Attachment A

Real Property Appraisal Report

Vacant Land
Northeast of 1st Avenue & 7th Street
Council Bluffs, Iowa 51501
Case Number: 00222183

Report Date

January 20, 2023

Valuation Premises

Market Value of the Fee Simple Estate As Is as of January 5, 2023

Prepared For

City of Council Bluffs

Prepared By

Mitchell & Associates, Inc.
Alex Finkle

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January 20, 2023

Ms. Marianne Collins
City of Council Bluffs
209 Pearl Street
Council Bluffs, Iowa 51503

Re: Real Property Appraisal Report
Vacant Land
Northeast of 1st Avenue & 7th Street
Council Bluffs, Iowa 51501
Case Number: 00222183

Ms. Collins:

Based upon the agreement for services, I submit to you this appraisal report for the above-referenced property. My findings are submitted in the following report of 63 pages including the Addenda.

The subject is vacant land located northeast of 1st Avenue & 7th Street in Council Bluffs, Iowa 51501.

The analyses are based on the market data available to me. The opinions of value expressed in this report are based on estimates and forecasts that are prospective to the future and subject to considerable risk and uncertainty. Events may occur that cause the performance of the property to differ from my estimates. Additionally, my opinions and forecasts are based on data from sources believed reliable including interviews, third-party data sources, etc. This appraisal is subject to the Assumptions and Limiting Conditions noted on page 8, as well as any additional assumptions or conditions specific to this assignment that are interspersed through the report.

As Is as of January 5, 2023

I estimate the current market value of the property's fee simple estate as is as of January 5, 2023, is:

$35,000
THIRTY FIVE THOUSAND DOLLARS

Respectfully submitted,

Mitchell & Associates, Inc.



Alex Finkle
NE-CG2019013
IA-CG03717

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Summary of Salient Facts and Conclusions

Appraised Property	Northeast of 1st Avenue & 7th Street Council Bluffs, Iowa 51501
Purposes of the Appraisal	Estimate the Current Market Value of the Fee Simple Estate As Is as of January 5, 2023. Unless noted otherwise, the value estimates are for the real property only and do not include any personal property, business or going-concern value, or other interests.
Property Use	Vacant Land
Site - As Is	Gross Area: 9,717 SF or 0.22 Acres Usable Area: 9,717 SF or 0.22 Acres
Highest and Best Use	As Is: Mixed-Use

Value Indications

Fee Simple Estate As Is as of January 5, 2023

Cost Approach	N/A
Sales Comparison Approach	$35,000
Income Approach	N/A
Final Estimate of Value	$35,000

Definitions[1]

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e., a lease).

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

[1] Unless noted otherwise, the source for the definitions is The Dictionary of Real Estate Appraisal, 4th ed., by Appraisal Institute (Chicago: Appraisal Institute, 2010).

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Reconciliation

1. The last phase of any valuation assignment in which two or more value indications derived from market data are resolved into a final value estimate, which may be either a final range of value or a single point estimate.
2. In the sales comparison approach, reconciliation may involve two levels of analysis: derivation of a value indication from the adjusted prices of two or more comparable sales expressed in the same unit of comparison and derivation of a value indication form the adjusted prices of two or more comparables expressed in different units of comparison.
3. The process of analyzing data and reaching a conclusion based on the quality and applicability of the data. (e.g. Analyzing the subject property's actual rents, comparable leases, and listings of space for rent in concluding an estimate of market rent.)[1]

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

[1] Definition developed by Mitchell & Associates, Inc.

Assumptions and Limiting Conditions

This appraisal is based on the following assumptions and conditions except as otherwise noted in the report. The analyses found herein are subject to these and any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of assumptions and limiting conditions.

Terms of Engagement

The appraisal report is prepared for the exclusive benefit of the client, its subsidiaries and/or affiliates, and other intended users stated in this report. The appraisal report is prepared only for the intended use(s) as stated in this report. The use of the appraisal report by anyone other than the intended user(s) or for a use other than the intended use(s) as noted in the report is prohibited. The appraisal report shall not be made available to the public or otherwise used to market the property or induce a third party to purchase or lease the property. I expressly reserve the unrestricted right to prohibit disclosure of the appraisal report or any part thereof to any third parties even if their eventual receipt or reliance upon the report could be foreseen. No third party may rely on the appraisal report even if their reliance was foreseeable without my written consent. Any parties who use or rely upon any information in the report without my written consent do so at their own risk. Exempt from this restriction is duplication for the client's internal use and/or transmission to those advising or assisting the client in the course of the intended use(s) of this appraisal.

The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.

Disclosure of the contents of this appraisal report is governed by the Uniform Standards of Professional Appraisal Practice (USPAP), and the Bylaws and Regulations and Code of Professional Ethics of the Appraisal Institute, and state regulatory agencies.

Possession of part or all of this report, or copy of it, does not carry with it the right of publication. No part of this report shall be provided to other parties for the purpose of marketing or negotiating for a sale, lease, or other transaction involving the property. No part of this report, including any data or analysis for value, the identity of the appraiser(s), or any reference to the Appraisal Institute, shall be disseminated through advertising, media, public relations media, news media, or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the written consent of the persons signing the report.

Unless otherwise agreed to in writing, I am not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without previously arranging an agreement for additional compensation.

The appraisers reserve the right to make such adjustments to the analysis, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

It is expressly acknowledged that in any action which may be brought against Mitchell & Associates, Inc., or their respective officers, owners, managers, directors, agents, subcontractors, or employees, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports or any estimates or information contained therein, the Mitchell & Associates, Inc., parties shall not be responsible or liable for an incidental or consequential damages or losses unless the appraisal was fraudulent or prepared with gross negligence. It is further acknowledged that the collective liability of the Mitchell & Associates, Inc., parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with gross negligence. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

General Assumptions

The dollar amount of any value opinion rendered in this report is based upon the purchasing power of the U.S. dollar existing on the effective date(s); we have assumed that no extreme fluctuations in economic cycles will occur. The conclusions stated in the appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.

The analyses and conclusions contained in the appraisal report necessarily incorporate numerous estimates and assumptions regarding the property's characteristics and performance, economic conditions, the absence of material changes in the competitive environment, and other matters. Some estimates or assumptions will likely not materialize, and unanticipated events and circumstances may occur. The conclusions of this report are estimates based on known current trends and reasonably anticipated future occurrences as of the effective date(s). These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Mitchell & Associates, Inc., and the undersigned are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While I am of the opinion that the findings are reasonable based on current market conditions, I do not represent that these estimates will actually be achieved as they are subject to considerable risk and uncertainty.

Any future projections or forecasts in this appraisal, including rent, expense, occupancy, tax, etc., contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results. This also includes the projections or forecasts relating to future releasing or sale (absorption or reversion) activities.

All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. Several events may occur that could substantially alter the outcome of my estimates such as, but not limited to, changes in the economy, interest rates, and capitalization rates; behaviors of consumers, investors, and lenders; fire and other physical destruction; changes in title or conveyances of easements and deed restrictions; etc. It is assumed that conditions reasonably foreseeable at the current time are consistent or similar with the future.

I assume competent and effective management and marketing for the duration of the projected holding period of this property. I assume that the property's management and owner will operate prudently and in the best interest for maximizing the subject property's value.

No opinion as to title is included in this appraisal. Data relating to ownership and legal description was obtained from resources considered reliable, particularly public records. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements, and restrictions. The property is presumed to have no recorded or unrecorded matters or exceptions to title. If no title policy was made available to me, I assume no responsibility for such items of record not disclosed by customary investigation.

The property visit may have consisted of a partial (i.e. less than 100% complete) observation of the property and the property's components. Areas not observed are presumed similar quality and condition as the areas observed. I assume that the existing improvements are structurally sound, seismically safe, and conform to laws, regulations, and codes. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated. I assume that all building systems such as the heating/cooling, electrical, elevators/escalators, plumbing, etc., are in good working order with no significant deferred maintenance or repairs required, and that the roof and exterior are in sufficient condition to protect the property from moisture, pests, etc. I assume that any construction, repairs, or alterations, existing or planned, are performed in a workmanlike manner commensurate with similar quality and craftsmanship as the market would expect. There are no hidden or undisclosed conditions of the land or of the improvements that could affect the property. The appraiser(s) assume no responsibility for hidden or non-apparent conditions of the property including soils, structures, materials, etc., that affect the property's value. No responsibility is assumed for engineering studies that would reveal significant non-apparent conditions.

No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property, or to any business or going concern value; only the real property has been considered.

No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the property is not subject to surface entry for exploration or removal of such materials, unless otherwise noted in the appraisal. No opinion is expressed for air or development rights that may be transferred.

I have made no survey of the property and assume no responsibility in connection with such matters. Any sketch, survey, plat, aerial imagery, or other exhibit of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct. It is assumed that the utilization of the land is within the boundaries or property lines of the property described and that there is no encroachment unless noted otherwise.

The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and deed or other restrictions. Existing mortgages, deferred taxes, delinquent taxes, outstanding special assessments, unpaid utility charges, payable association dues, or any other levies/liens on the subject property are not considered in the valuation process unless otherwise noted. Thus, the amount of any financial encumbrance is not deducted from estimates of market value.

All existing liens and encumbrances have been disregarded, and the property is appraised as though free and clear, under responsible ownership and competent management. The property is presumed to be free from any lawsuits, foreclosures, other legal entanglements. There are no existing judgments or pending or threatened litigation that could affect the property.

Data Sources

Information contained in the report obtained from third-party sources including but not limited to buyers, sellers, landlords, tenants, brokers, lenders, attorneys or other advisors, public records, public or subscription data services, and news media, are assumed to be reliable and have not been independently verified. The information furnished by others, including public records, industry data services, brokers, property managers, property owners, etc., is believed to be reliable, but no warranty is given for its accuracy.

No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and my valuation is predicated upon the assumption that the subject property is free and clear of any environmental hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

I may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. I am not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.

I accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title; geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural, and other engineering and environmental matters. It is assumed that there are no adverse conditions that would be revealed if the property were analyzed by qualified experts in these fields.

No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise any of the conclusions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

Compliance

The person signing the report is not a building or environmental inspector. Mitchell & Associates, Inc., does not guarantee that the property is free of defects or environmental problems. Mold or other environmental contamination may be present in the subject property and a professional inspection is recommended.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific survey or analysis of this property to determine whether the physical aspects of the property meet the ADA accessibility guidelines. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with the Act. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to ADA. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance. If so, this fact could have a significant effect upon the value of the property. Since there was no direct evidence relating to this issue, the appraiser(s) did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Certification Statement

On this January 20, 2023, I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

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.

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.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

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.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I Alex Finkle have inspected the property that is the subject of this report.

No one provided significant real property appraisal assistance to the person signing this certification.

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 the agreement to perform this assignment.



Alex Finkle
NE-CG2019013
IA-CG03717

Valuation Methodology

An appraisal is an estimate, an opinion of value. The valuation process begins with identifying the appraisal problem. This includes identifying the client, intended users and uses of the appraisal, and the effective dates and conditions for the value estimates. Once these items have been determined, the appraiser determines an appropriate scope of work to guide the development and reporting of the appraisal.

The appraiser collects information about the subject property. This typically consists of inspecting the property, reviewing public records, blueprints, and financial statements where available. The appraiser collects data about the market area, as well as comparable data for development of the approaches to value.

The collected data provides a basis for the highest and best use analysis. The highest and best use analysis is a process of eliminating less than optimal uses of a property in order to find the use that yields the greatest present value. Uses are eliminated that are not physically possible, legally permissible, and financially feasible. Of the remaining uses, the highest and best use is that use which produces the highest net return (i.e. the highest present value.)

When improvements are present, the property can also be evaluated for the four basic courses of action regarding the improved property:

- Demolish the improvements and redevelop the site for its highest and best use,
- Cure items of deferred maintenance and continue the current use,
- Modify the improvements (e.g. renovate, modernize, or convert), or
- Maintain the improvements as is and continue the current use.

The highest and best use serves as the basis of comparison for each applicable approach to value. Three basic approaches may be used to arrive at an estimate of market value.

- Cost Approach
- Sales Comparison Approach
- Income Capitalization Approach

Cost Approach

The Cost Approach is based on the principle that a prudent and rational person would not pay more for a property than the cost to construct a similar and competitive property that provides similar utility, assuming no undue delay in the process. The procedure for the Cost Approach is briefly described as follows.

Site Valuation

Develop a value for the land value according to its highest and best use as if vacant. There are several methods for this analysis but it is most commonly provided by sales comparison based on sales of other competitive sites.

Cost New

Develop the cost new for buildings and site improvements. This can be based on the replacement cost or reproduction cost. Costs are typically developed according to the Marshall Valuation Service (MVS), an industry standard handbook for costs.

Depreciation

Analyze the physical depreciation, functional obsolescence, and external obsolescence accrued to the improvements. A common method for depreciation is the breakdown method where the property's various elements of depreciation are analyzed individually. The depreciation and functional obsolescence items are considered curable if the cost of repairs or modifications are less than the resulting value contribution.

Curable Physical Depreciation (Deferred Maintenance)
Physical depreciation resulting from aging and use.

Incurable Physical Depreciation – Short-Lived Items
Building components with an expected remaining economic life that is less than the remaining economic life of the entire structure.

Incurable Physical Depreciation – Long-Lived Items
Building components with an expected remaining economic life that is the same as the remaining economic life of the entire structure.

Functional Obsolescence
Functional obsolescence due to lack of utility, change in market preferences, or under-utilization of the site, or due to superadequacy (i.e. exceeding normal market standards).

External Obsolescence
External obsolescence due to conditions outside the property such as demographic or market conditions, or proximity to nuisances.

Entrepreneurial Incentive

Estimate the entrepreneurial incentive (profit) for the project.

Conclusion

The final step is to sum the elements analyzed – land, cost new, depreciation, and entrepreneurial incentive. Also include any adjustments for unusual circumstances such as non-market rents, lease-up costs, etc.

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would not pay more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is considered for differences compared to the subject property that affect value. The comparable sales may be evaluated qualitatively (i.e. rated as inferior, similar, or superior to the subject) or quantitatively (i.e. adjustments applied to each sale's price). The values indicated by the adjusted comparable sales form a range of value for the subject property. By process of reconciliation, a final indicated value is derived. The following steps describe the process of the Sales Comparison Approach.

1. Collect market data (e.g. comparable sales, pending sales, and listings) from the market.
2. Determine the most meaningful unit of comparison.
3. Analyze the market data using a quantitative or qualitative analysis.
4. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value.

Tract Development Bulk Sale Analysis
For appraisals of tract developments with multiple units (e.g. multiple lots, condominium units, etc.), it may be appropriate to develop a bulk sale analysis. The bulk sale analysis is intended to reflect the wholesale discount an investor would require to purchase multiple units to sell on a retail basis one-by-one to end users. The process begins with estimating the total combined retail value of the units. Then, bulk sales data is researched for other multi-unit tract developments. The bulk sales will provide a basis for estimating a discount factor from the total combined retail value for the entire tract.

Income Capitalization Approach

The Income Capitalization Approach provides a value estimate based on the income the property may generate through renting of the property (e.g. apartment or office rent) or sales of units (e.g. condominium sales or single-family lots). The appraiser develops estimates of rent and other income, vacancy, operating expenses, and capitalization rates and/or discount rates based on comparisons in the market. The process can be applied to the estimate of the next year's operations or to irregular cash flows over a multi-period holding period. Multiple methods may be applied for a single appraisal which can then be reconciled to a single indication of value from the Income Capitalization Approach. The following steps describe the process of the Income Capitalization Approach.

1. Project income for the property. This may be
    1. Effective Gross Income – what the property is projected to collect
    2. Net Operating Income – what is left after deducting vacancy, collection losses, and operating expenses
    3. Net Cash Flow – what is left after also deducting capital expenses
2. Apply a multiplier, capitalization rate, or discount rate to convert the projected income to a current value.

The three main techniques are the income multiplier, direct capitalization, and yield capitalization (discounted cash flows) analyses. The income multiplier method applies a multiplier factor to the following year's projected income. Direct capitalization applies a capitalization factor to the following year's projected net operating income. Yield capitalization develops an estimate of market value by applying a yield or discount rate to the cash flows forecasted over a projection period. The cash flows may be generated through rental income, unit sales (e.g. vacant lots, condominiums, etc.), or some combination of rents and unit sales.

Final Reconciliation

The value indication from each developed approach is considered in order to estimate a reconciled value. Each approach to value is considered for its applicability for the appraisal of the subject property, as well as the dependability of its indicated value. Finally, a value estimate is reported in the form of a single number, a range value, or a value in relation to some benchmark (i.e., more than or less than a given value).

Scope of Work

The Uniform Standards of Professional Appraisal Practice (USPAP) require the appraiser to determine an appropriate scope of work based on the purpose of the assignment and intended users. The following scope of work guided me through this appraisal assignment.

Property Identification

Property Identification The subject property was identified to me by its parcel number, 754436127007, Pottawattamie County, Council Bluffs, Iowa 51501.

Assignment Factors

Report Date January 20, 2023

Client City of Council Bluffs

This appraisal was requested by Marianne Collins on behalf of the client.

Intended User City of Council Bluffs

Intended Use Disposition (Sale)

Purposes of the Appraisal Estimate the Current Market Value of the Fee Simple Estate As Is as of January 5, 2023

The effective date is based on the date of observation for the subject property.

Unless noted otherwise, the value estimates are for the real property only and do not include any personal property, trade fixtures, inventory, business or going-concern value, or other interests.

Analysis Development

Inspection I observed the site on January 5, 2023.

Resources	The property observation and public records served as the basis for most of the property descriptions. Market data was gathered from various sources including public records, real estate brokers, property managers, investors, buyers and sellers, property data sources, market surveys and articles, and other sources considered reliable and knowledgeable. Additional information was garnered from past assignments and experiences.
Market Area and Analysis of Market Conditions	An analysis was developed for the market area and market conditions for this type of property.
Highest and Best Use Analysis	A highest and best use analysis was developed for the property. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded. The highest and best use conclusions served as the basis for developing the valuation approaches.
Cost Approach	The Cost Approach is a built-up analysis of the site value and replacement cost. It is typically most applicable when only mild adjustments for depreciation are applicable. The Cost Approach is not applicable for the valuation of vacant land so was not developed for this appraisal.
Sales Comparison Approach	The Sales Comparison Approach considers sales of comparable properties in the competing market. There were sufficient data supporting the use of the Sales Comparison Approach. Based on this data, the Sales Comparison Approach was developed for this appraisal.
Income Capitalization Approach	The Income Capitalization Approach develops an estimate of value based on the cash flows the property is reasonably capable of producing. The Income Capitalization Approach was not applicable to this appraisal so was not developed.
Reconciliation	After analysis of the available data, I considered the values in each approach for their reasonability and reliability. The quality and quantity of the data was also considered in reconciling to a final estimate of value.
Extraordinary Assumptions	There are no extraordinary assumptions for this appraisal.
Hypothetical Conditions	There are no hypothetical conditions for this appraisal.

Reporting

Report Type Appraisal Report

Market Area Analysis

Market areas influence the value of specific properties in many ways. The influences of market areas are better understood in light of their social, economic, governmental, and environmental characteristics. The information in this section is intended to provide general background information to understand the forces affecting the overall market in the surrounding area.

Market Area Location and Boundaries

The first step is establishing a reasonable market area for analysis. A neighborhood is a group of complementary land uses. While the subject property may compete with properties outside the boundaries, the market area identifies the area that most directly influences the value of the subject property. Typical boundaries can be determined by physical features, political boundaries, traffic patterns, or other identifiable breakpoints. The market area is the city of Council Bluffs, Iowa.

Demographics

The market area has a very stable population base as most of the surrounding area has been developed for many years, which is expected to grow at a slower rate than the entire Omaha metropolitan area.

Demographics Summary

	2010	2022	2027
Population	62,493	62,874	62,775
Annual Change		+0.05%	-0.03%
Households	24,916	25,351	25,373
Annual Change		+0.14%	+0.02%
Household Size	2.44	2.40	2.40
Annual Change		-0.14%	+0.00%
Median Age	36.1	38.3	38.9
Annual Change		+0.49%	+0.31%

Income

The market area has lower household incomes than the overall Omaha-Council Bluffs metropolitan area. Incomes are rising but at a slower pace than the metropolitan area.

Income Summary

	2022	2027
Median Household Income	$55,502	$61,658
Annual Change		+2.13%
Average Household Income	$71,777	$81,403
Annual Change		+2.55%
Per Capita Income	$29,127	$33,089
Annual Change		+2.58%

Education

The market area has about 30% of adults with post-secondary degrees, much lower than the overall metropolitan area.

Education Summary

Less than 9th Grade	2.9%
9th-12th Grade, No Diploma	7.9%
High School Graduate	29.2%
GED/Alternative Credential	5.2%
Some College, No Degree	21.4%
Associate Degree	12.7%
Bachelor's Degree	14.0%
Graduate/Professional Degree	6.7%

Housing

The market area has a slightly lower home-ownership rate than the ~60% metropolitan area average.

Housing Summary

	2010	2022	2027
Owner-Occupied Housing	57%	58%	59%
Renter-Occupied Housing	36%	35%	34%
Vacant Housing	7%	7%	7%

Employment

The market area has a greater concentration of employees in construction, production, and transportation positions than the overall metropolitan area.

Employment Summary

Management/Business/Financial	12.6%
Professional	18.1%
Sales	9.3%
Administrative Support	13.7%
Services	15.6%
Farming/Forestry/Fishing	0.5%
Construction/Extraction	6.0%
Installation/Maintenance/Repair	4.1%
Production	7.4%
Transportation/Material Moving	12.7%

Land Use

Commercial properties are concentrated along primary roadways or near major intersections, particularly along Broadway Street and along Interstate 80, and around the downtown business district. There is a large concentration of industrial properties southwest of 16th Street and 9th Avenue. Residential developments cover much of northern and eastern Council Bluffs.

Transportation

The primary east-west arterial roadways through the market area are Interstate 80 that links with Interstate 29, and Broadway Street/U.S. Highway 6, and north-south access is provided by Interstate 29, 16th Street, and the South Expressway.

Residential Market

The market area has been a stable residential area. Home prices in the area typically range from about $75,000 to over $300,000, with most between $150,000 and $250,000. Due to historically low inventory, typical marketing time is about 0-2 months.

Commercial Markets

The following are from the current CoStar Multi-Family, Office, Retail, and Industrial Surveys for the Council Bluffs submarket.

Overview

Council Bluffs Multi-Family

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
0	0	3.2%	6.6%

The vacancy rate in the Council Bluffs Submarket has remained stable over the past year, but at 3.2%, is somewhat below the long-term average.

While developers have been active in recent years, nothing has delivered over the past 12 months. New supply will remain minimal in the near-term as nothing is currently underway. Rents have increased by an impressive 6.6% over the past year, which significantly exceeds the average annual growth of 2.3% over the past decade.

Investors have been active in the Council Bluffs Submarket over the past three years. The market price, which is an estimated price of all properties in the submarket, has risen dramatically over that time period and now stands at $92,169/unit.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	229	0%	$1,402	$1,399	3	0	0
3 Star	1,214	2.6%	$1,077	$1,072	1	0	0
1 & 2 Star	1,604	4.1%	$829	$825	1	0	0
Submarket	**3,047**	**3.2%**	**$990**	**$986**	**5**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0%	8.0%	3.8%	11.8%	2003 Q2	2.9%	2021 Q2
Absorption Units	0	31	1	399	2000 Q4	(29)	2009 Q3
Delivered Units	0	24	3	430	2001 Q1	0	2022 Q2
Demolished Units	0	0	1	5	2016 Q2	0	2022 Q2
Asking Rent Growth (YOY)	6.6%	1.5%	3.2%	7.4%	2022 Q1	-2.2%	2009 Q4
Effective Rent Growth (YOY)	6.5%	1.5%	3.2%	7.3%	2022 Q1	-2.3%	2009 Q4
Sales Volume	$7.5M	$6.9M	N/A	$49.4M	2021 Q3	$0	2009 Q3

Office

Overview

Downtown Council Bluffs Office

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	2.2K	12.4%	1.4%

The Downtown Council Bluffs Submarket in Omaha is a very small submarket that contains roughly 400,000 SF of office space. The vacancy rate has fallen a bit over the past year, but at 12.4%, the rate was substantially above the long-term average as of 2022Q3.

Net absorption over the past year has tallied about 2,200 SF, a bit below the five-year annual average of 3,500 SF. Rents grew by 1.4% over the past year, a solid increase, though somewhat below the 10-year average.

There are no supply-side pressures on vacancy or rent in the near term, as nothing is under construction. Moreover, the recent trend would suggest that the inventory is likely to shrink moving forward, if anything. The office stock has contracted over the past three years by virtue of demolition activity. Not a single new project has delivered in that time.

The Downtown Council Bluffs Submarket saw 2 sales over the past year, consistent with the handful of trades that typically close in a given year.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	64,224	75.2%	$35.83	75.2%	0	0	0
3 Star	80,304	0%	$23.51	0%	0	0	0
1 & 2 Star	250,536	0.3%	$14.67	0.3%	0	0	0
Submarket	**395,064**	**12.4%**	**$19.90**	**12.4%**	**0**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.8%	3.6%	13.9%	16.1%	2021 Q2	0%	2017 Q1
Net Absorption SF	2.2K	4,641	(3,305)	19,185	2014 Q1	(6,806)	2021 Q2
Deliveries SF	0	8,186	0	64,224	2019 Q4	0	2022 Q2
Rent Growth	1.4%	0.9%	0.3%	5.1%	2019 Q3	-4.8%	2011 Q1
Sales Volume	$2M	$501.5K	N/A	$3.9M	2015 Q2	$0	2020 Q2

Overview

Downtown Council Bluffs Retail

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	3.5K	4.6%	2.0%

Vacancies for retail properties in Downtown Council Bluffs were under the five-year average during the third quarter, and they compressed in the past year. The rate also comes in below the region's average. Meanwhile, retail rents have risen by 2.0% in the past 12 months.

As for the pipeline, construction has returned to Downtown Council Bluffs after a lull in net new supply over the past few years.

Retail properties trade with regularity in Downtown Council Bluffs, and that remained the case in the past year. At $122/SF, market pricing is considerably lower than the region's average pricing.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	280,191	9.3%	$11.14	6.1%	0	0	0
Strip Center	78,768	26.3%	$14.14	26.3%	0	0	0
General Retail	1,516,064	2.6%	$12.18	2.1%	(1,733)	0	7,000
Other	0	-	-	-	0	0	0
Submarket	**1,875,023**	**4.6%**	**$12.10**	**3.7%**	**(1,733)**	**0**	**7,000**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.2%	7.2%	4.6%	13.3%	2008 Q2	4.2%	2022 Q1
Net Absorption SF	3.5K	22,643	5,973	196,857	2015 Q1	(51,982)	2016 Q2
Deliveries SF	0	24,017	9,666	203,185	2015 Q3	0	2022 Q2
Rent Growth	2.0%	0.5%	1.7%	3.6%	2018 Q2	-5.2%	2009 Q4
Sales Volume	$7.8M	$7.2M	N/A	$33.5M	2008 Q2	$285K	2009 Q3

Overview

Downtown Council Bluffs Industrial

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	(2.6K)	1.1%	7.5%

Downtown Council Bluffs is a midsized submarket, containing around 3.4 million SF of industrial space. Like in the metro, logistics is the predominant subtype in the Downtown Council Bluffs Submarket, making up around 1.8 million SF. But specialized industrial, which largely consists of manufacturing space, takes up a sizable chunk of space here, as well.

Vacancy hasn't moved much at all in the past year, and at 1.1%, there isn't much room left for tightening. Net absorption was essentially flat over the past year. Things look better over the five-year timeframe, as annual net absorption has averaged 37,000 SF in the submarket.

Rents grew by 7.5% over the past 12 months, easily exceeding the 3.2% average annual change over the past decade. Industrial rents in Downtown Council Bluffs run for about $7.00/SF, which is more or less in line with the metro average. A similar pattern holds for logistics rents, which at $6.60/SF, are right in line with the metro average for that subtype.

There is about 300,000 SF underway in Downtown Council Bluffs, the most space under construction in more than a decade. This is a continuation of new development in the submarket, which had already seen 210,000 SF deliver over the past three years, representing an inventory expansion of 6.6%.

This has been a somewhat active submarket for industrial transactions in recent years, and the number of properties sold in the past year has surpassed the three-year average.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	1,810,317	0.2%	$6.57	6.8%	19,056	0	302,300
Specialized Industrial	1,555,460	2.0%	$7.62	0.7%	0	0	0
Flex	43,632	0%	$6.51	0%	0	0	0
Submarket	**3,409,409**	**1.1%**	**$7.01**	**4.1%**	**19,056**	**0**	**302,300**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	2.0%	2.0%	5.0%	2007 Q1	0%	2020 Q4
Net Absorption SF	(2.6K)	15,394	114,331	212,500	2020 Q2	(67,259)	2014 Q3
Deliveries SF	0	20,779	130,671	211,000	2020 Q3	0	2022 Q2
Rent Growth	7.5%	1.9%	4.4%	8.0%	2022 Q2	-2.3%	2010 Q3
Sales Volume	$64.7M	$3.4M	N/A	$63.5M	2022 Q2	$0	2009 Q3

Government

The market area is subject to the City of Council Bluffs's laws, regulations, zoning, and taxes. Most of the market area falls within boundaries of the Council Bluffs Community School District. Police and fire protection is provided by the City of Council Bluffs and the area appears to be adequately served by both services.

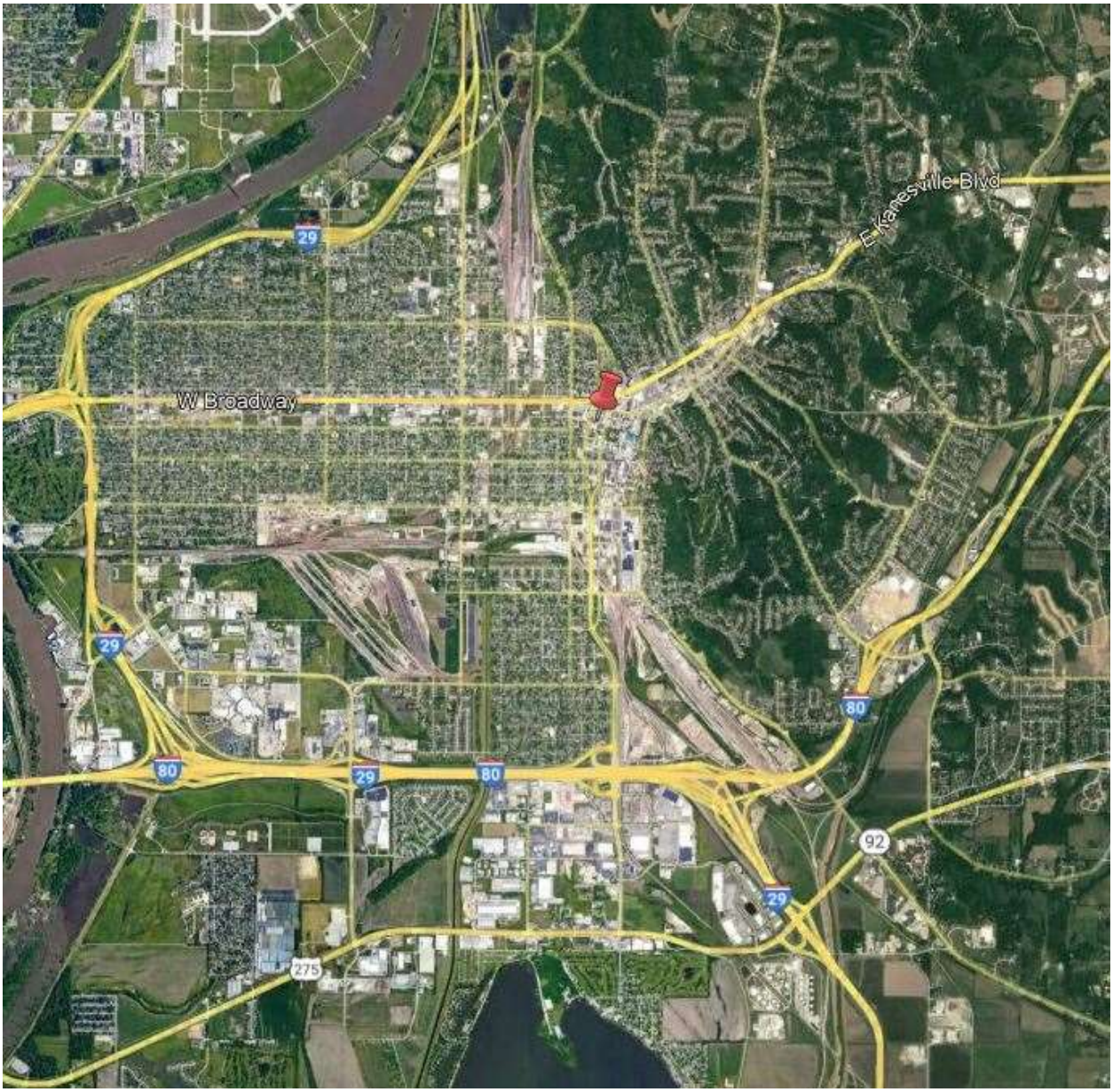
Environment

Portions of the market area lie within the 100-year designated flood plain. No adverse environmental conditions are known for the area.

Summary

The area is reasonably well-served for its current industrial and commercial needs, and market trends should follow general metropolitan trends.

Market Area Map



Market Area Photographs



View east along 1st Avenue



View west along 1st Avenue

Property Description

Location Northeast of 1st Avenue & 7th Street
Council Bluffs, Iowa 51501

Legal Description Part of Lots 12 & 13, Block 6, Bayliss 1st Addition, Pottawattamie County, Iowa

Owner City of Council Bluffs

Property Use Vacant Land

Overview The subject is located northeast of the intersection at 1st Avenue & 7th Street near the downtown area of Council Bluffs, Iowa, part of the far eastern portion of the Omaha metropolitan area.

Site

Site Size

Gross Area	9,717 SF or 0.22 Acres
Usable Area	9,717 SF or 0.22 Acres

Source: Pottawattamie County records

Shape Rectangular

Topography Flat

Frontage 1st Avenue: 50'

Traffic Exposure The property has exposure to 1st Avenue to the south, which carries modest traffic.

Access 1st Avenue runs east/west past the south side of the subject. W Broadway Street is located to the northwest, which accessed most of Council Bluffs and Interstate 80, allowing access into Omaha. There is access to an alleyway along the north side of the site that has westbound traffic only, accessing 7th Street on the west.

Visibility The subject has unobstructed views from passing traffic, but there is limited traffic passing along this portion of 1st Avenue.

Soil Conditions The soil conditions are presumed stable and suitable for typical improvements.

Utilities All typical public utilities are available to the site. Service providers are as follows.

Water	City of Council Bluffs
Sewer	City of Council Bluffs
Natural Gas	Black Hills Energy
Electricity	MidAmerican Energy

Flood Hazard The Federal Emergency Management Agency (FEMA) manages the National Flood Insurance Program (NFIP), which allows property owners in participating communities to purchase flood insurance from the federal government.

Flood Zone	B
Flood Hazard	No
Map Number	19155C0413E
Map Date	February 4, 2005

Environmental Issues I am not aware of any current hazard at the property, but I am not a qualified expert on environmental contamination. Please reference the Assumptions and Limiting Conditions.

Easements, Encroachments, or Restrictions No adverse easements, encroachments, or restrictions were observed or reported.

Neighboring Properties Directly to the west is an abandoned building that is currently for sale, with single-family homes and other commercial users further west. To the south is a church and more single-family housing. Directly east is a multi-family property and a former United States Post Office, which was recently sold at auction, planned for redevelopment into market rate apartments. To the north is W Broadway, lined with a variety of commercial users.

Site Improvements The site is entirely covered with natural vegetation, per aerial on Pottawattamie County records, as the site was snow covered at the time of the inspection.

Economic Characteristics

Title History I am not aware of any sales in the three years preceding the effective date of value. The basis of this appraisal is for the disposition of the site by the client, but I am not aware of any current or target list price, nor am I aware of any offers for the property.

Leaseholds The property has no leases in place.

Aerial

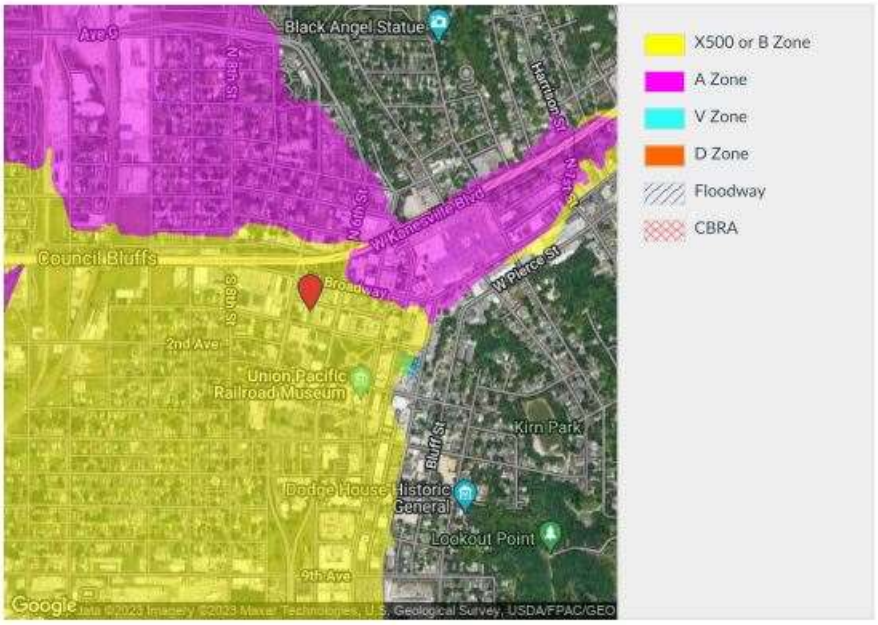


Flood Map

Flood Zone Determination Report

Flood Zone Determination: OUT

COMMUNITY	190235	PANEL	0413E
PANEL DATE	February 04, 2005	MAP NUMBER	19155C0413E



Subject Property Photographs



View north across the site



View south across the site

Assessment and Taxes

Parcel IDs 754436127007, Pottawattamie County, Iowa

Outstanding Balances To the best of my knowledge, there are no delinquent taxes.

Assessed Valuations – 2021-2022

Year	Land	Improvements	Total	Taxes
2021	$229,800	$0	$229,800	$0
2022	$165,800	$0	$165,800	N/A

Comments
The subject is owned by the City of Council Bluffs, so it does not have property taxes levied. If it were sold to a typical for-profit user, it would be likely that property taxes would then be levied on the site.

If the property did have property taxes levied, the 2021 taxes were due September 1, 2022, but are typically paid by the delinquency dates of October 1, 2022, for first half and June 1, 2023, for the second half.

Land Use Controls

Zoning

Zoning Map



Current Use	Vacant Land
Jurisdiction	the City of Council Bluffs, Iowa
Zoning Code	C-4 (Commercial District) The C-4 district is intended to provide an intensive business zone which will accommodate large office concentrations and other similar uses.
Permitted Use Summary	Civic, Multi-Family, Office, and Retail
Potential for Change/ Long-Range Plans	No substantial change in the zoning is anticipated.

Highest and Best Use

A highest and best use analysis was developed for the property utilizing inferred or trend methodology, appropriate in light of the property's size and complexity.

Highest and Best Use As Is

Physically Possible
The property has a gross site area of 9,717 SF or 0.22 acres, and usable site area of 9,717 SF or 0.22 acres. The subject's size is rather small by most commercial standards but is viable for almost any use. I have observed single-family, multi-family, commercial, office, industrial, and special use facilities on sites of even smaller sites. The subject's zoning (discussed below) has no minimum site area requirements such that even a small site offers good utility, and street-parking is common in the Downtown settings similar to the subject's location. Most modern agricultural uses would require a substantially larger tract of land, so they would not be possible. All other uses are considered possible for the site.

Legally Permissible
The subject property is zoned C-4 within the jurisdiction of the City of Council Bluffs, Iowa. This zoning district allows civic, multi-family, office, and retail uses. All other uses are eliminated.

Financially Feasible
Civic uses are typically not profit-driven developments, so such uses may not be feasible.

Maximally Productive
The remaining uses are viable, and many recent developments have included a mix of such use; however, I have observed similar pricing for these uses in urban areas, so no one use is the prevailing user of the site. As noted above, within urban areas mixed-use properties have become increasing popular among developers over the years, typically built with a vertical integration design often with parking on a lower level, office or retail on the main level, and multi-family apartments on the remaining upper levels.

Therefore, the highest and best use of the site is for mixed-use, typically designed with some parking, commercial on the main level, and apartments on the remaining levels.

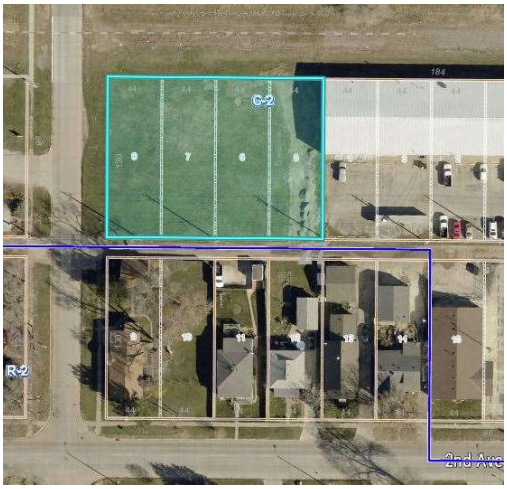
Exposure Time

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. The subject property would primarily appeal to an investor. My search of the market for comparison sales provided limited marketing times for comparable properties, but most sales had marketing times of 18-120 months. Therefore, the property's exposure time is estimated to have been 24-48 months, concluding on the effective date of value.

Sales Comparison Approach

I researched and found sales of vacant sites. These sales were analyzed for estimating the value of the property. All sales have been researched through various sources, exterior inspection, and verified by a party to the transaction where possible.

Comparable #1



Property Identification

Sale ID 3185
Address 105 South 17th Street
Council Bluffs, Iowa
Market 17th St & 1st Ave

Property Type Land :: Commercial
Parcel Number 754435205014
Legal Description Lots 5-8, Block 27, Beers Subdivision

Property Characteristics

Gross Site Size 22,880 SF
Usable Site Size 22,880 SF

Zoning C-2

Transaction

Conditions of Sale Normal
Property Rights Fee Simple
Grantor John M & Beverly A Roth
Grantee Summit 5M, LLC
Recorded Warranty Deed 2017-09979

Sale Date July 24, 2017
Contract Price $65,000
Contract Price/SF Gross Site Size $2.84
Contract Price/SF Usable Site Size $2.84
Adjusted Price $65,000
Adjusted Price/SF Gross Site Size $2.84
Adjusted Price/SF Usable Site Size $2.84
Source Public Records

Previous sale in 2012 indicates annual appreciation of 3% per year.

Comparable #2



Property Identification

Sale ID 4182
Address 601 Veterans Memorial Drive
Council Bluffs, Iowa
Market S Expressway & Veterans

Property Type Land :: Commercial
Parcel Number 744412380002
Legal Description Part of Lot 1, Jacobs Sub

Property Characteristics

Gross Site Size 17,800 SF
Usable Site Size 17,800 SF

Zoning C-2

Transaction

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Valerie and Gregg Oldham
Grantee Mark and Desiree Taylor
Recorded Warranty Deed 2017-15619

Sale Date November 17, 2017
Contract Price $125,000
Contract Price/SF Gross Site Size $7.02
Contract Price/SF Usable Site Size $7.02
Adjusted Price $125,000
Adjusted Price/SF Gross Site Size $7.02
Adjusted Price/SF Usable Site Size $7.02
Source Assessor, 521 statement

The site was acquired for development of an office building.

Comparable #3



Property Identification

Sale ID 4261
Address 1603 Avenue G
Council Bluffs, Iowa
Market 16th St & Ave G

Property Type Land :: Commercial
Parcel Number 754426497001
Legal Description Lot 1, Fienhold Sub

Property Characteristics

Gross Site Size 23,131 SF
Usable Site Size 23,131 SF

Zoning C-2

Transaction

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Michael C. and Joan E. Fienhold
Grantee Quan Dinh Minh and Thao Thanh Mai
Recorded Warranty Deed 2019-15157

Sale Date November 15, 2019
Contract Price $150,000
Contract Price/SF Gross Site Size $6.48
Contract Price/SF Usable Site Size $6.48
Adjusted Price $150,000
Adjusted Price/SF Gross Site Size $6.48
Adjusted Price/SF Usable Site Size $6.48
Source Public Records; CoStar; Broker

Buyer is going to construct a strip center with his nail salon as one of the tenants.

Comparable #4



Property Identification

Sale ID 4262
Address 1518 Avenue J
Council Bluffs, Iowa
Market 16th St & Ave J

Property Type Land :: Commercial
Parcel Number 754426262009, 754426262010
Legal Description Lots 277-281, Belmont Addition

Property Characteristics

Gross Site Size 25,800 SF
Usable Site Size 25,800 SF

Zoning C-2

The property is located on the northwest corner of 15th Street and Avenue J, just east of 16th Street.

Transaction

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Jane C. Reikofski
Grantee Joseph L Faust
Recorded Warranty Deed 2019-08983; 2019-08985

Sale Date July 16, 2019
Contract Price $45,000
Contract Price/SF Gross Site Size $1.74
Contract Price/SF Usable Site Size $1.74
Adjusted Price $45,000
Adjusted Price/SF Gross Site Size $1.74
Adjusted Price/SF Usable Site Size $1.74
Source CoStar; Broker

Sale happened with two partial interest sales. One warranty deed and one court officer deed. The broker reported this sale was clean and the CO deed was used only due to help with ease as the party holding 1/2 interest was deceased at the time of the sale. She didn't know plans for the site.

Comparable #5



Property Identification

Sale ID 4949
Address 25 South 28th Street
Council Bluffs, Iowa
Market 28th St & 1st Ave

Property Type Land :: Commercial
Parcel Number 754434201001
Legal Description Lots 8-17, Block 1, Twin City Place

Property Characteristics

Gross Site Size 52,446 SF
Usable Site Size 52,446 SF

Zoning C-2

The property is a half-block south of West Broadway Street.

Transaction

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Virgil M. Anderson
Grantee Iowa Fireworks Company, LLC
Recorded Warranty Deed 2021-08067

Sale Date May 20, 2021
Contract Price $150,000
Contract Price/SF Gross Site Size $2.86
Contract Price/SF Usable Site Size $2.86
Adjusted Price $150,000
Adjusted Price/SF Gross Site Size $2.86
Adjusted Price/SF Usable Site Size $2.86
Source Public Records

Comparable #6



Property Identification

Sale ID 5585
Address SE of 17th Street & Avenue N Council Bluffs, Iowa
Market Council Bluffs

Property Type Land :: Commercial
Parcel Number 754426208010
Legal Description Lot 123 and Part of Lot 122, Belmont Addition

Property Characteristics

Gross Site Size 7,740 SF
Usable Site Size 7,740 SF

Zoning C-2

Transaction

Conditions of Sale Captive Buyer
Property Rights Fee Simple
Grantor Lori K. Gascoigne, Trustee
Grantee Michael J. and Jill C. Hoy
Recorded Warranty Deed 2018-08480

Sale Date June 29, 2018
Contract Price $9,000
Contract Price/SF Gross Site Size $1.16
Contract Price/SF Usable Site Size $1.16
Adjusted Price $9,000
Adjusted Price/SF Gross Site Size $1.16
Adjusted Price/SF Usable Site Size $1.16
Source Public Records

At the time of this sale, the buyer owned the lot located to the east. This site, along with the site adjacent to the west told in a transaction in 2019.

Comparable #7



Property Identification

Sale ID 5020
Address 4542 South 40th Street
Omaha, Nebraska
Market 40th & L

Property Type Land :: Commercial
Parcel Number 1820870000
Legal Description Lot 7, Block 2, Mount Douglas 1st Addition

Property Characteristics

Gross Site Size 8,712 SF
Usable Site Size 8,712 SF

Zoning GC

The property is just north of L Street.

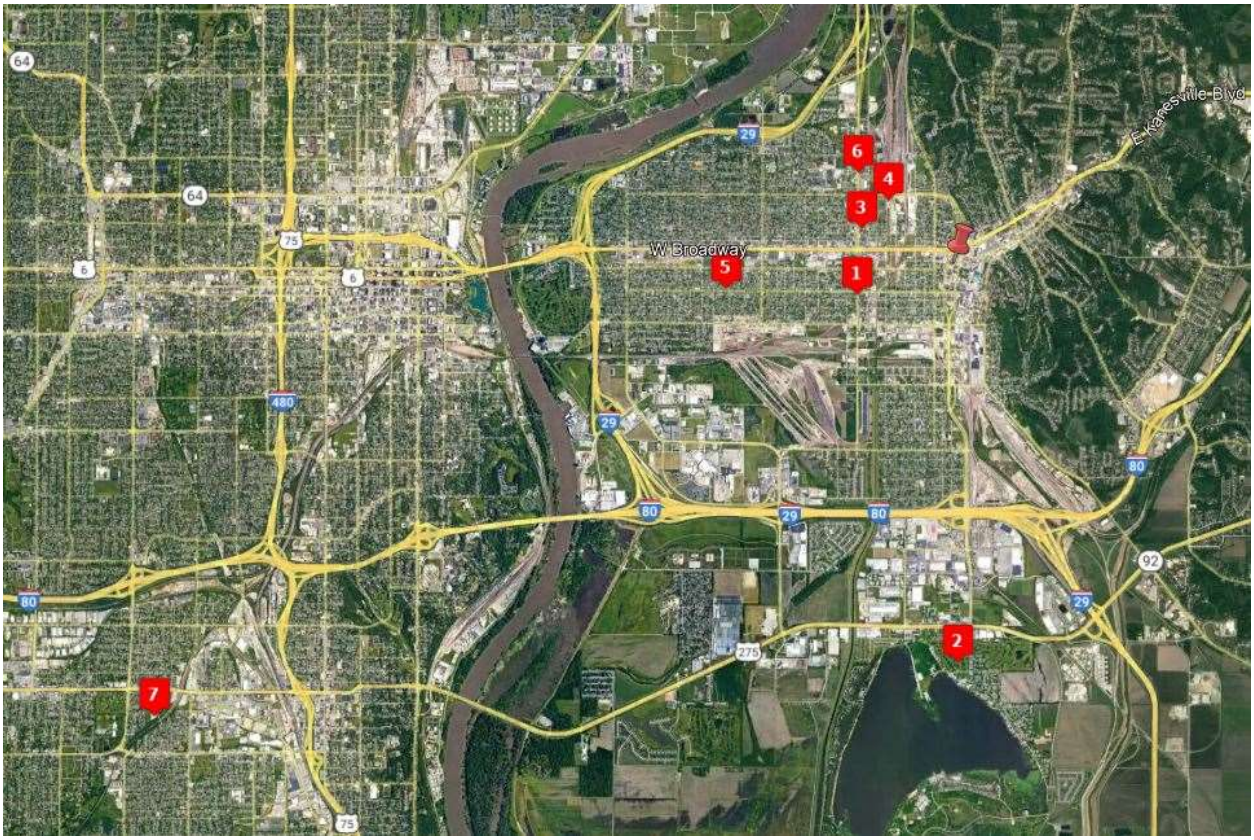
Transaction

Conditions of Sale Normal
Property Rights Fee Simple
Grantor Bel Fury Investments Group, LLC
Grantee Bloke Storage, LLC
Recorded Warranty Deed 2019-097563

Sale Date November 08, 2019
Contract Price $30,000
Contract Price/SF Gross Site Size $3.44
Contract Price/SF Usable Site Size $3.84
Adjusted Price $30,000
Adjusted Price/SF Gross Site Size $3.44
Adjusted Price/SF Usable Site Size $3.84
Source Public Records

Site was purchased for vehicle storage.

Comparables Map



Comparison Grid

Comp ID	S	1	2	3	4
Name / Location	NE 1st Ave & 7th St Council Bluffs, IA	105 South 17th Street Council Bluffs, IA	601 Veterans Memorial Drive Council Bluffs, IA	1603 Avenue G Council Bluffs, IA	1518 Avenue J Council Bluffs, IA
Sale Price		$65,000	$125,000	$150,000	$45,000
Site Gross - SF	9,717	22,880	17,800	23,131	25,800
Price/SF		$2.84	$7.02	$6.48	$1.74
Transaction Conditions					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%	0%
Adjusted Price		$65,000	$125,000	$150,000	$45,000
Financing	Normal	Normal	Normal	Normal	Normal
Adjustment		0%	0%	0%	0%
Adjusted Price		$65,000	$125,000	$150,000	$45,000
Conditions of Sale	Normal	Normal	Normal	Normal	Normal
Adjustment		0%	0%	0%	0%
Adjusted Price		$65,000	$125,000	$150,000	$45,000
Market Conditions					
Sale Date	Jan-2023	Jul-2017	Nov-2017	Nov-2019	Jul-2019
Adjustment		11%	10%	6%	7%
Adjusted Price		$72,150	$137,500	$159,000	$48,150
Physical Characteristics					
Site Area - Gross SF	9,717	22,880	17,800	23,131	25,800
Adjustment		0%	0%	0%	0%
Summary					
Final Adjusted Price		$72,150	$137,500	$159,000	$48,150
Adjusted Value for Subject		$3.15	$7.72	$6.87	$1.87
Net Adjustments		+11%	+10%	+6%	+7%
Gross Adjustments		11%	10%	6%	7%
Location	Downtown Council Bluffs	Council Bluffs Similar Access/Visibility	Council Bluffs Superior Access	Council Bluffs Superior Access/Visibility	Council Bluffs Inferior Access/Visibility
Comparison			-	-	+
Zoning	C-4	C-2	C-2	C-2	C-2
Comparison		+	+	+	+
Features / Amenities	Narrow Shape	None	None	None	None
Comparison		-	-	-	-
Overall Comparison			-	-	+

Comparison Grid

Comp ID	S	5	6	7
Name / Location	NE 1st Ave & 7th St Council Bluffs, IA	25 South 28th Street Council Bluffs, IA	SE of 17th Street & Avenue N Council Bluffs, IA	4542 South 4oth Street Omaha, NE
Sale Price		$150,000	$9,000	$30,000
Site Gross - SF	9,717	52,446	7,740	8,712
Price/SF		$2.86	$1.16	$3.44
Transaction Conditions				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%
Adjusted Price		$150,000	$9,000	$30,000
Financing	Normal	Normal	Normal	Normal
Adjustment		0%	0%	0%
Adjusted Price		$150,000	$9,000	$30,000
Conditions of Sale	Normal	Normal	Captive Buyer	Normal
Adjustment		0%	0%	0%
Adjusted Price		$150,000	$9,000	$30,000
Market Conditions				
Sale Date	Jan-2023	May-2021	Jun-2018	Nov-2019
Adjustment		3%	9%	6%
Adjusted Price		$154,500	$9,810	$31,800
Physical Characteristics				
Site Area - Gross SF	9,717	52,446	7,740	8,712
Adjustment		0%	0%	0%
Summary				
Final Adjusted Price		$154,500	$9,810	$31,800
Adjusted Value for Subject		$2.95	$1.27	$3.65
Net Adjustments		+3%	+9%	+6%
Gross Adjustments		3%	9%	6%
Location	Downtown Council Bluffs	Council Bluffs Similar Access/Visibility	Council Bluffs Inferior Access/Visibility	Omaha Similar Access Inferior Visibility
Comparison			+	
Zoning	C-4	C-2	C-2	GC
Comparison		+	+	+
Features / Amenities	Narrow Shape	None	None	None
Comparison		-	-	-
Overall Comparison			+	

In the preceding comparison grids, quantitative adjustments were considered for the transaction and market conditions. Given the very wide range of physical characteristics and adjusted prices, I applied qualitative analysis for some physical characteristics where quantitative methods were not persuasive. In the qualitative analysis, the comparison notations are based on which direction the comparable would adjust. In other words, a plus sign (+) indicates the comparable is inferior and suggests a higher value for the subject, whereas a minus sign (-) indicates the comparable is superior and suggests a lower value for the subject.

Comparable Sale Adjustments
The sales have been analyzed and compared with the subject property. I have considered adjustments for differences of economic and physical characteristics compared to the subject property.

The price per usable square foot was used as the unit of comparison, as this is the typical unit of comparison used by the market in buying and selling decisions for this type of property. The adjustments were assigned to each comparable according to the degree of superiority or inferiority as compared to the subject property. For market adjustments, compounded individual adjustments were used, while the physical adjustments were combined and applied as a lump sum adjustment.

Transaction Characteristics

Property Rights
All sales were sold, or presumed sold, for fee simple interests, so no adjustments were necessary.

Financing
No unusual financing conditions were reported for any of the sales, so no adjustments were necessary.

Conditions of Sale
Sale #6 was purchased by the owner of the site to the east, so they are considered a captive buyer. The sale price/SF is below the other sales, indicating there was likely no premium paid to the site, so no adjustment was made. No unusual conditions of the remaining sales were reported, so no adjustments were necessary.

Market Characteristics

Market Conditions
All the sales were considered for market conditions adjustment. I have typically observed appreciation for commercial sites from 0% to 10%, with most near the lower end of the range, supported from the resale of Sale #1 indicating an annual appreciation rate of 3%. So, a time of sale adjustment was applied in the grid.

Physical Characteristics

Site Area

Normally, due to economies of scale for similar properties, the market will pay less for each unit of value in large sites and more in smaller sites. This was not evident within the sales and no adjustment was applied.

Qualitative Factors

The following characteristics were evaluated on a qualitative basis.

Location

The sales are located in different areas of Council Bluffs with some located closer to commercial corridors than others; furthermore, access and visibility characteristics of each site are also considered within this category.

Zoning

The zoning of the comparables was also analyzed. The subject currently has a C-4 zoning, allowing a variety of commercial uses. The sales all have a C-2 or GC zoning designation, which allow a similar variety of uses. However, all comparables have commercial zoning within Council Bluffs or Omaha that have a minimum site area of 5,000 SF, while the C-4 designation has no minimum limit, as well as no setbacks, resulting in more usable area for the site. Due to the increased efficiency of the subject due to its zoning, the comparables are all rated inferior.

Features / Amenities

Ratings were considered for amenities or features available at each comparable. The subject has a narrow design, which can complicate development of the property or limit the potential uses for the site. The comparables had no additional features or amenities and were rated superior to the subject.

Analysis

The following table summarizes the prices and adjustments applied to the comparables.

	Min	Max
Sale Prices (Before Adjustments)	$1.16	$7.02
Indicated Values (After Adjustments)	$1.27	$7.72
Net Adjustments	+3%	+11%
Gross Adjustments	3%	11%

The following table presents each sale with the prices, adjusted value, adjustments, and qualitative ratings.

Sale	Sale Price	Adjusted Value	Net Adj.	Gross Adj.	Qualitatative
1	$2.84	$3.15	11%	11%	
2	$7.02	$7.72	10%	10%	-
3	$6.48	$6.87	6%	6%	-
4	$1.74	$1.87	7%	7%	+
5	$2.86	$2.95	3%	3%	
6	$1.16	$1.27	9%	9%	+
7	$3.44	$3.65	6%	6%	

Typically, sales requiring fewer gross adjustments are considered stronger indicators of value. The sales received generally similar adjustments, so were given similar weight in my conclusion.

Five sales indicated a value range from $1.27/SF to $3.65/SF, with the strongest concentration near the upper end and included most recent Sale #5 at a value of $2.95/SF. The remaining sales indicated a higher range from $6.87/SF to $7.72/SF, suggesting upward rounding.

Qualitatively, the best support is for a value above the unadjusted sale price of $1.74/SF and below the unadjusted sale price of $6.48/SF.

Sales #1, #5, and #7 based on their similar qualitative rating and positive net adjustments suggest a relatively tight value range from $2.95/SF to $3.65/SF.

Listings

As part of my analysis, I reviewed listings of competing properties in the market. The most comparable listings are shown in the following table.

ID	Property	Price	Price/SF Site	SF Site	Days on Market	Comments
1	Gifford Rd & Veterans Memorial Hwy	$156,794	$4.00	39,204	1,296	Commercial zoning
2	23rd Ave	$413,820	$4.75	87,120	1,627	Commercial zoning
3	8th St & Ave A	$154,500	$6.12	25,265	2,096	Commercial zoning
4	1201 Veterans Memorial Hwy	$945,000	$7.18	131,551	1,260	Commercial zoning
5	Mid Americal Loop	$780,595	$8.00	97,574	1,417	Commercial zoning
6	23rd St & 23rd Ave	$210,000	$8.42	24,947	709	Commercial zoning
7	1760 N 16th St	$600,000	$9.18	65,340	183	Commercial zoning
8	2201 W Broadway Ave	$575,000	$10.08	57,064	795	Commercial zoning

The listings have asking prices ranging from $4.00/SF to $10.08/SF. Typically, the listings would provide a supportable value range for the subject; however, the sites available have been available for several years (most ranging about 2-5 years), suggesting the current asking prices are higher than the market is willing to bear. However, the lack of land available around the Downtown corridor may lead to some upward rounding.

Conclusion

The sales data best support a value range of $1.87/SF to $6.87/SF, extended for the subject's size as follows.

Value/SF		Extended Value for Subject	Rounded
$1.87	x 9,717	$18,171	$18,000
$6.87	x 9,717	$66,756	$67,000

Therefore, after consideration of all of the foregoing available data and analysis, the indicated value of the property's fee simple estate as of January 5, 2023, is a rounded $35,000 or $3.60/SF of usable site area.

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Fee Simple Estate As Is as of January 5, 2023

Cost Approach	N/A
Sales Comparison Approach	$35,000
Income Approach	N/A

Cost Approach

The Cost Approach is a built-up analysis of the site value and replacement cost. It is typically most applicable when only mild adjustments for depreciation are applicable. The Cost Approach is not applicable for the valuation of vacant land so was not developed for this appraisal.

Sales Comparison Approach

The Sales Comparison Approach considers sales of comparable properties in the competing market. There were sufficient data supporting the use of the Sales Comparison Approach. Based on this data, the Sales Comparison Approach was developed for this appraisal.

Income Capitalization Approach

The Income Capitalization Approach develops an estimate of value based on the cash flows the property is reasonably capable of producing. The Income Capitalization Approach was not applicable to this appraisal so was not developed.

Reconciliation Conclusion

After analysis of the available data, I considered the values in each approach for their reasonability and reliability. The quality and quantity of the data was also considered in reconciling to a final estimate of value. The conclusions and analyses were reconciled into the final estimate of market value. The Sales Comparison Approach was the only approach to value used, so it was given sole weight in the conclusion.

Value Conclusion

Based on the data and analyses developed in this appraisal, I reconciled to the following value conclusion(s), subject to the Assumptions and Limiting Conditions of this appraisal.

Fee Simple Estate As Is as of January 5, 2023

Final Estimate of Value	$35,000

Addenda

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Appraiser Qualifications: Alex Finkle

Professional

Certified General Real Property Appraiser, Nebraska (2019-Pres)

State of Nebraska
Real Property Appraiser Board

Hereby certifies that: ALEXANDER C FINKLE

MITCHELL COMMERCIAL VALUATION INC
14611 W CENTER RD
OMAHA, NE 68144-3219

Is credentialed in the State of Nebraska as a:
Certified General Real Property Appraiser

Holding credential number: CG2019013

Effective Date: Jan 01, 2023 *Expiration Date:* Dec 31, 2024

Nebraska Real Property Appraiser Board Director:

All address changes, business or residence, must be reported to the Real Property Appraiser Board immediately.
This Credentialing Card is proof that such person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9017 https://appraiser.ne.gov/

Administrative Identification Number:	10671-2023	*Registration Fee Paid:*	$550.00
Random Fingerprint Audit Program Fee Paid:	$10.00	*Federal Registry Fee Paid:*	$80.00

Iowa Fields of Opportunities

STATE OF IOWA
IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

This is to certify that the below named has been granted a certification as: Certified General Appraiser.

Certification Number: CG03717 Expires: June 30, 2024

Status: Active

Alex Finkle
Mitchell Commercial Valuation, Inc.
14611 W Center Road
Omaha, Nebraska 68144

Experience

Appraisal experience includes commercial, industrial, office, multi-family residential, and special use properties.

Education

Graduate of the University of Nebraska-Omaha; Bachelor of Science Degree in Business Administration with emphasis in Real Estate and Land Use Economic, Business Finance, and Banking and Financial Markets (2015)

Numerous appraisal courses.

Zoning Regulations Excerpt - C-4 (Commercial District)

Chapter 15.17 - C-4/COMMERCIAL DISTRICT
15.17.010 Statement Of Intent
15.17.020 Principal Uses
15.17.030 Conditional Uses
15.17.040 Accessory Uses
15.17.050 Site Development Regulations
15.17.060 Additional Regulations
15.17.070 Signs

15.17.010 Statement Of Intent

The C-4 district is intended to provide an intensive business zone which will accommodate large office concentrations and other similar uses.

(Ord. 5469 § 3 (part), 1999)

15.17.020 Principal Uses

The following principal uses shall be permitted outright in a C-4 district:

A. Business, professional office;
B. Business goods and service establishment;
C. Club or lodge;
D. College or university;
E. Commercial recreation (indoor);
F. Consumer service establishment;
G. Cultural service;
H. Dwelling, multifamily;
I. Financial service;
J. Funeral service;
K. General government use;
L. Hospital;
M. Hotel/motel;
N. Mixed commercial/residential structure;
O. Newspaper printing;
P. Park and recreation service;
Q. Pawn shop;
R. Private parking lot;
S. Public parking lot;
T. Religious assembly;
U. Restaurant (drive-in, limited and general);

V. Retail shopping establishment;

W. School;

X. Second hand store;

Y. Tattoo parlor;

Z. Tavern;

AA. Small alcohol production facility;

AB. Consumer fireworks sales.

(Ord. 5469 § 3 (part), 1999)

(Ord. No. 6293, § 1, 5-8-2017; Ord. No. 6342, § 1, 8-13-2018)

HISTORY
Amended by Ord. 6456 on 6/14/2021
Amended by Ord. 6509 on 7/11/2022

15.17.030 Conditional Uses

The following conditional uses shall be permitted in a C-4 district in accordance with the requirements set forth in CBMC 15.27:

A. Communication tower.

B. Day care service.

(Ord. 5469 § 3 (part), 1999)

15.17.040 Accessory Uses

The following accessory uses shall be permitted in the C-4 district: Uses of land or structures customarily incidental and subordinate to one of the principal uses in the C-4 district, unless otherwise restricted herein or unless otherwise permitted as a principal use herein.

(Ord. 5469 § 3 (part), 1999)

15.17.050 Site Development Regulations

A. Lots or parcels of land zoned C-4 on or before the effective date of this ordinance and lots or parcels of land in areas less than two acres rezoned to C-4 after the effective date of this ordinance shall not be subject to **Minimum Lot Size**, setback, or lot coverage requirements. Maximum height is limited to one hundred (100) feet for principal structures and twenty-four feet for accessory structures.

B. Lots or parcels of land more than two acres in area rezoned to C-4 after the effective date of this ordinance shall be required to submit a development plan for consideration by the planning commission and city council concurrent with the rezoning application. The development plan review shall follow the procedure used in CBMC 15.18.

(Ord. 5469 § 3 (part), 1999)

15.17.060 Additional Regulations

A. All business, service, repair, processing, storage and merchandise display shall be conducted or located within an enclosed building, with the exception of off-street parking and loading areas, drive-in windows, minor service for motor vehicles, and display of merchandise along the wall of the building, which merchandise shall not extend more than three feet from the wall of such building.

B. Consumer fireworks sales from a temporary structure shall not be located within three hundred (300) feet of a residential structure.

Parking and loading requirements:

A. Off-street parking is not required for any use established or existing in this district, except for residential use in a mixed commercial/residential structure;

B. Off-street loading for all uses established or existing in this district shall comply with the applicable requirements in CBMC 15.23.

(Ord. 5469 § 3 (part), 1999)

HISTORY
Amended by Ord. 6509 on 7/11/2022

15.17.070 Signs

Signage in this district shall comply with CBMC 15.33, "Signs."

(Ord. 5469 § 3 (part), 1999)