



PI KAPPA ALPHA – ZETA SIGMA CHAPTER FLORIDA INSTITUTE OF TECHNOLOGY NEW HOUSE F.A.Q.

Last Updated 4/13/2014

1. Why do we need a new house?

- **Higher Standards:** Over the past 10 years Florida Tech has added hundreds of new beds in apartment style dormitory housing. Despite our efforts to keep the Old Lady looking fresh, we are falling behind Florida Tech on desirability of housing. While we maintain rent that is competitively lower than Florida Tech housing and that fraternity living has many tangible and intangible advantages over dorm life, that fact remains that the standards and expectation of contemporary college students (and their parents) have raised to a level that we cannot meet with the Old Lady.
- **Greek Row:** Florida Tech has opened a new Greek Complex on Palm Bay Road, with shuttle service to campus. While the House Corp is concerned these housing contracts are going to bankrupt the Fraternities that sign on, it will no longer be enough to have a house, we need a house that represents Zeta Sigma's domination over Greek Life at Florida Tech.
- **Maintenance:** The cost to maintain the Old Lady increases every year. Electrical and plumbing systems, some dating back to the 60's, find new ways to challenge the House Corp every year.
 - House Corp recently needed two additional circuits in the kitchen to run new electric start ovens. The electric start ovens were needed to address safety issues with pilot lights going out and leaking excess gas into the kitchen. Even though a circuit breaker panel is present in the kitchen, it took three (3) months to find old stock breakers that were compatible with the panel.
 - While writing this FAQ (in October, 2013) the House Corp's handyman contacted us to inform us that the upstairs south hallway lights are killing any bulbs they put in them almost immediately. It became another expensive fix.
- **Safety:** Modern codes require a fire suppression system (sprinklers) in all collegiate housing. To date we have been grandfathered into old codes. However, there have been several legislative efforts in recent years to require all collegiate housing to be brought up to these modern codes. While none of these have passed, we believe it is only a matter of time. The cost to retrofit a sprinkler system into the Old Lady has been estimated in excess of \$200,000.00.



- The House Corporation has invested heavily in our life safety systems; we have a centrally monitored fire alarm, fire extinguishers, exit lights and emergency lighting throughout the house. We also have a fire suppression system in the kitchen.

2. Why can't we renovate the Old Lady?

- o Any large renovation project would require bringing the Old Lady up to modern building codes for collegiate housing and modern Florida hurricane codes. At minimum we will be required a teardown to studs and joists. Install hurricane strapping from the top of the roof down to the foundation, install fire sprinklers throughout the building and replace most, if not all, of the existing electrical and plumbing systems. Estimates on the cost of such a renovation are 90% the cost of a completely new structure, before we've even opened the walls to find all of the surprises we assume are waiting for us. This is in addition to the many foundation issues in the existing structure. There is cracking, settling and rusting reinforcing steel in our foundation and slab. While they do not present a danger to our current structure in the short term, these problems would have to be addressed in any renovation plan.

3. What are the House Corporation's current debts and liabilities?

- o An SBA Loan, taken to repair hurricane damage in 2005, with a balance of \$17,410.95, interest is 3.2% and a monthly payment of \$413. HC is considering paying this loan off from reserves in the coming months.
- o There are no other outstanding mortgages, loans, debts, lawsuits or other legal actions against HC.

4. What is the structure of the relationship between HC and the Chapter? What is rent?

- o The House Corp is the legal owner of the house and the two (2) acres of riverfront property it sits on. The House Corp leases this property to the chapter.
 - Current rent is \$51,633.00 per year.
- o The chapter sub-leases rooms to individual brothers.
 - Current rent is \$2,000.00 per semester and \$800.00 for the summer.
- o The chapter is responsible for utilities, custodial and basic maintenance of the house and property. The House Corp is responsible for all other maintenance, repair and improvements to the house and property. The House Corp will partner with the chapter to provide labor for projects when it will help reduce costs.

5. What is the balance of House Corporation reserves and operating budget?

- o The house corporation has reserves of ~\$80,000.00.
- o The operating budget comes entirely from the \$51,633.00 paid by the chapter, of which \$10,000.00 is budget to reserves each year.

6. How much will the new house cost?

- In consultation with MH Williams and Certified General Contractors the House Corporation estimated the total cost of the new house project to be \$1.5MM. When we include professional fees for design and fundraising expenses, the total project will cost approximately \$1.6 million.
- A contractually binding bid will not be possible until we are within 18 months of breaking ground due to material cost inflation, permit expirations and constantly changing building codes.

7. What are some differences between the current and proposed house?

	Current House	New House
Square Footage	7000 sq ft	10,000 sq ft
Exterior Wall Material	Wood Frame	Concrete (poured or block tbd)
Interior Wall Material	Squishy Drywall with Wooden Studs	Impact Resistant Drywall with Metal Studs
Deck Material	Wood	Concrete
Bathrooms	2 shared bathrooms plus 1 handicap accessible bathroom	Semi private bathrooms plus “public” men’s and women’s bathrooms on the main floor.
Windows	Single Pane Glass	Hurricane rated shatter proof glass.
Construction Codes	1964	2016
Bedrooms	8 Double & 8 Single	10 Double & 12 Single, plus 1 Handicap Accessible
HVAC	Residential grade central air and window shakers.	Commercial grade central air with individual thermostats in each bedroom.
Storage Space	Minimal, Exterior shed.	2000 sq ft storage basement.

8. Can the Chapter and House Corporation support the new house and any necessary debt service?

- The House Corporation has written a Pro Forma operating budget for the new house.
- New house operating expenses for both the Chapter and House Corp are estimated at \$52,915.00.
- At 75% occupancy we expect annual revenues of \$134,700.00.
- If we reach our \$1.25MM fundraising goal, debt service is estimated at \$27,159.64, leaving \$54,625.36 for reserves, property management and future improvements.

9. Where will the chapter live during construction?

- The new house will be constructed in front of the current house, increasing the size of our backyard available for events.
- The current house can remain occupied during construction.

- Construction will take 6 – 8 months.

10. What will happen to the brick pile?

- The brick pile will be moved to a place of prominence in the new house chapter room or library.

11. How do I make a gift to the campaign? Or how can I help?

- To ultimately reach our goal we must make this project as personal as possible. The only way to make a gift right now is through a direct conversation with a member of our 30+ man ASK Team representing all eras of Zeta Sigma's history. In the weeks and months ahead, these men will be working to personally contact as many brothers as possible to ask for your support for this important campaign.
- If you would like to serve as a member of the campaign team by volunteering to call 7-10 men from your era to ask for their support, please let us know so we can follow up with you appropriately.
- If you are ready to join our ASK team, or make your pledge now, please you can contact Campaign Chairman Joe Caruso '70 at (609) 922-4300 or, our Campaign Manager Kirby Neumann at 800.276.6342 x 1141. Gifts can be spread over a five-year pledge period. By example, a \$10,000 pledge would be commitment of \$2,000 per year for five years.

12. How do I know the new house will be properly maintained?

- The Pi Kappa Alpha House Foundation of Melbourne, Inc. (House Corp) is a not-for-profit Florida corporation that owns the property and residence at 2401 NE Riverview Drive. Once the new Zeta Sigma house has been built, the House Corp will lease the house to the undergraduate chapter, and oversee its management. Once our goal is met, it will be the House Corp's solemn duty to ensure our investment is preserved and maintained at the highest level.
- A successful \$1.25 million campaign will allow the new house to be built using very little debt. Thus, the revenue derived from the competitively priced undergraduate rents will be more than enough to pay for taxes, insurance and property management while also accumulating funds for future capital improvements and repair.

13. What happens if a chapter house is not built? What will be done with the money?

- If for any reason Zeta Sigma does not build a new chapter house, and our effort is a failure (which we will not allow to happen), donated funds are being deposited in a separate account so that they may be returned in the event they cannot be used for their intended purpose.

14. What happens to the house if disaster strikes and the chapter loses its charter?

- The current undergraduate chapter is among Florida Tech & PIKE's elite; therefore we do not see this as a reason for concern. However, should anything ever happen to the Zeta Sigma undergraduate chapter the House Corp will maintain ownership of the house as an asset. It is likely the house would be leased to another student organization until such time PIKE can be reestablished.

- A state-of-the-art chapter house, ideally located, with little debt will put Zeta Sigma in a very powerful position to maintain its existence – and dominance- at Florida Tech beyond the foreseeable future.