

**University of Alabama System
Board Rule 415 (2/2005)
Board Submittal Checklist Criteria**

*** Board Submittal Checklist No. 2
Capital Project – Stage I and Stage II Submittals/1
(General Information Package and Architect Ranking) /8**

Campus: The University of Alabama
Project Name: Sigma Alpha Epsilon Renovation
Meeting Date: September 20 – 21, 2018

- * ☒ 1. Completed Board Submittal Checklist No. 2
- ☒ 2. Transmittal Letter to Chancellor from Campus President requesting the project be placed on the agendas for the forthcoming Physical Properties Committee and Board of Trustees (or Executive Committee) meeting
- ☒ 3. Proposed Board Resolution requesting approval of Stage II Submittal (Architect Ranking, Project Scope and Project Budget; authority to proceed with Owner/Architect contract negotiations)
- ☒ 4. Campus correspondence/photos providing supporting project information
- ☒ 5. Completed Executive Summary – Proposed Capital Project. /2
- ☐* 6. Executive Summary – Architect, Engineer, Selection process (include Interview Outline). /3, /4, /5
- ☐* 7. Campus letter requesting approval of the ranking of firms and authority to submit to the Physical Properties Committee for approval – signed by the Chair of the Physical Properties Committee and signed by the UA System Vice Chancellor for Finance and Administration. /6
- ☒ 8. Project Planning Report/2
- ☒ 9. Preliminary Business Plan (if applicable)/7
- ☒ 10. Campus map(s) showing Project site

*This Project is being submitted for Waiver of the Consultant Selection process

Stage I information:

- ☒ 11. Proposed Board Resolution requesting approval of Stage I Submittal by UA Board of Trustees
- ☒ 12. Completed Supplemental Project Information Worksheet – Attachment “K”, Board Rule 415

Prepared by: 

Approved by: Tim Leopard

/1 Reference Tab 3H - Board Rule 415 Instructional Guide

/2 Reference Tab 3E - Board Rule 415 Instructional Guide

/3 Reference Tab 3K - Board Rule 415 Instructional Guide

/4 Reference Tab 3L - Board Rule 415 Instructional Guide

/5 Reference Tab 3M - Board Rule 415 Instructional Guide

/6 Reference Tab 3N - Board Rule 415 Instructional Guide

/7 Reference Tab 3V - Board Rule 415 Instructional Guide

/8 After completion of negotiations on Owner/Architect Agreement, provide notification to Chair of the Physical Properties Committee and UA System Vice Chancellor for Finance and Administration.
Reference Tab 3-O-Board Rule 415, Instructional Guide

* Basic documents required for this Board Submittal Package include other supporting materials, correspondence, etc., as may be required to fully describe or illustrate project being submitted for approval to Physical Properties Committee and Board of Trustees.

RESOLUTION

SIGMA ALPHA EPSILON

WHEREAS, in accordance with Board Rule 415, Sigma Alpha Epsilon fraternity (Σ AE) is requesting approval of a Stage I submittal for the renovation of its existing chapter house ("Project") located at 432 University Boulevard; and

WHEREAS, due to the firm having provided programming services for the Project, having designed the Chapter's existing Memorial Room, and their familiarity and knowledge of the existing facility and The University of Alabama's ("University") standards, the University is requesting approval for a Waiver of the Consultant Selection process and to proceed with design utilizing the architectural services of Seay Seay & Litchfield Architects of Montgomery, Alabama; and

WHEREAS, the University has negotiated a design fee of 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit and is requesting acceptance of this negotiated fee; and

WHEREAS, the Project location and program have been reviewed and are consistent with the University Campus Master Plan, University Design Standards and the principles contained therein; and

WHEREAS, the Project will be funded from a Chapter Payable in the amount of \$6,199,565 and Chapter Reserve funds in the amount of \$500,000; and

WHEREAS, Σ AE has agreed to repay the loan of \$6,199,565 to the University and has shown through its Business Plan the ability to repay the loan; and

WHEREAS, the preliminary budget for the Project is as stipulated below:

BUDGET:	PRELIMINARY
Construction	\$ 5,438,056
Telecommunication/Data	\$ 60,000
Contingency* (10%)	\$ 543,806
UA Project Management Fee** (3%)	\$ 179,456
Architect/Engineer Fee*** (~7.7%)	\$ 418,247
Other Fees and Services (testing, advertising, printing)	\$ 60,000
TOTAL PROJECT COST	\$ 6,699,565

*Contingency is based on 10% of the cost of construction.

**UA Project Management Fee is based on 3% of the cost of construction and contingency.

***Architect/Engineer Fee is based on 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit.

NOW, THEREFORE, BE IT RESOLVED by The Board of Trustees of The University of Alabama that:

1. The Stage I submittal package for the Project is hereby approved
2. The preliminary budget for the Project as stipulated above is hereby approved

BE IT FURTHER RESOLVED that Stuart R. Bell, President, Matthew M. Fajack, Vice President for Financial Affairs and Treasurer, or those officers named in the most recent Board Resolutions granting signature authority for the University be, and each hereby is, authorized to act for and on behalf of the Board to execute an architectural agreement with Seay Seay & Litchfield Architects of Montgomery, Alabama for architectural services in accordance with Board Rule 415 for this Project and the acceptance of a final design fee of 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit.




Division of
Financial Affairs

MEMO

August 20, 2018

To: Stuart R. Bell

From: Matthew M. Fajack 

Subject: Board Item – Action: Stage I and Stage II, Waiver Submittal:
Sigma Alpha Epsilon Renovation

Pursuant to Board Rule 415, The University of Alabama (“University”) is requesting approval from The Board of Trustees of The University of Alabama (“Board”) for a Stage I submittal for the Sigma Alpha Epsilon fraternity (ΣAE) Renovation project (“Project”) located at 432 University Boulevard at a total projected cost of \$6,699,565.

The proposed Project will entail the renovation of 17,110 gross square feet (GSF) comprised of upgrading finishes; installing new mechanical, plumbing, and electrical systems; new restrooms; and addressing life safety and accessibility issues. The upgraded systems will improve the energy efficiency of the house and bring the building to required codes. Life safety systems, including fire alarm and fire sprinkler, will be upgraded as required. The sleeping capacity will decrease from 20 to approximately 14; however, this reduction will enhance the living experience by providing individual bathrooms for each bedroom unit and a new student lounge. A 500 square foot addition is required to provide space for a new elevator to service all floors. The 3,150 GSF Memorial Room constructed in 2005 will not be renovated as part of this Project.

Additionally, the University is requesting a Waiver of the Consultant Selection process for the proposed Project. The University proposes to utilize Seay Seay & Litchfield Architects of Montgomery, Alabama (SS&L), as the principal design firm for this Project. The services of SS&L are proposed due to the firm having provided programming services for the Project, having designed the Chapter’s existing Memorial Room, and their commitment to deliver the Project by May 2020. Their familiarity and knowledge of the existing facility and University standards will facilitate an efficient design process and ensure coordination with the existing systems, finishes and materials. Accordingly, the University is requesting approval to utilize SS&L for this Project.

Furthermore, the University has negotiated a design fee of 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit. This fee is consistent with the Alabama Building

Commission fee and the renovation factor is appropriate due to the lack of as-builts from the original construction, which will require the design team to spend significant time documenting the existing construction. The University is requesting acceptance of this negotiated fee.

The Project will be funded from a Chapter Payable in the amount of \$6,199,565, which will be in the form of a loan to ΣAE and the balance of \$500,000 will be funded with Chapter Reserves. ΣAE has shown through its Business Plan the ability to repay the loan.

This Project location and program have been reviewed and are consistent with the Campus Master Plan, University Design Standards, and the principles contained therein. I have attached a Letter of Approval from the Vice Chancellor for Finance and Administration and Chair of the Physical Properties Committee, Resolution, Executive Summary, Attachment K, Project Summary, Business Plan and Location map for your review. Subject to your approval, I recommend this item be forwarded to the Chancellor for inclusion as an Action Item on the agenda of the Physical Properties Committee at the Board of Trustees meeting scheduled for September 20 – 21, 2018.

MMF/ccj

pc w/atchmts: Michael Rodgers
 Michael Lanier
 Tim Leopard
 Tom Love
 Ben Youngblood

**EXECUTIVE SUMMARY
PROPOSED CAPITAL PROJECT
BOARD OF TRUSTEES SUBMITTAL**

Meeting Date: September 20 – 21, 2018

CAMPUS: The University of Alabama, Tuscaloosa, Alabama

PROJECT NAME: Sigma Alpha Epsilon Renovation

PROJECT LOCATION: 432 University Boulevard

ARCHITECT: Requesting in this submittal

THIS SUBMITTAL:	PREVIOUS APPROVALS:
<input checked="" type="checkbox"/> Stage I	<hr/>
<input checked="" type="checkbox"/> Stage II, Waiver	<hr/>
<input type="checkbox"/> Stage III	<hr/>
<input type="checkbox"/> Stage IV	<hr/>

PROJECT TYPE	SPACE CATEGORIES	PERCENTAGE	GSF
<input type="checkbox"/> Building Construction			
<input checked="" type="checkbox"/> Building Renovation	Fraternity	~97%	17,110
<input checked="" type="checkbox"/> Building Addition		~ 3%	500
<input type="checkbox"/> Equipment			
TOTAL		100%	17,610

BUDGET	Preliminary
Construction	\$ 5,438,056
Telecommunication/Data	\$ 60,000
Contingency* (10%)	\$ 543,806
UA Project Management Fee** (3%)	\$ 179,456
Architect/Engineer Fee*** (~7.7%)	\$ 418,247
Other Fees and Services (testing, advertising, printing)	\$ 60,000
TOTAL PROJECT COST	\$ 6,699,565

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**UA Project Management Fee is based on 3% of the cost of construction and contingency.

***Architect/Engineer Fee is based on 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit.

ESTIMATED ANNUAL OPERATING AND MAINTENANCE (O&M) COSTS:

(Utilities, Housekeeping, Maintenance, Insurance, Other)

gsf x \$/gsf:

\$

N/A*

TOTAL ESTIMATED ANNUAL O&M COSTS:

\$

N/A***FUNDING SOURCE:**

Capital Outlay:

Chapter Payable \$ 6,199,565

Chapter Reserve funds \$ 500,000

*O&M Costs: \$ N/A

*O&M costs will be funded by the chapter from rental income and other charges to fraternity members.

NEW EQUIPMENT REQUIRED:

N/A

RELATIONSHIP & ENHANCEMENT OF CAMPUS PROGRAMS:

The Sigma Alpha Epsilon fraternity (ΣAE) Renovation project ("Project") will accommodate the fraternity's growing and diverse chapter membership by providing a facility that is operationally, programmatically, and functionally appropriate to meet the needs of the fraternity. This proposed Project will allow members of ΣAE to comfortably accommodate the projected chapter size and the growing Greek community by enhancing the living experience for existing members as well as future members. Opportunities for involvement in social and fraternal organizations are a key part of the college experience for many students. Providing this opportunity is an important recruitment factor for many students and can enhance the experience for those that participate as reflected by the fact that over one-third of University of Alabama students participate in the Greek community.

The Project will address deferred maintenance requirements, upgrade life safety systems and provide a fully accessible facility thus providing a safe and efficient facility to help sustain the chapter.

ATTACHMENT NO. 1

Project: Sigma Alpha Epsilon Renovation
BOT Submittal: Stage I and Stage II, Waiver
Meeting Date: September 20 – 21, 2018

Project Summary

SIGMA ALPHA EPSILON RENOVATION

The Sigma Alpha Epsilon (ΣAE) fraternity desires to renovate a portion of their existing house ("Project") located at 432 University Boulevard.

The proposed Project will entail the renovation of 17,110 gross square feet (GSF) comprised of upgrading finishes; installing new mechanical, plumbing, and electrical systems; new restrooms; and addressing accessibility issues. The upgraded systems will improve the energy efficiency of the house and bring the building to required codes. Life safety systems, including fire alarm and fire sprinkler, will be upgraded as required. The 3,150 GSF Memorial Room, constructed in 2005, will not be renovated as part of this Project.

The first floor will include a complete renovation of the entire kitchen facility and replacement of the equipment and upgraded finishes throughout the balance of the floor.

The second floor will include a mix of double and single bedrooms, laundry room, and lounge space. The sleeping capacity will decrease from 20 to approximately 14; however, this reduction will enhance the living experience by providing individual bathrooms for each bedroom unit and a new student lounge.

The installation of a sloped roof over the North elevation of the existing building will provide access to fit in the new systems. The roof pitch will match the existing building and provide a cohesive appearance to the exterior of the building. The University Boulevard elevation, as constructed in 1953, will remain unchanged.

A 500 square foot addition is required to provide space for a new elevator to service all floors.



THE UNIVERSITY OF ALABAMA SYSTEM

The University of Alabama | The University of Alabama at Birmingham | The University of Alabama in Huntsville

Michael Rodgers, *Assistant Vice Chancellor for Construction Management*

July 20, 2018

MEMORANDUM

TO: Dr. Dana Keith, Vice Chancellor for Finance and Administration
Trustee Jim Wilson, Chairman, Physical Properties Committee

FROM: Michael Rodgers

SUBJECT: Board Rule 415 Waiver
Architect/Engineer Selection Process
Sigma Alpha Epsilon Renovation @ UA

Dr. Keith and Trustee Wilson:

Board Rule 415 provides a detailed process for the selection and approval of Architects, Engineers, and construction professionals. Campus officials are required to appoint a Selection Committee which, after careful review of all qualified firms, is to submit a ranking of the most qualified professionals to the Physical Properties Committee for approval and authorization to negotiate a Consulting Agreement.

You will find attached a request to waive this Consultant Selection Process on the above referenced project. The University would like to contract with Seay Seay & Litchfield Architects of Montgomery, AL based on the following:

- 1.) **Familiarity with the Project** – SS&L has worked with the Chapter to study and program the proposed renovation. SS&L also worked with the Chapter on the existing Memorial Room. The firm has as much knowledge of the building as possible, given the fact that as-builts from the original construction are not available, and have committed to deliver the Project by May 2020.

- 2.) **Savings to Total Project Cost** – SS&L has agreed to a fee of 7.875% of the cost of construction (6.3% plus 25% renovation factor). This fee is consistent with the Alabama Building Commission's published fee schedule for a Group III project. *SS&L has also agreed to provide a \$10,000 (lump sum) credit for their services.* The estimated construction cost for the Project is \$5,438,056.00.

I have reviewed this request and the associated documentation and recommend approval by the Vice Chancellor for Finance and Administration and the Chair of the Physical Properties Committee. Thereafter, campus officials will be authorized to proceed in negotiating a Consultant Agreement with the preferred firm.

Sincerely,

A handwritten signature in black ink that reads "Michael Rodgers". The signature is written in a cursive, flowing style.

Michael Rodgers
Assistant Vice Chancellor for Construction Management

July 19, 2018

Dr. Dana S. Keith
Vice Chancellor for Finance and Administration
Sid McDonald Hall
500 University Boulevard, East
Tuscaloosa, AL 35401

Trustee James W. Wilson, III
Chair, Physical Properties Committee
Chairman and CEO
Jim Wilson & Associates, LLC
2660 Eastchase Lane, Suite 100
Montgomery, AL 36117

RE: Request for Waiver of Consultant Selection process
Sigma Alpha Epsilon Renovation

Dear Dr. Keith and Trustee Wilson,

The University of Alabama ("University") is requesting a Waiver of the Consultant Selection process for the Sigma Alpha Epsilon Renovation project ("Project") located at 432 University Boulevard.

The University proposes to utilize Seay Seay & Litchfield Architects of Montgomery, Alabama (SS&L), as the principal design firm for this Project. The services of SS&L are proposed due to the firm having designed the Chapter's existing Memorial Room and their work with the Chapter to study and program the proposed renovation. SS&L has committed to provide design services as necessary to deliver the Project by May 2020. Their familiarity and knowledge of the existing facility and University standards will facilitate an efficient design process and ensure coordination with the existing systems, finishes and materials. Accordingly, the University is requesting approval to utilize SS&L to provide architectural services for this Project.


Furthermore, the University has negotiated a design fee of 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit. This fee is consistent with the Alabama Building Commission fee and the renovation factor is appropriate due to the lack of as-builts from the original construction, which will require the design team to spend significant time documenting the existing construction. The University is requesting acceptance of this negotiated fee.

Approval is hereby requested for:

1. Waiver of Consultant Selection Process.
2. Seay Seay & Litchfield Architects of Montgomery, Alabama as the architectural service provider for the Project at a negotiated design fee of 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit.
3. Submittal to the Physical Properties Committee for review and approval.

For your convenience, a Location Map and Project Summary have been attached. If you have any questions or concerns, please feel free to contact me.

Sincerely,


Matthew M. Fajack
Vice President for Financial Affairs
and Treasurer

MMF/ccj

Attachment

pc/atchmt: Michael Rodgers
Michael Lanier
Tim Leopard
Tom Love
Ben Youngblood

The above request for Waiver of the Consultant Selection Process and request for Seay Seay & Litchfield Architects of Montgomery, Alabama, to provide architectural services at a negotiated design fee of 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit.

Dana S Keith 7/23/2018

Dr. Dana S. Keith: Recommend for Approval
Vice Chancellor for Finance and Administration

DocuSigned by:

James W. Wilson, III

Jul-30-2018

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Trustee James W. Wilson, III: Approval Recommended
Chair of the Physical Properties Committee

Attachment K to Board Rule 415

**Supplemental Project Information Worksheet
Annual Capital Development Plan**

FY: 2018 – 2019

Project Name/Category: Sigma Alpha Epsilon
432 University Boulevard

Campus: The University of Alabama

- 1. Will this Project increase the current space inventory on campus or replace existing space?**

<input checked="" type="checkbox"/> increase space inventory	<u>.005</u> % increase	<u>500</u> GSF
<input type="checkbox"/> replace space inventory	<u> </u> % replacement	<u> </u> GSF
<input checked="" type="checkbox"/> renovation of existing space only		<u>17,110</u> GSF

- 2. If this Project will replace existing space inventory, how will vacated space be utilized or assigned after this Project is completed?**

Comments:

Not applicable.

- 3. Is the proposed Project location consistent with the Campus Master Plan and University Design Standards and the principles contained therein?**

☒ Yes ☐ No, A Campus Master Plan Amendment Is Required

If Campus Master Plan amendment required, explain:

4. Provide information on classification of new space provided by this Project and latest utilization data on similar type space on campus.

Proposed New Space/Facilities				
Classification	Number (Spaces/Rooms)	Capacity (Persons)	Area (GSF)	Existing Space Utilization Data (See Notations)
100 Classroom Facilities				
200 Laboratory Facilities				
300 Office Facilities				
400 Study Facilities				
500 Special Use Facilities				
600 General Use Facilities				
700 Support Facilities				
800 Health Care Facilities				
900 Residential Facilities				
000 Unclassified Facilities				

Comments/Notations:

Not applicable to Greek housing.

5. How will this Project enhance existing/new programs and undergraduate/graduate enrollments?

Estimated new Funds from Tuition/Programs \$ N/A Yr.

Comments:

Opportunities for involvement in social and fraternal organizations are a key part of the college experience for many students. Providing this opportunity is an important recruitment factor for many students and can enhance the experience for those that participate as reflected by the fact that over one-third of University of Alabama students participate in the Greek community.

The proposed Sigma Alpha Epsilon Renovation project ("Project") will enhance the living experience for existing student members as well as future members. The sleeping capacity will decrease from 20 to approximately 14; however, this reduction will enhance the living experience by providing individual bathrooms for each bedroom unit and a new student lounge.

The facility will provide space more appropriate to current trends in Greek life and will enhance both functional and programmatic use.

6. **Has a facility user group been established to provide input for planning, programming, and design purposes?** ☒ Yes ☐ In-Progress

If yes, list key members of user group:

Hugh Barr Miller, ΣAE House Corporation
 Bill McGowin, ΣAE House Corporation
 Mike Mouron, ΣAE House Corporation
 Garrett Goodman, University Architect
 Ben Youngblood, Project Manager

7. **Source(s) of funding for Total Project Development Costs.**

Source(s)	New Funds (FY 2018-2019)	Reserves	Status ^{/7}
Tuition			
Student Fees			
Investment Income			
Auxiliary Income <ul style="list-style-type: none"> • External • Internal 			
Education Sales/Services <ul style="list-style-type: none"> • External • Internal 			
Direct Grants			
Gifts			
Bonds			
Other – Chapter Payable	\$6,199,565	\$500,000	Pending
Totals	\$6,199,565	\$500,000	Pending

^{/7} Approved, allocated, pending

Comments:

ΣAE will enter into a loan agreement for \$6,199,565 with The University of Alabama (“University”). The \$500,000 balance will be funded with Chapter Reserve funds.

The University will issue a promissory note to ΣAE, which will indicate the annual principal and interest payments to be made for repayment of the funds. ΣAE has shown through its Business Plan the ability to repay the loan.

8. **Estimate of operations and maintenance (O&M) costs for the initial occupancy year and projections for succeeding five (5) year period.**

Operations and Maintenance (O&M) Annual Costs Projections			
Expense	FY 2018 - 2019 Base Data /8	First Full /YR Occupancy FY2019	Successive Five (5) Year Projections /9
Maintenance			
Elevator Service			
Building Repairs			
Building Services			
Electric, Natural Gas, Steam			
Chilled Water			
Water and Sewer			
Insurance			
Safety Support			
Operations Staff Support Funding			
Other			
Totals	Not applicable	Not applicable	Not applicable

/8 Latest Fiscal Year Data used as Base Year for Projections

/9 Combined Costs for next Five (5) Years of Occupancy

Comments:

All O&M costs are the sole responsibility of the chapter and will be funded from rental income and other charges to the fraternity members.

The structure will be designed to operate at minimal costs with minimal maintenance. The design will incorporate high efficiency heating and cooling equipment, as well as efficient lighting fixtures.

9. **Source of funds for projected ongoing operations and maintenance (O&M) costs for this project.**

Source(s)	Occupancy Yr. / ⁹ (FY2019)	Future Years /10	Status / ⁷
Tuition			
Student Fees			
Investment Income			
Auxiliary Income <ul style="list-style-type: none"> • External • Internal 			
Educational Sales & Services <ul style="list-style-type: none"> • External • Internal 			
Direct Grant(s)			
Reallocated Funds /11			
Gifts			
Other			
Total/YR	Not applicable	Not applicable	Not applicable

/9 Initial Full Yr. of Occupancy

/10 Next Five (5) Yrs. Occupancy

/11 Funds Reallocated from other sources

/7 Approved, allocated, pending

Comments:

Ongoing O&M costs will be funded by the chapter from rental income and other charges to fraternity members.

The Business Plan appropriately budgets for O&M cost and includes setting aside 3% of gross revenue for a reserve fund.

10. **Are development expenditures for this Project being used to reduce the current deferred maintenance/facilities renewal liabilities for the Campus?**

\$ N/A N/A % of Total Development Costs

Comments:

This proposed Project will significantly address facility deferred maintenance; however, it does not reduce the campus's overall liability as deferred maintenance costs are handled and funded by the chapter.

11. What other development alternatives were considered in the planning process for this Project? /13

Comments:

Construction of a new house on the existing lot was considered, but it was determined that renovation would be in the best interest of the chapter. The renovation will allow the original chapter house to remain intact, preserving the historical Alabama Mu ΣAE house.

/13 Renovation vs. new construction, adaptive reuse of underutilized buildings, etc.

12. Explain how the project will promote adequacy of campus facilities in relation to the University's Mission and scope of programs and/or services:

Comments:

This Project will enhance the living experience for existing student members as well as future members. The life safety enhancements will provide a safe environment for the students and the ADA enhancements will support an inclusive program.

13. How does the project correlate to the University's strategic goals?

Comments:

This Project will allow the Greek Life community to support its members, while enhancing the University's ability to recruit students and continue campus growth.

14. What would be the immediate impact on campus programs and enrollment if this project is not approved?

Comments:

If the Project is not approved, members of ΣAE will not be able to comfortably accommodate the projected chapter size and the growing Greek community. The living experience for the existing members as well as future members will not be enhanced.

Deferred maintenance requirements will not be addressed, and life safety systems and accessibility will remain inadequate.

THE UNIVERSITY OF ALABAMA SYSTEM
PROJECT PLANNING REPORT
DATE: September 20 - 21, 2018

X INITIAL REPORT
INTERIM REPORT
FINAL REPORT
1 REPORT NO.

TO: OFFICE OF THE CHANCELLOR
BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

FROM: OFFICE OF THE PRESIDENT
THE UNIVERSITY OF ALABAMA

1. PROJECT: Sigma Alpha Epsilon
2. LOCATION: 432 University Boulevard
3. ARCHITECT/ENGINEER: Requesting in this submittal

4. PROJECT STATUS:		
A. SCHEMATIC DESIGN	DATE INITIATED	September-18
	% COMPLETE	0%
	* DATE COMPLETED	October-18
B. PRELIMINARY DESIGN:	DATE INITIATED	October-18
	% COMPLETE	0%
	* DATE COMPLETED	November-18
C. CONSTRUCTION DOCUMENTS:	DATE INITIATED	November-18
	% COMPLETE	0%
	* DATE COMPLETED	December-18
D. SCHEDULED BID DATE:		January-19

5. CURRENT PROJECT BUDGET:	PRELIMINARY
A. CONSTRUCTION	\$ 5,438,056
B. TELECOMMUNICATION/DATA	\$ 60,000
C. CONTINGENCY* (10%)	\$ 543,806
D. UA PROJECT MANAGEMENT FEE** (3%)	\$ 179,456
E. ARCHITECT/ENGINEER FEE*** (~7.7%)	\$ 418,247
F. OTHER FEES AND SERVICES (GEOTECH, TESTING, ADVERTISING, PRINTING)	\$ 60,000
G. TOTAL PROJECT COST	\$ 6,699,565

*Contingency is based on 10% of the cost of construction.


**UA Project Management Fee is based on 3% of the cost of construction and contingency.

***Architect/Engineer Fee is based on 6.3% of the cost of construction plus a 25% renovation factor less a \$10,000 credit.

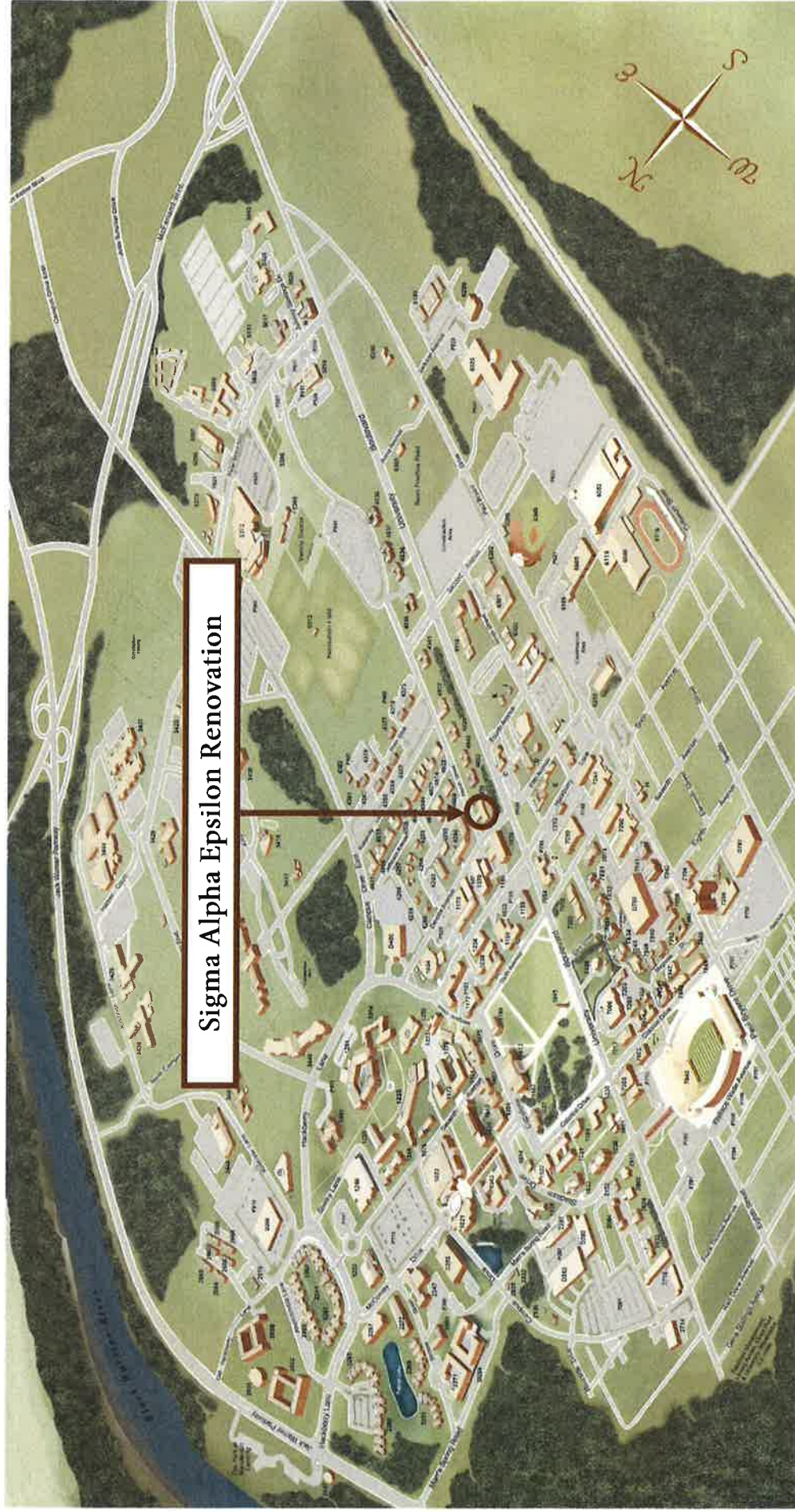
6. FUNDING/RESOURCES: Chapter Payable - \$6,199,565
Chapter Reserve funds - \$500,000
7. REMARKS

* FINAL AGENCY APPROVAL

SUBMITTED BY:



LOCATION MAP



SIGMA ALPHA EPSILON RENOVATION

Existing House



SIGMA ALPHA EPSILON
MU CHAPTER
ESTABLISHED 1856

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Year 30
Membership	150	150	150	150	150	150
Income:						
Room Rent	\$ 78,400.00	\$ 84,672.00	\$ 91,445.76	\$ 96,018.05	\$ 100,818.95	\$341,408.75
Parlor Fees	\$ 180,000.00	\$ 185,400.00	\$ 190,962.00	\$ 196,690.86	\$ 202,591.59	\$424,181.79
House Fund	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00
Building Fund	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00
Food Service Profit	\$ 180,000.00	\$ 185,400.00	\$ 190,962.00	\$ 196,690.86	\$ 202,591.59	\$424,181.79
House Corporation Contribution	\$ 60,000.00	\$ 50,000.00	\$ 40,000.00	\$ 30,000.00	\$ 20,000.00	\$ -
Total Income	\$ 715,900.00	\$ 722,972.00	\$ 730,869.76	\$ 736,899.77	\$ 743,502.12	\$ 1,407,272.33
Operating Costs:						
Utilities	\$ 72,000.00	\$ 74,160.00	\$ 76,384.80	\$ 78,676.34	\$ 81,036.63	\$169,672.72
Custodial Services	\$ 72,000.00	\$ 74,160.00	\$ 76,384.80	\$ 78,676.34	\$ 81,036.63	\$169,672.72
Repairs & Maintenance	\$ 12,000.00	\$ 12,360.00	\$ 12,730.80	\$ 13,112.72	\$ 13,506.11	\$28,278.79
Maintenance-Buildings/Equipment	\$ 12,000.00	\$ 12,360.00	\$ 12,730.80	\$ 13,112.72	\$ 13,506.11	\$28,278.79
Cable & Internet	\$ 10,000.00	\$ 10,300.00	\$ 10,609.00	\$ 10,927.27	\$ 11,255.09	\$23,565.66
Insurance	\$ 20,000.00	\$ 21,000.00	\$ 22,050.00	\$ 23,152.50	\$ 24,310.13	\$82,322.71
Accounting & OH	\$ 5,795.00	\$ 6,084.75	\$ 6,388.99	\$ 6,708.44	\$ 7,043.86	\$23,853.01
Miscellaneous Expenses	\$ 14,277.00	\$ 14,627.16	\$ 13,872.23	\$ 14,181.27	\$ 14,502.32	\$30,364.63
Total Operating Costs	\$ 218,072.00	\$ 225,051.91	\$ 231,151.42	\$ 238,547.61	\$ 246,196.87	\$ 556,009.01
Net Income Before Debt	\$ 497,828.00	\$ 497,920.09	\$ 499,718.34	\$ 498,352.16	\$ 497,305.25	\$ 851,263.33
Add: Cash Reserves						
Debt	\$ 422,435.02	\$ 422,435.02	\$ 422,435.02	\$ 422,435.02	\$ 422,435.02	\$ 422,435.02
Less: Renewals and Replacement Reserves	\$ 21,477.00	\$ 21,689.16	\$ 21,926.09	\$ 22,106.99	\$ 22,305.06	\$ 42,218.17
Principal Reduction						
Net Income (Loss)	\$ 53,915.98	\$ 53,795.91	\$ 55,357.23	\$ 53,810.15	\$ 52,565.17	\$ 386,610.14
Cumulative Net Income (Loss)	\$ 53,915.98	\$ 107,711.90	\$ 163,069.13	\$ 216,879.27	\$ 269,444.45	\$ 656,054.59

Assumptions

Estimated project cost:	\$ 6,699,565.00
Chapter Reserve Funds:	\$ 500,000.00
Chapter Payable:	\$ 6,199,565.00
Estimated Interest on loan	5.50%
Estimated term of loan	30

Approximate GSF of New House:

Fall 2018 Membership:	150
Current Beds:	14
Current GSF:	

Assumes spaces to be on line August 2020.

Rental Income is computed as follows:

Room rent is charged at a rate of \$2,800 per semester, a bed capacity of 14 with a 8% annual increase for 2 years, 5% thereafter.

Parlor Fees are charged to all members at a rate of \$600 per semester with a 3% annual increase.

House Fund Fees are charged to all members at a rate of \$600 per semester with no anticipated increases.

Building Fund Fees are charged to all members at a rate of \$125 per semester with no anticipated increases.

Food service profit is a conservative estimate based on historical data with a 3% annual increase.

House Corporation Funding will be \$60,000 for the first year and decline \$ 10,000 per year over the first 6 years.

Membership is based on 150 members. (Past 5 years Membership: Fall 2017 -128 , Fall 2016 - 125, Fall 2015 - 82, Fall 2014 - 124, Fall 2013 - 144)

Plan for Reserves:

3% of Gross Revenue Set Aside for Reserve Fund

Cumulative profits to be used as long term reserve funds

Operations:

Occupancy is projected at a level of 100% for each year. Any shortfall will be rented to non-members and/or the undergraduate chapter will be charged for any shortage.

Expenses:

Property insurance reflects rate for a 'new sprinkled property', increasing at 5% each year.

Accounting and OH is calculated as 5% of Room Rent and Building Fund Revenue.

Miscellaneous Expenses are calculated as 3% of Room Rent, Parlor Fees, House Fund, and Building Fund Revenues.

All other expenses increase at a rate of 3% per year.

-Maintenance

In addition to building a reserve to cover long-term repairs, the operating budget reflects a line item for maintenance-buildings and equipment. This line item is intended to cover minor repairs and unexpected defects.