

Contact: Joan Racki

UNIVERSITY OF IOWA UPDATE OF FLOOD RECOVERY STATUS

Action Requested: Receive the attached report from the University of Iowa.

Executive Summary: The University of Iowa has provided the attached report regarding the flood recovery status of various campus facilities. The report updates information provided at the August 2009 Board meeting.

UNIVERSITY OF IOWA REPORT
FLOOD RECOVERY UPDATE
(September 2009)

An oral report with the latest information will be provided to the Board at its September meeting. What follows is a status report as of August 18.

- Work continues on examining the best site options for Hancher Auditorium and for the School of Music. Two general areas have been defined. The University will return to the Board and seek its approval when this analysis is complete and a recommendation has been approved by the University President.
- The last series of interim measures for housing dislocated academic programs will be completed by the start of fall classes. FEMA has indicated it will not continue to support financially additional temporary measures, thus the urgency of completing all of this work now. Leases approved by the Board at its last meeting were instrumental in enabling the University to provide better interim facilities for the academic programs that were displaced by the flood.
- A number of major projects are at the stage where FEMA officials in Iowa are preparing documentation for submission to FEMA at the national level for approval. This process is expected to take several months. At the end of this process, the University will be able to solicit bids to restore damaged buildings and to incorporate flood-damage prevention measures. FEMA approves all aspects of the bidding process and ultimate contract award. Art Building West and the Iowa Memorial Union are among the projects now at this stage
- Aggregate expenditure and revenue analysis is attached in the same format as in previous months.
- The University presented to the Board in March an overall flood recovery cost estimate of \$743 million. It included all flood recovery costs anticipated and flood mitigation initiatives. Revenue matching those prospective expenditures was provided as follows:

▪ FEMA Grants	\$ 477 million
▪ University Insurance Policies	\$ 81 million
▪ State & University Resources	\$ 185 million
- The University will be providing regular updates on these overall projections as individual recovery projects are approved by FEMA and proceed. Another assessment of overall cost for total flood recovery will be done at the time when FEMA gives final approval to several of the larger, individual recovery projects.
- Cash flow analysis of flood recovery will become critical as the larger flood recovery projects are approved by FEMA. Cash flow must inform decisions on using short-term borrowing at Wells Fargo as well as the use of revenue bonds and bond anticipation notes authorized by the State for issuance by the Board.
- The University of Iowa plans to produce its first quantitative cash flow assessment and share that with the Board at its meeting on October 29th.

- Other grant opportunities within and outside FEMA are being pursued. Some of these are cited within another Board agenda item this month. Grants from the Department of Energy and Department of Education have been pursued that have a direct bearing on long-term flood protection.
- The President has initiated a planning process for the Museum of Art that involves community member donors as well as UI faculty and students. This process is being led by Carroll Reasoner, Interim Vice President for Legal Affairs and General Counsel. By late this year the President expects to receive recommendations for a future direction of the University's Museum of Art.

UNIVERSITY OF IOWA FLOOD RECOVERY
EXPENSE AND FUNDING

	<u>Actuals</u>	<u>Encumbrances</u>	<u>TOTAL</u>
<u>Flood Expense (8-31-09)</u>	\$129,298,126	\$12,000,396	\$141,298,522

<u>Flood Funding (8-31-09)</u>	<u>Redirected Academic Bldg Rev Bond SF376</u>	<u>FM Global</u>	<u>Federal Flood</u>	<u>FEMA</u>	<u>Gifts</u>	<u>Wells Fargo Note</u>	<u>TOTAL</u>
Building/Content/Extra Exp	\$2,407,964	\$50,946,212	\$4,678,181	\$31,390,807	\$1,000,000	\$15,000,000	\$105,423,164
Other		<u>FM Global Business Interruption</u>			<u>Gifts Flood Relief</u>		<u>TOTAL</u>
		\$4,053,788			\$1,138,722		\$5,192,510