



Roll Call Number

Agenda Item Number

61

Date November 23, 2015

COMMUNICATION OF FIRE ESCROW AT 2634 CAPITOL AVENUE

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for main structure located at 2634 Capitol 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 notice dated November 3, 2015, if owner(s) has not demolished or renovated the structure.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				
MOTION CARRIED	APPROVED			

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.

Mayor

City Clerk

October 27, 2015

Des Moines City Council
400 Robert D Ray Drive
Des Moines, IA 50309

State Farm Claims
PO Box 106169
Atlanta GA 30348-6169

RE: Claim Number: 15-748Q-449
Date of Loss: October 19, 2015
Our Insured: DLR Holdings LLC
Policy Number: 95BVG5660

Dear City Council:

The property at 2634 Capitol Avenue and is owned by DLR Holdings LLC sustained fire damage on the above-referenced date of loss. We have received a proof of loss for a sum 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 without repairs is uninhabitable or unfit for its purpose.
- B. 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, I am notifying you that a reserve for demolition costs will be 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 said building and has notified the insured in writing of the institution of such legal proceedings. Failure of the City to notify the insured 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:

- A. The insurer has received notice from the insured and the City Council that the insured has commenced repairs to the properties or has commenced demolition of the property.
- B. The City has failed to notify the insurer as provided above.