

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

**BOARD SUBMITTAL CHECKLIST NO. 1 & 2
CAPITAL PROJECT - STAGE I & II SUBMITTAL ^{/1}
(General information, Architect Ranking, Project Scope and Project Budget) ^{/8}**

CAMPUS: The University of Alabama, Tuscaloosa

PROJECT NAME: Delta Kappa Epsilon Addition and Renovation

MEETING DATE: November 3-4, 2022

- ☒ 1. Board Submittal Checklist No. 1 and 2
- ☒ 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 and II Submittal (General Information, Architect Ranking, Project Scope and Project Budget; authority to proceed with Owner/Architect contract negotiations) by the Board of Trustees
- ☒ 4. Executive Summary – Proposed Capital Project ^{/2}
- ☐ 5. Executive Summary – Architect, Engineer, Selection Process (include Interview Outline). ^{/3, /4, /5}
- ☒ 6. Supplemental Project Information Worksheet – Exhibit “K”, Board Rule 415
- ☒ 7. Campus letter requesting approval of the ranking of firms and authority to Submit to the Physical Properties Committee for approval – signed by Chair of the Physical Properties Committee and UA System Senior Vice Chancellor for Finance and Administration ^{/6}
- ☒ 8. Preliminary Business Plan (if applicable) ^{/7}
- ☒ 9. Campus map(s) showing project site

Prepared by: Michael Hand

Approved by:



^{/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 Physical Properties Committee and Senior Vice Chancellor for Finance & Administration, Reference Tab 3-O-Board Rule 415, Instructional Guide



Office of the
President

September 28, 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 and a Stage II submittal for the Delta Kappa Epsilon Addition and Renovation Project.

The resolution requests authorization to establish the preliminary budget and funding for the project as stipulated, and to enter into an Owner Designer Agreement with Clark Geer Latham and Associates, Inc. of Mobile, AL, as the principal design firm for this 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 of The University of Alabama at their regular meeting on November 3-4, 2022.

Please contact us if you have questions or need additional information.

Sincerely,

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

Stuart R. Bell
President

Enclosure



RESOLUTION

DELTA KAPPA EPSILON ADDITION AND RENOVATION

WHEREAS, in accordance with Board Rule 415, The University of Alabama (“University”) is requesting approval of a Stage I submittal for the Delta Kappa Epsilon Addition and Renovation project (“Project”) located at 976 University Boulevard; and

WHEREAS, the Project will allow Delta Kappa Epsilon (“Chapter”) to provide their current and future members a more functional space to improve food service and event operations and to enhance the student experience by bringing the facility in line with current trends in Greek life and providing more community space; and

WHEREAS, Clark, Geer, Latham and Associates, Inc., (“CGL”) of Mobile, Alabama, were engaged by the University and Chapter to perform due diligence and programming services for this Project and the firm was part of the design team for the original construction; and

WHEREAS, as CGL’s familiarity and knowledge of the facility and program, University Design Standards and procedures, and classical design principles will facilitate an efficient design process and ensure coordination with the existing infrastructure, systems and architecture, the University is requesting approval to waive the Consultant Selection Process and to utilize CGL to provide design services for the Project; 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 University has negotiated a final design fee for CGL’s services based on 6.5% of the cost of construction; utilities and landscaping, a renovation factor of 1.2, and a credit of \$25,000, which represents an 11% discount of the standard design fee; and

WHEREAS, the Project will be funded from a Chapter Payable in the amount of \$3,500,000, which will be in the form of a loan to Delta Kappa Epsilon and Chapter Reserves in the amount of \$1,500,000, which the University has verified funding availability, and the Project will address deferred maintenance liabilities in the amount of \$1,000,000; and

WHEREAS, Delta Kappa Epsilon has agreed to repay the loan of \$3,500,000 to the University and has shown through its Business Plan the

ability to repay the loan and the Chapter currently has no outstanding balance whatsoever on the original construction of the house; and

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

BUDGET:		PRELIMINARY
Construction	\$	3,500,000
Utilities and Infrastructure	\$	275,000
Landscaping	\$	100,000
Security/Access Control	\$	75,000
Telecommunication/Data	\$	75,000
Contingency* (10%)	\$	360,000
UA Project Management Fee** (3%)	\$	127,050
Architect/Engineer Fee*** (6.5%)	\$	317,250
Other****	\$	170,700
TOTAL PROJECT COST	\$	5,000,000

*Contingency is based on 10% of Construction and Landscaping.

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

***Architect/Engineer Fee is based on 6.5% of Construction, Utilities and Infrastructure, and Landscaping, plus a 1.2 renovation factor and \$40,000 for additional services and reimbursables, and less a \$25,000 credit.

****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 and funding for the Project as stipulated above is hereby approved.
3. Stuart R. Bell, President; Matthew M. Fajack, Vice President for Finance and Operations and Treasurer; or those officers named in the most recent Board resolutions granting signature authority for the University be, and hereby are, authorized to act for and on behalf of the Board to execute an owner designer agreement with Clark, Geer, Latham and Associates, Inc., of Mobile, Alabama, for design services in accordance with Board Rule 415 for this project.

EXECUTIVE SUMMARY
PROPOSED CAPITAL PROJECT
BOARD OF TRUSTEES SUBMITTAL

MEETING DATE: November 3-4, 2022

CAMPUS: The University of Alabama, Tuscaloosa, Alabama

PROJECT NAME: Delta Kappa Epsilon Addition and Renovation

PROJECT NUMBER: 913-23-3075

PROJECT LOCATION: 976 University Boulevard, Existing Chapter Location

ARCHITECT: Requested with this Submittal

THIS SUBMITTAL:

- ☒ Stage I
- ☒ Stage II, Waiver
- ☐ Campus Master Plan Amendment
- ☐ Stage III
- ☐ Stage IV

PREVIOUS APPROVALS:

PROJECT TYPE	SPACE CATEGORIES	PERCENTAGE	GSF
<input type="checkbox"/> Building Construction			
<input checked="" type="checkbox"/> Building Addition	Fraternity	~34%	650
<input checked="" type="checkbox"/> Building Renovation	Fraternity	~66%	1270
<input type="checkbox"/> Equipment			
TOTAL		100%	1920

BUDGET	Preliminary
Construction	\$ 3,500,000
Utilities and Infrastructure	\$ 275,000
Landscaping	\$ 100,000
Security/Access Control	\$ 75,000
Telecommunication/Data	\$ 75,000
Contingency* (10%)	\$ 360,000
UA Project Management Fee** (3%)	\$ 127,050
Architect/Engineer Fee*** (6.5%)	\$ 317,250
Other ****	\$ 170,700
TOTAL PROJECT COST	\$ 5,000,000
Total Construction Cost per square foot \$1,822	

*Contingency is based on 10% of the costs of Construction and Landscaping.

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

***Architect/Engineer Fee is based on 6.5% of the costs of Construction, Utilities and Infrastructure, and Landscaping, plus a 1.2 renovation factor, \$40,000 for additional services and reimbursables, and less a \$25,000 credit.

****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 the fraternity members.

FUNDING SOURCE:	
Chapter Funds	\$ 1,500,000
Chapter Payables	\$ 3,500,000
O&M Costs:	\$ N/A*

NEW EQUIPMENT REQUIRED**Total Equipment Costs:**

N/A

PROJECT SCOPE:

The proposed Delta Kappa Epsilon Addition and Renovation project (“Project”) will include the renovation and repurposing of existing interior space and the enclosure of portions of patios and porches on the north elevation for additional square footage. This project will efficiently and effectively meet the needs of the chapter and help bring the house in line with current trends in Greek life and improve the student experience.

The current house is approximately 24,824 gross square feet (“GSF”) and 650 GSF will be added for a total of 25,474 GSF. The main front porch will be expanded and additional hardscaping at grade will be provided. The house was originally constructed in 2006 and featured 28 beds.

Interior work will include repurposing six (6) bedrooms and three (3) bathrooms for use as new lounge and common areas; enclosing approximately 650sf. of the existing north patio to increase dining and improve circulation; re-working the serving and beverage lines; reworking the 2nd floor bedrooms to accommodate egress to the new 2nd floor porch; and removing walls in the basement chapter room for better use of the space and adding a sink in the basement locker room.

Exterior work will include reworking the north porch and stairs to the basement to improve circulation in and out of the chapter house; reworking the south patio and existing windows to add new doors and a patio area with new ADA ramp access in and out of the chapter house; reworking grades at the south yard to add hard-scape and to tie into the new ramp; and reworking landscaping to meet UA standards.

In addition, mechanical, electrical, plumbing, and fire protection deferred maintenance issues will be addressed as required. The deferred maintenance liability being addressed by the project is approximately \$1 million.

PROJECT STATUS

SCHEMATIC DESIGN:	Date Initiated	November 2022
	% Complete	5%
	Date Completed	January 2023
PRELIMINARY DESIGN:	Date Initiated	February 2023
	% Complete	0%
	Date Completed	April 2023
CONSTRUCTION DOCUMENTS:	Date Initiated	May 2023
	% Complete	0%
	Date Completed	August 2023
SCHEDULED BID DATE: TBD in coordination with Chapter Occupancy Plans		

**N/A on Stage I Projects*

RELATIONSHIP AND ENHANCEMENT OF CAMPUS PROGRAMS

The Project will allow Delta Kappa Epsilon to provide their current and future members a more functional space to improve food service and event operations and to enhance the student experience by bringing the facility in line with current trends in Greek life and providing more community space.

Underutilized space will be repurposed to provide much needed additional gathering areas and better circulation. It will enhance both functional and programmatic use of the chapter house.



September 26, 2022

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

Trustee Karen Brooks
Chair, Physical Properties Committee
2555 14th Street, East
Tuscaloosa, AL 35404

RE: Request for Waiver of Consultant Selection Process
Delta Kappa Epsilon Addition and Renovation Project
UA Project No.: 913-23-3075

Dear Dr. Keith and Trustee Brooks,

The University of Alabama ("University") is requesting a Waiver of the Consultant Selection Process for the Delta Kappa Epsilon Addition and Renovation project ("Project") located at 976 University Boulevard.

The University proposes to utilize Clark, Geer, Latham and Associates, Inc., of Mobile, Alabama, ("CGL") as the principal design firm for this Project. The services of CGL are proposed due to the firm having served as consultant for the programming for this Project and their familiarity and innate knowledge of the Project. Furthermore, the firm worked on the original project with Holmes & Holmes Architects, which is no longer in business, and key associates with Holmes & Holmes now work with CGL. This insight will facilitate an efficient design process and ensure coordination with the existing facility. Accordingly, the University is requesting approval to utilize CGL for this Project.

The University has negotiated a design fee of 6.5% of the cost of construction, including utilities and landscaping, with a 20% renovation factor, plus \$40,000 for additional services and reimbursables and less a discount credit of \$25,000 for CGL's familiarity with the facility and recent programming with the end users. The negotiated fee reflects a 10.6% reduction off the standard fee for this type of project (Group III).

Delta Kappa Epsilon Addition and Renovation
September 26, 2022

Page 2

Cost of the Work		Percentage Fee for Building Group III		Major Renovation Factor		Credits		Fee
\$3,875,000	x	6.5%	+	25%	-	\$0	=	\$314,844
\$3,875,000	x	6.5%	+	20%	-	\$25,000	=	\$277,250

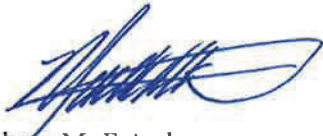
Fee savings is \$37,954 or approximately 10.6% of the value of the standard fee for the Project.

Approval is hereby requested for:

1. Waiver of the Consultant Selection process.
2. Clark Geer Latham and Associates, of Mobile, Alabama, as the design service provider for the Project at a negotiated design fee based on 6.5% of the cost of construction, including utilities and landscaping, plus a 1.2 renovation factor and \$40,000 for additional services and reimbursables, and less total credits in the amount of \$25,000.
3. Submittal to the Physical Properties Committee for review and approval.

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

Sincerely,



Matthew M. Fajack
Vice President for Finance and Operations
and Treasurer

MMF/ccj

Attachment

Pc w/atchmnts: Michael Rodgers
Tim Leopard

Matt Skinner
Michael Hand

Delta Kappa Epsilon Addition and Renovation
September 26, 2022
Page 3

☒ Recommended for Approval

☐ Not Recommended for Approval. Submit to Physical Properties Committee

DocuSigned by:

Dana S Keith

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Dr. Dana S. Keith, Senior Vice Chancellor for Finance and Administration

☒ Recommended for Approval

☐ Not Recommended for Approval. Submit to Physical Properties Committee

DocuSigned by:

Karen P Brooks

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Trustee Karen Brooks, Chair for Physical Properties Committee

Attachment K to Board Rule 415

Supplemental Project Information Worksheet
Annual Capital Development Plan

FY: 2022 – 2023

Project Name: Delta Kappa Epsilon Addition and Renovation**Project Address/Location:** 976 University Boulevard, Tuscaloosa, Al 35401**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>0.004</u> % increase	<u>650</u>	GSF
<input type="checkbox"/> replace space inventory	<u> </u> % replacement	<u> </u>	GSF
<input checked="" type="checkbox"/> renovation of existing space		<u>1,270</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: This project is for the current house, no space will be vacated.

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				

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:

The Project will allow Delta Kappa Epsilon to provide their current and future members a more functional space to improve food service and event operations and to enhance the student experience by bringing the facility in line with current trends in Greek life and providing more community space.

Underutilized space will be repurposed to provide much needed additional gathering areas and better circulation. It will enhance both functional and programmatic use of the chapter house.

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:

Michael Hand- UA Construction Administration, Project Manager

Jason Bigelow- University Architect

Bonner Lee- University Landscape Architect

Richard Pipkins- Delta Kappa Epsilon

Hinton Howel- Delta Kappa Epsilon

James Fowler – Delta Kappa Epsilon

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

Source(s)	New Funds (FY_____)	Reserves	Status ^{/7}
Tuition			
Student Fees			
Investment Income			
Auxiliary Income			
• External			
• Internal			
Education Sales/Services			
• External			
• Internal			
Direct Grants			
Gifts			
Bonds			
Existing Net Assets			
Other (Payable Note)	\$3,500,000		Pending
Chapter Funds	\$1,500,000		Pending
Totals			

^{/7} Approved, allocated, pending

Comments:

Delta Kappa Epsilon will enter into a loan agreement for \$3,500,000 with the University. The University will issue a promissory note to Delta Kappa Epsilon, which will indicate the annual principal and interest payments to be made for repayment of the funds. Delta Kappa Epsilon has shown through its Business Plan the ability to repay the loan. The remaining \$1,500,000 will be paid from Chapter Reserve funds. The Chapter has no outstanding balance whatsoever on the original construction of the house.

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 2014- 2015 Base Data /8	First Full /YR Occupancy FY	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 – Supply Store expenses			
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 responsibility of the chapter and will be funded from rental income and other charges to the fraternity members. A business plan showing five years of projected revenues and expenses has been developed.

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

Source(s)	Occupancy Yr /9 (FY _____)	Future Years /10	Status /7
Tuition			
Student Fees			
Investment Income			
Auxiliary Income			
• External			
• Internal			
Educational Sales & Services			
• 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 cost will be funded by the chapter from rental income and other charges to the fraternity members.

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

\$ 1,000,000 20 % of Total Development Costs

Comments:

All deferred maintenance costs liabilities are the responsibility of the Chapter. The house was originally constructed in 2006 and has been well maintained.

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

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

Comments:

Being that the DKE house is still in good condition and has been well maintained, has a good layout and an incredible location, any alternatives that did not include the existing house were not desirable. The overall goal of the renovation is to enhance and enlarge both indoor and outdoor common spaces to allow for recreational gatherings and provide more practical areas for the membership and alumni to use. Repurposing existing space to better meet the chapter's needs is the most efficient and economical choice.

- 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:

Delta Kappa Epsilon currently has 150 student members. The existing house does not have adequate community and event space, and therefore large events have to be moved off campus or to other areas of campus. The Project will meet the needs of the Chapter by providing more space to enhance the member experience.

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

Comments:

The Project will further the University's strategic goal of enriching the learning environment by attracting and supporting a diverse student body and community who also participate in Greek Organizations.

The Project will also support a premier undergraduate experience and distinctive co-curricular programs.

- 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 and future members of Delta Kappa Epsilon.

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

Comments:

Should this project not be approved, the membership and their guests will continue to seek other venues for events and entertainment, or be restricted to the existing common areas

that do not function well in today's environment. The chapter house also plays a significant role in membership recruitment and having inadequate space will have a negative impact for current and future members. Guests at the Chapter house include potential students, parents, and alumni and the renovation will allow for a more attractive environment that better represents Delta Kappa Epsilon and The University of Alabama.

**DELTA KAPPA EPSILON
PSI CHAPTER**

	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2053-2054
House Income:						
Room Rent	\$ 202,400.00	\$ 208,472.00	\$ 214,726.16	\$ 221,167.94	\$ 227,802.98	\$ 476,968.86
Parlor Fees	\$ 137,000.00	\$ 141,110.00	\$ 145,343.30	\$ 149,703.60	\$ 154,194.71	\$ 322,849.47
Housing & Furnishing Fees	\$ 26,000.00	\$ 26,000.00	\$ 26,000.00	\$ 26,000.00	\$ 26,000.00	\$ 26,000.00
Meal Plan Fees	\$ 704,000.00	\$ 725,120.00	\$ 746,873.60	\$ 769,279.81	\$ 792,358.20	\$ 1,659,022.12
Total Income	\$ 1,069,400.00	\$ 1,100,702.00	\$ 1,132,943.06	\$ 1,166,151.35	\$ 1,200,355.89	\$ 2,484,840.45
Operating Costs:						
Utilities	\$ 118,000.00	\$ 121,540.00	\$ 125,186.20	\$ 128,941.79	\$ 132,810.04	\$ 278,074.73
Custodial Services	\$ 78,400.00	\$ 80,752.00	\$ 83,174.56	\$ 85,669.80	\$ 88,239.89	\$ 184,754.74
Repairs & Maintenance	\$ 75,000.00	\$ 77,250.00	\$ 79,567.50	\$ 81,954.53	\$ 84,413.16	\$ 176,742.41
Food Service	\$ 350,000.00	\$ 360,500.00	\$ 371,315.00	\$ 382,454.45	\$ 393,928.08	\$ 824,797.93
Cable & Internet	\$ 23,500.00	\$ 24,205.00	\$ 24,931.15	\$ 25,679.08	\$ 26,449.46	\$ 55,379.29
Insurance	\$ 15,000.00	\$ 15,750.00	\$ 16,537.50	\$ 17,364.38	\$ 18,232.59	\$ 61,742.03
Accounting & OH	\$ 18,000.00	\$ 18,540.00	\$ 19,096.20	\$ 19,669.09	\$ 20,259.16	\$ 42,418.18
Furnishings Expense	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Miscellaneous Expenses	\$ 50,000.00	\$ 51,500.00	\$ 53,045.00	\$ 54,636.35	\$ 56,275.44	\$ 117,828.28
Total Operating Costs	\$ 742,900.00	\$ 765,037.00	\$ 787,853.11	\$ 811,369.45	\$ 835,607.82	\$ 1,756,737.58
Net Income Before Debt	\$ 326,500.00	\$ 335,665.00	\$ 345,089.95	\$ 354,781.90	\$ 364,748.07	\$ 728,102.87
Add: Cash Reserves						
Debt	\$ 238,471.44	\$ 238,471.44	\$ 238,471.44	\$ 238,471.44	\$ 238,471.44	\$ 238,471.44
Less: Renewals and Replacement Reserves	\$ 14,616.00	\$ 15,023.28	\$ 15,442.78	\$ 15,874.86	\$ 16,319.91	\$ 33,032.73
Principal Reduction						
Net Income (Loss)	\$ 73,412.56	\$ 82,170.28	\$ 91,175.73	\$ 100,435.60	\$ 109,956.72	\$ 456,598.69
Cumulative Net Income (Loss)	\$ 73,412.56	\$ 155,582.84	\$ 246,758.57	\$ 347,194.17	\$ 457,150.89	

Assumptions

Approximate GSF of New House: TBD

Estimated project cost: \$ 5,000,000.00
Chapter Reserve Funds: \$ 1,500,000.00
Chapter Payable: \$ 3,500,000.00

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 23 at \$4,400 per semester with a 3% annual increase.

Parlor Fees are charged non-resident members at a rate of \$500 per semester with a 3% annual increase.

Housing & Furnishing Fees are charged to new members one time at a rate of \$650 per year with no anticipated increases.

Meal Plan Fees are charged to all members at a rate of \$2,200 per semester with 3% annual increase.

Membership is based on 160 members in Fall 2024, 40 new members per year.

Current membership: 150

Plan for Reserves:

Current Beds: 28

4% of Gross Revenue (less Meal Plan Fees) Set Aside for Reserve Fund

Current GSF:

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 charged back to undergraduate chapter.

Expenses:

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

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.

DELTA KAPPA EPSILON ADDITION AND RENOVATION

Existing South Elevation



DELTA KAPPA EPSILON ADDITION AND RENOVATION

Existing North Elevation



DELTA KAPPA EPSILON ADDITION AND RENOVATION

LOCATION MAP

