



Roll Call Number

Agenda Item Number

43

Date June 27, 2016

COMMUNICATION OF FIRE ESCROW AT 720 EUCLID AVENUE

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for main structure located at 720 Euclid Avenue, Des Moines, Iowa.

(Communication and documentation attached)

Moved by _____

to receive and file and to direct the City Attorney to bring legal action within one hundred eighty (180) days of certified mail notice dated March 31, 2016, if owner(s) has not demolished or renovated the structure.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MOORE				
WESTERGAARD				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

March 24, 2016

CITY OF DES MOINES IA
CODE ENFORCEMENT
COMMUNITY DEVELOPMENT DEPT
ARGONNE ARMORY BUILDING
602 ROBERT D RAY DR
DES MOINES IA 50309-1881

State Farm Insurance Companies
Fire Claims
PO Box 106169
Atlanta, GA 30348-6169
Fax 844 236 3646

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

RE: Claim Number: 15-8G25-212
Insured: Robert M. Jackson and Patricia Canney
Date of Loss: March 20, 2016

Dear Mr. Reynolds:

720 Euclid Avenue, Des Moines IA sustained fire damage on the above-referenced date of loss. We have received notification of damage exceeding 75% of the value of the policy. Iowa law requires fire and casualty companies to hold a demolition cost reserve under such circumstances. In general, insurers must reserve \$10,000.00 or 10% of the payment, whichever is greater, to cover demolition costs under the circumstances if:

- A. The property is locate with the corporate limits of a city.
- B. The property without repairs is uninhabitable or unfit for its purpose.
- C. The property owner has submitted a proof of loss for a sum exceeding 75% of the face value of the policy.

Therefore, to be in compliance with **Iowa Statute Section 515.139 Demolition reserve on fire and casualty claims on property**, I am notifying you that a reserve for demolition costs has been withheld.

It is my understanding that the City shall release all interest in the demolition cost reserve within 180 days after receiving notice of the existence of the demolition cost reserve unless the City has instituted legal proceedings for the demolition of the building or other insured structure, and has notified the insurer in writing of the institution of such legal proceedings. Failure of the City to notify the insurer of such legal proceedings shall terminate the City's claim to any proceeds from the reserve.

A reserve for demolition cost shall no longer be required if:

CITY OF DES MOINES ...
CODE ENFORCEMENT
15-8G25-212
Page 2

- A. The insurer has received notice from both the insured and the City Council that the insured has completed repairs to the property or has completed demolition of the property in compliance with all applicable statutes and local ordinances.
- B. The City has failed to notify the insurer as provided above.

If the City has instituted legal proceedings, undertaken emergency action, or is required to demolish the damaged property at City expense, the City shall present to the insurer cost incurred, since the date of the fire or other occurrence, including but not limited to legal costs, engineering costs, and demolition costs related directly to the enforcement of any local ordinance, and the insurer shall compensate the city for the incurred costs up to the amount in the demolition cost reserve. Any amount left from the demolition cost reserve after the cost of demolition of the property is paid to the City, shall be to the insured if the insured is entitled to the remaining proceeds under the policy. The insurer is not liable for any amount in excess of the limits of the liability set out by the policy.

This letter is notice of our compliance with Iowa law. Please call if you have any questions.

Sincerely,

Jed Behrens
Claim Specialist
515 577 4704
State Farm Fire and Casualty Company

19/220/2318525