



Roll Call Number

Agenda Item Number

54A

Date February 22, 2016

COMMUNICATION OF FIRE ESCROW AT 3634 E 8th Street

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for main structure located at 3634 E 8th Street, 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 mailed notice dated December 28, 2015, if owner(s) has not demolished or renovated the structure.

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

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December 28, 2015

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

State Farm Claims
PO Box 52268
Phoenix, AZ 85072-2268

RE: Our Claim Number: 15-7R08-082
Date of Loss: December 12, 2015
Our Insured: Summit Hill LLC
4310 SE 17TH CT.
Des Moines, IA, 50320
Loss Location: 3634 E 8th Street
Des Moines, IA 50316

Dear City Council:

The property at 3634 E 8th Street 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.

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December 28, 2015
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If the City is required to demolish the damaged property at City expense after instituting legal proceedings, emergency actions, or obtaining waivers for the demolition of the building or other insured structure, the City shall present to the insurer the actual costs of the demolition of the property, including engineering, legal and other demolition project costs, and the insurers shall compensate the City for the actual cost of the demolition project up to the amount in a 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.

Should you have questions regarding any of the above, please feel free to contact me at the number below or e-mail me.

Sincerely,

Marshall Little

Marshall Little
Claim Specialist - HCCS
(844) 458-4300 ext-2534395730 Office
(844) 236-3646 Fax

State Farm Fire Insurance Companies