



Jumer's Crossing Market Analysis & Development Plan

February 18, 2013

Jumer's Crossing @ I-280



Process Overview

Goal: Identify highest and best use, potential value and timing of development



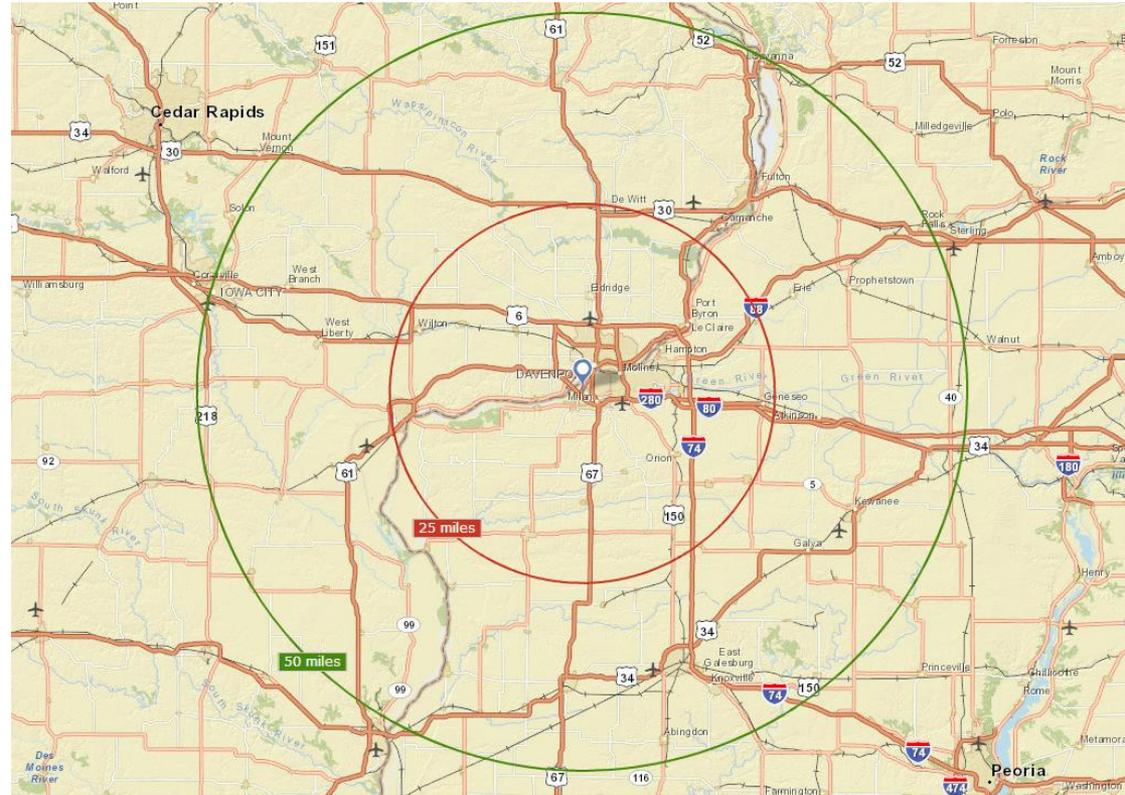
Market Analysis

- Office Market
 - Near term market limitations
 - Limited ability to develop office and worker amenities on site.
- Industrial/Flex
 - Would need a campus concept
 - Limited logistics connections
- Hospitality/Entertainment
 - Market strong, hospitality limited by existing
 - Recreation still a secondary use option

Retail Market

Local Retail

- Market size: 400,000 25-mile
- Immediate Area Spending
 - Demand Gap in Gasoline Stations, Clothing & Accessories, Department Stores, Food & Drink, Furniture

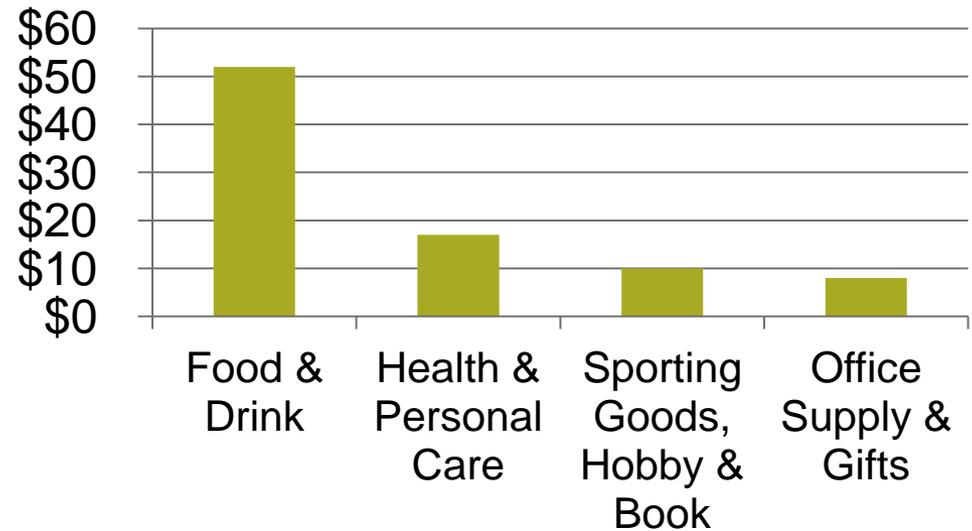


Retail Market

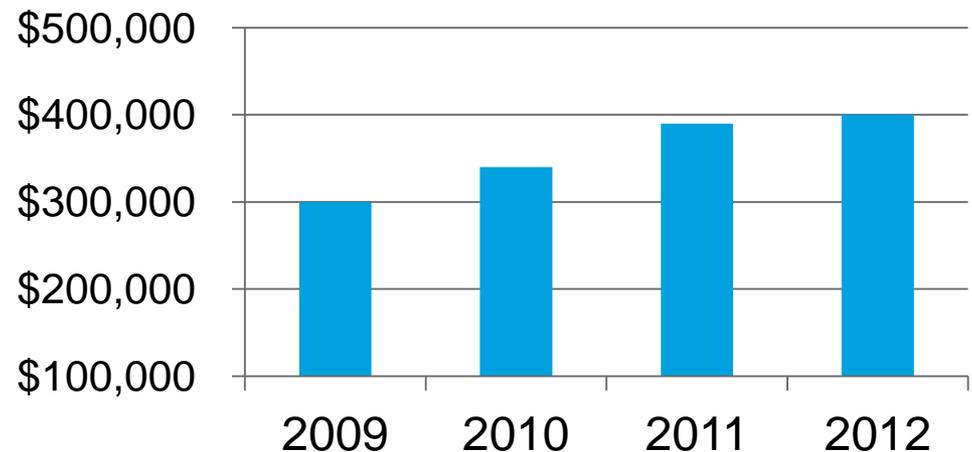
Regional Retail

- Demand gap:
 - Food & Drink,
 - Health & Personal Care,
 - Sporting Goods & Hobby,
 - Office Supply
- Growing tourism market in outdoor recreation, strong local market potential
- Economic development fosters consistent growth in outer market visitors

Retail Leakage (\$m)



Outer Market Growth



Timing, Value & Image

Use	Potential Timing	Developed Value	Incentives Required	Sales Tax Potential	Signature Identity
Big Box Retail (Destination)	Near-Mid Term	High	Significant	High	High
Local Retail	Mid-Term	High	Useful	High	Moderate
Entertainment/Hospitality	Near-Mid Term	Medium	Significant	Moderate	High
Office/Flex	Long-Term	Medium	Minimal	No	Moderate
Industrial	Near-Mid Term	Low	Minimal	No	No
Mixed-Use	Phased	High	Likely	Minimal	Moderate

Legend

Opportunity/
Advantage

No Strong
Influence

Drawback/
Challenge

Local Area Profile

- 10% of metro population
- 10% of metro employment
- Key connection between residential & future employment
- Area functions as regional market (40% of residents/workers cross river daily)

Site Facts

Site Size	91.198 acres
Estimated Buildable Area	60-65 acres
Average Daily Vehicles (I-280 and SH 92)	32,800
Primary Trade Area Residential Population	71,538
Primary Trade Area Average HH Income	\$50,018
Daytime Employment (2 mile)	7,257
Casino Seats	1,144
Casino Visitors	1.5 million
Hotel Annual Room Nights	63,500

Opportunities

- Positive reputation of Rock Island as business-friendly
- Opportunity to shape perception at high visibility site
- Entertainment cluster potential
- Economic diversification

Demographic Overview

Community Profile

Rock Island is one of the core municipalities which comprise the Davenport-Moline-Rock Island MSA, better known as the Quad Cities. The total population of this area includes roughly 380,000 residents.

Within the metro area, Rock Island is known for its role as a historic manufacturing hub and is the home of the Rock Island Arsenal, a major economic generator for the region. The city is also home to a significant percentage of the area's cultural and civic attractions which draw area residents and regional visitors. Rock Island has a reputation for being forward thinking, reasonable and business friendly in its approach to growth and development.

Population & Demographics

Population:
Rock Island County - 180,000 residents,
City of Rock Island - 38,000 residents
Growth Projections - 4.5% through 2025

Spending:
Quad Cities Consumer Market - Over \$5 billion annually
2012 Median HH Income (Quad Cities) - \$37,000
2012 Median HH Income (10-mile) - \$35,000

The local trade area is generally considered as a whole, with an estimated population of 380,000. The Quad Cities region is an influx of young professionals and families. The Quad Cities communities are growing with slow but steady momentum.

Industry & Employment

Rock Island's employment count of just over 18,000 employees equals roughly ten percent of metro area employment, which is comparable to its share of local residents. Half of these employees work in close proximity to the site.

Rock Island is an important part of the Quad Cities' economic base, with specific strengths in the area of manufacturing, telecommunications and advanced services. Major employers include the Rock Island Arsenal, Jumer's Casino & Hotel, Augustana College, Jaydon, and the TPC.

Site Overview

Key Facts	
Site Size	60 acres
Estimated Buildable Area	60-65 acres
Zoning	Agricultural (PUD) will be based on final concept

Market Characteristics

Average Daily Vehicles (I-280 and I-80)	32,300
Average Daily Population*	71,539
Primary trade area Average HH income	\$50,016
Daytime Employment (2 miles)	7,257
Adjacent casino visitors	1,144
Adjacent hotel annual room nights	1.2 million
Primary Trade area = 10 minute drive	63,650

Access

Direct signaled access will be provided from Route 92. This intersection already approved by DOT, will be similar to the access provided to Jumer's Casino & Hotel. Additional access to the site is available via the Airport Road exit on Interstate 280, continuing along 59th Avenue West.

Location

The 62-acre site is located at the northeast corner of Interstate 280 and Illinois Route 92 within the City of Rock Island. Interstate-280 is part of the beltline around the metro area, while Route 92 is one of four Mississippi river crossings within the Quad Cities.

Surrounding uses include the Jumer's Casino & Hotel to the south, single family residential to the east, and a business park to the north. Jumer's is planning for the near-term addition of a second hotel tower on their site, and expansion of business parks to the south are also under development.

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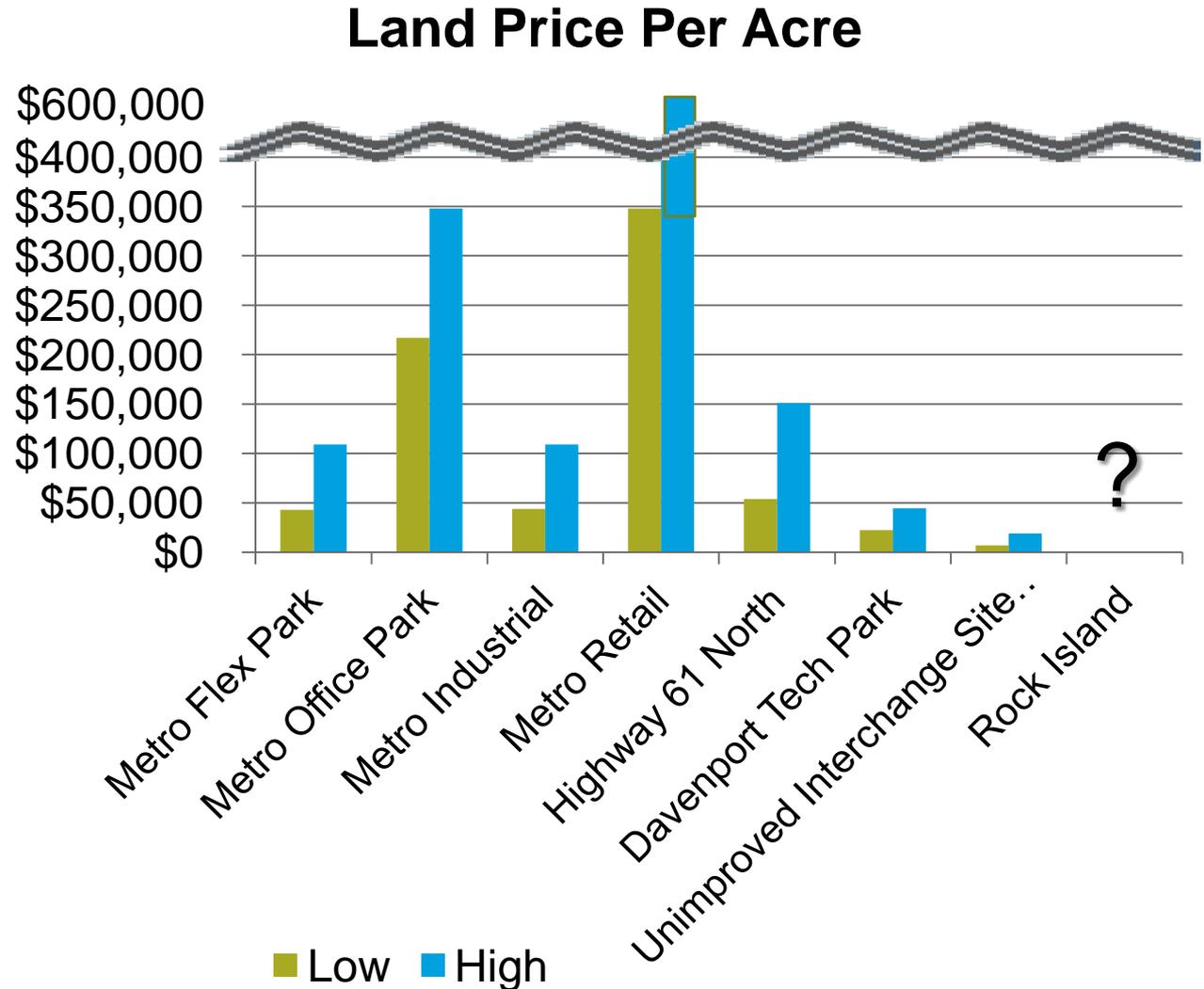
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The site is well positioned to capture both daytime and evening traffic.

Competitive Position

- Of 11 major intersections, 5 have development opportunities of 90 acres or greater
- Largest zoned parcel with utilities to site is 30 acres



Concept Planning: Overview

- Maximize local cluster & complementary uses
 - Build critical mass on site to boost value/appeal of development
- Near term market timing
- Future funding & phasing implications

What they said:

- Maximize density in northern portion – existing demand, near term sales to fund future phases
- Proximity more important than visibility

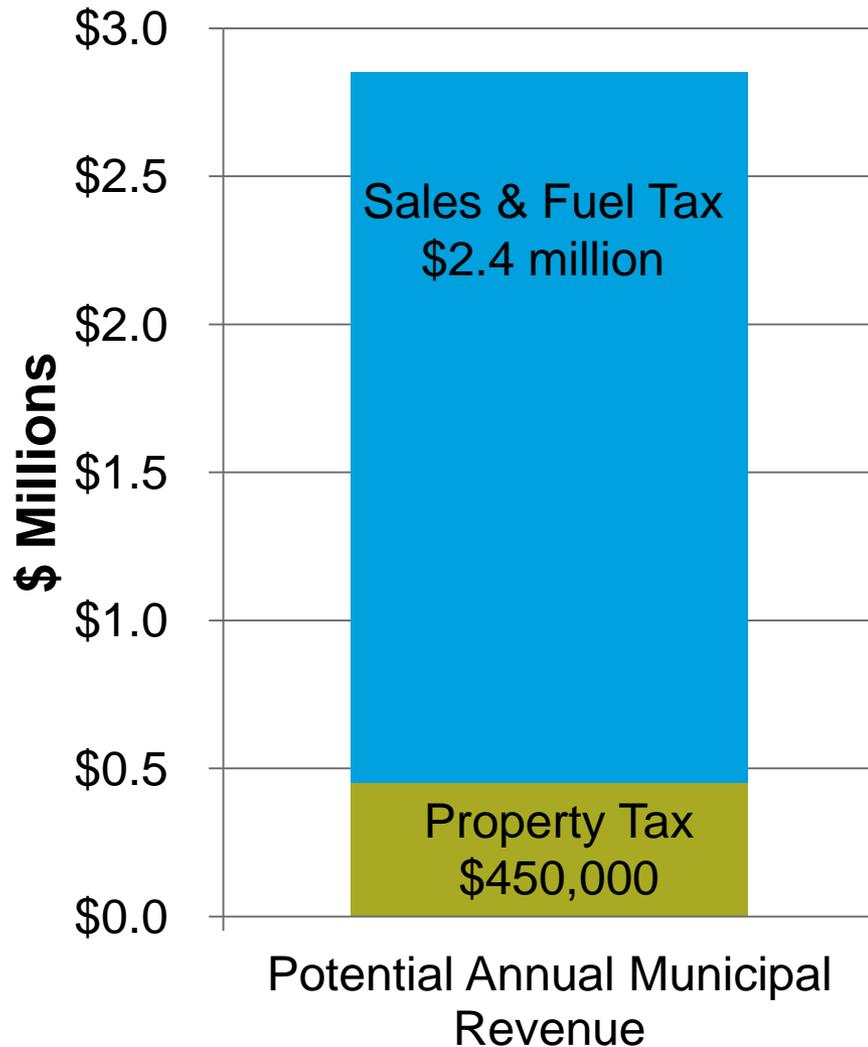
Final Concept

Includes

- 58,000 square feet of service and convenience retail
- 214,000 square feet of large format retail
- 75 multi-family residential units

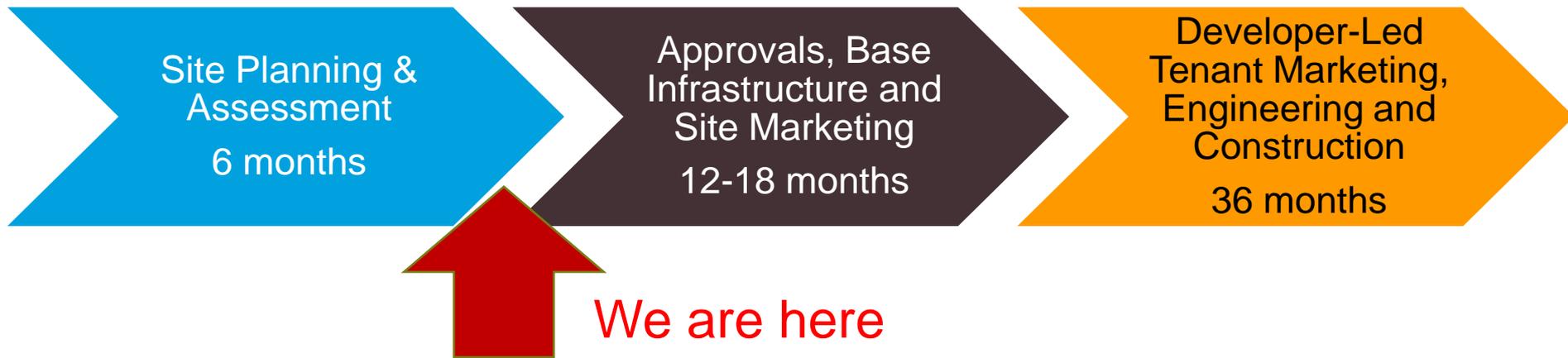


Potential Annual Returns



- \$44,000 in annual revenue per buildable acre
- Expansion of local entertainment/retail cluster
- Increased capture of visitor spending
- Supports area residential housing demand

Development Timeline



- Timing of site marketing is key to maximizing developer interest
 - Be able to answer questions before reaching out (soils, timeline, utilities, etc)
 - ‘How’ as well as ‘How much’

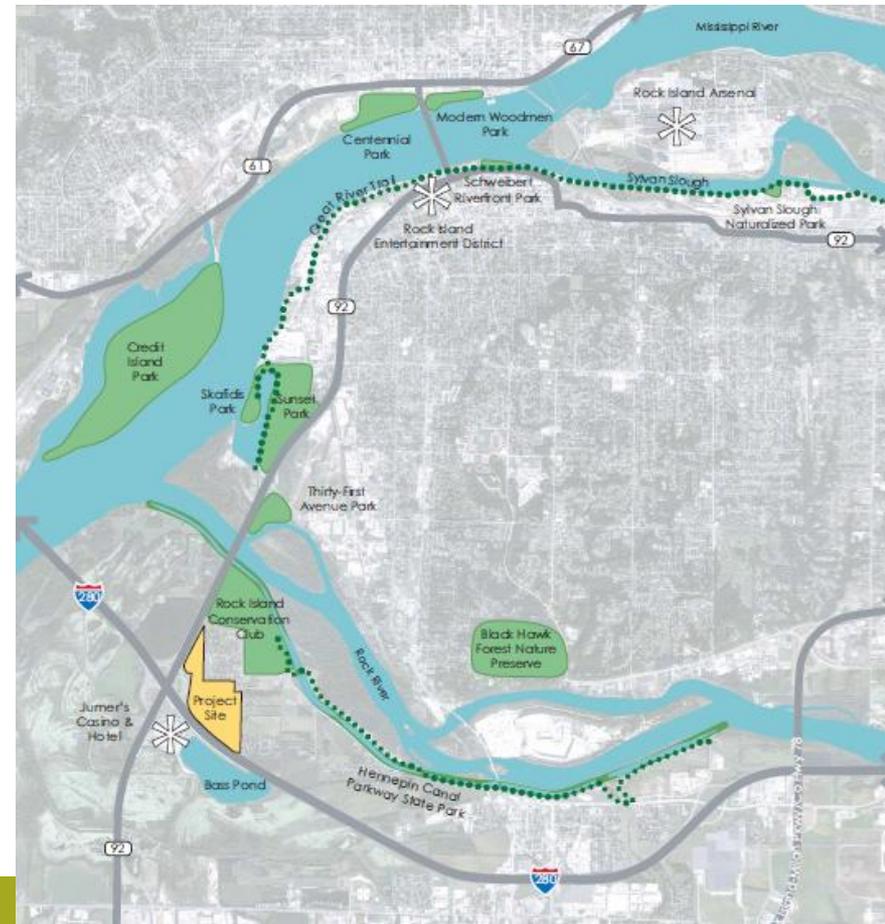
Development Timeline

Approvals, Base
Infrastructure and
Site Marketing
12-18 months

- Kickoff for this phase includes:
 - Set site listing price,
 - Determine general incentives package,
 - Develop marketing materials
- Outreach:
 - Host local site tour,
 - Meet individually with local developers,
 - Consider RFP for development services
- Site Preparation:
 - Interchange design & approvals
 - Levee approvals
 - Utility plan approvals, extension

Other Considerations

- Developer essential to attract retail uses. Many destination retailers work with developers, not brokers.
- Regional or national developer outreach
 - New Markets Tax Credits
 - Casino experience
- Creative Approaches



Questions?