

ance of the offer is herewith recommended.

Respectfully submitted,
JOSEPH MAISANO,

Assistant Corporation Counsel.

Approved:

WALTER E. VASHAK,
Acting Corporation Counsel.
CHAS. N. WILLIAMS,
City Treasurer.

By Councilman Carey:

In accordance with the foregoing communication,

It Is Herewith Resolved, that the offer of \$171.30 submitted in full settlement of the 1958 personal property taxes assessed to I.F.E. Releasing Corporation, 1270 Avenue of Americas, New York, New York, be and the same is herewith accepted.

It Is Further Resolved, that the City Treasurer be and he is hereby authorized to apply the sum of \$171.30 on account of the aforesaid taxes and any balance remaining unpaid after such application be and the same is hereby cancelled.

Adopted as follows:

Yeas—Councilmen Carey, Connor, Rogell, Smith, Youngblood and President Pro Tem Van Antwerp—6.

Nays—None.

Corporation Counsel

May 16, 1961.

Honorable Common Council:

Gentlemen—The City of Detroit assessed to Mariner Boat Company of Algonac, Michigan, personal property taxes for the year 1957 in the amount of \$3,243.42, exclusive of interest, Said taxes are based upon the assessment of 17 boats stored in the City of Detroit at the Detroit Harbor Terminal Warehouse as of January 1, 1957.

On April 23, 1959, the subject taxpayer filed a petition for arrangement under Chapter XI of the Bankruptcy Act in the United States District Court. Thereafter, on July 2, 1959, the City of Detroit filed a proof of claim for the taxes above mentioned with the Bankruptcy Court, which was objected to by the debtor on the grounds the boats in storage had been licensed under the state watercraft tax act and therefore should be considered exempt from any city and county assessment for personal property taxes. The matter was argued before the Referee in Bankruptcy, and on October 28, 1959, the Referee entered an order disallowing the proof of claim of the City of Detroit.

On November 5, 1959, the City filed a petition for review of the Referee's order. Subsequently the matter was argued before the United States District Court. On October 25, 1960, the District Court entered an order remanding the case back to the Referee for findings of fact, and for allowance or disallowance of the City's claim.

The several hearings which have

since been held before the Referee have failed to resolve the ambiguity present in the watercraft act. It now appears that the matter will be referred back to the District Court for determination. In the event the District Court should reaffirm the findings of the Referee and the claim of the City is disallowed, the City would be put through considerable expense in prosecuting an appeal to the Circuit Court of Appeals. The converse would be true if the decision rendered is adverse to the debtor herein.

In the interest of avoiding further litigation and possible appeals in this matter, the attorney for the debtor has submitted an offer to compromise the subject taxes by payment of 50% of the principal taxes assessed, or \$1621.71.

After giving due consideration to the legal questions involved, and the considerable expenses involved in prosecuting an appeal, we believe that it will be to the best interest of the City to accept the offer submitted. Accordingly, with the concurrence of the City Treasurer, acceptance of the offer is herewith recommended.

Respectfully submitted,
JOSEPH MAISANO,
Asst. Corporation Counsel.

Approved:

WALTER E. VASHAK,
Acting Corporation Counsel.
CHAS. N. WILLIAMS,
City Treasurer.

By Councilman Carey:

In accordance with the foregoing communication,

It Is Hereby Resolved that the offer to compromise the 1957 personal property taxes of Mariner Boat Company by payment of \$1621.71, which sum constitutes 50% of the principal taxes assessed, be and the same is hereby accepted.

It Is Further Resolved That the City Treasurer be and he is hereby authorized and directed to apply the sum of \$1621.71 on account of the taxes above mentioned, and that any unpaid balance remaining unpaid after such application be and the same is hereby cancelled.

Adopted as follows:

Yeas—Councilmen Carey, Connor, Rogell, Smith, Youngblood and President Pro Tem Van Antwerp—6.

Nays—None.

Corporation Counsel

May 10, 1961.

Honorable Common Council:

Gentlemen—This is to inform your Honorable Body that orders were entered vacating the alleys in the following cases:

Wayne Circuit Court Number 317-695, Location, Barlow, Waltham, State Fair and Fairmount Drive, Common Council Petition No. 7085.

Wayne Circuit Court Number 317-

696. Location, Shakespeare, Cushing, Bringard and Edmore Drive, Common Council Petition No. 8770.

The orders, among other things, provide that public easements for public utility purposes shall be retained in the land comprising the alleys, and further, that the Clerk of the Court forward a certified copy to the Auditor General of the State of Michigan.

We submit a resolution directing the City Clerk to record the attached certified copies of the Orders with the Wayne County Register of Deeds.

Respectfully submitted,
RAYMOND W. STACHURA,
 Asst. Corporation Counsel.

By Councilman Connor:

Resolved, That the City Clerk be and he is hereby directed to record the Orders vacating the public alleys in the Office of the Wayne County Register of Deeds, within 30 days from the date hereof, in accordance with the foregoing communication from the Corporation Counsel.

Approved:

WALTER E. VASHAK,
 Acting Corporation Counsel.

Adopted as follows:

Yeas—Councilmen Carey, Connor, Rogell, Smith, Youngblood and President Pro Tem Van Antwerp—6.

Nays—None.

Corporation Counsel

May 18, 1961.

Honorable Common Council:-

Gentlemen—The City of Detroit instituted suit in the Wayne County Circuit Court on August 22, 1958, Law Action No. 299-306, against Leon Harris, individually and doing business as Harris Wrecking Company, for collection of 1956 and 1957 personal property taxes assessed in the amounts of \$1534.72 and \$1634.46, respectively, plus interest, and for 1956 and 1957 personal property taxes assessed in the amounts of \$628.50 and \$1235.58, respectively, plus interest. Defendant is a resident of Cleveland, Ohio, and the business which he formerly operated in the City of Detroit was discontinued in 1957.

The answer filed to the City's action denied liability for the taxes sought to be collected. Taxpayer subsequently filed a petition, which after review, resulted in your Honorable Body adjusting the 1957 tax in the amount of \$1235.58 and reducing same to \$67.18.

In the interest of terminating the subject suit without further litigation, the defendant has submitted an offer of \$3500.00 in full settlement of the taxes in question.

After giving due consideration to the fact that the defendant does not have any assets in this state, and that any judgment secured against him would have to be forwarded to an attorney in his place of residence for

collection, we believe that it would be to the best interest of the City to accept the offer submitted. Accordingly, with the concurrence of the City Treasurer, acceptance of the offer is herewith recommended.

Checks totalling \$3500.00 are being held in this office pending your Honorable Body's determination.

Respectfully submitted,
JOSEPH MAISANO,
 Asst. Corporation Counsel.

Approved:

WALTER E. VASHAK,
 Acting Corporation Counsel.
CHAS. N. WILLIAMS,
 City Treasurer.

By Councilman Rogell:

In accordance with the foregoing communication,

It Is Hereby Resolved, That the offer of \$3500.00 submitted in full settlement of the 1956 and 1957 personal property taxes assessed to Leon Harris, individually and doing business as Harris Wrecking Company, be and the same is hereby accepted.

It Is Further Resolved That the City Treasurer be and he is hereby authorized to apply the sum of \$3,500.00 on account of the taxes aforementioned, and that any part of said taxes remaining unpaid after such application be and the same is hereby cancelled.

Adopted as follows:

Yeas—Councilmen Carey, Connor, Rogell, Smith, Youngblood and President Pro Tem Van Antwerp—6.

Nays—None.

Corporation Counsel

May 22, 1961.

Honorable Common Council:

Gentlemen — Early in 1961, the Board of Street Railway Commissioners determined to remove the trolley wire, overhead power cable, and other related equipment on the Crosstown trolley coach line. On March 15, 1961, the Board of Street Railway Commissioners advertised for bids for the removal of this equipment. Louis W. Zack, doing business as the Durable Metal Company offered to pay the Department of Street Railways the sum of \$136,189.50 for the material and equipment so removed, and agreed to remove the trolley wire, overhead power cable, and other related equipment. This contract was approved by your Honorable Body on April 11, 1961.

Subsequently, Louis W. Zack doing business as the Durable Metal Company, entered into a subcontract with Leonard Kalka doing business as the Kalka Equipment and Contractors Company, for the actual demolition work. This work was started and progressed for approximately two weeks when Local 17, International Brotherhood of Electrical Workers, AFL-CIO, brought suit in the Wayne County Circuit Court, File No. 610-041, against the Board of Street Rail-