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November 30, 2021

To the Honorable Common Council of the City of Milwaukee Room 205 – City Hall

RE:

C. I. File No. 1050-2020-1098 (State Bank of Chilton)

C. I. File No. 1050-2020-1473 (Holy Recovery International Church)

Communications from State Bank of Chilton and Holy Recovery International

Church

Dear Council Members:

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

On May 19, 2020, City owned property located at 1228-32 West Atkinson collapsed, which resulted in extensive damages to the building next door, Holy Recovery International Church, Inc., 1238 W. Atkinson. Damages to the church resulted in it being declared a total loss.

The City of Milwaukee acquired the property at 1228-32 West Atkinson as a result of tax foreclosure on August 16, 2013. The Property was first inspected by the Department of City Development on April 14, 2014. The property was in poor condition: roof issues, severe interior damage including missing floor areas, electrical issues, and vacant. At this inspection, it was determined that based on the repairs required, the property should be recommended for demolition.

The property was inspected every year 2015 through 2019. Based on the Department of Neighborhood Services, a demolition request was sent to the local Alderperson on March 23, 2016. According to their records, an additional request for demolition was sent to the local Alderperson on July 5, 2017. There is no record of responses to the request.

On August 19, 2019, the property was inspected. The property was still in the poor condition as noted in earlier inspections. On April 24, 2020, a complaint for dumping trash on the site was received, and cleaned up. On May 26, 2020, the building collapsed. The cause for the building to collapse is unknown.

PATRICIA A. FRICKER **HEIDI WICK SPOERL GREGG C. HAGOPIAN** KATHRYN Z. BLOCK THOMAS D. MILLER JEREMY R. MCKENZIE PETER J. BLOCK JENNY YUAN ALLISON N. FLANAGAN **HEATHER H. HOUGH** ANDREA J. FOWLER PATRICK J. MCCLAIN **ELLENY B. CHRISTOPOULOS** HANNAH R. JAHN JULIE P. WILSON **GREGORY P. KRUSE** JAMES M. CARROLL MEIGHAN M. ANGER ALEXANDER R. CARSON **ALEX T. MUELLER ALEXANDER COSSI** LISA A. GILMORE **NICHOLAS R. SINRAM** TAVISS K. SMITH KATHERINE A. HEADLEY ANTHONY JACKSON NICHOLAS C. ZALES JENNIFER T. DEMASTER JOHN D. MCNALLY Assistant City Attorneys



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Holy Recovery International Church property assessment as of August 3, 2020 was \$58,800, which is inclusive of building and land value. National Subrogation Services on the behalf of their insured, State Bank of Chilton, has submitted a subrogation demand of \$73,226.77 for building damages.

Attorney Gregory Burce of Hall, Burce, and Olson S.C. represents the pastor of Holy Recovery International Church for the damages to the land, improvements and other property owned by the church. A demand for \$1,188,641.28 has been submitted.

In closing, City's limit of liability is \$50,000 per occurrence. Even though we have two claimants seeking economic relief from this incident, the most the City can pay is \$50,000.

Because settlement of this matter is deemed expeditious to the City of Milwaukee, we recommend a global settlement of \$50,000.

Very truly yours

TEARMAN SPENCER

anna

City Attorney

Yolanda McGowan Assistant City Attorney

YYM/cdr

Enclosures

1050-2020-1098/276845