

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

**BOARD SUBMITTAL CHECKLIST NO. 1  
CAPITAL PROJECT - STAGE I SUBMITTAL <sup>/1</sup>  
(General Project Information)**

**CAMPUS:** The University of Alabama  
**PROJECT NAME:** Kappa Sigma Fraternity House New Construction  
**MEETING DATE:** September 15-16, 2022

- 1. Board Submittal Checklist No. 1
- 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 Stage I Submittal by the Board of Trustees
- 4. Executive Summary – Proposed Capital Project <sup>/2</sup>
- 5. Supplemental Project Information Worksheet – Exhibit “K”, Board Rule 415
- 6. Campus map(s) showing project site

Prepared by: Lane Weaver

Approved by:

<sup>/1</sup> Reference Tab 3F – Board Rule 415 Instructional Guide  
<sup>/2</sup> Reference Tab 3E – Board Rule 415 Instructional Guide



Office of the  
President

August 15, 2022

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 I submittal for the Kappa Sigma Fraternity House New Construction project.

The resolution requests authorization to establish a preliminary budget, funding as stipulated, and an amendment to the Campus Master Plan.

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 September 15-16, 2022.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. R. Bell".

Stuart R. Bell  
President

Enclosure



## RESOLUTION

### KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

WHEREAS, in accordance with Board Rule 415, The University of Alabama (“University”) is requesting The Board of Trustees of The University of Alabama (“Board”) to consider approval of the Stage I and Campus Master Plan Amendment submittal for the Kappa Sigma Fraternity House New Construction project (“Project”) to be located at 282 University Blvd; 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 their 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, a Campus Master Plan Amendment is requested to reflect the change of use of the site as the 2017 Campus Master Plan does not indicate a facility at the proposed location as this proposed location is appropriate given the intended use, which is consistent with the area and will yield the lowest development costs for the University; and

WHEREAS, the Project will be funded from a Chapter Payable in the amount of \$10,638,035 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 \$10,638,035 to the University and has shown through its Business Plan the ability to repay the loan; and

WHEREAS, the Project program has been reviewed and is consistent with University Design Standards and the principles contained therein; and

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

<b>BUDGET:</b>	<b>PRELIMINARY</b>
Construction	\$ 12,750,000
Landscaping	\$ 150,000
Furniture, Fixtures and Equipment	\$ 110,000
Security/Access Control	\$ 75,000
Telecommunication/Data	\$ 75,000
Contingency* (5%)	\$ 645,000
UA Project Management Fee** (3%)	\$ 406,350
Architect/Engineer Fee*** (5.9%)	\$ 761,100
Commissioning	\$ 23,000
Other****	\$ 180,550
<b>TOTAL PROJECT COST</b>	<b>\$ 15,176,000</b>

\*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.

\*\*\*\*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 I submittal package for the Project is hereby approved.
2. The preliminary budget for the Project as stipulated above is hereby approved.
3. The funding for this project as stipulated above is hereby approved.
4. The Campus Master Plan Amendment for the Project is hereby approved.

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

**MEETING DATE:** September 15 – 16, 2022

**CAMPUS:** The University of Alabama, Tuscaloosa, Alabama

**PROJECT NAME:** Kappa Sigma Fraternity House New Construction

**PROJECT NUMBER:** To Be Determined

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

**ARCHITECT:** To Be Determined

<b>THIS SUBMITTAL:</b>	<b>PREVIOUS APPROVALS:</b>
<input checked="" type="checkbox"/> Stage I	
<input type="checkbox"/> Stage II	
<input checked="" type="checkbox"/> Campus Master Plan Amendment	
<input type="checkbox"/> Stage III	
<input type="checkbox"/> Stage IV	

<b>PROJECT TYPE</b>	<b>SPACE CATEGORIES</b>	<b>PERCENTAGE</b>	<b>GSF</b>
<input checked="" type="checkbox"/> Building Construction	Fraternity	~100%	28,000
<input type="checkbox"/> Building Addition			
<input type="checkbox"/> Building Renovation			
<input type="checkbox"/> Equipment			
<b>TOTAL</b>		<b>100%</b>	<b>28,000</b>

<b>BUDGET</b>	<b>Preliminary</b>
Construction	\$ 12,750,000
Landscaping	\$ 150,000
Furniture, Fixtures and Equipment	\$ 110,000
Security/Access Control	\$ 75,000
Telecommunication/Data	\$ 75,000
Contingency* (5%)	\$ 645,000
UA Project Management Fee** (3%)	\$ 406,350
Architect/Engineer Fee*** (5.9%)	\$ 761,100
Commissioning	\$ 23,000
Other****	\$ 180,550
<b>TOTAL PROJECT COST</b>	<b>\$ 15,176,000</b>
<b>Construction Cost per square foot: \$478</b>	

\*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.

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

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

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

<b>FUNDING SOURCE:</b>	
Capital Outlay:	
Chapter Funds (House Equity)	\$ 4,537,965
Chapter Payables	\$ 10,638,035
O & M Costs:	N/A

<b>NEW EQUIPMENT REQUIRED</b>	
<b>Total Equipment Costs:</b>	N/A

**PROJECT SCOPE:**

The preliminary 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 28,000 square feet, consisting of two floors, including a main level for dining and gathering spaces and a second level for member sleeping rooms.

The massing 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	0%
	Date Completed	October 2022
PRELIMINARY DESIGN:	Date Initiated	November 2022
	% Complete	0%
	Date Completed	March 2023
CONSTRUCTION DOCUMENTS:	Date Initiated	April 2023
	% Complete	0%
	Date Completed	September 2023
SCHEDULED BID DATE:		October 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 40 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.

**Attachment K to Board Rule 415**

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

**FY: 2022 – 2023**

**Project Name:** Kappa Sigma Fraternity House New Construction  
**Project Address/Location:** 282 University Blvd  
 Lot between Sigma Phi Epsilon and Pi Kappa Alpha  
**Campus:** The University of Alabama

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

- increase space inventory      ~.0015 % increase      28,000 GSF
- replace space inventory      \_\_\_\_\_ % replacement      \_\_\_\_\_ GSF
- renovation of existing space only      \_\_\_\_\_ GSF

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

Comments:

Kappa Sigma currently occupies an existing house at 521 Jefferson Avenue that is anticipated to be transferred to Sigma Tau Gamma to provide the opportunity for both of the existing chapters to grow.

**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:

A Campus Master Plan Amendment is required to reflect the proposed change of use of the site as the 2017 Campus Master Plan does not indicate a facility at the proposed location. This proposed location is appropriate given the intended use, which is consistent with the area and will yield the lowest development costs for the University.

**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				

Data reported on latest fiscal year data available.  
 Utilization factor based on Scheduled Operating Hours at each Campus – outlined below in notations.

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:  
 An increase in the size of the 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 40; seating for dining from 60 to approximately 125; and seating for chapter meetings 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.

**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:  
 Lane Weaver, UA Construction Administration, Project Manager  
 Davis Campbell, Programming Architect  
 Jason Bigelow, UA Staff Architect

Bonner Lee, UA Landscape Architect  
 Rick Burch, Kappa Sigma  
 Bill McGuire, Kappa Sigma  
 Matt Spearing, Kalos Group

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

<b>Source(s)</b>	<b>New Funds (FY_____)</b>	<b>Reserves</b>	<b>Status <sup>/7</sup></b>
Tuition			
Student Fees			
Investment Income			
Auxiliary Income			
• External			
• Internal			
Education Sales/Services			
• External			
• Internal			
Direct Grants			
Gifts			
Bonds			
Existing Net Assets			
Other	\$10,638,035		
Chapter Funds (House Equity)	\$4,537,965		Pending
<b>Totals</b>	<b>\$15,176,000</b>		<b>Pending</b>

<sup>/7</sup> Approved, allocated, pending

Comments:

Kappa Sigma will enter into a loan agreement for \$10,638,035 with the University. The University will issue a promissory note to Kappa Sigma, which will indicate the annual principal and interest payments to be made for repayment of the funds. Kappa Sigma has shown through its Business Plan the ability to repay the loan. Kappa Sigma will use Chapter Funds (House Equity) to fund the remaining \$4,537,965. The equity for the existing Kappa Sigma house will be transferred to Sigma Tau Gamma.

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

<b>Operations and Maintenance (O&amp;M) Annual Costs Projections</b>			
<b>Expense</b>	<b>FY 2014- 2015 Base Data /8</b>	<b>First Full /YR Occupancy FY</b>	<b>Successive Five (5) Year Projections /9</b>
Maintenance			
Elevator Service			
Building Repairs			
Building Services			
Electric, Natural Gas, Steam			
Chilled Water			
Water and Sewer			
Insurance			
Safety Support			
Operations Staff Support Funding			
Other – Supply Store expenses			
<b>Totals</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>

/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 responsibility of the chapter and will be funded from rental income and other charges to the fraternity members. A Business Plan showing thirty-five years of projected revenues and expenses has been developed.

The structure will be designed to operate at minimal cost 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 <sup>/9</sup> (FY _____)	Future Years <sup>/10</sup>	Status <sup>/7</sup>
Tuition			
Student Fees			
Investment Income			
Auxiliary Income			
• External			
• Internal			
Educational Sales & Services			
• External			
• Internal			
Direct Grant(s)			
Reallocated Funds <sup>/11</sup>			
Gifts			
Other- Chapter Payable			
<b>Total/YR</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>

<sup>/9</sup> Initial Full Yr of Occupancy  
<sup>/10</sup> Next Five (5) Yrs Occupancy  
<sup>/11</sup> Funds Reallocated from other sources  
<sup>/7</sup> Approved, allocated, pending

Comments:

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

**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:

Not applicable.

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

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

Comments:

The Kappa Sigma Fraternity house is currently located at 521 Jefferson Avenue. Renovation was considered, but ruled out due to the existing house being concrete block construction. Rebuilding will allow the chapter house to be comparable to other fraternity

houses and allow for the fraternity to be competitive within the UA Greek organization. New construction will also allow the exterior design and massing of the house to be consistent with other fraternities recently completed along University Boulevard.

There are no existing structures available in the area that meet the programmatic needs of the Chapter.

The 2017 Master Plan also indicates lots being available along the proposed 2<sup>nd</sup> Avenue extension from 4<sup>th</sup> Street north to Campus Drive, but there is not current demand to support the construction of the 2<sup>nd</sup> Avenue extension to provide additional lots.

**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:

Kappa Sigma currently has approximately 120 student members. The existing house does not adequately allow students to gather efficiently for study hall, collaboration meetings, meals, chapter meetings and recruitment events. Constructing a facility that is comparable to newer fraternity houses will meet the needs of Kappa Sigma by providing more adequate space for these items.

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

Comments:

The Project will further the University's strategic goal of attracting and supporting a diverse student body through housing enhancements for the student population who participate in Greek organizations.

**14. Which of the six University of Alabama system Core Principles does this project support?**

Comments:

This Project will ensure accountability and maintenance of the highest standards of excellence (UAS core Principle 3) by assisting the Greek Life community in maintaining the highest standards of excellence for students within the Chapter as well as future members of Kappa Sigma.

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

Comments:

If not approved, the chapter maintains there will continue to be a negative impact on their ability to be competitive during recruitment. The upgraded facility will support the chapter's efforts to grow, engage and enhance their members' experiences.

Sigma Tau Gamma will also be negatively impacted as they will not be able to move into a facility that will support their growth.

**KAPPA SIGMA  
BETA CHAPTER  
ESTABLISHED 1899**

	2024-25	2025-26	2026-27	2027-28	2028-29	2053-54
<b>House Income:</b>						
<b>Room Rent</b>	\$ 372,000.00	\$ 383,200.00	\$ 394,720.00	\$ 406,560.00	\$ 418,720.00	\$876,706.69
<b>Meals</b>	\$ 645,000.00	\$ 664,350.00	\$ 661,471.15	\$ 657,821.65	\$ 653,357.86	\$1,367,986.28
<b>Parlor Fees (non-residents)</b>	\$ 209,000.00	\$ 215,380.00	\$ 211,680.00	\$ 207,600.00	\$ 203,110.00	\$ 425,267.24
<b>House Fund (all members)</b>	\$ 255,000.00	\$ 262,800.00	\$ 261,580.00	\$ 260,120.00	\$ 258,390.00	\$ 541,011.28
<b>Total Income</b>	<b>\$ 1,481,000.00</b>	<b>\$ 1,525,730.00</b>	<b>\$ 1,529,451.15</b>	<b>\$ 1,532,101.65</b>	<b>\$ 1,533,577.86</b>	<b>\$ 3,210,971.49</b>
<b>Operating Costs:</b>						
<b>Food Service</b>	\$ 387,000.00	\$ 398,610.00	\$ 396,882.69	\$ 394,692.99	\$ 392,014.72	\$ 820,791.77
<b>Payroll &amp; Payroll Taxes</b>	\$ 65,000.00	\$ 66,950.00	\$ 68,958.50	\$ 71,027.26	\$ 73,158.07	\$153,176.76
<b>Utilities</b>	\$ 50,000.00	\$ 51,500.00	\$ 53,045.00	\$ 54,636.35	\$ 56,275.44	\$ 117,828.28
<b>Cable &amp; Internet</b>	6,933.00	\$ 7,140.99	\$ 7,355.22	\$ 7,575.88	\$ 7,803.15	\$ 16,338.07
<b>Repairs &amp; Maintenance</b>	\$ 30,000.00	\$ 30,900.00	\$ 31,827.00	\$ 32,781.81	\$ 33,765.26	\$ 70,696.97
<b>Property Management</b>	\$ 18,000.00	\$ 18,540.00	\$ 19,096.20	\$ 19,669.09	\$ 20,259.16	\$ 42,418.18
<b>Insurance</b>	\$ 25,000.00	\$ 25,750.00	\$ 26,522.50	\$ 27,318.18	\$ 28,137.72	\$58,914.14
<b>Accounting &amp; OH</b>	\$ 44,430.00	\$ 45,771.90	\$ 45,883.53	\$ 45,963.05	\$ 46,007.34	\$96,329.14
<b>Miscellaneous Expenses</b>	\$ 44,430.00	\$ 45,771.90	\$ 45,883.53	\$ 45,963.05	\$ 46,007.34	\$ 96,329.14
<b>Total Operating Costs</b>	<b>\$ 670,793.00</b>	<b>\$ 690,934.79</b>	<b>\$ 695,454.18</b>	<b>\$ 699,627.64</b>	<b>\$ 703,428.20</b>	<b>\$ 1,472,822.44</b>
<b>Net Income Before Debt</b>	<b>\$ 810,207.00</b>	<b>\$ 834,795.21</b>	<b>\$ 833,996.97</b>	<b>\$ 832,474.01</b>	<b>\$ 830,149.66</b>	<b>\$ 1,738,149.05</b>
<b>Add: Cash Reserves</b>						
<b>Debt</b>	\$ 543,614.31	\$ 724,819.09	\$ 724,819.09	\$ 724,819.09	\$ 724,819.09	\$ 724,819.09
<b>Less: Renewals and Replacement Reserves</b>	\$ 44,430.00	\$ 45,771.90	\$ 45,883.53	\$ 45,963.05	\$ 46,007.34	\$ 96,329.14
<b>Principal Reduction</b>						
<b>Net Income (Loss)</b>	\$ 222,162.69	\$ 64,204.22	\$ 63,294.35	\$ 61,691.87	\$ 59,323.24	\$ 917,000.81
<b>Cumulative Net Income (Loss)</b>	<b>\$ 222,162.69</b>	<b>\$ 286,366.91</b>	<b>\$ 349,661.26</b>	<b>\$ 411,353.13</b>	<b>\$ 470,676.37</b>	

<b>Assumptions</b>		Approximate GSF of New House: 28,000
Estimated project cost:	\$ 15,176,000.00	
Chapter Funds (House Equity)	\$ (4,537,965.00)	
Chapter Payable:	\$ 10,638,035.00	
Interest on loan is 5.50%. Term of loan is 30 years.		
Assumes spaces to be on line August 2024.		
Rental Income is computed using a bed capacity of 40 at \$4,650 per semester, with a 3% annual increase.		
Meals are charged to all members at a rate of \$2,150 per semester, with a 3% annual increase.		
Parlor Fees are charged non-resident members at a rate of \$950 per semester with a 3% annual increase.		
House Fund Fees are charged to all members at a rate of \$850 per semester with a 3% annual increase		
Membership is based on 150 members initially with reductions for the expected decline in high school graduates.		Fall 2022 Membership: 172
Plan for Reserves:		Current Beds: 27
3% of Gross Revenue Set Aside for Reserve Fund		Current GSF: 26,000
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:		
Property insurance reflects rate for a 'new sprinkled property', increasing at 5% each year.		
Accounting and OH is calculated as 3% of all income.		
Miscellaneous Expenses are calculated as 3% of all income.		
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.		

# KAPPA SIGMA FRATERNITY HOUSE NEW CONSTRUCTION

## LOCATION MAP

