



City of Dyersville
City Administrator's Office

May 29, 2026

Honorable Mayor Jacque and City Council Members
City of Dyersville
340 1st Avenue East
Dyersville, IA 52040

Re: Discussion and Possible Action to Dispose of City-Owned Property at 703 2nd Avenue SW

Honorable Mayor Jacque and Council Members:

I am requesting the Council's direction on whether the City should dispose of the property it owns at 703 2nd Avenue SW, legally described as Lot 5 of Tegeler Subdivision in the City of Dyersville, Dubuque County, Iowa. I recommend that the City obtain an independent appraisal of the lot and work with the City Attorney to sell it in accordance with applicable State law.

The City acquired this property after a long effort to address a dangerous building. Inspection reports prepared in 2016 and updated in 2023 documented serious structural and safety deficiencies that were never repaired. The City issued a citation in March 2024, and in August 2024, the District Court found the owner in violation of the City's dangerous building ordinance. In September 2024, the City posted the building as dangerous and ordered it not to be occupied. Rather than demolish the building over the owner's objection, the City and the owner reached an agreement. In July 2025, the owner signed a purchase agreement to sell the property to the City for \$63,700, which settled the related court case. In December 2025, the Council awarded a demolition contract to Steger Construction, Inc. to remove the structure and restore the lot. In April 2026, the demolition was completed, and the property was seeded.

The City did not buy this property to add to its holdings; the purchase was the practical way to resolve a hazard the prior owner would not fix. With the building gone, the City now holds a buildable residential lot with no planned municipal use. Although the City owns the lot, it remains off the property tax rolls, and the City bears the cost of upkeep — mowing, weed control, and general maintenance — as well as the liability of owning vacant ground. Selling the lot returns it to private ownership, puts a home back on the tax rolls, and recovers part of the City's cost of acquiring and clearing the property.

The Council has three practical choices. It could keep the lot for possible future use, though the City has no use for it today and would continue to absorb the upkeep and liability. It could sell the lot now without an appraisal, which might move quickly but would leave the Council without



an objective basis for the price and would weaken the City's position if the sale were ever questioned. Or, the course I recommend, the City could first obtain an independent appraisal to establish defensible value, then work with the City Attorney, or the Assistant City Attorney to complete a sale through the process required for disposing of city-owned real estate. That path costs a modest appraisal fee and a short delay, and in return, it gives the Council a sound value, a transparent and consistent process, and a parcel returned to the tax rolls.

The City's known costs for this property include the \$63,700 purchase price and the \$17,906.16 demolition contract awarded to Steger Construction, Inc., for a total of roughly \$81,600 before closing and incidental costs. An appraisal would incur a modest, one-time fee, and I will bring that fee to the Council once I have a quote. I am not recommending a sale price in this letter; the appraisal provides the Council with a sound basis for that decision. I recommend that the Council direct staff to obtain an independent appraisal of the property at 703 2nd Avenue SW and to work with the City Attorney or Assistant City Attorney to dispose of the property in accordance with applicable State law. I will bring the appraisal results and a specific sale recommendation back to the Council for approval before any sale is finalized.

Thank you for your attention to this matter. Please feel free to reach out if you have any questions or require further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Mick Michel", written over the printed name.

Mick J. Michel,
City Administrator
