

House Expansion Committee Meeting Report

Meeting Date: 9 November 2002

Report Date: 22 January 2003

Those present:

David Manthey, EI 410, Chairman

Bob Corell, EI 334

Ernest Daniels, EI 391

Tanya Moy, EI 421

Lenore Rossini, EI 472

Philip Lamoureux, EI 516

Elyssa Mason, EI 502

Patrick Hartley, EI 500

Jared Tannenbaum, EI 485

Soze Lakinger, EI 483

Joshua Greenberg, EI 506

Tracy Clemens, EI 486

Ted Hitchcock, EI 420

John Carpenter, EI 494

John Kelly, EI 507

Hail,

We had a meeting on Saturday, 9 November 2002 to discuss the current state of the House Expansion project, and what actions we would like to take at this time.

At present, based on the number of undergraduates and the magnitude of the finances of the full expansion project, it was decided at the last Alumni meeting (19 October 2002) *not* to proceed with the full expansion at this current time. Upon discussing this situation, the consensus was that we need to have a project that we can proceed with, both to fix the ills of the house and to end the miasma of delay.

In no especial order, the items which need fixing are (a) some of the wiring in the upstairs, (b) the downstairs bathroom floor, (c) general wiring upgrade, (d) the kitchen in all manners of method, including space, ventilation, and appliances, (e) removal and last rites for the back porch. I, as house manager, already have authority to proceed with (a) and (b), and these will get done sometime during the 2002-2003 school year.

Jared presented financial numbers showing that if we finance the project using Bumper's self-mortgage idea, then we do not require as many brothers to live in as was previously believed, provided that rent is increased by more than 15%. It should be noted that RPI charges *a lot* more in rent than we do, and that we really are competing with the off-campus housing prices. If such a rent increase is palatable, this means that we can probably afford more than we thought. Also, Jared had data on the rent that RPI charges for dorm rooms, which is high. RPI prices range from \$3866 per year for a double in the E-dorms to \$6102 per year for a single in the quad.

After much discussion, it was decided to look into doing the just rear first floor and basement part of the expansion. Also, some improvements that we have been desiring but have been putting off were recommended.

What *would* get done: (a) Expand the kitchen. (b) Enlarge the common space by removing walls and merging the hallway into the dining room/living room area. (c) Add a bedroom. For reasons best left out of print, we request that this new room be dubbed 'Elyssa's Room'. (d) Add a new stairwell to the basement (with a sump pump!). (e) Fix the basement floor. Note that this work would have to wait until the summer of 2004, due to time to get a architect, have plans drawn, approved, etc.

What *wouldn't* get done: (a) Enclosing the front porch to make a 'TV' room (though this should be looked into as an option). (b) Adding an airlock (vestibule?) at the front door. (c) Removing one bedroom and the upstairs bathroom to make 2 new bedrooms and 2 new bathrooms.

It was our general hope that by skipping the plumbing and 2nd floor work, the project would be affordable at this time. Likewise, the house's capacity would go from 7 beds to 9 beds (assuming that they are all used for bedrooms), which also makes it a more reasonable burden on the undergraduates to fill the expanded house. Another possibility, if more common space is required, is to turn the current downstairs bedroom into a common area. The drawback, is that we will need to get a new architect and need to jump through the bureaucratic hoops of the Troy planning and zoning boards again.

The committee recommends the following:

- (1) Rewire the entire upstairs (and not just the part that is a current danger).
- (2) Finish replacing the upstairs windows.
- (3) Ask Jim Muhr to find us a new architect. This is what happens to people who can't attend meetings.
- (4) Ask said Architect how much it will cost to draw up new plans for this revised expansion (as outlined above). Also ask the architect about the feasibility of expanding the second floor at a later time.
- (5) Find a local alumna who is willing to work as a contact with the architect.

Obviously, it will cost something to have the architect do this work. A reasonable additional question is how much we can expect the reduction of plans to reduce the cost of the project.

YITB,
David Manthey, EI 410

Addendum, 12 December 2002:

Troy finished reviewing our full set of plans. There are several minor changes that are needed to meet code. If we aim to continue with the full plans, we will need a new architect to draw the plans with the changes and to certify the new plans before we can proceed. Therefore, no matter what course of action we take, we will need a new architect.

Addendum, 21 January 2003:

Doug Perrins has graciously volunteered to start inquires about obtaining a new architect.

The upstairs electrical circuit has been repaired and made safe at a cost of around \$350. The downstairs bathroom floor has been repaired and newly tiled by Ted Hitchcock. The cost of this was less than \$500.

House Expansion Financial Analysis – by Jared Tannenbaum

After the alumni meeting at 3-3 in October, I decided it would be a good idea to update the financial data (originally compiled by Dave Manthey) with all of the new information the alumni have obtained over the past year. Also, the big issue for not going through with house expansion was the worry that the undergrads current numbers were too low to fill the house in the present and future. So, I wanted to see if it were financially possible to accomplish the full plans of house expansion with less than 11 brothers living in. Specific updates on finances included:

- 1) There were two estimates from contractors. One was 157,000 and one was 117,000. Dave Manthey explained to me that the 117,000 was a good estimate, but should be a little higher do to a few minor changes in the contractors plans. I used \$117,000 estimate in my calculations and factored in the need for a larger margin of overrun.
- 2) Bumper's plan for getting the financing through a 15, 20, or 30 year loan at 4.7% interest through getting brothers to invest \$4700 each. I assumed a 20 year loan of \$126,900.
- 3) Another year has gone by of paying off the old mortgage.

To determine the exact size of the loan we would need:
value that the contractor gave us + 10% of the contractor's value - current money in the 47k fund after paying off old mortgage

With the new finances figured out, I plugged the new numbers into Dave Manthey's excel spread sheet (used to determine costs for 2001 time period). I updated a few algorithms for determining certain numbers. The major one being, the difference between the price of a single and double is no longer merely \$800. I figured out the old method of determining the cost for a person in a single and a double. A person living in a double counts as 1 person living in the house and a person living in a single counts as 1.25 people living in the house. For calculating the new costs, I changed that number to 1.2 for a person in a single, which decreases the cost differential for a single and double in the new house. Any other changes that I made can be seen in the excel file "Analysis112002.xls".

With all of the changes made, I put together a separate page in the excel file entitled "Scenarios". I put together the various living scenarios I felt should be considered. I wanted to show that the full house expansion could be accomplished without forcing the undergrads to have 11 brothers living in the house.

To determine the best scenario: After talking to many of the current undergrads, I took into account that the undergrads would want (a) the least number of brothers being asked to live in the house (b) a rent cost that was lower than on campus living and competitive with off campus living (c) there would be more singles in the house than just the Archon's bedroom.

My result was that the best scenarios involved having only 8 or 9 active brothers living in (a) 2 singles, 6 doubles and an extra room (b) 4 singles and 2 doubles (c) 1 single, 4 doubles, and an extra room (d) 3 singles and 3 doubles

The rent increase for these scenarios are as follows:

- (a) 15% for a single, 20% for a double
- (b) 10% for a single, 14.7% for a double
- (c) 5% for a single, 10% for a double
- (d) 1% for a single, 5% for a double

Having only 7 or less living in is possible, but minimally raises a single by 21% and a double 26% (5 singles and 1 double). All scenarios involving more than 9 brothers living in allow for the rent to decrease from its current value. In all scenarios looked at, the prices of a single and double stay competitive with most off campus housing and under most of on campus living. Also, if there were to be only 6 living in (assuming 6 singles), the price will be about \$4,700 (I rounded up because it looked cooler) which is about 34% higher than a current single in the house. At \$4700, there is only 1 place significantly lower in price on campus (North and E-Complex at \$4380). It is still competitive the higher end of off campus apartments.

With all of that said, I believe it is possible financially to go through with the full house expansion in the summer of 2004 if the assumptions I have made are correct. All of the calculations I made look good for going through with expansion this summer, but we lack the funds to go through with it this summer and many brothers have fears of the undergraduate chapter being too small. I honestly feel that the current active chapter can support a house that is increased in size, without increasing the number of beds. I feel that the increased room will give the undergrads more maneuverability with brothers living in and common space. I think that worrying about undergrad numbers is important, but it is more important to have the undergrads understand that it doesn't matter how many they have living in the house. Rather, it is more important to know how the rent will be paid in full and on time. Also, if we wait till the summer of 2004, maybe the undergrads will increase their numbers and help alleviate any concerns that the alumni or undergrads have.

Proposals:

- 1) Do all of house expansion as planned in the summer of 2004.
- 2) Determine some way that alumni could help Bumper accomplish his plan for a loan. With this new plan, offer to help Bumper.

Further information:

- 1) I've attached "Analysis112002.xls".
- 2) For more information on on-campus living costs goto <http://www.rpi.edu/dept/res-life/html/roomrates02-03.html> (upperclassmen rates) and <http://www.rpi.edu/dept/res-life/html/1styrates.html> (freshmen rates).
- 3) For a search engine for off-campus living goto <http://offcampus.union.rpi.edu/search.asp> (or just ask current undergrads living off campus what they pay)

yitb,
Jared Tannenbaum, EI 485

	Current Value	Multiplier	Projected Value	
Undergraduate Rent				
Number of Singles	1		4	
Cost of Single	\$3,474	1.101534358	\$3,827	(Total Rent - (cost of double * number of people in doubles))/ total number of singles
Number of Doubles	6		4	
Cost of Double	\$2,779	1.147431623	\$3,189	total rent divided by total number residents
				The multiplier is the average change in per capita undergraduate rent. (determined by information found in "Cost Breakdown")
Total Rent	\$20,151	1.39274459	\$28,065	

	Projected Value	Projected Value	Projected Value
Extra Rooms	2	1	0
Number of Singles	1	3	5
Cost of Single	\$4,678	\$4,431	\$4,210
Number of Doubles	6	4	2
Cost of Double	\$3,898	\$3,693	\$3,508
Total Rent	\$28,065	\$28,065	\$28,065

	Projected Value	Projected Value	Projected Value
Extra Rooms	1	0	1
Number of Singles	2	4	1
Cost of Single	\$4,009	\$3,827	\$3,661
Number of Doubles	6	4	8
Cost of Double	\$3,341	\$3,189	\$3,051
Total Rent	\$28,065	\$28,065	\$28,065

	Projected Value	Projected Value	Projected Value
Extra Rooms	0	0	0
Number of Singles	3	2	1
Cost of Single	\$3,508	\$3,238	\$3,018
Number of Doubles	6	8	10
Cost of Double	\$2,923	\$2,699	\$2,505
Total Rent	\$28,065	\$28,065	\$28,065