



**UNIVERSITY OF ALABAMA SYSTEM
BOARD RULE 415
BOARD SUBMITTAL CHECKLIST CRITERIA**

**BOARD SUBMITTAL CHECKLIST NO. 3
CAPITAL PROJECT - STAGE III SUBMITTAL ^{/1}
(Architectural Design)**

CAMPUS: University of Alabama, Tuscaloosa, AL
PROJECT NAME: Kappa Sigma Fraternity House New Construction
MEETING DATE: June 8-9, 2023

- 1. Board Submittal Checklist No. 3
- 2. Transmittal Letter to Chancellor from Campus President requesting project be placed on the agendas for the forthcoming Physical Properties Committee and Board of Trustees (or Executive Committee) Meetings
- 3. Proposed Board Resolution requesting approval of Project Design (Architectural Design and authority to proceed with final construction documents) by the Board of Trustees
- 4. Executive Summary - Proposed Capital Project ^{/2}
- 5. Architectural rendering of project (Final design prior to the initiation of construction documents on the project)
- 6. Campus map(s) showing project site

Prepared by: Lane Weaver

Approved by: 


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

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

May 5, 2023

Chancellor Finis E. St. John IV
The University of Alabama System
500 University Boulevard East
Tuscaloosa, Alabama 35401

Dear Chancellor St. John:

I am pleased to send to you for approval under Board Rule 415 the attached documents for a Stage III submittal for the Kappa Sigma Fraternity House New Construction project.

The resolution requests approval of the Architectural Design and a Scope and Budget Revision for the negotiated design fees and increased square footage for the project.

The item has been thoroughly reviewed and has my endorsement. With your concurrence, I ask that it be added to the agenda for The Board of Trustees at their regular meeting on June 8 - 9, 2023.

Sincerely,



Stuart R. Bell
President

Enclosure



THE UNIVERSITY OF ALABAMA

RESOLUTIONAPPROVAL OF THE REVISED SCOPE AND BUDGET AND PROPOSED
ARCHITECTURAL DESIGN FOR THE KAPPA SIGMA FRATERNITY HOUSE
NEW CONSTRUCTION

WHEREAS, on September 16, 2022, in accordance with Board Rule 415, the Board of Trustees of The University of Alabama (“Board”) approved a Stage I and Campus Master Plan Amendment submittal for the Kappa Sigma Fraternity House New Construction project (“Project”) to be located at 282 University Boulevard; and

WHEREAS, Kappa Sigma applied through the University’s competitive process and was awarded a lot for a new fraternity house; and

WHEREAS, the Project entails the construction of a new chapter house for Kappa Sigma, which will allow the relocation of the chapter from its current location at 521 Jefferson Ave and for growth for another chapter by occupying Kappa Sigma’s existing house following completion of this Project; and

WHEREAS, the new house will provide Kappa Sigma the ability to host and house the current fraternity and have space available for future growth in membership and appropriate space for chapter meetings, board and officer meetings, and dining for the Chapter; and

WHEREAS, the 2017 Campus Master Plan did not indicate a facility at this site, and on September 16, 2022, the Board approved a Campus Master Plan Amendment to reflect the change of use of the site as the proposed location is appropriate given the intended use and will yield the lowest development costs for the University; and

WHEREAS, on November 4, 2022, in accordance with Board Rule 415, the Board authorized The University of Alabama (“University”), to negotiate for architectural services to be provided by Payne Design Group (“Payne Design”), of Montgomery, Alabama; and

WHEREAS, upon completion of negotiations with Payne Design, the University established a final design fee of 5.9% of the costs of construction, plus \$10,200 for additional services; and

WHEREAS, the Chapter desires to increase the square footage of the House from the originally programmed concept to better accommodate the space and utilization needs of the members from 28,000 to 29,000 gross square feet; and

WHEREAS, the University is requesting approval for a Budget Revision from \$15,176,000 to \$15,676,000 to reflect the final design fee and square footage increase and associated revisions to soft costs; and

WHEREAS, responsible officials of the University have received renderings for the Stage III submittal and are recommending approval of said design; and

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

WHEREAS, the Project will be funded from the Chapter Payables in the amount of \$11,138,035 which will be in the form of a loan to Kappa Sigma, and Chapter Funds (House Equity) of \$4,537,965, which the University has verified; and

WHEREAS, Kappa Sigma has agreed to repay the \$11,138,035 to the University and has shown through its Business Plan the ability to repay the loan; and

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

BUDGET:		REVISED
Construction	\$	13,250,000
Landscaping	\$	109,000
Furniture, Fixtures and Equipment	\$	92,000
Security/Access Control	\$	75,000
Telecommunication/Data	\$	75,000
Contingency* (5%)	\$	667,950
UA Project Management Fee** (3%)	\$	420,809
Architect/Engineer Fee*** (5.9%)	\$	798,381
Commissioning	\$	25,000
Other****	\$	162,860
TOTAL PROJECT COST	\$	15,676,000

*Contingency is based on 5% of the costs of Construction and Landscaping.

**UA Project Manager Fee is based on 3% of the costs of Construction, Landscaping, and Contingency.

***Architect/Engineer Fee is based on 5.9% of the costs of Construction and Landscaping plus \$10,200 for additional services.

****Other expenses include Geotech, Construction Materials Testing, Inspections, Advertising, Printing, and other associated project costs, as applicable.

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

1. The Stage III submittal for the Project is hereby approved.
2. The Revised Budget and Funding for the Project are approved as stipulated above.

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

MEETING DATE: June 8 – 9, 2023

CAMPUS: The University of Alabama, Tuscaloosa, Alabama

PROJECT NAME: Kappa Sigma Fraternity House New Construction

PROJECT NUMBER: 946-23-3078

PROJECT LOCATION: 282 University Boulevard lot between Sigma Phi Epsilon and Pi Kappa Alpha

ARCHITECT: Payne Design Group Architects, LLC

THIS SUBMITTAL:	PREVIOUS APPROVALS:
<input type="checkbox"/> Stage I	September 16, 2022
<input type="checkbox"/> Stage II	November 4, 2022
<input type="checkbox"/> Campus Master Plan Amendment	September 16, 2022
<input checked="" type="checkbox"/> Stage III	
<input type="checkbox"/> Stage IV	

PROJECT TYPE	SPACE CATEGORIES	PERCENTAGE	GSF
<input checked="" type="checkbox"/> Building Construction	Fraternity	~100%	29,000
<input type="checkbox"/> Building Addition			
<input type="checkbox"/> Building Renovation			
<input type="checkbox"/> Equipment			
TOTAL		100%	29,000

BUDGET	CURRENT	REVISED
Construction	\$ 12,750,000	13,250,000
Landscaping	\$ 150,000	109,000
Furniture, Fixtures and Equipment	\$ 110,000	92,000
Security/Access Control	\$ 75,000	75,000
Telecommunication/Data	\$ 75,000	75,000
Contingency* (5%)	\$ 645,000	667,950
UA Project Management Fee** (3%)	\$ 406,350	420,809
Architect/Engineer Fee*** (5.9%)	\$ 761,100	798,381
Commissioning	\$ 23,000	25,000
Other****	\$ 180,550	162,860
TOTAL PROJECT COST	\$ 15,176,000	15,676,000
Construction Cost per square foot: \$479		

*Contingency is based on 5% of the costs of Construction and Landscaping.

**UA Project Management Fee is based on 3% of the costs of Construction, Landscaping, and Contingency.

***Architect/Engineer Fee is based on 5.9% of the costs of Construction and Landscaping, plus \$10,200 for additional services.

****Other fees and expenses include Geotech, Construction Materials Testing, Inspections, Advertising, Printing and other associated project costs, as applicable.

ESTIMATED ANNUAL OPERATING AND MAINTENANCE (O&M) COSTS:		
(Utilities, Housekeeping, Maintenance, Insurance, Other)		
0 sf x ~\$0.00/sf		\$ N/A
Total Estimated Annual O&M Costs:		\$ N/A*

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

FUNDING SOURCE:		
Capital Outlay:		
	Chapter Funds (House Equity)	\$ 4,537,965
	Chapter Payables	\$ 11,138,035
O & M Costs:		N/A

NEW EQUIPMENT REQUIRED**Total Equipment Costs:**

N/A

PROJECT SCOPE:

The project scope includes the construction of a new chapter house for the Kappa Sigma fraternity. The house will be located between Sigma Phi Epsilon and Pi Kappa Alpha and will be approximately 29,000 square feet (increased from an original 28,000 square foot programmed space), consisting of two floors, including a main level for dining and gathering spaces and a second level for member sleeping rooms.

The massing, architecture and materials of the house will be consistent with the other chapters in that area of University Boulevard.

PROJECT STATUS

SCHEMATIC DESIGN:	Date Initiated	September 2022
	% Complete	100%
	Date Completed	October 2022
PRELIMINARY DESIGN:	Date Initiated	November 2022
	% Complete	100%
	Date Completed	March 2023
CONSTRUCTION DOCUMENTS:	Date Initiated	April 2023
	% Complete	60%
	Date Completed	August 2023
SCHEDULED BID DATE:		September 2023

**N/A on Stage I Projects*

RELATIONSHIP AND ENHANCEMENT OF CAMPUS PROGRAMS

A new chapter house will allow the chapter to comfortably accommodate the projected chapter size and the growing Greek community.

This proposed project will enhance the living experience for existing student members as well as future members. Bed capacity will increase from 27 to approximately 44 (previously designed as 40 plus study spaces) and seating for dining and chapter meetings will increase from 60 to approximately 125.

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

KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

Vantage Points



KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

**View 1 Looking North from
University Boulevard**



KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

**View 2 Looking Northeast from
University Boulevard**



KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

**View 3 Looking Southwest from
4th street**



KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

Massing Study

Name of Building	Height from Finished Floor to Roof Ridge	Width	Depth
Kappa Sigma	46 feet	136 feet	158 feet
Alpha Tau Omega	50 feet	121 feet	99 feet
Kappa Alpha	50 feet	136 feet	119 feet
Phi Delta Theta	50 feet	146 feet	107 feet
Pi Kappa Phi	47 feet	126 feet	135 feet
Pi Kappa Alpha	38 feet	105 feet	151 feet
Sigma Phi Epsilon	38 feet	105 feet	150 feet

KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

LOCATION MAP



**Kappa Sigma
Beta Chapter
Established 1899**

	Completed Project					
	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2046-2047
Beds	44	44	44	44	44	44
Fall Members	170	170	165	160	155	145
Spring Members	165	160	155	150	145	145
New Members	40	40	40	40	40	40
Revenue						
Captial Contributions & Gifts						
Room Rent	\$ 484,000.00	\$ 498,520.00	\$ 513,480.00	\$ 528,880.00	\$ 544,720.00	\$ 1,107,357.27
Meals	854,250.00	866,745.00	865,694.40	863,800.69	861,014.24	1,808,606.83
Parlor Fee - Non-Residents	151,200.00	155,736.00	154,154.00	152,192.00	150,072.00	318,656.25
House Fund - All Members	251,250.00	255,090.00	254,720.00	254,200.00	253,500.00	532,238.35
House Corporation Fee			-	-	-	-
Total Revenue	\$ 1,740,700.00	\$ 1,776,091.00	\$ 1,788,048.40	\$ 1,799,072.69	\$ 1,809,306.24	\$ 3,766,858.70
Expenses						
Food Service	\$ 512,550.00	\$ 520,047.00	\$ 519,416.64	\$ 518,280.42	\$ 516,608.54	\$ 1,085,164.10
Payroll & Payroll Taxes	65,000.00	66,950.00	68,958.50	71,027.26	73,158.07	148,715.30
Utilities	60,000.00	61,800.00	63,654.00	65,563.62	67,530.53	137,275.66
Cable & Internet	6,933.00	7,140.99	7,355.22	7,575.88	7,803.15	15,862.20
Repairs & Maintenance	30,000.00	30,900.00	31,827.00	32,781.81	33,765.26	68,637.83
Property Management	18,000.00	18,540.00	19,096.20	19,669.09	20,259.16	41,182.70
Insurance	25,000.00	25,750.00	26,522.50	27,318.18	28,137.72	57,198.19
Accounting & OH	52,221.00	53,282.73	53,641.45	53,972.18	54,279.19	113,005.76
Miscellaneous Expenses	52,221.00	53,282.73	53,641.45	53,972.18	54,279.19	113,005.76
Total Expenses	\$ 821,925.00	\$ 837,693.45	\$ 844,112.96	\$ 850,160.60	\$ 855,820.82	\$ 1,780,047.50
Net Income Before Debt	\$ 918,775.00	\$ 938,397.55	\$ 943,935.44	\$ 948,912.09	\$ 953,485.42	\$ 1,986,811.20
Add: Cash Reserves						
Long-Term Debt	\$ 569,164.84	\$ 758,886.45	\$ 758,886.45	\$ 758,886.45	\$ 758,886.45	\$ 758,886.45
Less: Renewals and Replacement Reserves	\$ 52,221.00	\$ 53,282.73	\$ 53,641.45	\$ 53,972.18	\$ 54,279.19	\$ 113,005.76
Principal Reduction						
Net Income (Loss)	\$ 297,389.16	\$ 126,228.37	\$ 131,407.53	\$ 136,053.46	\$ 140,319.78	\$ 1,114,918.99
Cumulative Net Income (Loss)	\$ 297,389.16	\$ 423,617.53	\$ 555,025.06	\$ 691,078.52	\$ 831,398.31	

Exhibit A

**Kappa Sigma
Beta Chapter
Established 1899**

Assumptions

Project Cost	\$ 15,676,000.00	Approximate GSF
Land Preparation	-	28000
Total Project Cost	\$ 15,676,000.00	559.857
Sale of Current House	4,537,965.00	
Reserve Funds		
Loan amount to be:	\$ 11,138,035.00	
Estimated interest on loan is	5.50%	
Estimated term of loan (in years) is	30	
Assumes spaces to be on line August 2024		

Rental Income is computed as follows:

Existing Beds	27
New Bed Spaces (net)	17
	<u>44</u>

Per Semester for 1st year \$5,500 Monthly \$1,100

Room Rent to increase 3% annually.

Meals are charged to all members at \$2,550/semester increasing 3% per year.

House Fund Fees are charged to all members at \$750 per semester increasing 3% per year.

Parlor Fees are charged to non-resident members at \$600 per semester increasing 3% per year.

Total chapter membership estimated at 170 for the first two years and then 165, 155, 150, and 145. each year after.

40 New Members per year.

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. The undergraduate chapter will be charged for any vacancies.

Expenses:

Food service is provided by a third party vendor. Expenses are calculated at 60% of meals revenue.

Cable is calculated at \$4.50 per outlet per semester, increasing 3% annually

Internet is calculated at \$79.50 per bed space per semester, increasing 3% annually

Property insurance reflects rate for a 'new sprinkled property', increasing 3% annually

Accounting and OH is calculated as 3% of Room Rent and Building Fund Revenue

Miscellaneous Expenses are calculated as 3% of Room Rent, Meals and Parlor Fees

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, building, and equipment. This line item is intended to cover minor repairs and unexpected defects.

Value of Current House:

The value of the current house was determined by using 26,000 square feet at \$150 per square foot.

The house is insured for \$4.9 Million. The value assigned appears reasonable based on historic value of other properties, and the size and condition of the house.