

# Frequently Asked Questions

## Alpha Tau Capital Project



### 1. Why should Alpha Tau Chapter consider a major renovation?

It's been 30 years since the last major chapter house renovation. An estimated 500 brothers have lived at the Horn Mansion in that time frame. According to faculty advisor Dr. Kevin Bacon, AGR no longer offers competitive housing to WIU students:

*A sprinkler system — mandated by the State of Illinois - must be in place by 2019. Given the extent of work that must be done to install sprinklers and the number of other systems in the house that require attention — heating, plumbing, and wiring - it only makes sense to incorporate this significant compliance measure with an array of renovation-related needs. We have to give our students something of value. Although we offer a competitive price point compared to other housing options, we don't offer competitive living conditions.*

Considering the competitive student housing market on and off campus, inexpensive rent is not a significant enough draw for young men and their parents to choose AGR. Far beyond high-end amenities within walking distance, basic student needs today include high speed connectivity, personal and group study space, and privacy. Left untouched, our once proud home on the hill could ultimately impact recruitment and diminish AGR's standing as a premier fraternity on campus. Renovation priorities include:

- Improve desirability to attract and retain top prospects.
- Improve study atmosphere through enhanced space and technology.
- Preserve and enhance the historic appeal of our chapter home.
- Installation of life safety features; the State of Illinois mandates sprinklers by 2019. Utility, electrical, and other key infrastructure updates assure all systems operate in a safe, efficient and reliable manner throughout the building.
- Ensure long-term financial sustainability.

### 2. Is the Chapter House worth renovating?

Purchased during the 1964-65 academic year, 1010 N. Lafayette is the public face of our fraternity, and a prominent university and community landmark. While the 9,800 square foot chapter house is structurally sound, water issues on the rear patio and chapter room must be addressed according to Klingner & Associates, an architectural firm charged with developing a master building plan. A new, two-story addition above the chapter room will remedy moisture problems, and create a flexible living/learning space on the 1st floor and a new dorm on the top level. Needed bathroom expansion/updates will consume living room space on the 1st floor, and on the 2nd floor, the current dorm will be converted to living space to increase overall space per brother. Capacity at the chapter house will remain consistent at 40 to 42 brothers while creating additional amenities and improving overall functionality. Current members and recent grads have identified and prioritized these housing needs. Klingner & Associates is anticipating a six-month timeline for reconstruction. If Alpha Tau were to demolish the chapter house and rebuild, or sell/relocate/build new, ballpark costs range from \$2.5 to \$4 million.

### **3. Who made the decision to proceed with the campaign and how was the \$1.5 million goal determined?**

In 2014, the Alumni Board contracted with IvyPartners, an organizational consulting firm owned and operated by AGR brothers from Zeta Chapter, to conduct a feasibility study of the renovation project. Thirty-three alumni, representing a diverse pool of brothers, were interviewed to gather their confidential input. The survey group confirmed the need to renovate and affirmed the preliminary building plan. Klingner & Associates developed the construction budget based on a punch list of priorities developed by undergraduates and alumni. Based on alumni input and the preliminary building plan, the Alumni approved a \$1.5 million project. An alumni campaign committee has been appointed to implement a fundraising effort within the brotherhood.

### **4. Are funds available now to defray renovation expenses?**

No funds have been set aside for major renovations. Almost all of the Alumni Board's annual income is generated through the collection of undergraduate rent. As landlord, this money is used principally to offset maintenance, insurance, property taxes, and other chapter needs. The undergraduate chapter pays for utilities, and has helped with some needed repairs and paid for appliance upgrades in recent years.

### **5. Have the undergraduates been involved with planning? How will they be involved moving forward?**

The undergraduate chapter has worked closely with alumni leaders to identify renovation priorities. They're also considering a joint campaign gift based on their reserves. The Noble Ruler and executive are working closely with the Campaign Committee to execute fundraising activities.

### **6. Will the undergraduate care for a new house?**

Since the last and "only" major building renovation completed in 1986, approximately 500 young men have lived at 1010 N. Lafayette. The condition of our historic home today is not the result of negligent behavior. Emerging priorities — including safety, code compliance, electrical/mechanical needs — will not be remedied by a coat of paint or new furniture.

The undergrads have been surveyed to identify features that will improve daily living at the chapter house, and enhance our overall ability to compete with other student housing on and off campus. A remodeled house will be easier to care for and maintain. Average annual spending on maintenance is \$13,000. Roof repairs and a new boiler — estimated at \$25,000 — have been temporarily tabled. Renovation would impact utility costs. A renovated house will also improve active and alumni brother pride in ownership of the facility, and enhance chapter recruitment efforts. Improved alumni support could also result from a renewed sense of ownership.

### **7. When will renovation construction begin?**

The Alpha Tau Alumni Board would like to proceed with construction once 70% of the \$1.5 million campaign goal is achieved (\$1,005,000). Ideally this target amount will be raised through generous alumni donations by December 31, 2015, and Klingner & Associates - with competitive bids - will proceed with the project April 2016. Every effort will be made to complete construction while undergraduate members are living elsewhere. A groundbreaking event is scheduled for Founders Day, February 27, 2016 at the chapter house.

## **8. What are my gift options and can I pledge over time?**

Alpha Tau is working in partnership with National AGR to offer the following gift options:

- Cash
- Individual Retirement Accounts
- Marketable real estate
- Appreciated Securities
- Qualified retirement programs
- Insurance policies
- Trusts
- Commodities

Donations can be given directly to the chapter (non tax deductible) or to the Educational Foundation of Alpha Gamma Rho for tax deductible giving. Ninety-eight percent of charitable gifts will be return to Alpha Tau Chapter over a period of time predetermined by the IRS. Gifts made directly to the chapter can be used immediately to offset project expenses. A five-year pledge period is welcomed. Always consult with your personal financial advisor to determine the giving method most beneficial for you.

## **9. How will campaign gifts be recognized?**

Although all campaign gifts are appreciated, alumni donors contributing \$1,000 or more will be permanently acknowledged on a wall display at the chapter house at the campaign's conclusion. Thirty chapter house room naming opportunities are also available for gifts of \$15,000 and larger.

## **10. What is the status of the Greek system at WIU? Is the undergraduate chapter worth investing in?**

Currently there are 19 fraternities and 10 sororities at WIU. Greeks are 10% of the student population and growing. Benefits of fraternity membership include:

- Academic excellence and increased likelihood of graduation
- Lifelong leadership and career development
- Community service
- Accountability
- Life-long friendships

According to Nick Katz, Associate Director of Student Activities at WIU, AGR is a leader on campus:

*Over the course of my WIU tenure, AGR has been the most consistent chapter to excel in membership, scholarship, leadership and philanthropy. Beyond the awards and accolades you could shower the chapter with, you really could not ask for a nicer or better group of young men within our Fraternity/Sorority community.*

### **11. With the challenges posed by social media and unprecedented national media attention directed to fraternities, what is Alpha Tau Chapter doing to ensure our members act responsibly?**

Members and officers must attend mandatory risk management training sessions coordinated by the university and National AGR. “In addition,” says Dr. Kevin Bacon, Chapter Advisor, “I bring to their attention current events and how to prevent them from happening here at WIU at chapter meetings. This process begins on the night new members are initiated and we try to include professionals from the ag industry too to drive home the importance of acting responsibly both on campus and in the workplace.”

### **12. What is the status of agriculture studies at WIU?**

Agriculture is one of the top 5 majors at Western Illinois University. In the past 10 years, agriculture enrollment has increased 36%. Over 50% of the student population is male.

### **13. What is included in the \$1.5 million goal?**

Klingner & Associates developed the construction budget based on priorities developed by undergraduates, recent grads and the Alumni Board. The punch list included:

- Installation of life safety features (alarm & sprinklers)
- New laundry facilities
- Egress basement windows
- New windows & doors
- Plumbing upgrade
- Remove & replace face brick
- Wiring upgrade for electrical and internet service
- Floors, ceilings and wall finishes
- New heating & air conditioning
- Two-story addition to correct moisture issues and increase study space
- New roof
- New furnishings

The preliminary plan was favorably reviewed Summer 2014 by a cross section of alumni as part of a formal feasibility study. In 2015, the Alumni Board approved a \$1.5 million capital campaign project to support the renovation. Total renovation costs are approximately \$1.37 million or \$140 per square foot (Horn Mansion - 9,800 square feet total). The balance of the goal encompasses professional fees (architectural, engineering, fundraising, etc.) and contingency funds. In the event that the campaign exceeds the \$1.5 million goal, additional funding priorities could include: additional landscaping, paving and lighting of the chapter's parking lot.

### **14. Will commercial financing be necessary to complete the project?**

Regardless of the total amount generated by campaign contributions, bridge financing will be required to initiate construction as donated funds are collected over a five-year pledge period and tax deductible donations are returned to the chapter from the Educational Foundation of AGR. The rate of return of charitable gifts is predetermined by the IRS based on the percentage of educational space designated at the chapter house. The Alumni Board has already canvassed local banks to investigate short and long term funding opportunities. In the unlikely event that fundraising falls short of the \$1.5 million goal, chapter leaders want the ability to take on a larger mortgage to ensure the renovation vision is completed satisfactorily. However, the Alumni Board will not assume a loan which could jeopardize our financial position as an organization. The Chapter's current mortgage obligation is less than \$150,000 for the Horn Mansion and neighboring property. Driving the project timeline is the 2019 deadline for installation of life safety systems by the State of Illinois.