

University loans spur upgrades to fraternity and sorority buildings

By Adam Jones
Staff Writer

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Panhellenic projects

- Sigma Nu: renovation, expansion and alumni hall, \$2.06 million, complete
- Delta Chi: kitchen renovation, \$25,400, complete
- Beta Theta Pi: new house, \$3.45 million with \$60,000 from fraternity, complete
- Delta Kappa Epsilon: new house, \$5.63 million with \$625,000 from fraternity, complete
- Sigma Alpha Epsilon: alumni hall, \$9.9 million with 292,000 from fraternity, complete
- Phi Gamma Delta: renovations and alumni hall, \$1.71 million, near completion
- Lambda Chi Alpha: renovation and expansion, \$3.5 million, under construction
- Alpha Kappa Lambda: new house, \$2.3 million, under construction
- Delta Tau Delta: renovation and alumni hall, \$1.2 million, begin construction in January.
- Delta Delta Delta: interior renovation and possible addition, \$1.55 million, under design

Source: University of Alabama

TUSCALOOSA | Alumni of the Beta Theta Pi social fraternity designed and redesigned plans to renovate, expand or build a new chapter house at the University of Alabama several times in 15 years.

Each time, money forced them to shelve the plans.

But two years ago, UA President Robert Witt announced a plan to let Greek houses borrow money from the university with a slightly reduced interest rate and long payment plan, which helped the often-struggling house corporations avoid trying to secure a bank loan.

Beta Theta Pi was one of the first to sign on, and this semester it opened a \$3.5 million house on the site of the old one.

"I don't know what we would have done without the university," said Mark Boardman, president of Beta's house corporation.

Since Witt launched the program in early 2005, 10 houses -- nine fraternities and one sorority -- have borrowed money from the university and more houses have approached the table.

UA has doled out \$21.4 million for construction, compared with slightly less than \$1 million those 10 houses spent on the projects themselves.

"The university had such a great interest rate it just made sense," said John McElrath, president of the Sigma Alpha Epsilon house corporation. "We could not have moved forward without the university's help."

This semester, SAE opened a \$1 million "alumni hall," a large room with a stage mainly for band parties, along with renovations to the main house.

In addition to SAE, three other fraternities borrowed from UA to construct alumni halls behind their houses.

"It has done leaps and bounds for houses that have wanted to expand but not necessarily had the means to do it," said Brent Nast, president of the Interfraternity Council and a senior from Huntsville. "It gives a chance for Greek houses to emulate the changes and momentum on the rest of campus."

In fact, fraternity membership is growing faster than enrollment of undergraduate men.

From fall 2002 to fall 2006, fraternities grew 59 percent compared with 26 percent for all undergraduate males.

Leaders of houses that have expanded or renovated said changes have helped bring in a record number of freshmen during fall recruitment.

"To hear of this much refurbishment and this much health in the system is refreshing," said Kathleen Cramer, senior associate vice president for student affairs and a UA sorority alumna. "It's created a kind of contagious spirit of optimism."

Generally, the terms of the loans to Greek houses are 30 years with no penalty for early repayment. The interest rate is the same as when UA issues its bond, or coupon rate, said Cathy Andreen, university spokeswoman.

The average coupon rate from the last bond issue for the Greek houses was about 5.7 percent, she said.

Boardman said the borrowing plan makes sense because it lets the university beautify and shore up buildings on campus that would have happened at a slower pace, if at all, without the university's help.

"A significant portion of your student population lives in these houses, and it energizes an alumni group," he said.

Witt, for one, understands what a shot in the arm for the fraternity system the money has been, especially during a \$500 million capital campaign. However, raising money and recruiting students was only part of the plan.

Witt announced the plan not long after an August 2004 fire at Alpha Tau Omega fraternity at the University of Mississippi killed three members who were trapped inside. There were no sprinklers in the house, not unlike many of the houses at UA that house nearly 2,000 students.

"The primary purpose was student safety, and it has encouraged all groups to examine safety," Cramer said.

Safety first

Many of the houses at UA were built in the 1960s and 1970s or earlier, and were grandfathered into building and fire codes. Many have been allowed to age with only minor touchups over the years because major upgrades would force houses to comply with newer building codes.

"It was happening rather haphazardly," Cramer said of renovations. "Some are in different states of repair."

The university doesn't have the money to upgrade houses without being paid back, she said.

When a house wants to borrow, it approaches the university and puts up the house as security for the loan. Though the houses are on university property, Greek organizations lease the land for

about \$100 annually.

Boardman said getting mortgages and loans could be difficult for house corporations because they don't own the land and often have difficulty ensuring obligations.

"There was no way to guarantee a property without some rich alumni chipping in," he said.

Once a project is approved, an oversight committee makes sure the construction adheres to university standards and addresses safety concerns.

"The university stressed time and again fire safety and other safety concerns," McElrath, the SAE president, said. "It's good because most of the houses, especially on the exterior, look great, but there are houses that when you walk in the house, it will surprise you."

The Beta house was built in 1970, sans sprinklers and security system. The new house across from Bryant-Denny Stadium not only has fire and security measures but also is sturdier. The brick house has no drywall in the rooms, Boardman said.

"It's hard to kick in a concrete wall," he said.

As a bonus, it's wired for modern technology, including wireless computers.

The alumni halls are not attached to the main houses, so they are not considered renovated and do not have to comply with safety codes. But SAE is planning to install sprinklers in the next year anyway, McElrath said.

Cramer said a lack of adherence to building codes is not the reason alumni halls are built as detached structures. Many of the band rooms are in basements and cramped first-floor rooms, and loud parties are one reason fraternities are first in line for repairs. Sororities rarely host band parties, and have avoided the wear and tear that come with them.

Building a few yards away from the main house removes the party and provides a safe, large room with multiple exits, Cramer said.

"The goal is to have every facility as safe as feasible," she said.

Reach Adam Jones at adam.jones@tuscaloosaneews.com or 205-722-0230.