Downtown Davenport Market Analysis

First Quarter 2025

Prepared For:

DOWNTOWN DAVENPORT PARTNERSHIP

April 15, 2025

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I. Market-Supported Opportunities

Downtown Davenport has experienced significant (re)development since 2010, doubling the housing stock and renovating significant ground floor space for new retail, restaurant, and entertainment venues, such as the Capitol Theatre and The Last Picture House. The following market-supported opportunities exist to expand the market further.

Apartments: The downtown area can absorb approximately 300 more units (in addition to AOM) within the next five years, distributed evenly at 100 units for each program below.

Multifamily housing is closer to a balanced market than in the past several decades. With strategic pricing and careful placement, there remain promising prospects for apartment development downtown.

- *Low-Income* - Properties within this group are typically financed through Low-Income Housing Tax Credit and HUD programs (examples: Federal Point and Lafayette Square). DDA recommends prioritizing acquisition rehab of some of the closed/boarded-up multifamily buildings downtown.
- *Mixed-Income* - Mixed-income properties offer low-income housing (up to 80% AMI) and market-rate housing without income limitations (examples: Crescent Lofts and 501 Brady). These property types are excellent ways to attain a diversity of incomes in neighborhoods and bring higher incomes and spending into historically low-income areas. In DDA's opinion, the former YMCA site is well suited for this program, but it can potentially have a higher share of market-rate housing as part of a vibrant mixed-use development.
- *Market-rate (50% moderately priced/50% high)* - Households that can afford moderate- to high-priced market-rate rentals have choices, so the placement of market-rate projects should have attractive site locations and surroundings. In certain circumstances, the developer can enhance the market-rate housing area by incorporating retail/restaurants on the ground floor of the apartment development. The Mississippi Plaza project fits the latter circumstance and, in our opinion, is a good candidate for a mixed-use market-rate property.

DDA surveyed 1,590 of the approximately 1,900 apartment units downtown in the first quarter of 2025. The market-rate vacancy rate was 95.7%, which is considered a healthy overall occupancy rate.

Office: Achieve a fair share of office tenants, contributing to a 5% occupancy increase

The exodus of office tenants to newer spaces along the East 53rd Street corridor came at the expense of occupancy in other areas of the city because the construction of office space far outpaced office-related employment in Davenport and the Quad City region. The downtown's three largest for-lease office buildings, US Bank, Redstone, and CBI Bank, have occupancy rates of 82.6% to 85.7%, slightly below the November 2024 Scott County rate of 89% but above Rock Island County's 79%. To regain its fair share of office tenants, the following items should be considered:

- Incentivize employers/employees with income tax credits, build-out/tenant improvement (TI) grants, and parking incentives
- A build-to-suit and owner-occupied project offering stellar river views
- Convert and upgrade approximately 10,000 square feet of conventional office space into coworking space.

The Quad Cities region is well-suited to supporting coworking spaces because the business and non-employer profiles are similar to the target coworking profile.

Retail/Restaurants: Capitalize on Davenport's "foodie" destination by offering a more diverse variety of food & beverage businesses and retailers found in comparable downtowns.

- Food hall
- Arcade bar (with food)
- Bubble tea shop
- Electronics/computer/phone repair store
- Florist/plant store
- Ice cream/yogurt shop
- Musical instruments store
- Optical store

The food hall concept provides a low-cost opportunity for restaurateurs and an exciting mix of dining for visitors. Food halls were included in five of the seven comparable downtowns and six of the seven cities studied.

Compared with seven other downtown areas, Downtown Davenport has the highest share of visitors who would rather dine downtown than eat elsewhere before or after visiting the downtown.

South Market, Lebanon, PA source: southmarketlancaster.com

DDA identified 97 retail/restaurant spaces within the downtown, totaling an estimated 312,939 square feet. A total of 30,089 square feet is vacant, yielding a 9.4% vacancy rate. This is considered a healthy rate, slightly above the regional average, but several spaces are oversized or have limited market exposure.

Visitation/Spending: Increase visitation and cross-shopping with better connectivity

- Incorporate creative wayfinding signage to encourage people to walk to other corridors.
- Focus tenancy on the ground floors of the Redstone and Parker Buildings to fill current gaps.
- Explore outdoor "eatertainment" opportunities, combining dining with a game yard.

Visitation to downtown was 5.9 million in the last 12 months (not including resident visits, source: Placer.ai). Downtown Davenport visitors have higher median incomes than five of the seven comparable downtown areas and an above-average visit count by square feet.

The most vibrant downtown areas are walkable, providing a unique experience and, in some cases, a sense of adventure. Future planning efforts should focus on optimizing connectivity in the downtown area. This could include adding creative wayfinding signage, new tenant types, and relocating outlying tenants to key locations.

Union Restaurant & Gameyard, Jeffersonville, IN

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II. Introduction

Objective

DiSalvo Development Advisors, LLC (DDA) will analyze the Downtown Davenport housing and commercial markets and provide market-supported opportunities.

Methodology

DDA's conclusions related to market-supported opportunities in the downtown area are based on our analysis of market conditions, demographic and economic factors, visitor profile, and characteristics of other comparable downtown areas. A summary of the key issues considered in the analysis follows.

1. Market Conditions

- Update survey of apartments in the downtown and City of Davenport
- Survey of commercial properties to identify building trends, occupancy levels, and lease rates.
- Identification of new and proposed developments impacting the market

2. Demographic and Economic Summary

- Household trends have been analyzed, including increases/decreases in households, incomes and tenures (owner/renter).
- A review of major employers, labor force, unemployment rate and distribution of employees by industry type will be provided.

3. Visitation Analysis

- A comparative visitor analysis will be completed using Placer.ai data provided by the client.

4. Comparative Downtown Analysis

- Seven downtown areas will be compared with Davenport to identify differences in visitor trends and tenant types.

Uses, Applications and Assumptions

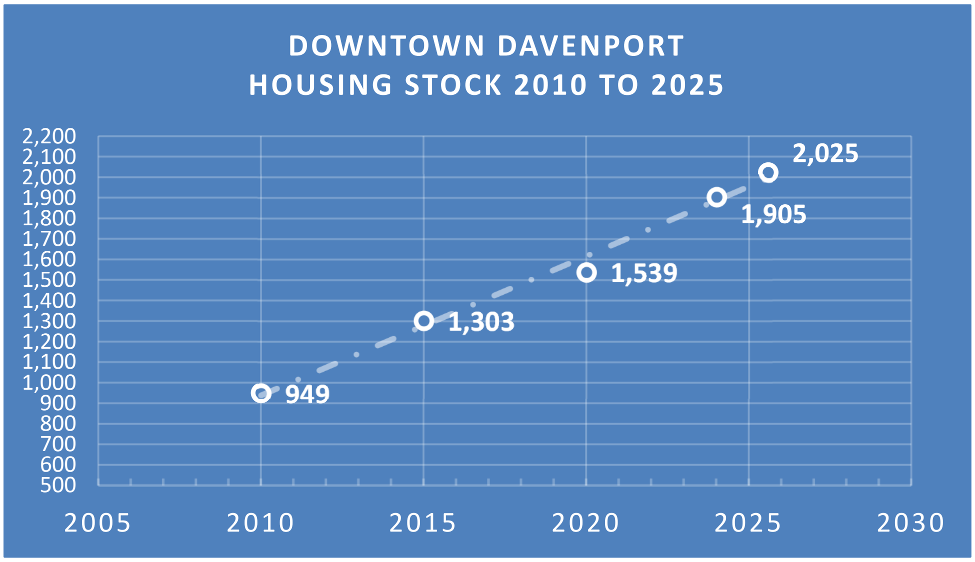
Although this report represents the best available attempt to identify the current market status and future market trends, it is important to note that most markets are continually affected by demographic, economic, and developmental changes. Additionally, properties with less marketable location, asking price, or other characteristics may have a market response that does not correspond with prevailing market conditions.

This study represents a compilation of data gathered from various sources, including the properties surveyed, local records and interviews with local officials, real estate professionals and major employers and the use of secondary demographic material. Although we judge these sources to be reliable, it is impossible to authenticate all data. The analyst does not guarantee the data and assumes no liability for any errors in fact, analysis or judgment. The conclusions contained in this report are based on the best judgments of the analysts; we make no guarantees or assurances that the projections or conclusions will be realized as stated.

III. Multifamily Analysis

1. Downtown Davenport Housing Stock

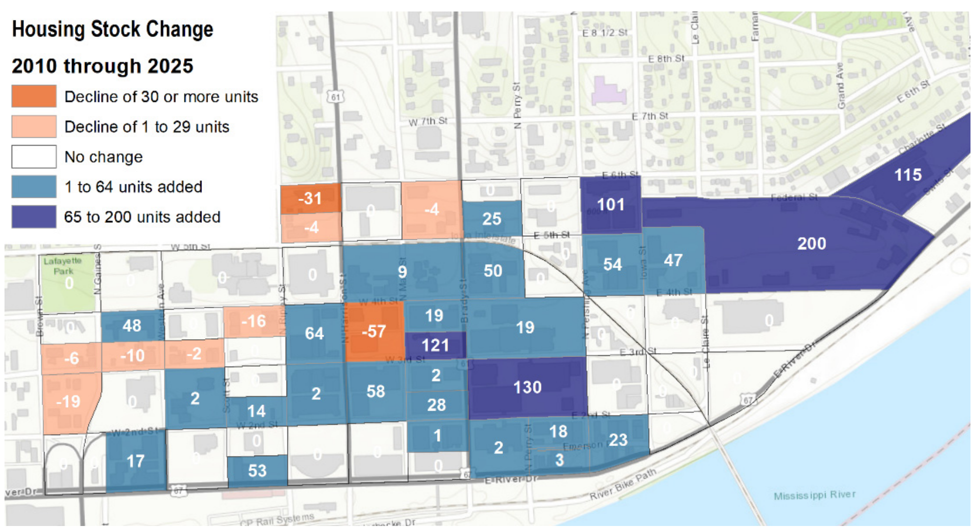
Housing stock trends in Downtown Davenport are based on the 2010 and 2020 decennial census, supplemented by housing statistics from DDA and the Downtown Davenport Partnership. The Census Bureau does not include units deemed uninhabitable in its count, and DDA has no current information to change the uninhabitable count since 2020, except for a demolished apartment building.



Since 2010, housing stock has increased consistently. From 2010 to 2020, the housing stock in downtown increased 62.2%, compared to 12.2% for the rest of the City of Davenport (sources: 2010 and 2020 Census).

The downtown housing stock has doubled since 2010. With the soon-to-be-opened 120-unit Apartments On Main, AOM, the downtown housing stock is anticipated to exceed 2,000 units by year-end.

A review of housing stock by census block shows that the most significant gains were on the east side, in the historic Crescent Warehouse and Gordon-Van Tine historic districts, and in the central portion of downtown.



From 2010 to 2020, a reduction of habitable units was concentrated on the west side of downtown along the historic West 3rd Street corridor. The largest decline occurred after 2020 with the demolition of the former 76-unit Davenport Hotel (shown as -57 because the Census Bureau added the 19-unit Berg building in 2020).

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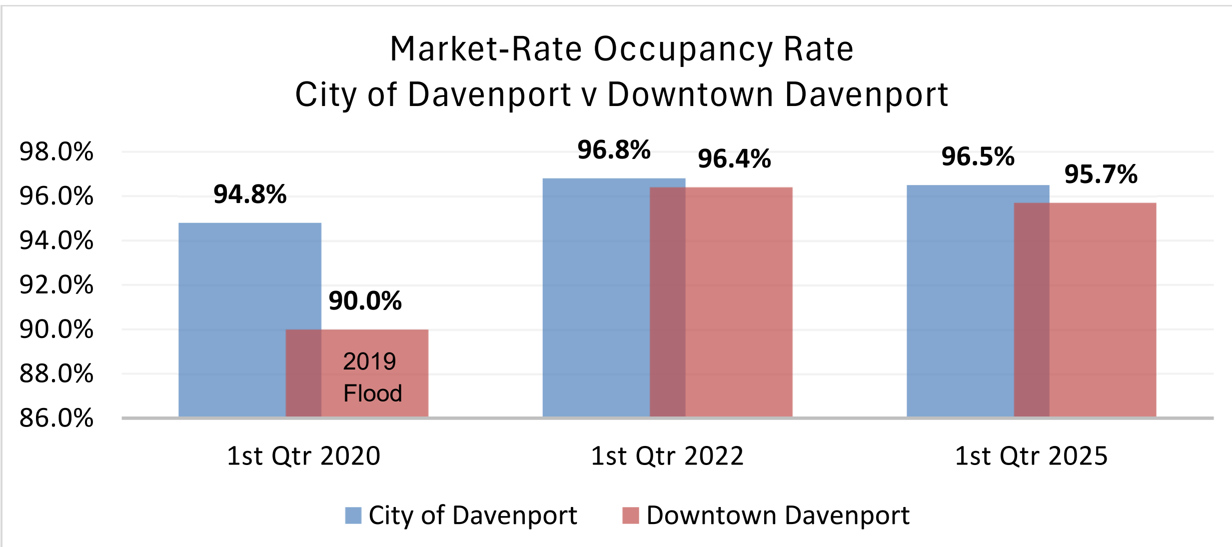
2. Market Conditions

DDA surveyed 1,590 of the approximately 1,900 apartment units downtown in the first quarter of 2025, and an additional 4,690 apartment units were surveyed throughout the City of Davenport.

The survey was conducted by phone; in some circumstances, management was called multiple times to verify information[1]. The survey results identify a snapshot of market vacancies or the number and types of units available at properties for immediate occupancy. This is standard in the market analysis industry but differs from "economic" vacancies, which reflect all unoccupied units, including those being turned and unavailable for immediate occupancy.

The first quarter 2025 occupancy rate among market-rate units downtown and citywide is slightly down from a 2022 survey. A 95% occupancy rate is considered healthy in the industry. The low occupancy in downtown in 2020 is primarily attributed to the 2019 flood.



Market vacancies among low-income housing, targeting households earning no more than 60% of area median income, continue to be nearly non-existent, and waiting lists are commonplace. The Kahl Lofts, which opened in October 2022, rented all 128 units by January 2023, yielding at least an average initial rent up of 32 units per month. This lease-up rate is higher than typical market-rate properties and is indicative of the demand for low-income housing. No vacancies exist among rental-assisted properties, including downtown's Heritage and Edgewater on Third.

Kahl Lofts - photo source: www.kahllofts.com

Federal Point, a 185-unit low-income downtown housing property, opened in 2024 and reportedly rented all units. The actual opening dates and stabilized occupancy were not available.

[1] Although we judge these sources to be reliable, it is impossible to authenticate all data. The analyst does not guarantee the data and assumes no liability for any errors in fact, analysis or judgment.

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Downtown Rental Rates

There is a wide range of collected rent among each unit type, however, the higher average occupied rental rate is reflective of the large share of adaptive reuse, renovated, and newly constructed units, especially those offering studios or efficiency units. There is a small share of low-cost market rate properties in the downtown area, like Central Lofts (see photo on right).

As a result, the average studio rent is higher than the one-bedroom average. As the table below shows, the rent for an average vacant unit is above the average rent currently being paid by renters in downtown.

	Collected Monthly Rent		
Unit Type	**Range**	**Average Occupied**	**Average Vacant Asking Price**
Studio/Efficiency	\$500 - \$1,330	\$1,178	\$1,275
One-Bedroom	\$625 - \$1,800	\$1,084	\$1,438
Two-Bedroom	\$925 - \$2,600	\$1,400	\$1,610
Three-Bedroom	\$1,500 - \$2,800	\$1,843	\$1,875

Source: DDA

Vacancies and housing stock in the downtown area were further assessed based on rent levels and unit types associated with affordability to incomes at low, moderate, and high levels.

- The low rent range is based on a 30% gross rent-to-income ratio for households earning up to 50% of the area's median income (AMI).
- The low-to-moderate rent range is based on a 30% gross rent-to-income ratio for households earning up to 75% of AMI.
- The moderate-to-high rent range is above the moderate rent range.

The following summarizes the rent range by unit type at low, moderate, and high levels. Rents have been adjusted to net with tenants responsible for all utilities other than water/sewer and trash removal services.

Net Rent Range by Unit Type			
Unit Type	**Low**	**Low-to-Moderate**	**Moderate-to-High**
Studio	<\$709	\$709 - \$1,102	>\$1,102
One-Bedroom	<\$757	\$757 - \$1,177	>\$1,177
Two-Bedroom	<\$897	\$897 - \$1,401	>\$1,401
Three-Bedroom	<\$1,027	\$1,027 - \$1,610	>\$1,610

Source: HUD Office of Policy Development and Research; City of Davenport Utility Worksheet; and DDA

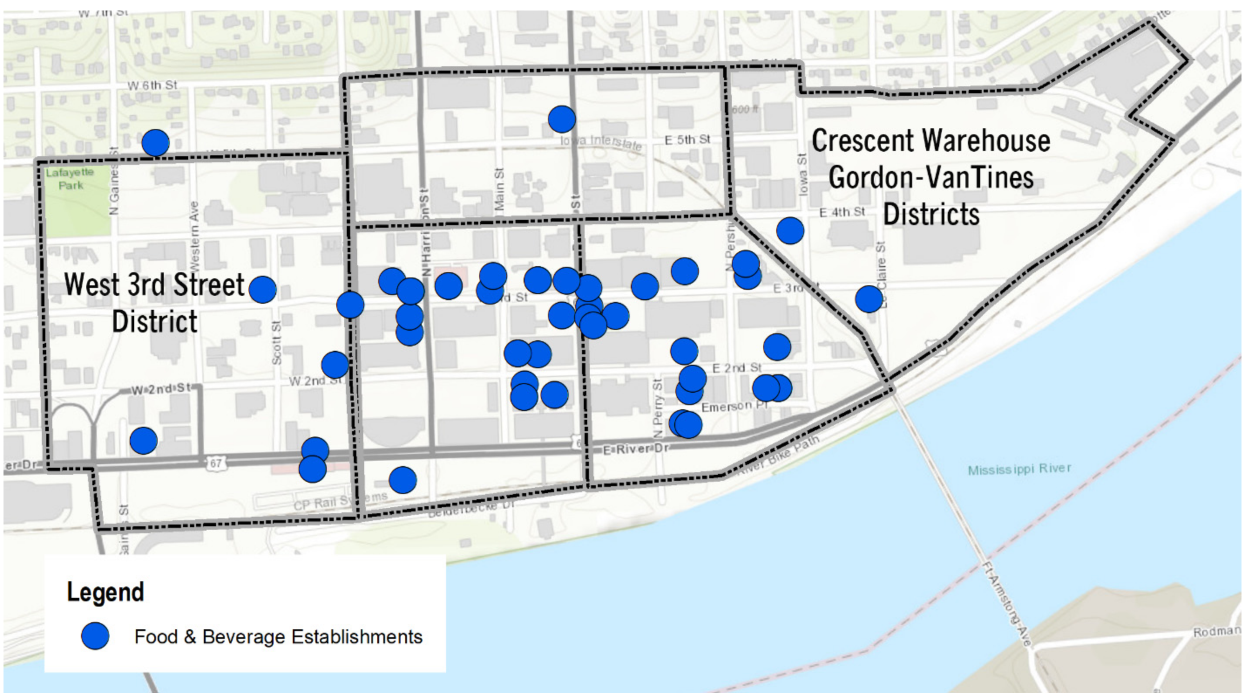
The estimated unit mix and net rent level (adjusted for utilities) among the three rent tiers show high occupancy among low and low-to-moderately priced rentals. Occupancy is 93.3% at the higher rent levels.

Rent Level	Total Units Surveyed by Bedroom Type and Rent Level				
	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Total Units
Low	30/1	283/0	7/0	-	320/1
Low-to-Moderate	47/0	456/3	263/5	11/0	777/8
Moderate-to-High	58/7	189/9	191/13	55/4	493/33
Total	135/8	928/12	461/18	66/4	1,590/42

Rent Level	Occupancy Rate by Bedroom Type and Rent Level				
	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Total Units
Low	96.7%	100.0%	100.0%	-	99.7%
Low-to-Moderate	100.0%	99.3%	98.1%	100.0%	99.0%
Moderate-to-High	87.9%	95.2%	93.2%	92.7%	93.3%
Total	94.1%	98.7%	96.1%	93.9%	97.4%

Three of the four bedroom types in the moderate-to-high rent range operate below 95%.

Nearly half the identified vacancies are on the east side of downtown, within the Crescent Warehouse and Gordon-Van Tine districts, slightly farther away from downtown attractions. Bowstring Lofts, a 19-unit property on the far west side of downtown and one of the most recent properties to open, is still in its initial lease-up and has approximately one-third of the units available for rent. Furthermore, the highest occupancy rates appear within properties closest to restaurants, bars, retail, and entertainment clusters in the central portion of downtown. A map illustrating food and beverage establishments related to areas of the downtown follows.



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3. Resident Profile and Housing Demand

Downtown Davenport's population grew by 277 people from 2010 to 2020, or 18.4% compared to 2.0% citywide. Excluding the population housed in group quarters (e.g., correction facilities), the population growth rate among households was more than twice the rate, at 39.8%. There was an increase of 334 households during this period.

Year	Downtown Davenport Population			Households	Average Household Size
	Total	In Households	Group Quarters		
2010 Census	1,382	1,109	273	792	1.40
2020 Census	1,786	1,581	206	1,175	1.35
2010 – 2020 % Change	18.4%	39.8%	-45.8%	39.7%	-3.6%

Sources: 2010 and 2020 Census

The Census Bureau had to contend with the lingering effects of the 2019 flood and COVID-19 in compiling population and household data. In DDA's opinion, the area was undercounted. In 2010, 83.5% of the housing in the downtown area was identified as occupied, compared to only 76.3% in 2020. While a DDA survey noted a decline in occupancy during this period, it was not as extreme as reported by the Census. A review of Census block data shows several discrepancies with the household counts, including identifying 21 households as homeowners where only apartments existed. DDA found that based on the number of persons per household, the total population in 2020, not including the incarcerated population, would be 1,691 instead of 1,581. A breakdown of household sizes by tenure and resulting population follows (sources: 2010 and 2020 Census).

	2010 Census		2020 Census	
Tenure Type & Household Size	**Households**	**Population**	**Households**	**Population**
Owner occupied:				
1-person household	5	5	7	7
2-person household	2	4	16	32
3-person household	-	-	3	9
4-person household	-	-	3	12
5-person household	-	-	-	-
6-person household	-	-	-	-
7+person household	-	-	1	7
Total	7	*9*	30	*67**
Average Household Size	*1.29*		*2.23*	
Renter occupied:				
1-person household	574	574	837	837
2-person household	151	302	203	406
3-person household	35	105	61	183
4-person household	13	52	26	104
5-person household	8	40	14	70
6-person household	2	12	4	24
7+person household	2	15	-	-
	785	*1,099*	1,145	1,624
Average Household Size	*1.40*		*1.42*	

*Count assumes 7+person households include exactly seven persons.

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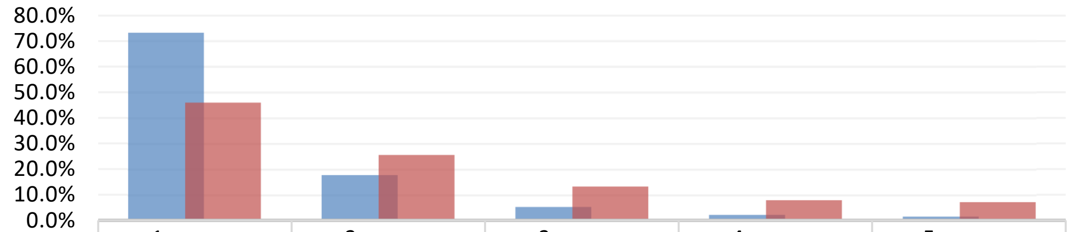
Three-fourths of the renter households in Downtown Davenport include a single person, compared to 46% citywide. The high share of one-person renter households is common in downtown areas.

Renter Household Sizes By Share
Downtown v. City of Davenport



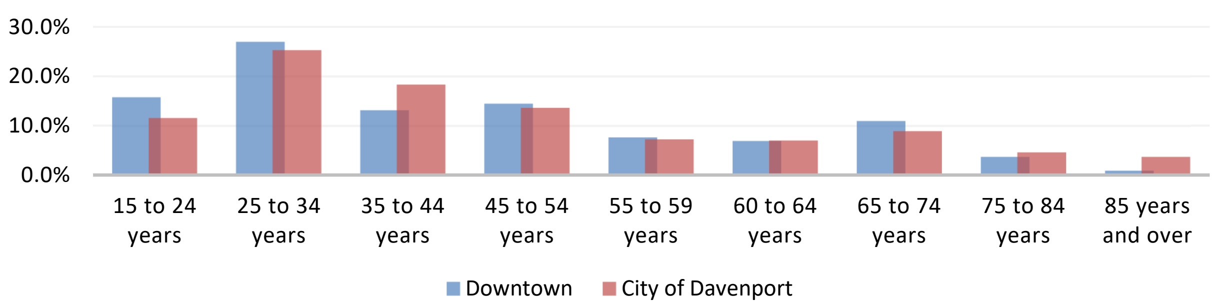
	1-person household	2-person household	3-person household	4-person household	5+person household
Downtown	73.1%	17.7%	5.3%	2.3%	1.6%
City of Davenport	45.9%	25.6%	13.3%	8.0%	7.2%

The distribution of householders by age remained relatively the same as in 2010, with a slight shift from 15- to 24-year-olds to 25- to 34-year-olds.

Householder Age	2010 Census		2020 Census	
	Total	**Share**	**Total**	**Share**
15 to 24 years	136	17.2%	184	15.7%
25 to 34 years	184	23.2%	316	26.9%
35 to 44 years	99	12.5%	154	13.1%
45 to 54 years	125	15.8%	169	14.4%
55 to 59 years	54	6.8%	89	7.6%
60 to 64 years	42	5.3%	81	6.9%
65 to 74 years	82	10.4%	128	10.9%
75 to 84 years	45	5.7%	43	3.7%
85 years and over	25	3.2%	11	0.9%

The downtown has a slightly higher share of Millenials and Silent/Greatest Generations. The higher share of elderly is attributable to two subsidized housing projects for persons ages 62 and older.

Share of Householders by Age
Downtown v. City of Davenport



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Resident Mobility

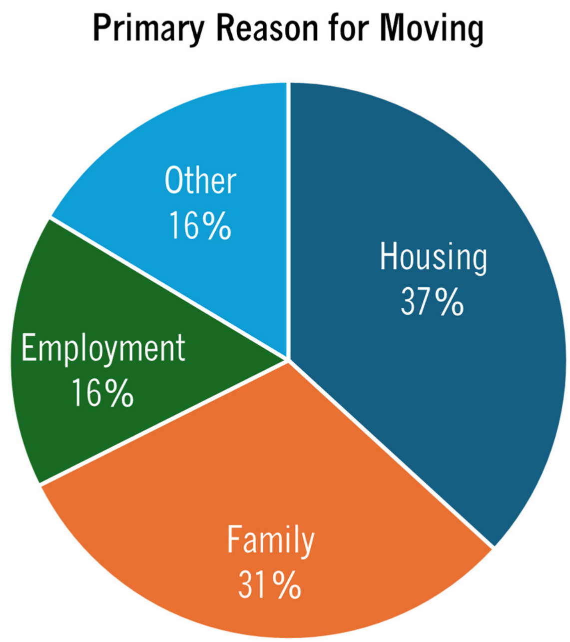
Primary Reasons for Moving

The US Census estimates that 18-year-olds can expect to move 9.1 times in their lifetimes and 2.7 times by age 45.

Understanding why people move provides insight into household migration, housing demand, and housing gaps.

The Current Population Survey Annual Social and Economic Supplement (CPS ASEC) categorized 20 reasons for moving into four categories: Housing, Demographics (Families), Employment, and Other.

Note: The Census Bureau appears to have included the primary reason of "Wanted better neighborhood/less crime" in the housing category. DDA moved this reason to "Other."



a) Scott County

From 2021 to 2022, more people moved out of Scott County (Outflow) than into Scott County (Inflow). Scott County's largest inflow and outflow is Rock Island County, Illinois, but more people move into Scott County from Rock Island than Scott County residents move to Rock Island County.

	Inflow		Outflow	
Place of Migration	**Population**	**Share**	**Population**	**Share**
Same State	1,716	24.0%	1,921	25.6%
Clinton County	349	4.9%	356	4.7%
Muscatine County	213	3.0%	268	3.6%
Johnson County	172	2.4%	263	3.5%
Polk County	148	2.1%	253	3.4%
Linn County	128	1.8%	155	2.1%
Cedar County	115	1.6%	97	1.3%
Other flows - Same State	305	4.3%	300	4.0%
Different State	5,441	76.0%	5,592	74.4%
Rock Island County	1,749	24.4%	1,419	18.9%
Cook County	203	2.8%	184	2.4%
Henry County	171	2.4%	158	2.1%
Other flows - Different State	2,796	39.1%	3,232	43.0%
Other flows - Northeast	126	1.8%	172	2.3%
Other flows - Midwest	1,082	15.1%	1,222	16.3%
Other flows - South	999	14.0%	1,353	18.0%
Other flows - West	589	8.2%	485	6.5%
Total Migration-US	7,157	100.0%	7,513	100.0%

Source: Internal Revenue Service (IRS) Statistics of Income (SOI) Division

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b) City of Davenport and Downtown (Zip Code area 52801)

Renters in the downtown area are more transient than renters citywide, with a higher share moving within Scott County. From 2014 to 2018, the share of renters who moved from a different state was highest at 14.3%, triple the share of out-of-state residents moving into Davenport. However, more recent data shows that the share of persons moving from outside the state has declined by 4.6 percentage points and is now 1.3 times higher than the citywide rate.

	Five-Year Average			
	2014-2018		2019-2023	
Area Moved From	**Davenport**	**Downtown**	**Davenport**	**Downtown**
Same county	12.3%	20.3%	16.5%	25.1%
Different county, same state	1.7%	0.0%	3.4%	11.7%
Different state	4.3%	14.3%	7.4%	9.7%

Source: ACS 2014-2018 and 2019-2023, Subject Table 0701
Note: The margin of error is high at the zip code level. Zip code area 52801 was used to represent Downtown Davenport since detailed data from the American Community Survey is not available at levels smaller than the zip code.

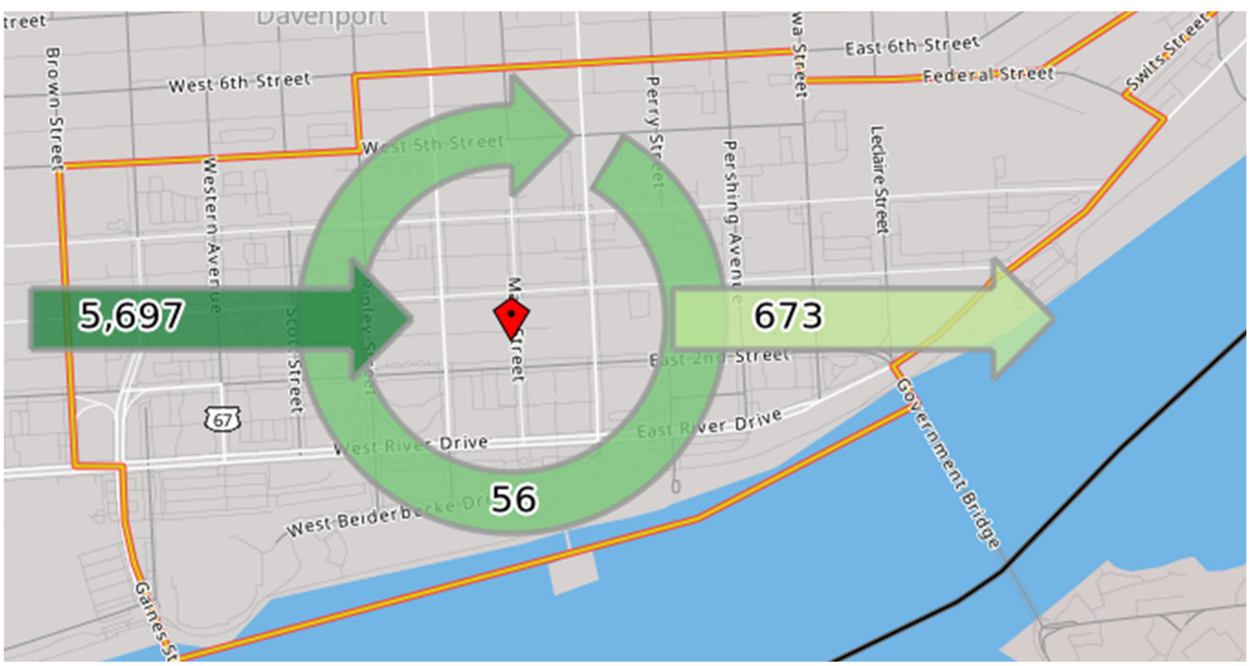
Place of Work and Residence

Employment-related situations represent 16% of the primary reasons people choose to move.

Category	Primary reason for moving	Rank	Share
Employment	New job or job transfer	3	9.2%
	To be closer to work/easier commute	12	4.2%
	To look for work or lost job	15	1.3%
	Retired	17	0.8%
	Other job-related	19	0.5%

Source: CPS ASEC

In 2022, more than nine out of ten downtown residents work outside the downtown area (source: Census on the Map).



According to IRS tax returns, there are more self-employed persons in the downtown (70) than people who live and work downtown (56). A total of 5,697 people commute into the downtown for work and 673 of downtown residents work outside the downtown area .

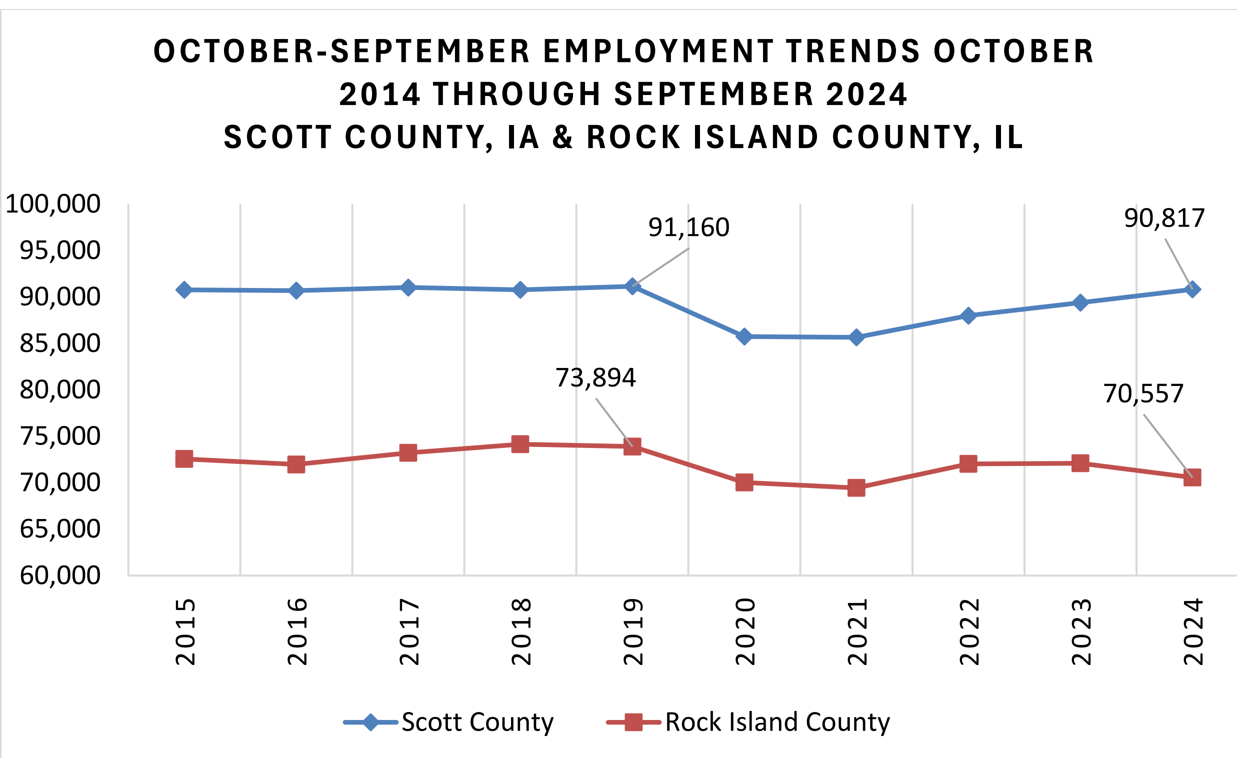
The downtown employment base has the highest share of workers who live in Scott County, Iowa, and a higher share of employees who live in Rock Island County, Illinois, compared to the City of Davenport and Scott County. The following is a distribution of where workers live and work in the downtown area, the City of Davenport, Scott County, and Rock Island County.

County, State of Residence	Place of Work			
	Downtown	City of Davenport	Scott County	Rock Island
Scott, IA	57.9%	52.4%	53.6%	18.2%
Rock Island, IL	16.4%	14.8%	15.2%	47.5%
Clinton, IA	3.0%	3.7%	4.1%	1.2%
Henry, IL	2.0%	2.4%	2.6%	7.4%
Muscatine, IA	1.9%	2.0%	1.8%	0.5%
All other	19.8%	24.7%	22.7%	25.2%

Nearly one in five workers in Rock Island live in Scott County, Iowa, which is three percentage points higher than Scott County employees who reside in Rock Island County.

County Employment Trends

The Quad Cities region was hit harder by COVID-19's economic impact than many metropolitan areas, and employment levels are still below pre-COVID-19 levels. Scott County has experienced a slow but consistent increase in employment and is nearly back to 2019 levels. Rock Island County started a similar increase in employment but peaked in 2023 and saw a slight decline from October 2023 through September 2024.



Capture Rate Demand Analysis

Renter household incomes for Scott County were assessed because nearly 60% of downtown's employees live in Scott County and 54% of residents had a prior residence in Scott County,

DDA organized income data by AMI % (Area Median Income) to assess the size of each income group as it relates to potential housing development in Downtown Davenport. A summary of income ranges by household size and income levels follows (source: HUD Office of Policy Development and Research).

	Income Levels by Household Size and AMI %		
	Low	**Low-to-Moderate**	**Moderate-to-High**
Renter Household Size	**<50%**	**50% - 80%**	**80%+**
One-Person	<$31,350	$31,350 - $50,160	>$50,160
Two-Person	<$35,800	$35,800 - $57,280	>$57,280
Three-Person	<$40,300	$40,300 - $64,480	>$64,480

A distribution of renter households in 2024 by household size and income level is estimated below.

Renter Household Income	**1-PHH**	**2-PHH**	**3-PHH**	**4+PHH**	**Total**
Less than $15,000	2,794	721	593	439	4,547
$15,000 - $24,999	1,744	540	352	186	2,822
$25,000 - $34,999	1,434	798	213	415	2,860
$35,000 - $39,999	504	303	190	182	1,178
$40,000 - $44,999	597	358	225	215	1,395
$45,000 - $49,999	483	290	182	174	1,130
$50,000 to $59,999	908	785	221	336	2,250
$60,000 to $74,999	1,111	960	271	411	2,753
$75,000 - $99,999	595	611	114	765	2,085
$100,000 - $149,999	437	508	578	513	2,036
$150,000 or more	108	189	176	108	581
Total	10,715	6,063	3,115	3,744	23,637

Based on estimated achievable capture rates for the downtown area, DDA projects a near-term demand for 362 additional units. Considering the 120-unit Apartments on Main (AOM), the net total support for moderate-to-high apartments will be 64 units, reducing the total demand to 242 units.

	Estimated Renter Households by Income Level and AMI %		
	Low	**Low-to-Moderate**	**Moderate-to-High**
Renter Household Size	**<50%**	**50% - 80%**	**80%+**
One-Person	5,449	2,122	3,144
Two-Person	2,107	1,474	2,482
Three-Person	1,361	696	1,058
Total	8,918	4,292	6,684
Achievable Capture Rate	5% - 5.5%	20% - 22%	10%
Unit Demand	446 - 490	858 - 944	668
Current Market Support	392 (4.4%)	810 (18.8%)	484 (7.2%)
Near-Term Potential	54 to 98 units	48 to 134 units	174 units

*Reduced by 10 units to account for higher vacancy rate

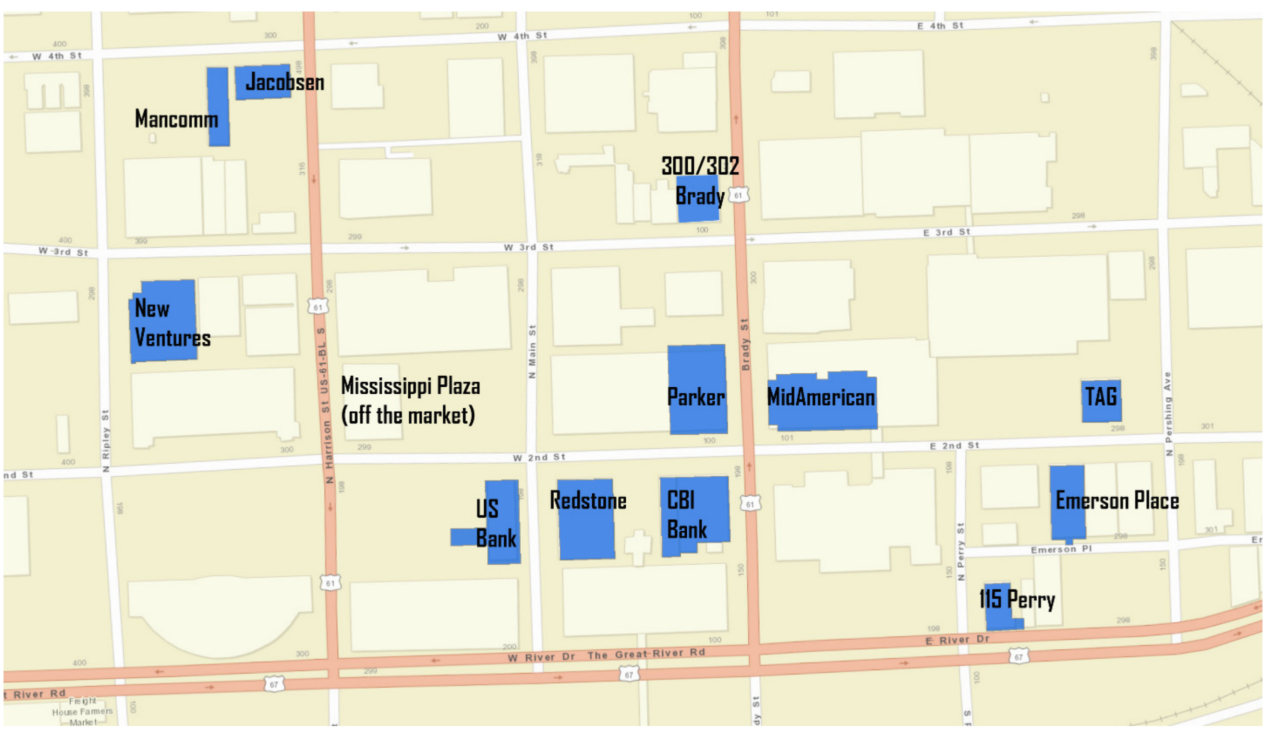
IV. Office Space Analysis

1. Downtown Office Supply

DDA identified 13 downtown buildings with more than 10,000 square feet of office space. Nearly 40% of the office buildings surveyed were owner-occupied, including the area's largest office building, MidAmerican Energy. A summary of the office buildings and reference map follow (the Quad City Times building is not shown on the map).

Property/Owner	Estimated GLA	Vacant Square Feet	Occupancy Type	Vacancy Rate	Asking Net Lease PSF
MidAmerican	170,000	0	Owner-occupied	-	-
Quad City Times	20,923	0	Owner-occupied	-	-
TAG	11,784	0	Owner-occupied	-	-
Redstone	67,435	11,705	Multi-tenant; lease or own	17.4%	$9.95
US Bank	65,402	10,699	Multi-tenant; lease	16.4%	Negotiated
CBI Bank	55,534	7,934	Multi-tenant; lease	14.3%	$8.00
Parker Condos	47,518	N/A	Multi-tenant; lease	N/A	N/A
New Ventures	35,944	25,582	Multi-tenant; lease	71.2%	$9.33-$11.48
Jacobsen Building	20,160	6,720	Multi-tenant/co-work lease	33.3%	$12.00
Emerson Place	17,920	0	Multi-tenant; lease	0.0%	-
111 Perry Street	12,960	0	Multi-tenant; lease	0.0%	-
Mancomm Building	12,000	12,000	Single tenant; lease or own	100.0%	$12.50
300/302 Brady St.	11,754	0	Multi-tenant; lease	0.0%	
Total Office Space	549,334	74,640	All Types	13.6%	
Multi-tenant lease	*287,109*	*62,640*	*Multi-tenant; lease*	*21.8%**	*$8.00 - $12.00*

*The vacancy rate includes space available within 60 days and may slightly overstate current availability.
N/A – not available; **GLA**- Gross leasable area; **PSF** – Per square foot.

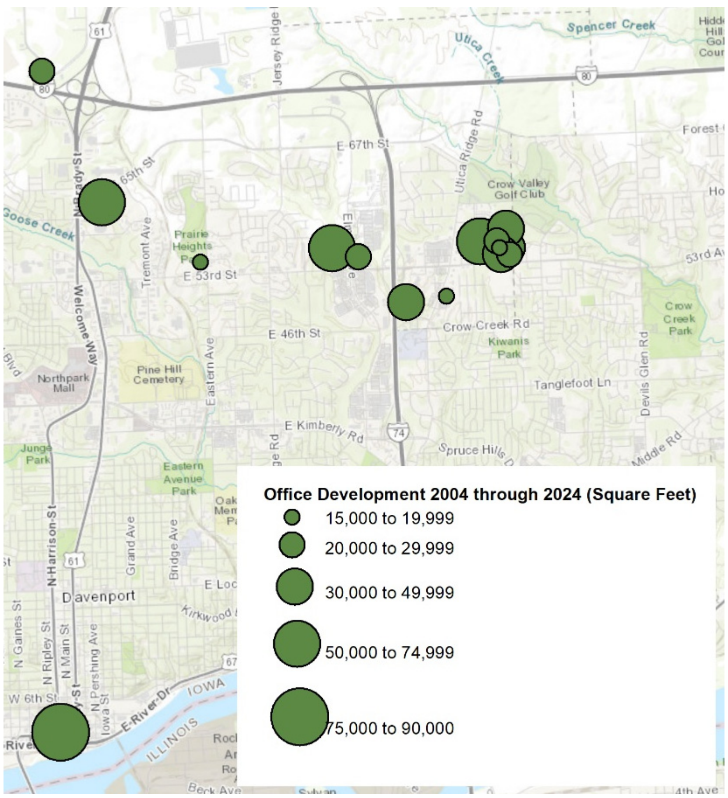


The overall vacancy rate of multi-tenant for-lease space is high at 21.8%. However, properties east of Harrison Street along the 2nd Street corridor fare better, with an overall average of 12.8% attributed to full occupancies at several smaller-scale office developments. The three largest multi-tenant properties east of Harrison have occupancy rates of 14.3% to 17.4%.

Mississippi Plaza, a six-story, 90,000-square-foot office building built in 2004, is no longer marketed for office tenancy. Instead, plans exist for the adaptive reuse of the property as apartments. Management could no longer sustain stabilized occupancy at the property after initial office anchor tenants relocated to newer office space along Davenport's East 53rd Street corridor. Additionally, within five years of Mississippi Plaza opening, another 300,000 square feet of new office development of 10,000 or more square feet was built in other areas of the City of Davenport.

2. Office Development Trends, City of Davenport

In the past twenty years, nearly 600,000 square feet of office space has been built within the City of Davenport corporate limits in buildings totaling more than 10,000 square feet (source: Scott County Assessor). As the map illustrates, most new office development in Davenport was near the East 53rd and I-74 interchange, with the highest concentration in the Russell-Crow Valley Office Park.



More than 150,000 square feet of the recently developed space is owner-occupied, with several relocating from other communities within the Quad Cities region.

Year	Cumulative Office Development (square feet)
2004	207,194
2005	231,699
2006	231,699
2007	306,499
2008	338,832
2009	395,916
2010	395,916
2011	395,916
2012	395,916
2013	421,831
2014	421,831
2015	486,987
2016	504,822
2017	504,822
2018	534,995
2019	572,092
2020	581,648
2021	581,648
2022	591,155
2023	591,155
2024	591,155

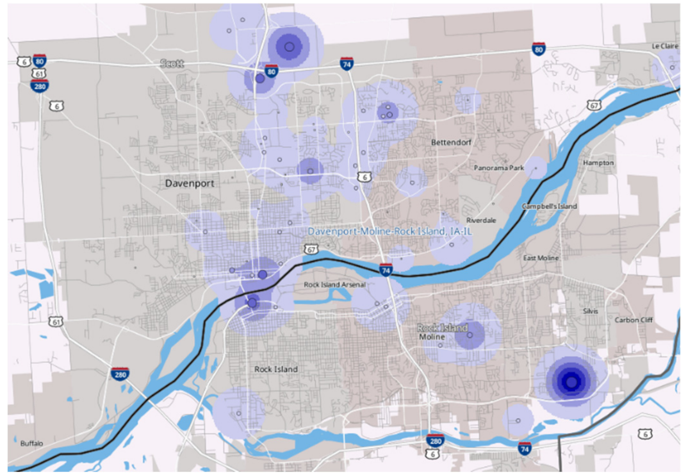
3. Office-Related Employment

Employment trends for five sectors were analyzed to assess demand for office space in Davenport and the Quad Cities region. Following are sector summaries, including category definitions (source: Census), business examples, and employment sizes for the City of Davenport.

DDA

Sector 55--Management of Companies and Enterprises

The Management of Companies and Enterprises sector comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision-making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise.

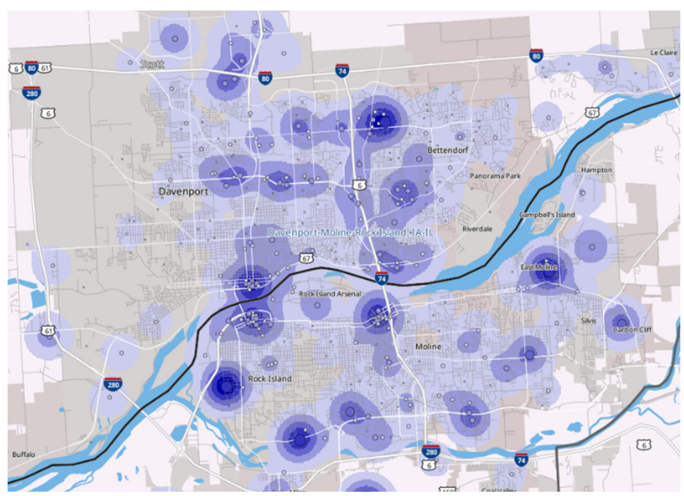


Business Examples: MidAmerican Energy; John Deere; and Modern Woodmen of America

Sector 55 represented the highest employment in the City of Davenport, with 2,599 people employed in 2022, growing 3.5 times since 2004. The significant increase is attributed, in part, to MidAmerican Energy's expansion with a service center on the north side of Davenport.

Sector 54--Professional, Scientific, and Technical Services

The Professional, Scientific, and Technical Services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.



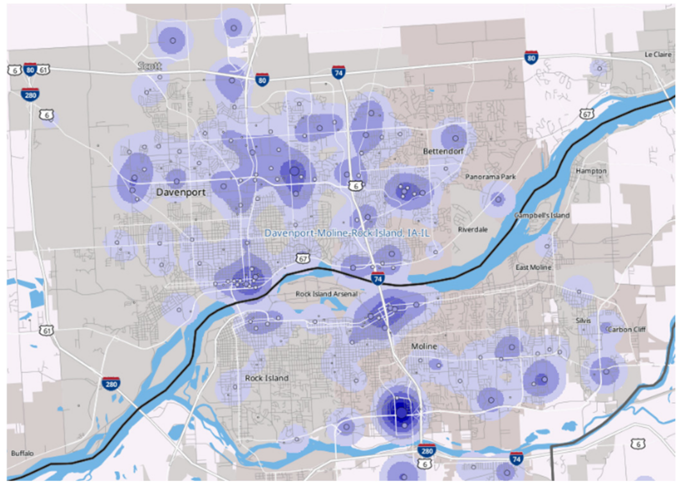
Business Examples: Lane & Waterman LP; RSM US; and Shive-Hattery, Inc.

Employment within this sector has increased 1.5 times over the past 20 years. However, employment in the sector peaked in 2008 and declined by 170 jobs in 2022.

DDA

Sector 53--Real Estate and Rental and Leasing

The Real Estate and Rental and Leasing sector comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.



This sector also includes establishments primarily engaged in managing real estate for others, selling, renting, and/or buying real estate for others, and appraising real estate. These activities are closely related to this sector's main activity, and from a production basis they are included here. In addition, a substantial proportion of property management is self-performed by lessors.

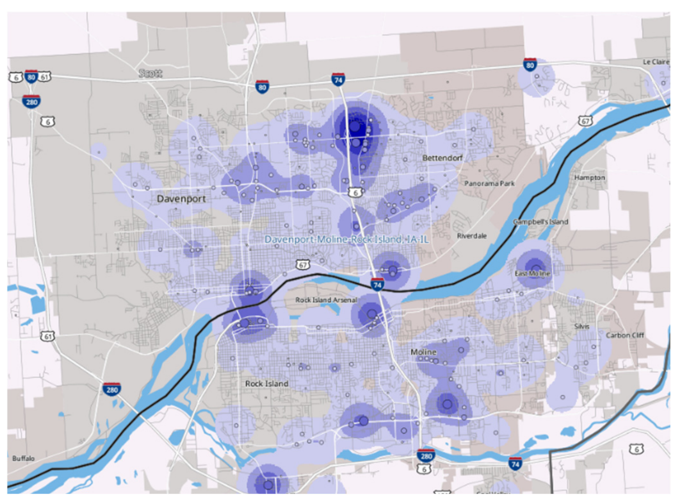
The main components of this sector are the real estate lessors industries (including equity real estate investment trusts (REITs)); equipment lessors industries (including motor vehicles, computers, and consumer goods); and lessors of nonfinancial intangible assets (except copyrighted works).

Business Examples: Ruhl & Ruhl; Mel Foster Company; and Keller Williams Realty

The real estate sector represented one of the smallest share of office tenancy at 7.7% in 2022. The industry had a downward decline in employment, with a loss of 77 jobs since 2004.

Sector 52--Finance and Insurance

The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.



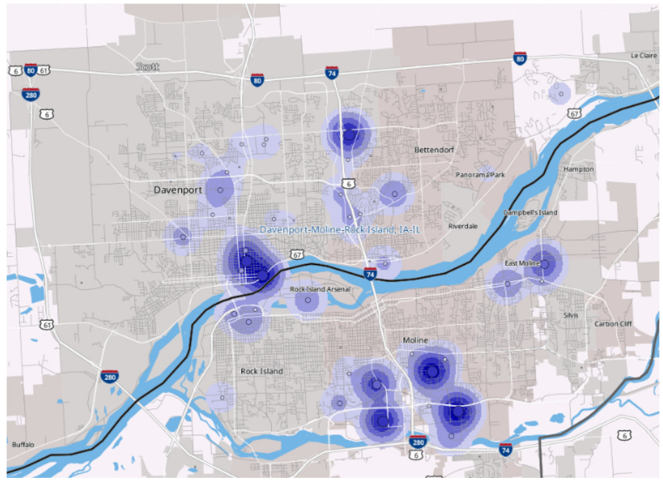
Three principal types of activities are identified:

1. Raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities. 2. Pooling of risk by underwriting insurance and annuities. 3. Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs.

Business Examples: US Bank; Sentry Insurance; Modern Woodmen of America

The financial and insurance sectors have had declining employment in the past 20 years, with a loss of 272 employees in those sectors.

Sector 51--Information



The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data. The main components of this sector are motion picture and sound recording industries; publishing industries, including software publishing; broadcasting and content providers; telecommunications industries; computing infrastructure providers, data processing, Web hosting, and related services; and Web search portals, libraries, archives, and other information services.

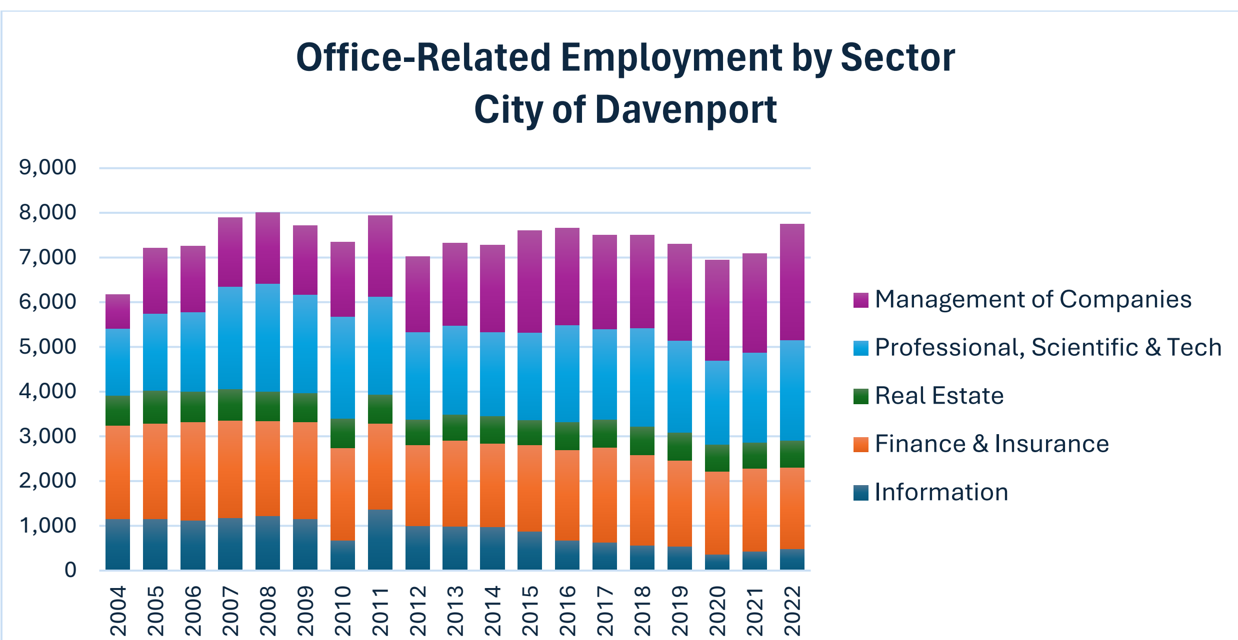
Business Examples: Quad-City Times; Lee Enterprises; Chirospring

The information sector had less than half the employment in 2022 than 2004, representing just 6.3% of office-related employment.

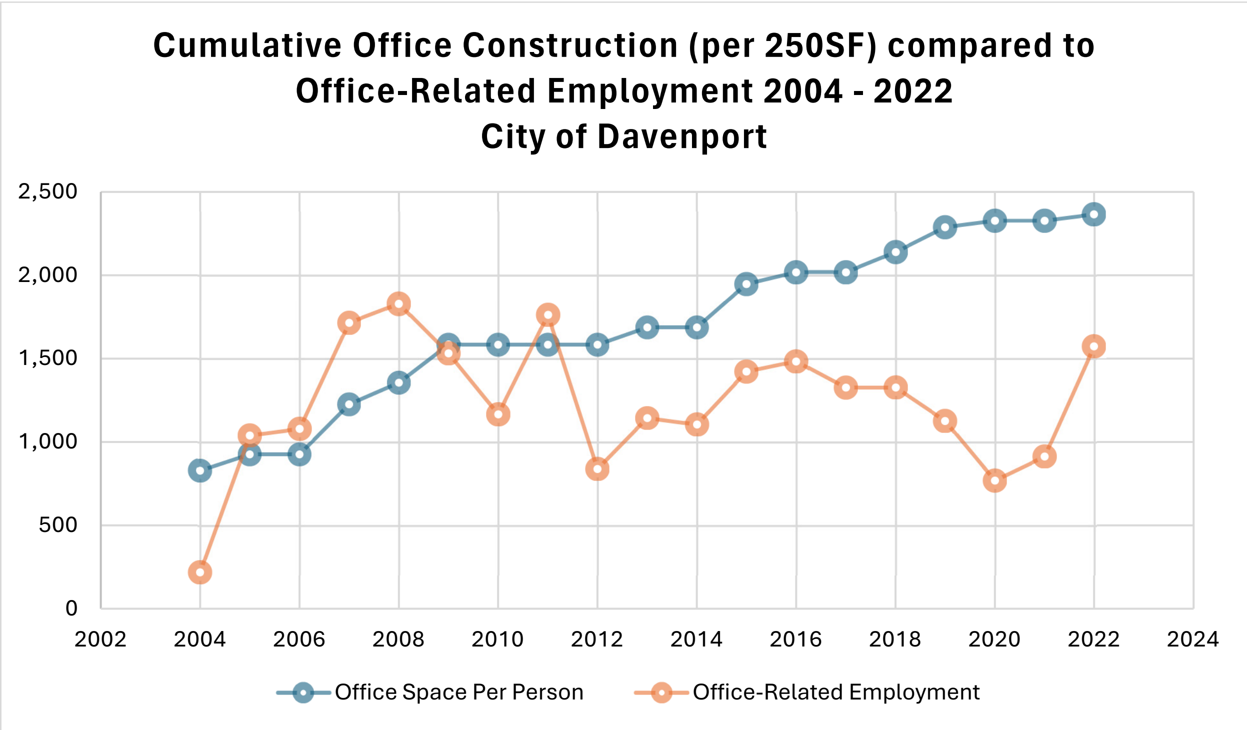
Office-Related Employment Summary

a) City of Davenport

The Management of Companies and Professional, Scientific & Technology sectors increased by more than 600 jobs from 2021 to 2022. While office-related employment is at an eleven-year high, overall employment remains slightly below 2007 through 2011 levels. Office-related employment sectors for the City of Davenport from 2004 through 2022 are shown below.



The 2022 gain in office-related employment represents only two-thirds of the newly constructed office space throughout the city. The surplus of office development accounts for approximately 200,000 square feet of office space in the market, 2.5 times more than downtown's total vacant space. The cumulative office development (total square footage/250) compared with employment growth follows.



SF - Square Feet

<u>Impact on areas of Davenport outside downtown</u>

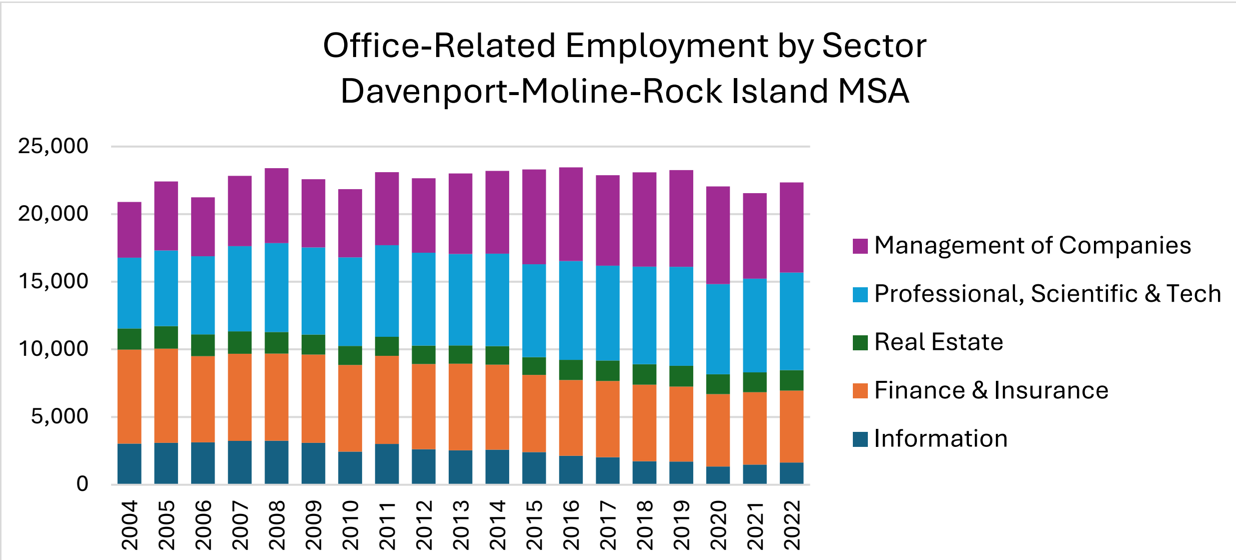
The downtown area is not the only area impacted by the overbuilding of office space. Other office properties in the city have high vacancy rates.

- The Northwest Bank building at 100 E Kimberly Road has 12,446 square feet of vacant space of 67,839 total square feet, an 18.3% vacancy rate. The asking net lease rate is $13.50 per square foot, above that of downtown properties.
- The American Bank & Trust building at 4201 E. 53rd Street has 11,737 of vacant square feet, yielding a 36.5% vacancy rate. The published lease rate is $15.00 per square foot.
- A former AT&T call center, built in 2007 and totaling 75,000 square feet, is currently vacant. The property is at 5348 Elmore Circle near the East 53rd/I-74 interchange and is available for purchase only.

DDA

b) Davenport-Moline-Rock Island MSA (Quad Cities region)

In 2022, the Quad Cities region was at 96% of office-related employment pre-COVID, compared to 106.1% in Davenport. Nonetheless, neither area is showing appreciable long-term increases in office-related employment.



Source: Census On The Map

Census on the Map (COM) and the Quarterly Census of Employment and Wages are separate data sources, with COM relying more on self-reported data from employers. For this reason, DDA cautions against deriving conclusions about the difference in totals between the two data sources.

Since 2022, there has been an increase of 175 jobs among four employment sectors. Data for company management have been suppressed for 2022. The locational quotient for four of the five employment sectors is 0.40 to 0.72, or 40% to 72% of the national average.

	September Employment		Locational
Employment Sector	**2022**	**2024**	**Quotient**
Information	1,301	1,316	0.40
Finance and insurance	5,107	5,176	0.72
Real estate and rental and leasing	1,510	1,631	0.59
Professional, scientific, and technical services	5,996	5,978	0.49
Management of companies and enterprises	Data suppressed	4,601	1.55

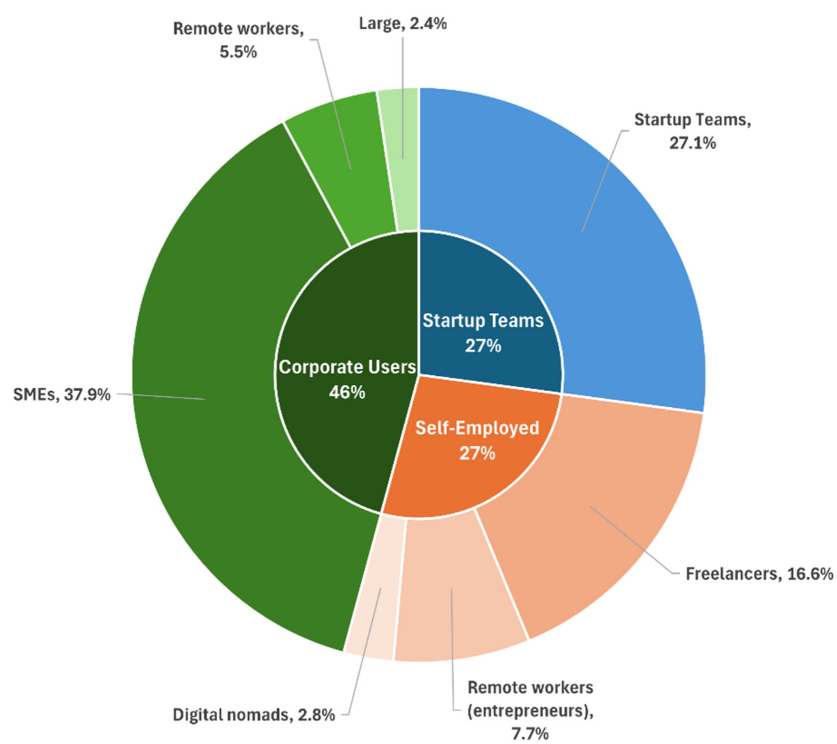
Employment within the management of companies and enterprises is 1.5 times more than the national average.

4. Coworking Space

There are two coworking establishments in Downtown Davenport; a third is reportedly in the planning stages.

A successful coworking space combines the cost efficiency most startups and freelancers need with a unique social experience that cultivates networking and entertainment because of its proximity to food and beverage services and recreation. Many new coworking venues incorporate or are adjacent to tap rooms, coffee shops, independent restaurants, and upper-midscale to luxury hotels. Small-to-medium businesses are attracted to private offices within the coworking space because the nearby amenities/services are unavailable in a traditional office park environment and are attractive to employees and clientele.

According to a 2019 study by Coworker, published in *Coworking Insights*, the three most extensive user types of coworking space are small-to-medium enterprises (SMEs), 37.9%; startup teams, 27.1%; and freelancers, 16.6%. While the percentages may have changed slightly post-COVID, the categories of users are likely still relevant and have been used to assess the coworking market.



To identify the size of the coworking target market, we looked at the following three criteria:

1. SMEs: Small-to-medium enterprises with less than 250 employees in the information, finance, insurance, real estate, professional, scientific, technical services, and management of companies' sectors (NAICS codes 51 through 55).
   - Establishments in the Davenport MSA are nearly all SMEs, 1815 of 1,825 (source: County Business Patterns).
2. Business Starts: Annual business formation statistics were obtained from the Census Bureau to measure Startup Teams.
   - In 2023, there were 1,825 business formation applications, a 4.2% annual increase, the 3rd highest application total in Iowa behind Linn County (2,442) and Polk County (6,906). Rock Island County had 1,157 business applications, nearly the exact total as the prior year.
3. Non-employers: The non-employer statistics encompass self-employed persons or freelancers within the target industries (refer to #1).
   - In 2022, there were an estimated 5,783 non-employer persons in the Davenport MSA, a substantial amount considering employers in sectors 51 to 54 account for 14,101 total employees.

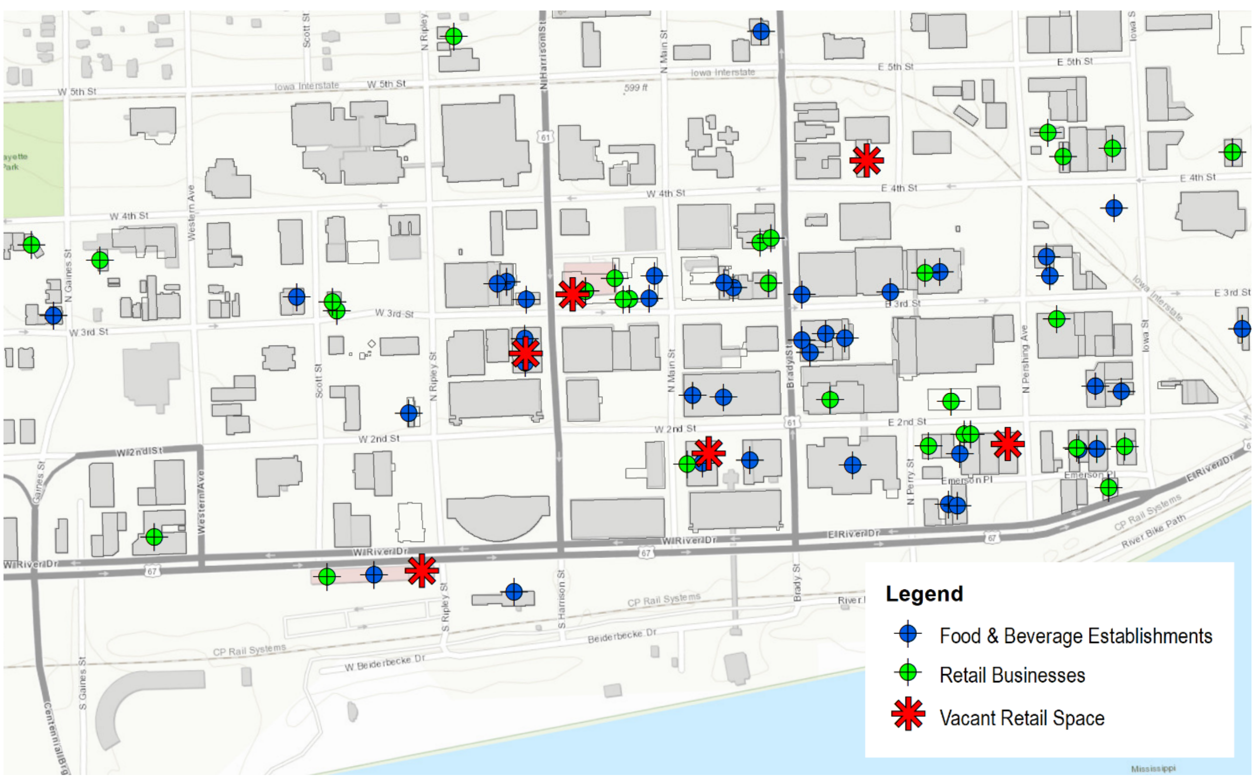
V. Retail/Restaurant Analysis

1. Downtown Retail/Restaurant Inventory

DDA identified 97 retail/restaurant spaces within the downtown, totaling an estimated 312,939 square feet. The space is split relatively evenly among food and beverage establishments and retailers. A summary of downtown retail, restaurants, and vacant space follows (the 735 Federal Street building is not shown on the map).

Square Feet (SF)	Total		Vacant		Food & Beverage		Retail	
	Spaces	SF	Spaces	SF	Spaces	SF	Spaces	SF
Less than 1,000	4	2,607	-	-	1	800	3	1,807
1,000 to 1,999	23	34,499	-	-	8	11,558	15	22,941
2,000 to 2,999	21	50,253	1	2,097	11	27,128	9	21,028
3,000 to 3,999	26	88,766	3	10,113	16	54,468	7	24,185
4,000 to 4,999	10	45,016	1	4,500	3	14,010	6	26,506
5,000 to 5,999	4	21,571	1	5,120	2	10,691	1	5,760
6,000 to 6,999	3	20,122	-	-	1	6,982	2	13,140
7,000+	6	50,105	1	8,259	2	17,633	3	24,213
Total	97	312,939	7	30,089	44	143,270	46	139,580
Median SF	3,000		3,783		3,000		2,381	

Note: Spaces larger than 7,000 square feet include the UP sky bar, Robert Wolfe's building, and the Last Picture House. Klemme Klassic Cars' building square footage is not included in the data.



Note: Establishments were mapped using geocoding and may not be on exact location or overlapped by another establishment.

A total of 30,089 square feet is vacant, yielding a 9.4% vacancy rate slightly above the fourth quarter regional vacancy rate of 8% (source: "Commercial Real Estate Event Looks At Future Trends in QC", November 7, 2024, *Quad Cities Regional Business Journal*). However, we believe several vacant spaces are challenging for retail or restaurant because they are oversized (e.g., former Garrison space in the Redstone) or have limited market exposure (e.g., 735 Federal Street).

Street Address/Property	Square Footage	Asking Net Monthly Lease Rate
118 E 4th Street (formerly Toasted)	5,120	$13.75
225 E 2nd Street/Bucktown	355 – 2,000	$14.40 - $18.12
222 Harrison Street	1,892 – 3,783	$7.92
735 Federal Street	2,097	$12.60
131 W 2nd Street/Redstone	8,259	Listed for sale only
246 W 3rd Street/formerly Unimpaired	3,200	$12.00 - $13.50
421 W River/Freight House	4,500	$9.00*

*The current asking lease is not available. The rent reported is the last lease rate per square foot.

2. Food and Beverage Establishments

Of Downtown's 45 food and beverage establishments, 29 or two-thirds are restaurants, 11 (25%) are drinking places, and four are coffee shops and specialty food stores.

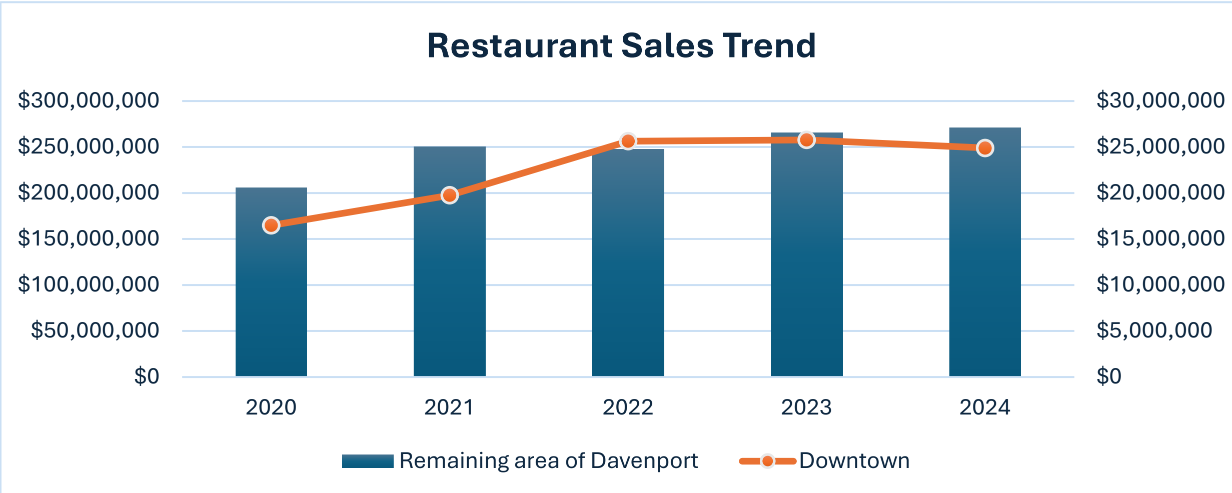
Type	Total Establishments	Share of F&B Establishments	Total Square Footage	Median Square Footage
Restaurants	29	65.9%	95,792	3,008
Drinking places	11	25.0%	37,845	2,676
Coffee/specialty food	4	9.1%	9,633	2,312
Total	44	100.0%	143,270	3,000

F&B – Food and beverage

The distribution of food and beverage establishments shows a markedly higher share of drinking places serving alcohol than the county average (16.6%, per the 2022 Economic Census), but this is not uncommon for a downtown area. However, the relatively lower presence of coffee and specialty food points to a noticeable gap in the snack and beverage bar offerings. However, the Blue Spruce General Store does satisfy some of the apparent shortcomings by including several retail categories, including bakery, deli, and general/convenience items.

DDA

Annual sales in food and beverage for the downtown appeared to have leveled off at $25 million over the past two years even with restaurant revenue increasing in other areas of the city (source: State of Iowa).



In 2024, the downtown area captured approximately 8.4% of citywide food and beverage sales. Based on state retail registrations, it appears that the restaurants and drinking places within the hotels are not included in the total food and beverage sales, but under the Accommodations category.

Even so, this appears to be a low sale total given the number and size of establishments in the downtown. For context, in 2022, the average sales per restaurant in Scott County was $1.155 million (2022 Economic Census).

Nearly half the food and beverage establishments are not open seven days a week, and one-third are closed two or more days during the week. When combined with 13 of the restaurants opening mid-afternoon, the limited hours of operation likely cap overall revenue potential. However, in some instances, the restaurateurs likely modified hours and days of operation based on the more limited market response.

Days Closed During The Week	**Number of Restaurants by Typical Opening Time**			**Total**
	Morning	**11am**	**3-5pm**	
0	3	5	5	13
1	0	5	1	6
2	1	1	6	8
3	0	0	1	1
4	0	1	0	1
Total	*4*	*12*	*13*	*29*

3. Retail Goods and Services

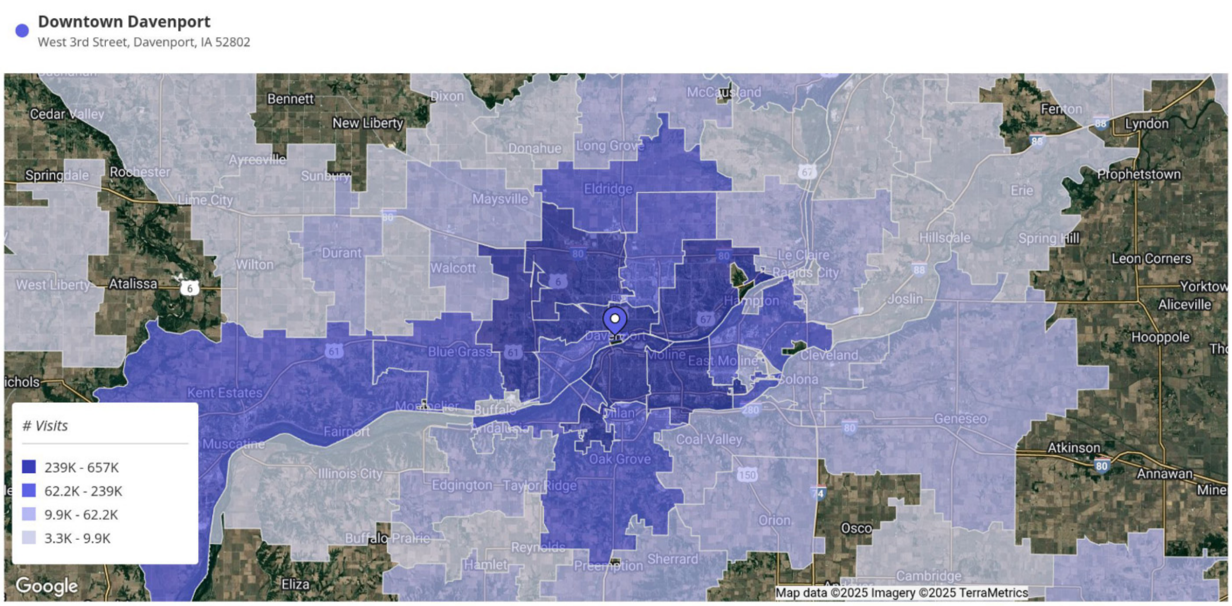
Retail services, including hair salons, barber shops, tattoo studios, and spas, represent one-third of the downtown retail establishments. A summary of retail types follows.

Type	Total Establishments	Share of Retailers	Total Square Footage	Median Square Footage
New Apparel Goods	3	6.5%	9,153	2,700
Beauty Supplies	3	6.5%	17,230	5,760
Other Retail Goods	3	6.5%	6,252	2,250
Food Dealers	3	6.5%	15,178	4,480
Retail Services	16	34.8%	34,301	1,886
Specialty Retail	10	21.7%	23,199	2,028
Antique/Used Merch	6	13.0%	20,338	2,035
Entertainment	2	4.3%	13,879	6,940
Total	46	100.0%	139,580	2,381

Retail services represents the largest share of retailers in the downtown. Seven of the sixteen retail service businesses are beauty salons or barber shops, followed by three tattoo shops and three spas. DDA identified three tobacco shops (two cigar shops) and three art studios within the specialty retail category. Three of the six antique/used merchandise stores are located within the core area of the downtown. While a traditional grocery store is not located downtown, like most downtowns, there are three establishments in the downtown totaling 15,178 square feet offering a variety of grocery store goods.

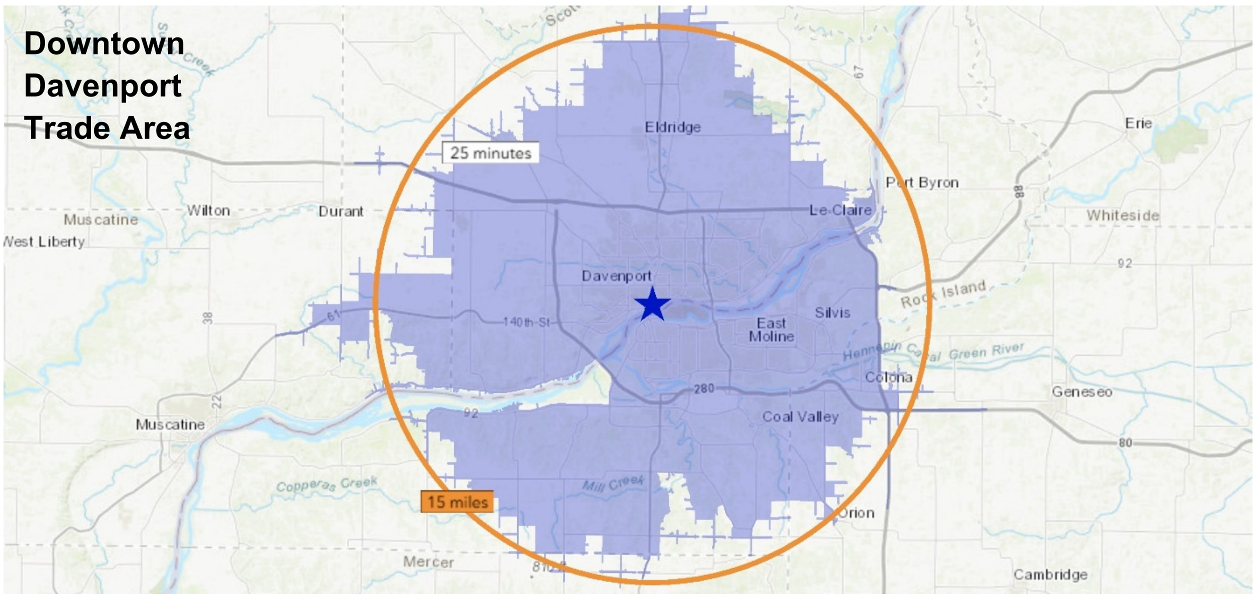
Downtown Davenport Trade Area Characteristics

The Downtown Trade Area (DTA) was delineated based on the Placer.ai zip code data on visitation counts. Below is a thematic map of zip code areas in the Quad Cities regions (source: Placer.ai).



The DTA includes approximately 70% of visitors to the downtown area, representing a 25-minute drive or 15-mile radius of downtown. A summary of visitations by location and a reference map follow.

Areas	Total Visits*	Share of Visits
Downtown Trade Area Zip Codes	4,708,788	71.8%
Iowa	2,793,978	42.6%
Illinois	1,254,310	19.2%
Downtown Residents	660,500*	10.0%
Other Areas of Iowa	664,316	10.1%
Other Areas of Illinois	662,145	10.1%
Out Of States (excl. IA and IL)	526,047	8.0%
Total	6,561,296	100.0%



The Downtown Trade Area has an estimated 310,209 residents with consumer spending potential of $3.2 billion in retail goods, food services, and drinking places (source: ESRI, Incorporated). A summary of trade area residents' 2024 annual spending potential by NAICS Code industry, subsector, and group follows.

DDA

NAICS Code	Industry Subsector & Group	Annual Spending Potential
442	**Furniture and Home Furnishings Stores**	**$117,635,317**
4421	Furniture Stores	$77,463,851
4422	Home Furnishings Stores	$40,171,466
443	**Electronics and Appliance Stores**	**$33,690,448**
445	**Food and Beverage Stores**	**$594,918,365**
4451	Grocery Stores	$556,937,461
4452	Specialty Food Stores	$18,417,204
4453	Beer, Wine, and Liquor Stores	$19,563,700
446	**Health and Personal Care Stores**	**$89,207,544**
448	**Clothing and Clothing Accessories Stores**	**$127,018,843**
4481	Clothing Stores	$101,685,222
4482	Shoe Stores	$23,408,162
4483	Jewelry, Luggage, and Leather Goods Stores	$1,925,458
451	**Sporting Goods, Hobby, Musical Instrument, & Book Stores**	**$48,832,483**
4511	Sporting Goods, Hobby, and Musical Instrument Stores	$39,378,419
4512	Book Stores and News Dealers	$9,454,064
452	**General Merchandise Stores**	**$469,303,052**
4522	Department Stores	$40,490,087
4523	Gen. Merch. Stores, Warehouse Clubs, Supercenters	$428,812,966
453	**Miscellaneous Store Retailers**	**$64,533,683**
4531	Florists	$3,383,682
4532	Office Supplies, Stationery, and Gift Stores	$10,085,549
4533	Used Merchandise Stores	$8,444,505
4539	Other Miscellaneous Store Retailers	$42,619,948
722	**Food Services & Drinking Places**	**$452,869,612**
7223	Special Food Services	$1,629,070
7224	Drinking Places (Alcoholic Beverages)	$11,062,240
7225	Restaurants and Other Eating Places	$440,178,303

Trade area residents can potentially spend an estimated $452 million on food services and drinking places. Additionally, DDA estimates that hotel patrons at downtown's three hotels, which total 431 rooms, spend $7 to $10 million on food and beverages.

Overall, the trade area represents a significant source of support for additional businesses in the downtown area. The following downtown business type and comparative downtown analysis were completed to identify common uses in other downtown areas not in Downtown Davenport.

4. Downtown Business Types

DDA has compiled a list of tenant types in other downtowns surveyed throughout the Midwest. The business types with an "X" next to them can be found in Downtown Davenport. The arcade bar has an asterisk next to it because the Analog Arcade Bar in Davenport is scheduled to close.

Comprehensive List of Downtown Businesses			
X	Antique		Food hall
X	Apparel & Accessories (excl. women's boutique)	X	Furniture
*	Arcade bar	X	Limited-assortment grocery store
X	Art galleries/studios		Hardware
X	Arts and crafts	X	Health club/yoga studio/fitness center
X	Bakery	X	Hobby/collectibles/toy
X	Barber	X	Home Accessories
X	Beauty salon		Ice cream/yogurt
X	Beauty supplies	X	Jeweler
X	Bicycle	X	Limited-service restaurant
X	Book		Musical instruments
	Bridal shop	X	Nails salon
	Bubble tea shop		Painting studio
X	Candy/chocolate		Pet goods store/pet bakery
X	Cards and gifts		Pet grooming
	Cate café		Pharmacy
X	Cellular/wireless	X	Photo Studio
X	Cigar	X	Record Stores - CDs/Vinyl albums
X	Coffee shop		Shoe store
	Comic bookstore	X	Full-service restaurant
X	Convenience store/variety/carryout	X	Specialty sporting goods
X	Day spa	X	Tailor
X	Delicatessen/Sandwich shop	X	Tattoo
	Dollar store	X	Tavern/brew pub
	Dry cleaner		Toy store
	Electronic/computer/phone repair		Video game store
	Eyewear	X	Vintage shops
X	Family recreation	X	Wine bar/shop
	Florist/flowers/plants	X	Women's boutique (including consignment)

Pharmacies, dry cleaners, and hardware stores are typically legacy businesses that have been downtown for decades. In today's market, this type of business is unlikely to be added.

Comparable downtown areas have been researched to identify the presence of any of the 17 other business types not in Davenport to assess potential new tenancy possibilities.

DDA

5. Comparative Downtown Analysis

Six of the seven comparable downtown areas include an arcade bar. The Analog Arcade Bar in Davenport is scheduled to close in late September 2025. At approximately 6,000 square feet, Analog Arcade is larger than all but one of the arcade bars in comparable downtown areas and triple the size of the drinks-only arcade bars.

City	Venue Name	Total Square Feet	Other Uses (excl. arcades and pinball)
Cedar Rapids	Quarter Barrel	4,970	Pizza shop; brewery
Evansville	High Score Saloon	5,130	Food & drinks
	Arcademie	4,416	Food & drinks, skeeball
Fargo	Pixeled Arcade & Beerhall	3,500	Tap room, skeeball
Green Bay	Player 2	4,956	Food & drinks
Peoria	8-Bit Arcade	2,100	Drinks only
Topeka	Spawn Inn	1,788	Drinks only
	The Pennant	14,760	Restaurant; 4-lane bowling; event space

Below is a table summarizing which downtown tenant/venue types are in comparable downtown areas but not found in Davenport.

Tenant Type	Cedar Rapids	Erie	Evansville	Fargo	Green Bay	Peoria	Topeka	Total
Food hall	X	X	X		X		X	5
Eyewear		X	X	X	X			4
Electronic/computer/phone repair	X	X		X		X		4
Florist/flowers/plants		X	X	X			X	4
Ice cream/yogurt	X	X	X	X				4
Bridal shop	X			X	X			3
Bubble tea shop		X		X	X			3
Dollar store		X			X			3
Musical instruments				X	X		X	3
Pet goods store/pet bakery	X			X		X		3
Shoe store	X			X		X		3
Cat café		X	X					2
Comic bookstore				X				2
Painting studio	X				X			2
Pet grooming				X				1
Toy store	X							1
Video game store								0

The next most popular use not in Davenport is a food hall. The only downtown areas without a food hall are Fargo and Peoria. Fargo has a large food hall on the western periphery of downtown, called Brewhalla. Notably, there are no food halls in the Quad City area, just food courts in shopping malls.

A summary of food halls found in other downtown areas follows.

City	Food Hall Name	Total Square Feet	Number of Vendors	Other Uses
Cedar Rapids	Newbo City Market	21,000	14 (9 F&B)	Business Incubator & Event Center; Farmer's Markets
Erie	Flagship District	8,000	6 F&B	-
Evansville	Main Street F + B	11,596	5 F&B	Events
Green Bay	Public Market	50,000	20 planned	Ground floor includes large anchor tenant spaces; 2nd floor offices; seating; event space
Topeka	Cosmos Court	6,054	11 (7 F&B)	Marketed as food court with one food operator ; events

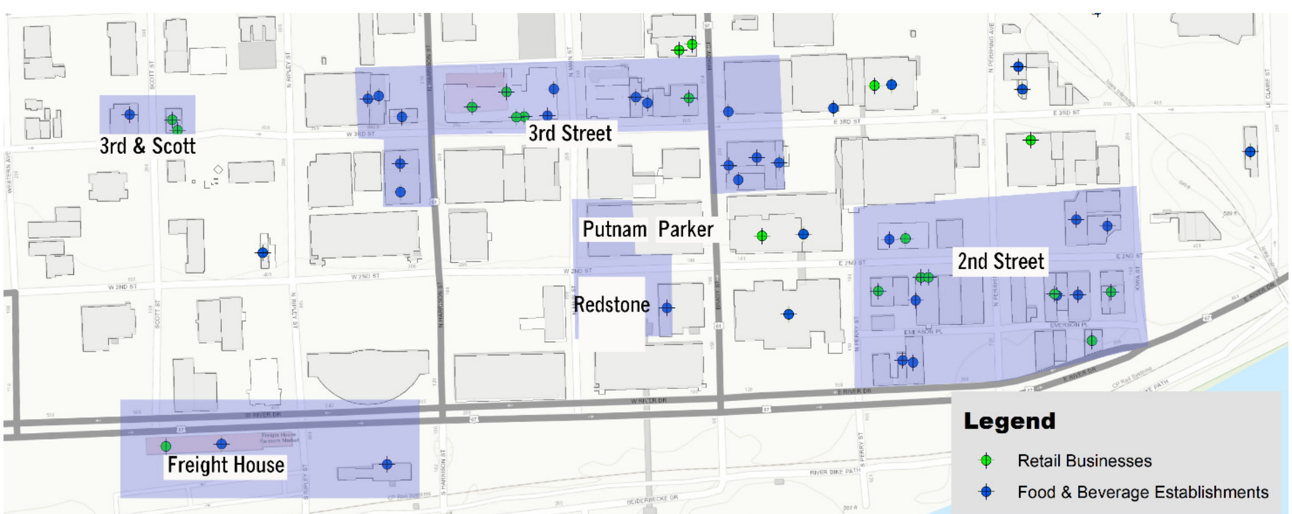
F&B – Food and Beverage

Green Bay will open a two-story, 50,000-square-foot public market in Spring 2025. The food hall in Cedar Rapids is on the periphery of the downtown area in the New Bohemian District. The Newbo City Market also has an adjacent green space and covered stage for events.

Other tenant types included in at least four of the seven not in Downtown Davenport include an optical store, electronics/computer/phone repair store, florist/plant store, ice cream/yogurt shop, and a tailor/alteration business.

Overall, Downtown Davenport offers a relatively comprehensive merchandise mix, and the recent addition of a movie theater and general store are differentiators as they are not commonplace in other downtown areas. However, DDA's opinion is that the downtown area is fragmented into several sections lacking continuous retail and restaurant businesses or engaging amenities to encourage walkability. The lack of connectivity reduces the overall positive impact of the diverse tenant base.

The Parker building's vacant ground floor space is identified as a key underutilized location that hinders connectivity from the Redstone and Putnam buildings to the Third Street corridor. Similarly, the Freight House and businesses at Scott and Third Street are disconnected from the rest of downtown. And while we recognize that the River Center, Doubletree, and Mid-American buildings are essential to downtown's success, they pose a challenge to pedestrian flow between the East 2nd Street and River Road corridor, further fragmenting downtown.



DDA

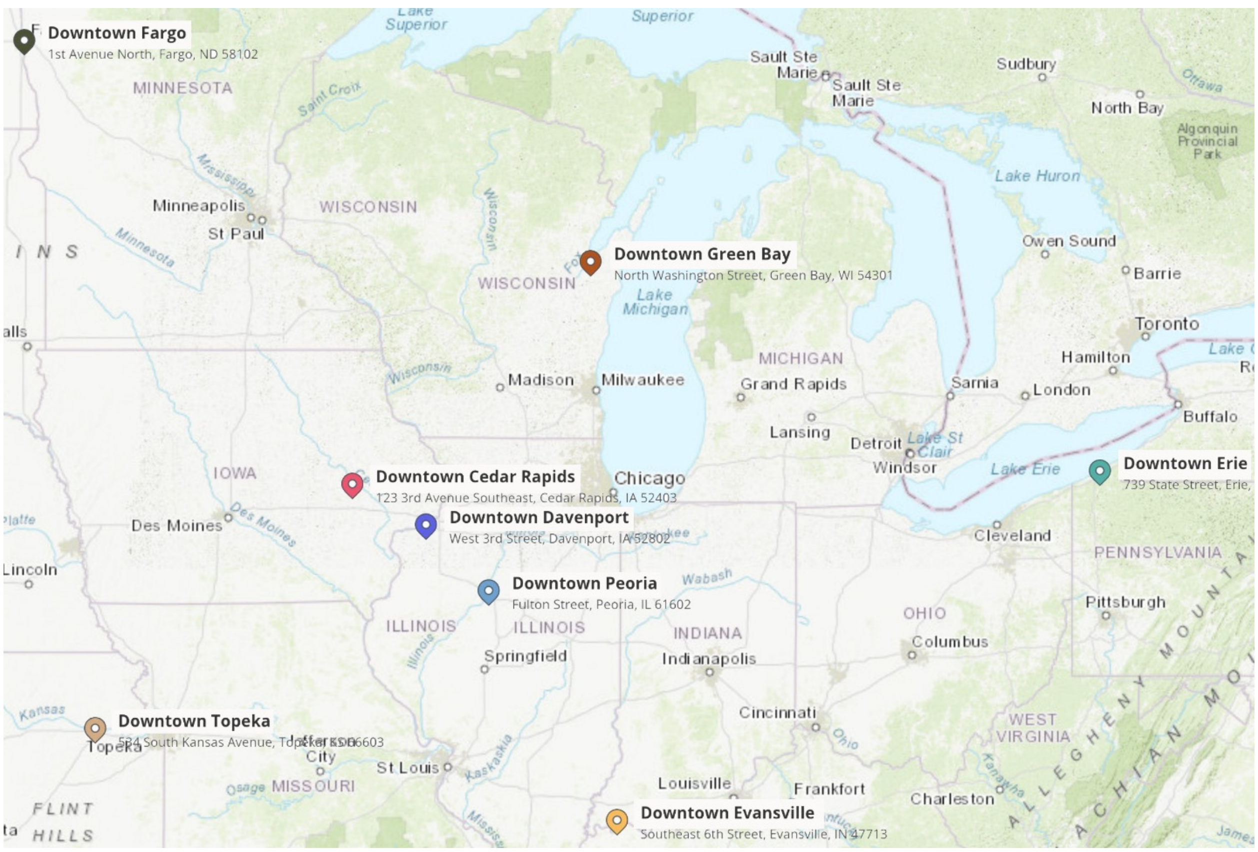
VI. Downtown Visitation

1. Introduction

Downtowns have unique market dynamics compared to more traditional lower-density areas of a city. Successful downtowns draw residents, patrons and visitors from much larger areas of the region and with much higher shares of out-of-town visitors. For this reason, traditional market analyses of local demographics and spending patterns has limitations.

Locational intelligence analytics from Placer.ai were utilized to identify where downtown visitors originate. Placer.ai collects geolocation data from more than 500 applications installed on mobile devices.

DDA compared visitation data between Downtown Davenport and seven other downtown areas in the Midwest region (Erie, PA, the exception). The communities were primarily chosen based on total population, with the larger cities of Fargo, Topeka, and Cedar Rapids selected more as aspirational examples for Davenport.



The sizes of the downtown areas were estimated based on the delineated or marketed downtown area for each location. A comparative analysis of each of the downtown areas follows.

DDA

The 2020 citywide population of the comparison cities ranges from 95,077 (Erie) to 134,027 (Cedar Rapids). The City of Davenport has a population of approximately 20,000 to 35,000, less than the aspirational cities but comparable in size to Erie, Evansville, Green Bay, and Peoria.

City	2020			
	City Population	Downtown Size (Square Miles)	Downtown Population	Downtown Employment
Cedar Rapids, IA	134,027	0.43	1,065	8,053
Erie, PA	95,077	0.42	2,570	12,856
Evansville, IN	118,407	0.77	1,504	16,608
Fargo, ND	125,209	0.86	4,113	12,355
Green Bay, WI	103,836	1.10	4,095	10,756
Peoria, IL	109,428	0.96	1,911	21,653
Topeka, KS	124,588	1.00	1,285	20,122
Average	*115,796*	*1.00*	*2,363*	*14,629*
Davenport, IA	**101,799**	**0.44**	**1,730**	**6,451**

Sources: 2020 Census, ESRI, and Census on the Map

Downtown Davenport is among the smallest downtown areas of comparable communities, covering less than half a square mile. The downtown population is the fourth smallest, but Davenport has the third highest population density, behind Erie and Fargo. Downtown Davenport has the lowest employment total of the downtowns but an overall average employment density (3,665 per quarter square mile compared to 3,657 overall average of other downtowns).

2. Total Visitation

Downtown had 828,700 annual visitors, totaling 5.9 million visits from March 2024 through February 2025.

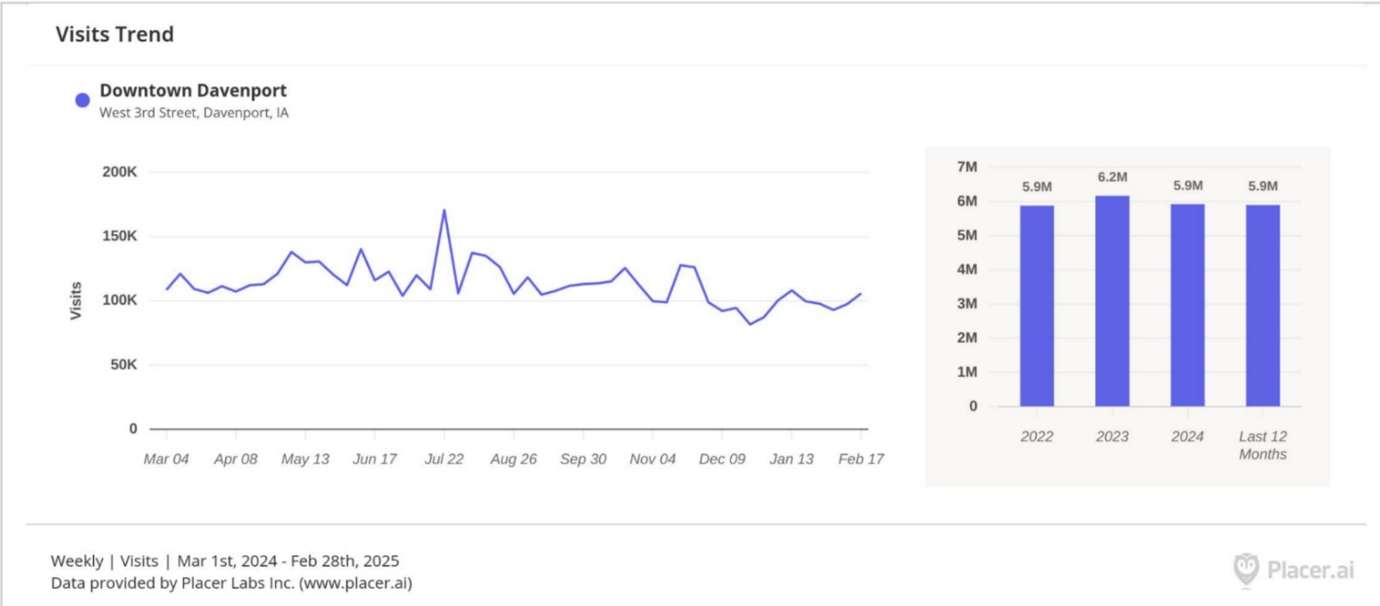
The total visits were the third lowest of the comparable downtowns, but when the sizes of the downtowns are considered, Davenport had an above-average visit count by square feet (0.41 versus 0.37). The total number of visitors in Davenport frequented the downtown area 7.13 times per year, compared to 7.44 in comparable downtown areas. Downtown visitors tend to spend less time in the area, with the average visit being 171 minutes in duration versus the overall 185-minute average.

Downtown	March 1, 2024 through February 28, 2025				
	Total Visits (in millions)	Visits Per Sq. Ft.	Total Visitors	Visit Frequency	Average Time Spent*
Cedar Rapids, IA	4.9	0.50	816,900	6.58	169
Erie, PA	8.4	0.72	905,700	9.27	189
Evansville, IN	7.0	0.33	1,100,100	6.27	194
Fargo, ND	7.4	0.31	866,400	8.53	175
Green Bay, WI	7.0	0.23	1,100,000	6.64	178
Peoria, IL	10.4	0.39	1,300,000	8.17	233
Topeka, KS	4.0	0.14	604,100	6.63	155
Average	*7.0*	*0.37*	*956,100*	*7.44*	*185*
Davenport, IA	**5.9**	**0.41**	**828,800**	**7.13**	**171**

*Minutes

DDA

Visitation to downtown was 5.9 million in the last 12 months and for the calendar years 2022 and 2024. Visits increased by approximately 5% in 2023 and declined by 5% in 2024. The slight drop in visitation from 2023 to 2024 coincides with a slight decline in restaurant sales.



Median Household Income of Downtown Visitors

Downtown Davenport visitors overall have higher median incomes than five of the seven comparable downtown areas. This is important because the higher spending power per visitor means Davenport can have slightly lower visitation but reach comparable dining and shopping revenues.

	Median Household Income - March 1, 2024 through February 28, 2025		
Downtown	**All Downtown Visitors**	**Downtown Employees**	**Downtown Residents**
Cedar Rapids, IA	$67,500	$75,600	$61,800
Erie, PA	$53,100	$52,700	$16,500
Evansville, IN	$59,400	$60,700	$40,400
Fargo, ND	$65,800	$66,800	$25,500
Green Bay, WI	$67,500	$66,500	$44,200
Peoria, IL	$59,300	$62,900	$23,800
Topeka, KS	$56,800	$57,900	$25,300
Median	*$59,400*	*$62,900*	*$25,500*
Davenport, IA	**$66,500**	**$65,800**	**$25,700**

Sources: Placer.ai and American Community Survey

The lower estimated median household income of residents is comparable to the overall average, attributable in part to several downtowns with high student populations and subsidized housing.

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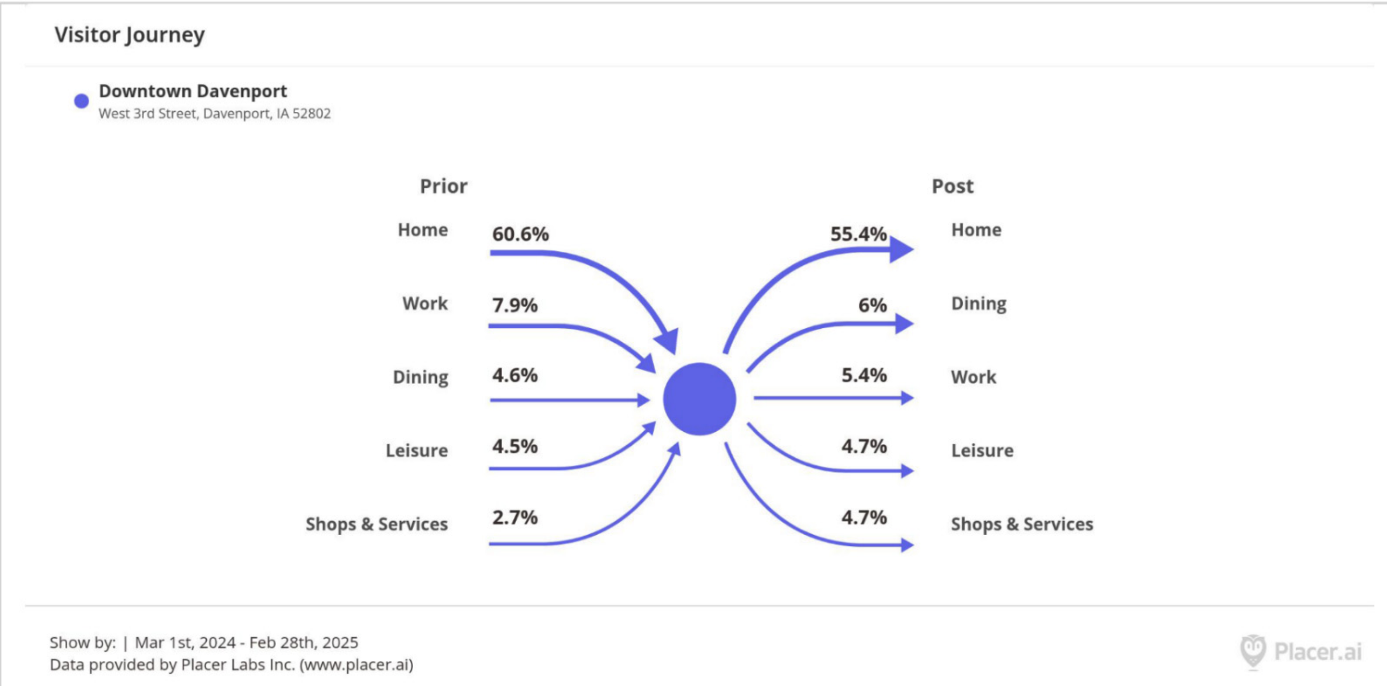
Visitor Journey – Prior to Visiting Downtown

Six of ten visitors are visiting downtown directly from home; this matches prior visit patterns of the overall average of comparable downtowns. A slightly lower share of visitors come directly from work, likely partly attributable to Davenport's lower downtown employment base. Fewer visitors eat before coming downtown than the overall average. Leisure visits before the downtown, including theater, music, and sports/ recreational venues and trips to view nature and landmarks,



are the same as the overall average.

A table summarizing where downtown visitors were before they visited downtown follows.

Downtown	**Top 5 Locations Before Downtown Visit**						
	Home	**Work**	**Dining**	**Leisure**	**Shops & Services***	**Medical & Health**	**Hotel & Casinos**
Cedar Rapids, IA	59.3%	8.7%	4.3%	4.8%	2.6%	-	-
Erie, PA	68.6%	7.4%	3.1%	2.8%	2.0%	-	-
Evansville, IN	57.0%	7.4%	7.8%	3.0%	-	-	4.2%
Fargo, ND	55.8%	9.1%	4.6%	4.4%	2.5%	-	-
Green Bay, WI	55.5%	8.2%	5.9%	8.7%	3.1%	-	-
Peoria, IL	64.9%	6.7%	4.6%	2.8%	-	5.7%	-
Topeka, KS	62.9%	10.3%	4.8%	3.6%	3.4%	-	-
Average	*60.6%*	*8.3%*	*5.0%*	*4.3%*	*2.7%*	-	-
Davenport, IA	**60.6%**	**7.9%**	**4.6%**	**4.5%**	**2.7%**	-	-

*Category includes those visiting supercenters and other big box retailers.

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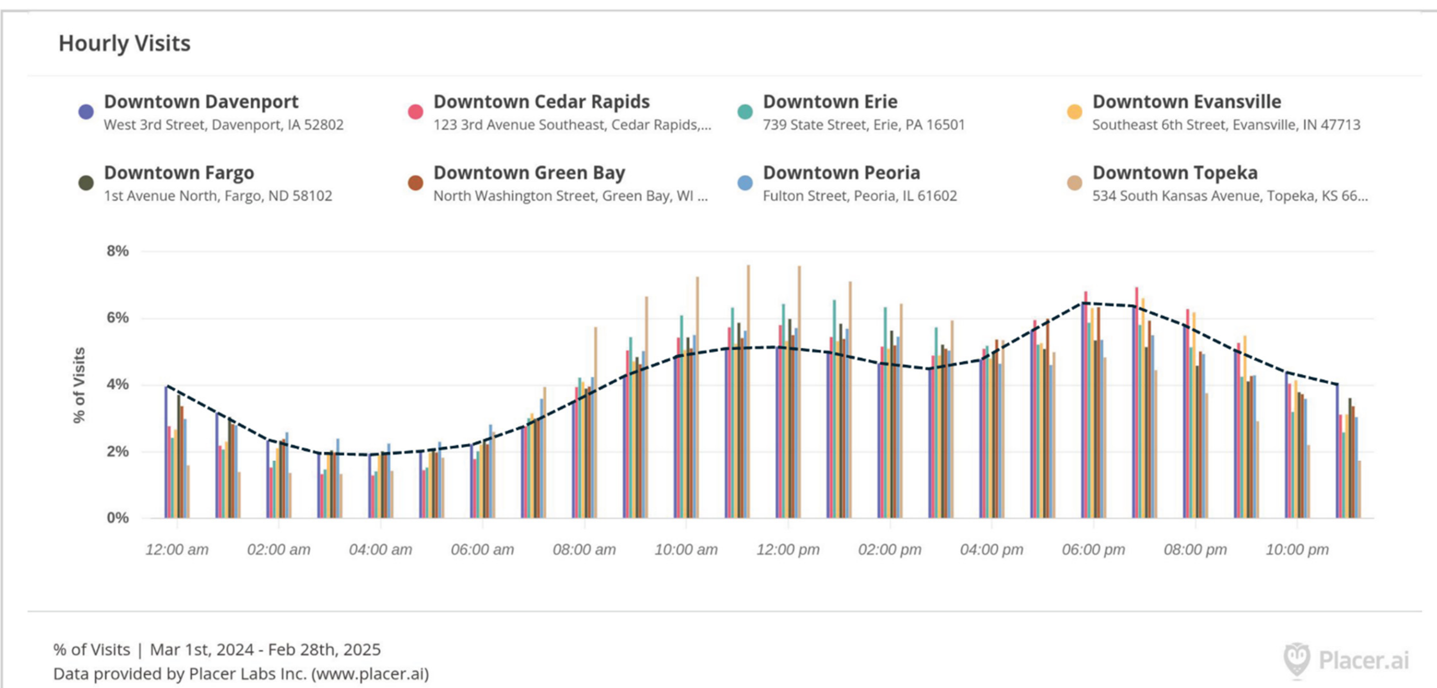
Visitor Journey – After Visiting Downtown

More than half go home after visiting Downtown Davenport, similar to other downtown areas. Fewer visitors go out to eat after visiting the downtown area, and with fewer eating before, it suggests that Davenport is more of a foodie destination than other downtown areas.

	Top 5 Locations After Downtown Visit						
Downtown	**Home**	**Work**	**Dining**	**Leisure**	**Shops & Services***	**Medical & Health**	**Hotel & Casinos**
Cedar Rapids, IA	57.4%	5.9%	6.2%	4.9%	3.6%	-	-
Erie, PA	62.1%	5.6%	6.5%	3.4%	4.3%	-	-
Evansville, IN	54.6%	6.4%	9.2%	-	3.7%	-	3.1%
Fargo, ND	52.4%	7.1%	6.4%	4.0%	3.4%	-	-
Green Bay, WI	55.2%	5.3%	6.6%	8.2%	3.6%	-	-
Peoria, IL	58.9%	4.3%	7.6%	3.1%	-	4.5%	-
Topeka, KS	54.3%	7.2%	7.0%	5.2%	5.5%	-	-
Average	*56.4%*	*6.0%*	*7.1%*	*4.8%*	*4.0%*		
Davenport, IA	**55.4%**	**5.3%**	**6.0%**	**4.7%**	**4.7%**		

*Category includes those visiting supercenters and other big box retailers.

The shares of Downtown Davenport visitation are lower than all the downtowns from 7 a.m. to 3 p.m. Downtown Davenport visitation surges after 5pm. In fact, Davenport has the second highest share of visitation at 6pm and the highest from 10p.m. to 1 a.m. (dotted line represents Downtown Davenport share of visitors).



3. Downtown Resident Visitation

Downtown Davenport residents represent 11.2% of annual visitation, 0.8% below average. Green Bay has the highest share of resident visits, at 21.4% of total visitation. Davenport has an above-average resident visit rate per square foot and time spent downtown. The visit frequency by residents is tied with Erie for the lowest among all other downtown areas.

Downtown	March 1, 2024 through February 28, 2025				
	Total Visits	**Visits Per Sq. Ft.**	**Total Residents**	**Visit Frequency**	**Average Time Spent***
Cedar Rapids, IA	273,900	0.02	1,100	241.35	709
Erie, PA	1,400,000	0.11	6,300	226.51	755
Evansville, IN	520,200	0.02	2,000	266.42	697
Fargo, ND	1,300,000	0.05	4,600	270.98	715
Green Bay, WI	1,500,000	0.05	5,100	302.74	747
Peoria, IL	519,600	0.02	2,200	238.98	834
Topeka, KS	367,700	0.01	1,200	305.75	736
Average	*840,200*	*0.04*	*3,214*	*264.68*	*742*
Davenport, IA	660,500	0.06	2,500	226.51	755

*Minutes

More downtown residents visit the downtown area before and after work or for dining than the overall residents within the other downtown areas.

Downtown	Top 5 Locations Before Downtown Visit						
	Home	**Work**	**Dining**	**Leisure**	**Shops & Services**	**Medical & Health**	**Groceries**
Cedar Rapids, IA	41.7%	22.8%	5.7%	4.1%	5.2%		
Erie, PA	61.1%	7.6%	4.9%	5.2%	3.1%		
Evansville, IN	43.5%	17.6%	6.7%	4.2%	4.0%		
Fargo, ND	37.0%	20.5%	5.8%	4.1%	4.9%		
Green Bay, WI	42.1%	21.2%	6.6%	5.6%	4.1%		
Peoria, IL	50.6%	10.3%	4.6%	-	5.5%	5.3%	
Topeka, KS	50.5%	13.5%	6.0%		4.8%		4.4%
Average	*46.6%*	*16.2%*	*5.8%*	*4.6%*	*4.5%*		
Davenport, IA	**34.3%**	**18.6%**	**7.6%**	**4.4%**	**5.2%**		

*Category includes those visiting supercenters and other big box retailers.

Downtown	Top 5 Locations After Downtown Visit						
	Home	**Work**	**Dining**	**Leisure**	**Shops & Services**	**Medical & Health**	**Education**
Cedar Rapids, IA	36.3%	27.6%	5.2%	3.5%	4.0%		
Erie, PA	43.6%	16.3%	5.3%	6.8%	-		5.4%
Evansville, IN	36.8%	26.1%	5.3%	3.1%	3.6%		
Fargo, ND	32.0%	28.3%	4.9%	3.0%	3.1%		
Green Bay, WI	36.8%	28.7%	4.6%	4.9%	3.7%		
Peoria, IL	45.3%	14.7%	4.4%	-	3.9%	7.0%	
Topeka, KS	44.2%	16.6%	4.5%	3.9%	4.0%		
Average	*39.3%*	*22.6%*	*4.9%*	*4.2%*	*3.7%*		
Davenport, IA	**30.8%**	**26.2%**	**5.2%**	**4.0%**	**4.9%**		

*Category includes those visiting supercenters and other big box retailers.

4. Downtown Worker Visitation

Downtown Davenport workers represent 22.0% of annual visitations, 25 percentage points below average. This is not surprising given the small employment base in downtown. The next lowest share of worker visitation is 31.4% in Green Bay.

Downtown	March 1, 2024 through February 28, 2025				
	Total Visits	Visits Per Sq. Ft.	Total Employees	Visit Frequency	Average Time Spent*
Cedar Rapids, IA	1,800,000	0.15	13,500	131.00	373
Erie, PA	4,900,000	0.42	32,700	149.24	407
Evansville, IN	3,100,000	0.14	21,800	140.04	378
Fargo, ND	2,500,000	0.11	15,900	158.00	397
Green Bay, WI	2,200,000	0.07	15,100	144.14	403
Peoria, IL	5,600,000	0.21	43,200	130.30	424
Topeka, KS	3,100,000	0.11	22,200	140.12	390
Average	*3,314,286*	*0.17*	*23,486*	*141.83*	*396*
Davenport, IA	**1,300,000**	**0.11**	**9,000**	**143.57**	**389**

*Minutes

Downtown workers share a similar journey before and after work than other downtown employees in comparable markets.

Downtown	Top 5 Locations Before Downtown Visit					
	Home	Work	Dining	Leisure	Shops & Services	Medical & Health
Cedar Rapids, IA	83.8%	2.9%	2.0%		1.5%	1.4%
Erie, PA	83.1%	4.1%	1.3%	1.6%	1.4%	
Evansville, IN	83.0%	3.4%	2.8%		1.2%	1.2%
Fargo, ND	81.2%	4.3%	1.8%	1.5%	1.1%	
Green Bay, WI	82.4%	4.0%	2.0%	1.6%		1.6%
Peoria, IL	86.3%	3.0%	1.4%		1.1%	2.8%
Topeka, KS	87.2%	3.0%	2.2%		1.2%	1.3%
Average	*83.9%*	*3.5%*	*1.9%*	*1.6%*	*1.3%*	*1.7%*
Davenport, IA	**83.9%**	**3.0%**	**2.1%**	**1.5%**		**1.8%**

*Category includes those visiting supercenters and other big box retailers.

Downtown	Top 5 Locations After Downtown Visit						
	Home	Work	Dining	Leisure	Shops & Services	Medical & Health	Groceries
Cedar Rapids, IA	71.0%	3.6%	3.6%	2.8%			2.6%
Erie, PA	71.5%	6.4%	2.4%	2.7%	2.5%		
Evansville, IN	69.7%	3.5%	4.5%		2.8%	2.2%	
Fargo, ND	66.2%	6.9%	3.6%		2.6%		2.6%
Green Bay, WI	66.9%	6.4%	3.6%	3.5%	3.2%		
Peoria, IL	70.9%	4.4%	3.6%		2.8%	3.1%	
Topeka, KS	71.1%	3.8%	4.5%	2.6%	2.6%		
Average	*69.6%*	*5.0%*	*3.7%*	*2.9%*	*2.8%*	*2.7%*	
Davenport, IA	**70.5%**	**3.1%**	**4.1%**	**2.8%**		**2.8%**	

*Category includes those visiting supercenters and other big box retailers.

DDA