



150 MADISON LANE PRESERVATION FUND

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Second Century Capital Campaign

May 2018

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Brothers:

We are pleased to announce the launch of the Second Century Capital Campaign for the Restoration and Historical Preservation of the SPE House at 150 Madison Lane in Charlottesville. The 150 Madison Lane Preservation Fund is a 501(c)(3) corporation under the Internal Revenue Code, established to provide funding for the renovation and historical preservation of the house. Eta Alumni, Incorporated is the owner of the property and the building. The house will be renovated to serve as the home for the local chapter of the Sigma Phi Epsilon fraternity once again, as it was at its establishment in 1924.

Over the course of the last several years, Eta and the 150 Fund have raised over \$300,000 to retire two mortgages on the property and to pay operating expenses, including property taxes, insurance and maintenance, and repairs to the property. Don King '62 provided funds for the regrading and paving of the rear parking lot, which has provided an ongoing stream of revenue from the leasing of parking spaces to students. Rafael Zahralddin '89 has contributed funds for the construction and rental of the scaffolding needed to provide temporary support for the portico columns. Many others have contributed significant time and money to maintain the house and to preserve alumni ownership and control. We thank everyone who has contributed to the cause.

The house has been vacant since the fraternity lost its charter in 2009, and the need to renovate now is critical. The cost of a total restoration of the house is currently estimated at \$2.2 million. Eta has explored several possible alternatives for the financing and reconstruction of the house, including obtaining a loan from the University, the National fraternity, or a commercial bank. At the urging of some of our alumni, the Board of Eta also considered and explored the feasibility of a transfer of the property to the University. Following consideration of these and other alternatives, the Board of Eta decided to confirm its adherence to the original charter of the corporation – to maintain ownership of the property in the alumni corporation to provide housing for those students of the University of Virginia who are members of Sigma Phi Epsilon. This decision reflects the desire of the Board to preserve the value of the investment of capital by the founders of the alumni corporation for the long-term preservation of this valuable and irreplaceable property at the University.

This decision requires that the alumni of SPE provide the necessary funding to rebuild the SPE House. The goal of the capital campaign is to raise \$1.5 million, with the remaining funds to be secured in the form of a commercial loan or tax credit financing. When the local chapter of the fraternity is reconstituted, Eta will enter into a lease with an entity sponsored by the National fraternity. During any period of time in which the National fraternity is unable to lease the property, Eta will lease to a qualified third party (including another fraternity, sorority, or other student group at the University). The renovated house will be preserved to serve as the home for the alumni of SPE at the University of Virginia, as it has been for the last 100 years.

The Alumni Association will be the administrator of the capital campaign. Contributions to the 150 Madison Lane Fund are deductible for federal income tax purposes and will be treated as contributions to the University of Virginia (for all purposes except Virginia Athletic Foundation standing). Further information about the plans for the renovation and the capital campaign are included in the enclosed brochure. We will provide details on the progress of the capital campaign and the commencement and progress of construction, including communications on the website at 150madisonlane.org.

Please contact any of the officers or directors of Eta or 150 Madison Lane listed on the attached brochure if you have questions, or if you would like to be part of the capital campaign or the project planning or execution. Thank you very much for your patience and for your continued support. We look forward to working with you this year to begin rebuilding the SPE house.

Denis O'Sullivan '86
Treasurer
150 Madison Lane Preservation Fund

Tony LaCivita '78
Board of Directors
Eta Alumni, Incorporated