

Contact: Joan Racki

UNIVERSITY OF IOWA UPDATE OF FLOOD RECOVERY STATUS

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

Executive Summary: The University has provided the following report:

Attached are four reports: the first is the most recent report of flood recovery expenses and funding received (through October 31, 2013). The second report is the current timetable and milestones for the major flood recovery projects (dated November 6, 2013). Another report labeled "Outstanding Issues" has two sections. The first section (Appeals) lists formal appeals filed with Iowa Homeland Security (IHSEMD) or FEMA. The second section (Other Issues) lists issues of concern and includes FEMA insurance and time extension requirements, as well as differences between FEMA obligations and projected actual costs. The fourth and final report lists "To-Date" flood costs by project.

If requested, the University will provide an oral update.

**UNIVERSITY OF IOWA FLOOD RECOVERY
EXPENSE AND FUNDING**
As of October 31, 2013

<u>FLOOD EXPENSE:</u>	<u>Actuals</u>	<u>Encumbrances</u>	<u>TOTAL</u>								
	\$266,843,315	\$330,520,678	\$597,363,993								
<u>FLOOD FUNDING:</u>								<u>FEMA</u>	<u>U.S. Dept of Education Grant</u>	<u>Wells Fargo</u>	<u>TOTAL</u>
				<u>Insurance</u>	<u>General Education Funds</u>	<u>Auxiliary Enterprise Funds</u>	<u>Academic Revenue Bonds Series A</u>	<u>U.S. Dept of Education Grant</u>	<u>Wells Fargo</u>	<u>TOTAL</u>	
				59,065,809	\$19,991,669	\$4,219,814	\$25,250,467	\$1,504,186	\$10,000,000	\$258,241,633	
FM Global Federal Flood Building/Content/Extra Exp	\$7,734,822			<u>5,393,881</u>				<u>\$125,080,985</u>			
				\$64,459,690							
				<u>Gifts</u>	<u>FM Global Business Interruption</u>		<u>Other Insurance</u>		<u>TOTAL</u>		
Gifts (HHMI)				1,000,000							
Gifts Flood Relief (Foundation)				<u>1,293,719</u>							
Other				<u>\$2,293,719</u>					\$839,377		
								\$6,076,817	\$839,377	\$9,209,913	

MAJOR FLOOD RECOVERY PROJECT TIMETABLE

	Regional FEMA Site and Replacement Authority Approval	Completion of State/Regional Review of Recovery and Mitigation Plans (PW complete)	Completion of National FEMA Review/Funding Obligation (1)	Submission of Schematic Design and Budget to Board Office for Regents Action	Award of Construction Contract(s)	Substantial Completion
Art Building West			Complete (March 2011)	Complete (March 2010)	Complete (September 2010)	Complete October 2011
Art Building (Replacement)	Complete (October 2010)	Complete (June 2011)	Complete (January 2012)	Complete (March 2012)	Complete (June 2013)	May 2016
Art Building (Demolition)		Complete (June 2011)	Complete (May 2012)	Complete (December 2012)	Complete (August 2013)	February 2014
Hancher Performing Arts (Replacement)	Complete (October 2010)	Complete (June 2011)	Complete (January 2012)	Complete (March 2012)	Complete (2) (Dec 2012 to Oct 2013)	May 2016
School of Music (Replacement)	Complete (October 2010)	Complete (June 2011)	Complete (January 2012)	Complete (March 2012)	Complete (2) (Feb to Sept 2013)	September 2016
Hancher/Voxman/Clapp (Demolition)		Complete (June 2011)	Complete (May 2012)	Complete (December 2012)	Complete (May 2013)	February 2014
Iowa Advanced Technology Labs		Complete (June 2011)	Complete (November 2012)	Complete (June 2013)	March 2014	March 2015
Iowa Memorial Union		Complete (July 2011)	Complete (November 2012)	Complete (October 2010)	Complete (September 2013)	June 2015
Mayflower Residence Hall		Complete (June 2011)	Complete (November 2012)	Complete (June 2012)	Complete (August 2013)	January 2015
Theatre Building		Complete (June 2011)	Complete (February 2012)	Complete (October 2012)	Complete (September 2013)	August 2015
Utility System (2)		Uncertain (pending appeal and FEMA response to UI proposed plan)	Uncertain (pending appeal and FEMA response to UI proposed plan)	Uncertain (pending appeal and FEMA response to UI proposed plan)	Uncertain (pending appeal and FEMA response to UI proposed plan)	Uncertain (pending appeal and FEMA response to UI proposed plan)
Museum of Art Replacement	N/A	N/A	N/A	RFP to be issued Q1/Q2 2014	Partner selection Q2/Q3 2014	TBD

Footnotes:

- (1) On August 12, 2010, the University submitted a comprehensive report, including a benefit-cost analysis, to FEMA outlining needed repairs and mitigation for the utility system (power plant, tunnels, and distribution system). In March 2012, the University received from the FEMA office in Des Moines multiple PWs providing insufficient obligations for repairs and mitigation. Path addressing these deficiencies is uncertain and will involve multiple appeals to FEMA Region VII.
- (2) The primary building package bidding is complete. There are a number of smaller bid packages remaining (related primarily to equipment and furnishings) that will be bid in coordination with the construction schedule.
- (3) For the purpose of this table "final completion" means the FEMA-approved project completion date.

OUTSTANDING ISSUES

APPEALS			
BUILDING/ PROJECT	ISSUE ON APPEAL	DATE APPEAL SUBMITTED	STATUS OF APPEAL
MUSEUM OF ART	Replacement of flood damaged facility	FEMA Denial March 2013	Options for appeal have been exhausted - UI is advancing replacement of the Museum without FEMA support and is executing permanent repair of the former Museum structure as a FEMA authorized project.
UTILITY SYSTEM TUNNELS	Mitigation strategy	FEMA Denial (March 2013)	FEMA Region VII responded to UI appeal and denied proposal. UI has decided not to appeal decision.
POWER PLANT and UTILITY SYSTEM TUNNELS	Reimbursement for funds expended in repair of facilities	May 2012 (UI to IHSEMD)	In process / under review by FEMA Region VII. (IHSEMD submitted appeal to FEMA VII, July 2012)
POWER PLANT	Mitigation strategy	August 2012 (UI to IHSEMD)	In process / under review by FEMA Region VII. (IHSEMD submitted appeal to FEMA VII, Oct. 2012)
STUDIO ARTS	Reimbursement of funds expended in renovation of temporary facility	May 2013 (UI to IHSEMD)	FEMA Region VII responded to the appeal approving \$171,000 of the \$405,000 requested. (March 28, 2013). UI has submitted second appeal to FEMA headquarters (July 2013).
MAYFLOWER CONTENTS	Time extension needed to complete purchase and installation of flood damaged contents	June 2013 (UI to IHSEMD)	In process/under review by FEMA Region VII (IHSEMD submitted appeal to FEMA VII, July 2013)

OUTSTANDING ISSUES

APPEALS (cont.)			
BUILDING/ PROJECT	ISSUE ON APPEAL	DATE APPEAL SUBMITTED	STATUS OF APPEAL
MUSEUM OF ART - TEMPORARY FACILITY (Figge)	Time extension needed to cover lease costs of temporary facility	June 2013 (UI to IHSEMD)	In process / under review by FEMA Region VII. (IHSEMD submitted appeal to FEMA VII, August 2013)
SCHOOL OF MUSIC / THEATRE BLDG - TEMPORARY FACILITY (108 RIVER STREET)	Time extension needed to cover lease costs of temporary facility	July 2013 (UI to IHSEMD)	In process / under review by FEMA Region VII. (IHSEMD submitted appeal to FEMA VII, Sept 2013)

* IHSMED - Iowa Homeland Security and Emergency Management Department

OUTSTANDING ISSUES

OTHER ISSUES	
Post Recovery Insurance Requirements	<p>FEMA requires as a part of the close-out process that the University provide evidence of insurance on facilities to protect against future loss. The University carries National Flood Insurance on each facility in the flood plain as well as \$250 million of commercial flood insurance under a blanket policy with FM Global. The University recently learned that FEMA will not accept a blanket policy for evidence of flood insurance and may require higher limits. This insurance requirement can be waived by the State Insurance Commissioner under certain conditions.</p> <p style="padding-left: 40px;">The University worked with IHSMED* and the Iowa Insurance Commissioner to obtain a waiver on the basis that obtaining scheduled flood insurance on each of its buildings (including replacement buildings outside the floodplain) is not reasonable and not cost effective. The Commissioner's waiver was submitted to FEMA on 9/18/13.</p>
Project Worksheet (PW) Time Extensions	<p>FEMA has granted time extensions running to the anticipated date of final project completion for the three major replacement projects: Hancher, Art, and Music. However, the University has several additional requests for PW time extensions pending with FEMA. These extension requests have been developed in conjunction with Iowa Homeland Security and conform with the overall disaster recovery timetable approved for Iowa.</p>
Iowa Memorial Union - Estimated Actuals vs. Obligation	<p>The estimated project costs for the FEMA-approved scope of work at the IMU exceed FEMA's obligated funds of \$24M.</p> <p style="padding-left: 40px;">Communication with FEMA to resolve the difference are on-going.</p> <p style="padding-left: 40px;">This issue will be faced to some degree with other buildings facing major recovery, pending the results of the bids for those projects.</p>

* IHSMED - Iowa Homeland Security and Emergency Management Department

UNIVERSITY OF IOWA - MAJOR FLOOD RECOVERY PROJECT REPORT

To Date Flood Recovery Costs

As of October 31, 2013

		(\$ 000's)
Hancher & Voxman Buildings & Replacements	\$	63,783.4
Art Building & Replacement		9,661.4
Art Building West		10,343.3
Iowa Advanced Technology Laboratories (IATL)		12,159.7
Iowa Memorial Union (IMU)		7,540.8
Theatre		4,074.7
Adler / Becker / English-Philosophy Building (EPB)		5,580.8
Mayflower Hall		5,162.8
Museum of Art		502.3
Utility Plants & Systems		33,875.9
Debris Removal		38,267.0
Temporary Locations		44,223.8
Emergency Measures		13,554.0
Other Restoration Projects		7,402.8
Other		10,710.6
TOTAL FLOOD	\$	266,843.3