

Appraisal of
Five Land Parcels
Forest Grove Park & Ven Green Subdivision
Forest Grove Road
Bettendorf, Iowa

Prepared for the
City of Bettendorf
Bettendorf, Iowa

Prepared by
Douglas C. Nelson
Bettendorf, Iowa

Date of Valuation
February 18, 2014

Date of Report Preparation
February 23, 2014

February 23, 2014

Mr. Steve Grimes, Director
Bettendorf Parks and Recreation
1609 State Street
Bettendorf, Iowa 52722

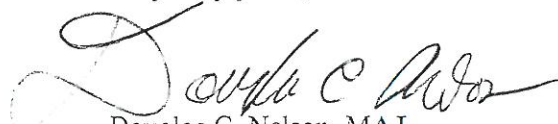
Dear Mr. Grimes:

As requested, I have prepared appraisal opinions of five parcels of land identified on the enclosed plat. One is owned by the City of Bettendorf and is land that will be included in Forest Grove Park. The other four are owned by Ven Green Land Development LLC at a parcel tentatively identified as Ven Green Subdivision. The value opinions are based upon the sales comparison approach and are subject to the assumptions and limiting conditions found on page 5 of this report.

None of the parcels have been surveyed. The size estimates come from planning documents. At the City-owned parcel, I developed the size estimate based upon a concept plan drawing by RDG and dated November, 2013. The Ven Green Land sizes were provided by RDG on a Preliminary Planning Diagram listed as L-3.01.

This appraisal assumes that Ven Green will not have direct access onto Forest Grove Road. Access will be through Sterling Woods and the park road on the west side of Ven Green. This is considered an extraordinary assumption, that is, an assumption that appears likely to occur and is critical to the value conclusion but cannot be considered a certainty.

Very truly yours,

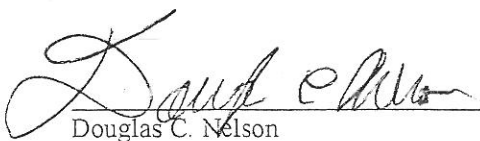


Douglas C. Nelson, MAI

Certification

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent on the analyses, opinions, or conclusions reached or reported.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. I inspected the property by aerial photography and was last walked the site in 2012.
11. No one provided significant professional assistance to the person signing this report.
12. As of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.



Douglas C. Nelson

Iowa Certified General Real Property Appraiser #CG01206, expires 6/30/2015

Summary of Important Facts and Conclusions

Client/User	City of Bettendorf, Iowa		
Use of the Report	Assist the client make business decisions regarding this asset		
Date of Value	February 18, 2014		
Owners	City of Bettendorf and Ven Green Land Development, LLC		
Interest Valued	Fee Simple Estate		
Site Size	3.56 Acres	City (1 parcel)	
	3.96 Acres	Ven Green (4 separate parcels)	
Site Descriptions	<p>City parcel has about 144' frontage on Forest Grove Drive and is about 1,130' deep</p> <p>Forest Grove Park contains about 100 acres</p> <p>Ven Green sites are located around the perimeter of their land with two small (0.2 and 0.3 acre) parcels and two somewhat larger parcels (2.13 and 1.33 acre)</p> <p>Ven Green owns about 49 acres</p>		
Zoning	R-1 Residential and A-1, Agricultural		
Highest and Best Use	Residential development		
Market Value Opinions			
	City Land	\$137,000	3.56 Acres at \$38,500/Acre
	Ven Green Land	\$ 53,000	2.13 Acres at \$25,000/Acre
		\$ 3,000	0.20 Acres at \$15,000/Acre
		\$ 33,000	1.33 Acres at \$25,000/Acre
		\$ 4,500	0.30 Acres at \$15,000/Acre

Assumptions and Limiting Conditions

The estimates and conclusions in this report are subject to certain assumptions concerning the accuracy and necessity of data, reliability of the sources of that data, and the uses to which this report is put. These assumptions are as follows:

1. The sizes supplied by RDG and developed by me from the RDG plats are assumed correct.
2. I assume no responsibility for matters legal in character nor do I render any opinion as to the title, which is presumed to be fee simple and merchantable.
3. I believe that the information included in this report that was furnished me by others is correct and from reliable sources, but I assume no responsibility for its accuracy.
4. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the appraiser without the previous written consent of the appraiser and, in any event, only with proper qualifications.
5. I am not required to give testimony or attendance in court by reason of this appraisal with reference to the property under appraisal unless arrangements have been previously made.
6. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute.
7. Your appraiser is not an environmental expert and makes no warranty as to environmental conditions. The appraisal assumes that any hazards present do not adversely affect the market value of the facility.
8. Sanitary sewer is assumed available over the next two years to all of the appraised land.
9. Storm water detention basins will be required at Ven Green Subdivision.
10. Ven Green Subdivision will not have direct access onto Forest Grove Drive.

Regional Data

The local economy has not recovered all of the jobs lost in the '07-'08 recession. However, the market for new homes has improved with much of the demand and corresponding supply found in North and Northeast Bettendorf.

Date	Estimated Q-C Employment	Q-C Unemployment Rate	National Unemployment Rate
June, 2009	195,217	7.6%	9.4%
June, 2010	190,097	8.4%	9.5%
June, 2011	193,666	7.0%	9.2%
June, 2012	182,500	7.3%	8.4%
June, 2013	185,900	6.8%	7.6%

Neighborhood Discussion

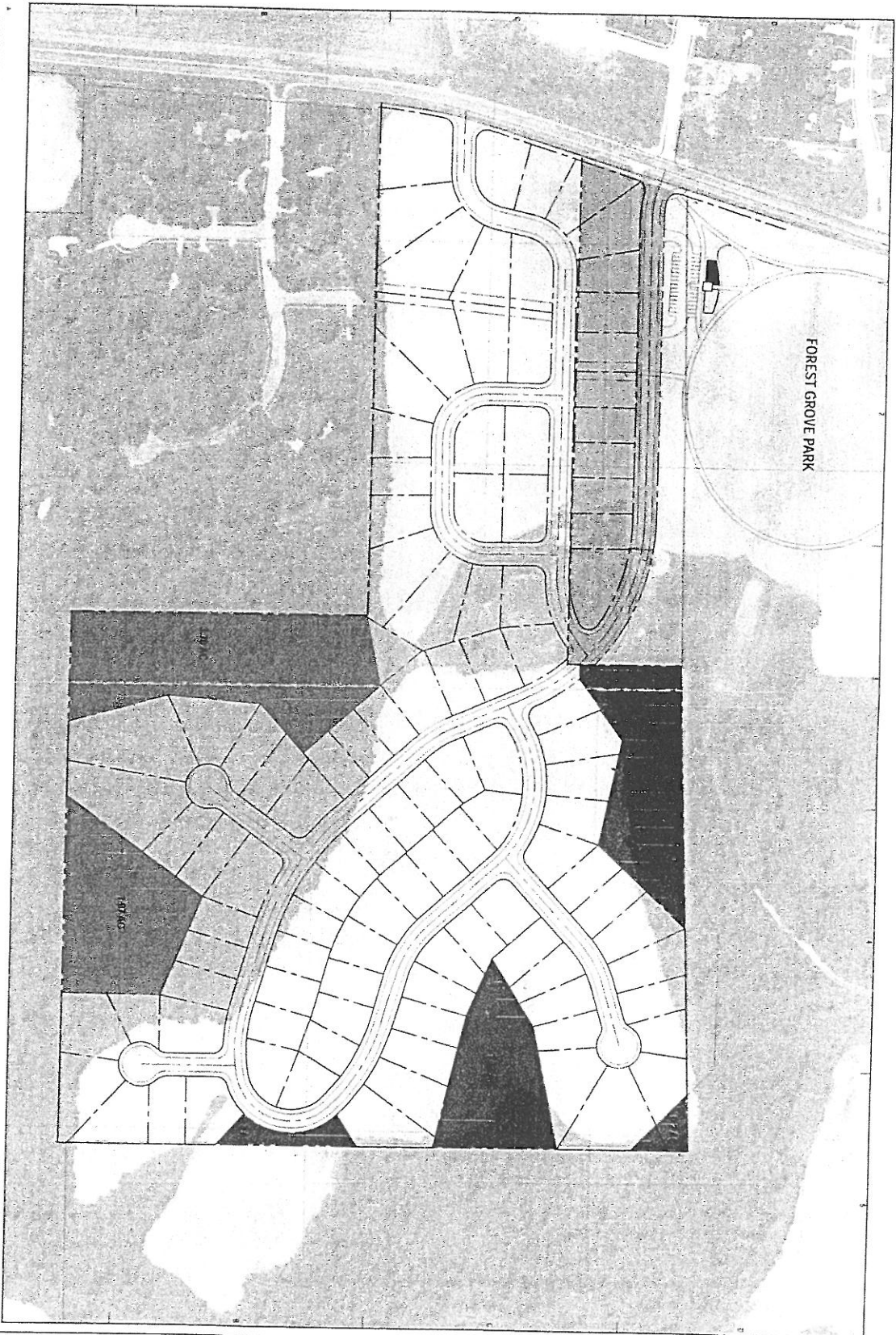
Subject is part of the Quad-Cities strongest residential development district which encompasses northeast Davenport, north and northeast Bettendorf, Pleasant Valley Township and the northwest part of LeClaire.

Topography varies from nearly level to steeply rolling at the several creeks found here. Near the south end are wooded hillsides leading to the Mississippi River valley. Modern arterial streets serve the district. Forest Grove Drive is becoming a major artery along the north side of the district. It remains a seal coat street. Sanitary sewer is available to most, but not all, parts of the subject's immediate neighborhood. In the near future the City of Bettendorf will be extending sewer west and north along Spencer Creek to the north side of Interstate 80.

To date, nearly all of the residential development has been south of Forest Grove Drive. One exception is located immediately east of subject, Sterling Woods.

LANDSWAP AREAS

- PARK LAND TO RESIDENTIAL (4.25 AC)
- RESIDENTIAL TO PARK LAND (3.96 AC)
- RESIDENTIAL TO OUT-LOTS (5.61 AC)



FOREST GROVE PARK - EAST BOUNDARY DIAGRAM

PRELIMINARY PLANNING

<p>L-3.01</p>	<p>SITE LAND PLAN</p>	<p>FOREST GROVE PARK BETTENDORF, IA</p>	<p>RDG... PLANNING & DESIGN</p>
---------------	-----------------------	---	---

Site Data

On the opposite page is a copy of a planning diagram that locates and color-keys the parcels to be valued. The yellow parcel is owned by the City of Bettendorf. The diagram lists the size at 4.25 acres. This figure includes the road that will be constructed by the city on city-owned land. Excluding this road, there is about 3.56 acres of land that would become part of the Ven Green Subdivision.

This parcel measures about 144' wide by about 1,133' deep. Topography is level to gently sloping. All utilities except sanitary sewer are available. The land is currently unimproved farm land with a gravel lane that formerly serviced a farmstead (now removed). The property is part of tax assessment parcel 840121005 but is neither assessed nor taxed as it is city-owned. The City acquired the land as part of a purchase of a larger parcel from the Ven Horst family in 2012. The purchase price was \$35,000 per acre. Zoning is a combination of R-1, Single Family and A-1, Agricultural.

The Ven Green parcels are green and include two small parcels and two at 2.13 acres and 1.33 acres respectively. The Ven Green larger parcel contains about 49.049 acres. The Ven Horst family sold this land to Ven Green Land Development, LLC, a Texas limited liability company in December of 2012 for \$28,500 per acre. This is a family sale with the members of the Ven Horst Family having an interest in Ven Green Land Development.

Three tax parcels, 840121004, 840123002, and 840107002 comprise the Ven Green property. The land is assessed and taxed as agricultural land and not to its highest and best use, residential development. All utilities except sanitary sewer are available. Zoning is a combination of R-1, Single Family and A-1, Agricultural.

Highest and Best Use As If Vacant

Highest and best use is defined as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."¹⁾

Larger Parcels

Legal Permissible

The appraised property is either zoned R-1, Single Family or is zoned "A-1" Agricultural and identified on the comprehensive plan for residential development.

Physically Possible

All city utilities are available except sanitary sewer. The city is extending sewer along Spencer Creek on the north side of the appraised area in the very near future. The City-owned land has a regular shape and broad frontage onto Forest Grove Road. The Ven Green parcel has about 450 feet of street frontage that limits access. The result is a lower lot yield at the southerly 12.5 acres of the Ven Green property.

Financial Feasible

There is good demand for new single family homes in Bettendorf. Development will be feasible as soon as sanitary sewer is available.

Maximally Productive

Single family residential development is the most productive use.

Individual Parcels

City-owned	3.56 Acres	Development with residential lots
Ven Green	2.13 Acres	Possible detention basin, wooded outlots
Ven Green	0.20 Acres	Outlot
Ven Green	1.33 Acres	Possible detention basin or additional lot, outlots
Ven Green	0.30 Acres	Outlot

¹⁾ "The Dictionary of Real Estate Appraisal," 4th Edition, Appraisal Institute, 2002.

Land Sales

#	Location	Date	Buyer	Price	Acres Size	Price/ Acre	Comments
	Forest Grove Park & Ven Green	February 2014					Varies
1	Grayhawk Subdivision between Tanglewood Rd. & Tanglefoot Ln.	July 2012	KW Development	\$527,000	17.86	\$29,507	19 lot luxury subdivision, rolling terrain - all usable
2	Southeast corner of Devils Glen & Forest Grove Rd's, Copper Ridge	May 2012	Copper Ridge Properties	\$590,940	14.07	\$42,000	Additions to Copper Ridge Subdivision
3	Southeast quadrant of Devils Glen & Thunder Ridge Roads	May 11	Towne & Country Bellendorf, LLC	\$723,490	24.39	\$29,667	Residential land just north of 53 rd Avenue
4	Copper Ridge, 7000 Block of Devils Glen Road	July 2009	E & W Properties	\$812,000	23.22	\$35,000	34 lot luxury subdivision, gently rolling - all usable
5	S. Side of Forest Grove Road opposite new City Park	May 2008	Huntington Properties	\$1,084,755	30.993	\$35,000	56 lot subdivision, all city utilities
6	Schuller Farm, 24618 Valley Drive	May 2010		\$440,000	27.26	\$16,141	9 lot rural addition, about 8.4 acres low-unsuitable
7	South side of Tanglewood Road 900' East of Middle Road	December 2012	LI Leasing, LLC	\$600,000	55.64	\$10,784	Limited access, 26 acres rolling, 30 acres flood plain

Land Value

City-owned 3.56 Acre Parcel

This parcel adds about 144 feet of width to the southerly 12.5 acres of Ven Green. The result is increased lot yield (estimated at 8 to 11 lots) and more flexibility in street design for the larger parcel. These factors suggest a value conclusion at the upper end of the market range for development land.

The additional lots face a city park. The lots and homes facing the park may have a price point less than the interior lots at the rest of the subdivision. These factors suggest a value near the middle of the value range for development. The concluded value for this parcel is \$38,500 per acre.

Ven Green 2.13 Acre and 1.33 Acre Parcels

The 2.13 acre parcel includes a wooded ravine with significant vertical relief. Parts of the land could become wooded out lots with parts dedicated to storm-water detention. The 1.33 acre parcel includes a significant area of moderate slope that could yield either larger lots along or wooded out lots. Storm water detention lands are part of any subdivision and command unit land values consistent with the overall pricing of the parcel. Oversized and wooded out lots enhance value and marketability but land suitable for such use typically commands lower unit values. The overall unit value of the Ven Green land is bracketed by sales 1, 2, 4 and 5 with a range of \$30,000 to \$35,000 per acre. Sales 6 and 7 are typical of the range seen at parcels with lesser development utility and lot yield. Giving some weight to all of these sales, the concluded value for these two parcels is \$25,000 per acre.

Ven Green 0.20 Acre and 0.30 Acre Parcels

Both parcels could be incorporated into adjacent lots but would add only minimally to the value of those lots due to shape and location. A value of \$15,000 per acre is assigned to both.

Conclusions

3.56 acres at \$38,500 per acre = \$137,060, rounded to \$137,000

2.13 acres at \$25,000 per acre = \$ 53,250, rounded to \$ 53,000

1.33 acres at \$25,000 per acre = \$ 33,250, rounded to \$ 33,000

0.20 acres at \$15,000 per acre = \$ 3,000

0.30 acres at \$15,000 per acre = \$ 4,500

Qualifications of the Appraiser

Douglas C. Nelson

- Current Appraisal/GIS Branch Chief, MVD Regional Real Estate Division North, US Army Corps of Engineers, and continued private practice as appropriate.
- May 2010 to Dec. '12: Review Appraiser, MVD Regional Real Estate Division North, US Army Corps of Engineers, and continued private practice as appropriate.
- 1975 to May, '10 Self-employed as an independent real estate appraiser in the Quad-Cities of Iowa and Illinois.

Education

Graduate of Coe College, Cedar Rapids, Iowa, B.A. Degree, Business and Economics.
Real Estate Appraisal Course No. 101, Society of Real Estate Appraisers, 1975.
Real Estate Appraisal Course No. 201, Society of Real Estate Appraisers, 1976.
Case Studies in Real Estate Valuation, American Institute of Real Estate Appraisers, 1980.
Valuation Analyses and Report Writing, American Institute of Real Estate Appraisers, 1980.
Introduction to Investment Analysis, American Institute of Real Estate Appraisers, 1982.
Market Analysis, American Institute of Real Estate Appraisers, 1986.
Standards of Professional Practice, Appraisal Institute, 1992.
Standards of Professional Practice, Part C, Appraisal Institute, 1997.
Valuation of Conservation Easements, Appraisal Institute, 2010
Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute, 2011
Uniform Standards of Professional Practice, Appraisal Institute, 2012
Uniform Appraisal Standards for Federal Land Acquisitions, ASFMRA, 2012
Numerous seminars.

Real Estate Experience

Appraisal and consultation of real property in Iowa; Illinois; Plaquemines Parish, Louisiana; Puget Sound Washington, Cowlitz County, Washington and Fargo, North Dakota
Property types appraised: Residential, Commercial, Industrial, Agricultural, Recreational.
Property interests appraised: Fee Simple, Leased Fee, Partial Interests, and Easements.
Assignments include environmental impaired property, wetlands, tidelands, drainage and levee districts, and consulting assignments at complex acquisitions with multiple ownership's

Professional and Trade Affiliations

MAI Member, Appraisal Institute, Iowa Chapter.
SRA - Senior Residential Appraiser - Appraisal Institute.
Past President, Greater Davenport Board of Realtors, Davenport, Iowa.
Past President, Quad-Cities Chapter #109, Society of Real Estate Appraisers.
Real Estate Broker, State of Iowa.
Certified General Appraiser, State of Iowa, CG01206, Expires 6/30/15.
Certified General Appraiser, State of Illinois, #553.000737, Expires 9/30/15.