2.1 Identification of Project Indirect Costs

- 2.1.1** Once the University identifies a cost that it believes should be characterized as a Project Indirect Cost under the PDA as a result of the impact of the Project on the University, the joint management team will discuss whether the cost is appropriately characterized as such.
- 2.1.2** Upon the concurrence of the City's representatives on the joint management team, the identified cost will be added to the list of Project Indirect Costs and tracked thereafter by the joint management team.

2.2 Updating and Routing of Invoices

- 2.2.1** Periodically (but no less frequently than quarterly), the University's point of contact on the joint management team will, in consultation with the City's point of contact on the joint management team, update the calculation of Project Indirect Costs on a spreadsheet of Project costs.
- 2.2.2** Following each update described in Section 2.2.1, the University's point of contact will route such cost information to the Secretary/Treasurer of the Joint Board.
- 2.2.3** The University's point of contact on the joint management team will also periodically route invoices or other evidence of the University's expenditure of funds or incurrence of costs or expenses related to Project Indirect Costs to the Secretary/Treasurer of the Joint Board. In doing so, the University's point of contact will complete an invoice tracking sheet similar to that contemplated by Section 2.2.2 of Procedure 15-01 of the Joint Board, as the same may be amended from time to time.
- 2.2.4** On a quarterly basis, Secretary/Treasurer will present to the Joint Board the updated information on Project Indirect Costs (including evidence of actual amounts expended or incurred as described in Section 2.2.3 above). Any actual claims in respect thereof will be presented to the Joint Board for approval or ratification.
- 2.2.5** The Secretary/Treasurer will maintain the information on the amounts of Project Indirect Costs on the books and records of the Project as a credit to the University, as contemplated by the PDA, until such time as those amounts are reimbursed by the RDC to the University from Excess TIF 2 Revenues in accordance with the PDA.
- 2.2.6** The Secretary/Treasurer will from time to time (but no less frequently than quarterly) provide the Disbursing Officer with the updated cost information related to the Project Indirect Costs that have been incurred but remain unreimbursed.

3.0 Ratified and approved: December 10, 2015