



**Roll Call Number**

**Agenda Item Number**

35B

Date January 10, 2022

**COMMUNICATION OF FIRE ESCROW AT 1738 EVERGREEN AVENUE**

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for main structure located at 1738 Evergreen 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 received on December 3, 2021, if owner(s) has not demolished or renovated the structure.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
SHEUMAKER				
MANDELBAUM				
VOSS				
WESTERGAARD				
TOTAL				

**CERTIFICATE**

I, P. Kay Cmelik, 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

35B

November 11, 2021

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

**State Farm Claims**  
PO Box 106169  
Atlanta, GA 30348-6169

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

RE: Claim Number: 1526J585W  
Date of Loss: October 24, 2021  
Policy Number: 15BSP4266

To whom it may concern:

The property located at 1738 Evergreen Avenue Des Moines, IA 50320 sustained fire damage on the above-referenced date of loss. 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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1526J585W  
November 11, 2021  
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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.

If you have any questions or need further assistance, please call us at (844) 458-4300 Ext. 3099945652.

Sincerely,

Marshall Little  
Claim Specialist  
(844) 458-4300 Ext. 3099945652  
Fax: (844) 236-3646

State Farm Fire and Casualty Company

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