

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 June 30, 2013). The second report is the current timetable and milestones for the major flood recovery projects (dated July 15, 2013). Another report labeled "Outstanding Issues" has two sections. The first section (Appeals) lists formal appeals filed with Iowa Homeland Security (IHS) 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.

Since the last meeting of the Board of Regents several major construction packages have been successfully bid and contracts awarded. The Art Building replacement project was awarded to Miron Construction (Cedar Rapids) and was within the project budget. Several major construction contracts for the new School of Music facility and Hancher have been awarded and the successful bids in aggregate are within the project budgets.

The Museum of Art "Request for Information and Qualifications" was issued on June 28. This is in accord with the authorization granted by the Board at its June meeting to seek a public/private partnership to advance the Museum of Art project.

If requested, the University will provide an oral update.

**UNIVERSITY OF IOWA FLOOD RECOVERY
EXPENSE AND FUNDING**
As of June 30, 2013

FLOOD EXPENSE:

	Actuals	Encumbrances	TOTAL
	\$248,234,957	\$114,717,627	\$362,952,584

FLOOD FUNDING:

Redirected Academic Bldg Rev Bond SF376									
FM Global Federal Flood Building/Content/Extra Exp	\$7,734,822	\$ 25,250,467	\$3,875,887	\$16,912,778	\$64,459,690	\$111,694,712	\$1,504,186	\$10,000,000	\$241,432,542
					59,065,809				
					5,393,881				
					\$64,459,690				
							FM Global Business Interruption	Other Insurance	TOTAL
Gifts (HHMI)					1,000,000				
Gifts Flood Relief (Foundation)					1,293,719				
Other					\$2,293,719		\$6,076,817	\$839,377	\$9,209,913

8-Jul-13

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)	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)	August 2013	December 2013
Hancher Performing Arts (Replacement)	Complete (October 2010)	Complete (June 2011)	Complete (January 2012)	Complete (March 2012)	December 2012 to October 2013 (3)	May 2016
School of Music (Replacement)	Complete (October 2010)	Complete (June 2011)	Complete (January 2012)	Complete (March 2012)	February 2013 to September 2013 (3)	September 2016
Hancher/Voxman/Clapp (Demolition)		Complete (June 2011)	Complete (May 2012)	Complete (December 2012)	Complete (May 2013)	January 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)	September 2013	June 2015
Mayflower Residence Hall		Complete (June 2011)	Complete (November 2012)	Complete (June 2012)	August 2013	January 2015
Theatre Building		Complete (June 2011)	Complete (February 2012)	Complete (October 2012)	August 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)

Footnotes:

- (1) All dates subject to meeting all FEMA historic and environmental preservation rules on building and demolition projects per section 106 of the National Historic Preservation Act.
- (2) On August 12, 2010, the University submitted a comprehensive report, including a benefit-cost analysis, to FEMA outlining needed repairs and improvements to 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.
- (3) These projects will be delivered in several bid packages. The dates indicated represent the anticipated dates for the awarding of the initial and final contracts.

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 appeal decision.
POWER PLANT and UTILITY SYSTEM TUNNELS	Reimbursement for funds expended in repair of facilities	May 2012 (UI to IHS)	In process / under review by FEMA Region VII. (IHS* submitted appeal to FEMA VII July 2012)
POWER PLANT	Mitigation strategy	August 2012 (UI to IHS)	In process / under review by FEMA Region VII. (IHS submitted appeal to FEMA VII Oct. 2012)
STUDIO ARTS	Reimbursement of funds expended in renovation of temporary facility	May 2013 (UI to IHS)	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.
MAYFLOWER CONTENTS	Time extension needed to complete purchase and installation of flood damaged contents	June 2013 (UI to IHS)	In process / under review by IHS.

July 15, 2013

* IHS - Iowa Homeland Security

OUTSTANDING ISSUES

APPEALS (cont.)			
BUILDING/ PROJECT	ISSUE ON APPEAL	DATE APPEAL SUBMITTED	STATUS OF APPEAL
MUSEUM OF ART - CONTENTS	Time extension needed to complete purchase and installation of flood damaged contents	June 2013 (UI to IHS)	In process / under review by IHS.
MUSEUM OF ART - TEMPORARY CLIMATE CONTROL	Time extension needed for climate control expenses	June 2013 (UI to IHS)	In process / under review by IHS.
MUSEUM OF ART - TEMPORARY FACILITY (FIGGE)	Time extension needed to cover lease costs of temporary facility	June 2013 (UI to IHS)	In process / under review by IHS.
SCHOOL OF MUSIC / THEATRE BLDG - TEMPORARY FACILITY (108 RIVER STREET)	Time extension needed to cover lease costs of temporary facility	July 2013 (UI to IHS)	In process / under review by IHS.
IATL CONTENTS	Time extension needed to installation of flood damaged contents	July 2013 (UI to IHS)	In process / under review by IHS.

* HIS - Iowa Homeland Security

OTHER ISSUES											
<p>Post Recovery Insurance Requirements</p>	<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 FMGlobal. 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 is working with IHS* and the Iowa Insurance Commissioner to obtain a waiver on the basis that obtaining a scheduled flood insurance on each of its buildings is not reasonable, not cost effective and likely not even available. If the University is unable to obtain a waiver satisfactory to FEMA, FEMA could deny reimbursement of eligible expenses in the close out process.</p>										
<p>Project Worksheet (PW) Time Extensions</p>	<p>FEMA time extensions have been granted through May 27, 2015 for the following projects. The University has requested extensions to estimated completion dates as indicated. These extension requests have been developed in conjunction with HIS*.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">School of Music Replacement Facility</td> <td style="text-align: right; padding: 2px;">(09/30/16)</td> </tr> <tr> <td style="padding: 2px;">Art Building Replacement Facility</td> <td style="text-align: right; padding: 2px;">(05/16/16)</td> </tr> <tr> <td style="padding: 2px;">Hancher Replacement Facility</td> <td style="text-align: right; padding: 2px;">(05/31/16)</td> </tr> <tr> <td style="padding: 2px;">Iowa Memorial Union Rec. & Mitigation</td> <td style="text-align: right; padding: 2px;">(06/12/15)</td> </tr> <tr> <td style="padding: 2px;">Theatre Building Rec. & Mitigation</td> <td style="text-align: right; padding: 2px;">(08/31/15)</td> </tr> </table>	School of Music Replacement Facility	(09/30/16)	Art Building Replacement Facility	(05/16/16)	Hancher Replacement Facility	(05/31/16)	Iowa Memorial Union Rec. & Mitigation	(06/12/15)	Theatre Building Rec. & Mitigation	(08/31/15)
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Theatre Building Rec. & Mitigation	(08/31/15)										
<p>Iowa Memorial Union - Estimated Actuals vs. Obligation</p>	<p>Currently, the University's design consultants have estimated the project cost for the FEMA-approved scope of work at \$33M-\$34 M. This estimate compares to FEMA's obligated funding of \$24M. As bids are received, the University intends to request a new FEMA obligation, to meet actual project costs. It is likely that the UI/BOR will need to award the construction contract ahead of FEMA confirmation that an increased obligation amount is approved.</p> <p style="text-align: center;">This issue may be faced to some degree with other buildings facing major recovery, pending the results of the bids for those projects.</p>										

* IHS - Iowa Homeland Security

UNIVERSITY OF IOWA - MAJOR FLOOD RECOVERY PROJECT REPORT

To Date Flood Recovery Costs

As of June 30, 2013

(\$ 000's)

Hancher & Voxman Buildings & Replacements	\$ 49,592.5
Art Building & Replacement	9,121.0
Art Building West	10,344.1
Iowa Advanced Technology Laboratories (IATL)	11,834.9
Iowa Memorial Union (IMU)	7,350.6
Theatre	3,932.0
Adler / Becker / English-Philosophy Building (EPB)	5,603.4
Mayflower Hall	5,080.3
Museum of Art	501.8
Utility Plants & Systems	33,874.0
Debris Removal	38,268.9
Temporary Locations	43,421.6
Emergency Measures	13,443.0
Other Restoration Projects	7,129.8
Other	8,737.1
TOTAL FLOOD	\$ 248,235.0