

January 28, 2003

The Hon. Common Council
of the City of Milwaukee
Room 205, City Hall

Re: Resolution Authorizing Cancellation of Claims for Razing Expenses and Settlement of the Lawsuit Entitled *Jim Smith v. Tracy Williams, et al.*, Milwaukee County Circuit Court Case No. 99-CV-009595

Dear Council Members:

Enclosed please find a proposed resolution. We ask that it be introduced and referred to the Committee on Judiciary and Legislation with the following recommendation.

In June, 1998, the City issued an order to Jim Smith, owner of a property located at 7240 West Douglas Avenue, to raze certain buildings located at that address. The order followed inspections by the City leading to the conclusion that the structures were in such disrepair that it was no longer reasonable to rehabilitate them and that they needed to be torn down.

Following a series of events, Smith ultimately did not undertake to demolish the buildings in a timely manner satisfactory to the City. As a consequence, the City contracted with Larry Chinn Enterprises, Inc. to demolish the buildings at that address. Mr. Smith has filed suit claiming that Larry Chinn Enterprises, Inc. improperly carried out this razing order. He claims, in particular, that materials that should have been removed from the site were not, and that materials that had not been at the site were dumped there. Smith also claims that the City violated his civil rights by treating him less favorably than it did Larry Chinn Enterprises, Inc., imposing more stringent conditions in his raze order than were imposed in the contractor's. Smith also claims that the City did not monitor the demolition work properly.

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Following various legal proceedings and discovery in this case, the parties, through their attorneys, have reached a tentative settlement. Mr. Smith is willing to dismiss all of his claims against the City. He is also willing to dismiss his claims against Larry Chinn Enterprises, Inc. in exchange for the payment of a certain sum of money. The City has a claim against Mr. Smith in this case for the razing costs in the total sum of \$124,987.00. As a part of the settlement agreement, the liability insurer for Larry Chinn Enterprises, Inc. is willing to pay \$66,342.32 on behalf of Mr. Smith in satisfaction of the City's claim for the costs of the razing. The City is also agreeing to forego any claim against Larry Chinn Enterprises, Inc. for breach of contract as a part of the settlement agreement and further waiving any rights it may have against the performance bond insurer for Larry Chinn Enterprises, Inc. That insurer, incidentally, has lapsed into receivership. As a part of this agreement, Smith has also agreed to clean up the property and the City is reserving its right to ensure that the property is properly cleaned.

Given all of these circumstances, we hereby recommend settlement in accordance with the provisions of the accompanying resolution.

Very truly yours,

GRANT F. LANGLEY
City Attorney

JAN A. SMOKOWICZ
Assistant City Attorney
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Enclosure
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