



Roll Call Number

Agenda Item Number

39B

Date February 23, 2026

COMMUNICATION OF FIRE ESCROW AT 2400 WATROUS AVENUE

Communication from Neighborhood Inspection Division regarding demolition cost reserve escrowed for main structure located at 2400 Watrous 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 January 14, 2026, if owner(s) has not demolished or renovated the structure.

Second by _____

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
SIMONSON				
VOSS				
BARRON				
WESTERGAARD				
MANDELBAUM				
GATTO				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

CERTIFICATE

I, Laura Baumgartner, 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.

_____ City Clerk

39B



January 9, 2026

RECEIVED

JAN 14 2025

LEGAL
DEPARTMENT

Des Moines City Attorney
400 Robert D Ray Dr Ste B
Des Moines IA 50309-1813

State Farm Claims
PO Box 106169
Atlanta GA 30348-6169

RE: Claim Number: 15-94J5-87H
Date of Loss: December 16, 2025
Our Insured: Matthew J Grimes

Dear Mr. Jeffrey D. Lester:

2400 Watrous Ave sustained fire damage on the above-referenced date of loss. We have received proof that this loss is in excess of 75% of the policy covering the building or other insured structures. Iowa law requires fire and casualty companies to hold a demolition cost reserve under such circumstances. Insurers must reserve \$10,000.00 or 10%, whichever is greater, of the payment for damages to the property excluding personal property, to cover demolition costs if:

- A. The property is located within the corporate limits of a City, and
- B. The property without repairs is uninhabitable or unfit for its intended purpose.

Therefore, to be in compliance with Iowa Statute I.C.A., sec. 515.139, 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 said building 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 is no longer required if:

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

If the City has instituted legal proceedings, undertaken emergency actions, or is required to demolish the property at City, the City shall present to the insurer the actual costs incurred, including engineering, legal and other demolition costs, and the insurer shall compensate the City for the actual costs up to the amount in the demolition cost reserve. Any amount left from

15-94J5-87H
Page 2
January 9, 2026

the demolition cost reserve after the cost of demolition of the property is paid to the City shall be paid 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 liability set out by the policy.

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

Sincerely,

Matt Carlson
Claim Specialist
(844) 458-4300 Ext. 3099945669

statefarmfireclaims@statefarm.com

For your protection, when emailing State Farm, please do not include sensitive personal information such as Social Security Number, credit/debit card number (financial account number), driver's license number, or health/medical information in an email. Please contact us at (844) 458-4300 Ext. 3099945669 to discuss sensitive information.

State Farm Fire and Casualty Company