

State Street - Grant Street Corridor Market Analysis and Redevelopment Options

Prepared for the City of Bettendorf

By Strategic Economics Group
under subcontract to
Snyder and Associates



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Regional Demographic and Economic Profile

Population

Bettendorf's estimated population in 2015 equaled 35,505, which is an increase of 2,288 (6.9%) since 2010. Bettendorf has experienced population growth every decade since its incorporation in 1903. It was during the 1950s and 1960s when it experienced its most explosive growth. From 1950 to 1960 Bettendorf's population increased from 5,132 to 11,534 (124.7%) and from 1960 to 1970 the city added another 10,592 residents (91.8% increase) to equal a population of 22,126. It was during these years of rapid growth that Bettendorf proclaimed itself Iowa's Most Exciting City.



Bettendorf is part of the Iowa-Illinois Quad-Cities, which actually consists of five major cities with Davenport, Moline, Rock Island and East Moline being the other four cities. The population of these five cities equaled an estimated 242,745 in 2015, which is an increase of 6,052 (2.6%) since 2010. These cities are located in the Davenport-Moline-Rock Island, IA-IL Metropolitan Statistical Area, which consists of Scott County in Iowa and Henry, Mercer and Rock Island Counties in Illinois. The estimated 2015 population for the entire metropolitan area equals 385,606. The metropolitan area's population peaked in 1980 at 403,244, but then due to the national farm recession it dropped by 35,099 (8.7%) to 368,145 by 1990.

So, as of 2015 the population of the metropolitan area remained 17,638 (4.4%) below its 1980 peak. However, as Table 1 shows the Iowa side of the metropolitan area has increased in population to a level 14,104 (8.8%) above its 1980's number, while on the Illinois side of the Mississippi River population has dropped by 31,742 (13.1%). Of the area's five principal cities Bettendorf has experienced the greatest growth adding 8,124 (29.7%) residents over the 35 years.

Economy, Employment and Wages

A major cause of the reversal of fortune for the Quad-Cities was the 1980s farm recession, which resulted in a consolidation of the farm implements manufacturing industry, an industry that dominated the local economy at the time with manufacturing plants operated by J. I. Case, Deere and Company, International Harvester, and Caterpillar all located in the Quad-Cities. During the 1980s the Quad-Cities lost 20,000 manufacturing jobs as all except Deere and Company closed down operations in the area.

Table 1: Quad-Cities Metropolitan Area Population, 1900 – 2015

Year	Bettendorf	Davenport	Scott County	East Moline	Moline	Rock Island	Rock Island County	Quad-Cities	4-County Metro Area
1900		35,254	51,558		19,524	19,493	55,249	74,271	167,801
1910	909	43,028	60,000	2,665	20,782	24,335	70,404	91,719	191,863
1920	2,178	56,727	73,952	8,675	21,492	35,177	92,297	124,249	230,211
1930	2,768	60,751	77,332	10,107	21,487	37,953	98,191	133,066	236,015
1940	3,143	66,039	84,748	12,359	23,980	42,775	113,323	148,296	259,570
1950	5,132	74,549	100,698	13,913	32,574	48,710	133,558	174,878	298,122
1960	11,534	88,981	119,067	16,732	35,582	51,863	150,991	204,692	336,524
1970	22,126	98,469	142,687	20,832	38,480	50,166	166,734	230,073	379,932
1980	27,381	103,264	160,022	20,907	45,690	46,821	165,968	244,063	403,244
1990	28,139	95,333	150,973	20,147	42,485	40,552	148,723	226,656	368,145
2000	31,275	98,359	158,668	21,431	43,768	39,684	149,374	234,517	376,019
2010	33,217	99,685	165,224	21,302	43,471	39,018	147,546	236,693	379,690
2015	35,505	104,589	174,126	21,350	42,681	38,620	146,133	242,745	385,606
2000-2010	1,942	1,326	6,556	-129	-297	-666	-1,828	2,176	3,671
%Chg	6.21%	1.35%	4.13%	-0.60%	-0.68%	-1.68%	-1.22%	0.93%	0.98%
2010-2015	2,288	4,904	8,902	48	-790	-398	-1,413	6,052	5,916
%Chg	6.89%	4.92%	5.39%	0.23%	-1.82%	-1.02%	-0.96%	2.56%	1.56%
2000-2015	4,230	6,230	15,458	-81	-1,087	-1,064	-3,241	8,228	9,587
%Chg	13.53%	6.33%	9.74%	-0.38%	-2.48%	-2.68%	-2.17%	3.51%	2.55%
1980-2015	8,124	1,325	14,104	443	-3,009	-8,201	-19,835	-1,318	-17,638
%Chg	29.67%	1.28%	8.81%	2.12%	-6.59%	-17.52%	-11.95%	-0.54%	-4.37%

Source: American Community Survey

Even Deere and Company suffered a large drop in employment during this period. Companywide its employment dropped from a peak of 65,392 in 1979 to 37,481 in 1986. Not until 2012 did the company's worldwide employment surpass the 1979 peak and during 2012 the company produced about 2.4 times the amount of sales in inflation adjusted dollars as it did in 1979. Thus, as with so many domestic manufacturers productivity improvements have reduced the demand for workers.

Nevertheless, manufacturing dominates the Quad-Cities economy. For the entire metropolitan area the manufacturing sector accounts for 18.2 percent of real gross domestic product (GDP), compared to 12.1 percent for the nation as a whole and compared to 13.4 percent in Illinois and to 18.6 percent in Iowa. In terms of employment, manufacturing companies employ 17.6 percent of workers in the Quad-Cities metropolitan area. For the nation, Illinois and Iowa the manufacturing sector employs 10.4 percent, 12.6 percent and 14.9 percent, respectively.

Major manufacturers with operations in the metropolitan area include: Deere and Company (7,625 employees), Rock Island Arsenal (5,602), Tyson (2,400), Alcoa (2,194), Oscar Mayer (1,600), Sears Manufacturing (884), Custom-Pak (800), and Nestle Purina (685). Total employment within the manufacturing sector by metropolitan area residents equaled 32,061 during 2014.

The health care and social assistance sector employed the second largest number of area residents during 2014 accounting for 24,446 workers and 13.5 percent of total employment. The largest employers in this sector are Genesis (4,805) and Unity Point (4,468).

The retail trade sector employed the third largest number of area residents during 2014 accounting for 21,198 workers and 11.7 percent of total employment. The largest area employers in this sector are HyVee (4,378) and Walmart (2,821).

Table 2 shows employment and Table 3 shows employment shares by sector for each of the five major cities of the region, for Scott and Rock Island Counties, for the five cities combined and for the entire metropolitan area. The top part of the table shows the number of employees by sector by place of residence and the bottom part shows each sector's share of the jurisdiction's total employment.

Manufacturing, health care and social assistance, and retail trade are the only sectors that accounted for more than 10 percent of area employment during 2014. The combined employment share for these sectors equaled 42.8 percent. Sectors that accounted for between 5 and 10 percent of area employment include: educational services (9.0%), accommodate and food services (6.6%) and construction (5.9%).

Table 4 shows the median wage by industry sector for each jurisdiction during 2014. This table shows considerable variation in median wages across sectors and within sectors across the different metropolitan area jurisdictions. For example, the median manufacturing wage for the entire metropolitan area equals \$46,378, but for Bettendorf residents the median manufacturing wage equals \$70,400, while for East Moline residents the median manufacturing wage equals only \$37,292. For all employed persons age 16 and older the median wage for Bettendorf residents equals \$45,043, which is 37 percent higher than the metropolitan area median wage of \$32,854.

The next section of this report focuses in on demographic and economic characteristics of the City of Bettendorf in order to provide a basis for better understanding the potential for the revitalization of its downtown area.

Table 2: Employment by Industry Sector and by Jurisdiction, 2014

Industry	Bettendorf	Davenport	Scott County	East Moline	Moline	Rock Island	Rock Island County	Quad-Cities	4-County Metro Area
Civilian employed population 16 years and over	16,690	48,859	82,617	8,514	20,810	17,297	67,927	112,170	181,748
Agriculture, forestry, fishing and hunting	101	246	721	47	120	87	628	601	2,673
Mining, quarrying, and oil and gas extraction	20	40	124	33	30	3	143	126	279
Construction	807	2,587	4,771	432	883	911	3,533	5,620	10,708
Manufacturing	3,238	7,695	14,007	1,718	4,340	2,478	12,492	19,469	32,061
Wholesale trade	424	1,557	2,448	187	475	403	1,782	3,046	5,176
Retail trade	1,651	6,545	9,876	1,161	2,657	1,713	7,828	13,727	21,198
Transportation and warehousing	444	1,990	3,248	280	1,002	880	3,377	4,596	8,312
Utilities	267	393	887	62	188	109	741	1,019	2,016
Information	305	930	1,435	186	563	399	1,454	2,383	3,423
Finance and insurance	880	1,736	3,367	287	600	482	2,084	3,985	6,685
Real estate and rental and leasing	308	803	1,315	24	294	129	649	1,558	2,256
Professional, scientific, and technical services	978	1,756	3,517	280	979	536	2,619	4,529	7,028
Management of companies and enterprises	33	24	75	0	27	19	96	103	195
Administrative, support and waste mgmt	487	1,901	3,048	298	893	784	2,947	4,363	6,998
Educational services	1,439	4,414	7,402	550	1,780	2,652	6,634	10,835	16,387
Health care and social assistance	2,632	6,919	11,671	1,411	2,311	2,373	8,622	15,646	24,446
Arts, entertainment, and recreation	334	1,108	1,647	150	519	242	1,336	2,353	3,394
Accommodation and food services	718	3,991	5,629	604	1,516	1,506	4,620	8,335	11,969
Other services, except public administration	731	2,235	3,695	521	879	800	3,295	5,166	8,418
Public administration	893	1,989	3,734	283	754	791	3,047	4,710	8,126

Source: American Community Survey

Table 3: Employment Shares by Industry Sector and by Jurisdiction, 2014

Industry	Bettendorf	Davenport	Scott County	East Moline	Moline	Rock Island	Rock Island County	Quad-Cities	Metro Area
Civilian employed population 16 years and over	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Agriculture, forestry, fishing and hunting	0.6%	0.5%	0.9%	0.6%	0.6%	0.5%	0.9%	0.5%	1.5%
Mining, quarrying, and oil and gas extraction	0.1%	0.1%	0.2%	0.4%	0.1%	0.0%	0.2%	0.1%	0.2%
Construction	4.8%	5.3%	5.8%	5.1%	4.2%	5.3%	5.2%	5.0%	5.9%
Manufacturing	19.4%	15.7%	17.0%	20.2%	20.9%	14.3%	18.4%	17.4%	17.6%
Wholesale trade	2.5%	3.2%	3.0%	2.2%	2.3%	2.3%	2.6%	2.7%	2.8%
Retail trade	9.9%	13.4%	12.0%	13.6%	12.8%	9.9%	11.5%	12.2%	11.7%
Transportation and warehousing	2.7%	4.1%	3.9%	3.3%	4.8%	5.1%	5.0%	4.1%	4.6%
Utilities	1.6%	0.8%	1.1%	0.7%	0.9%	0.6%	1.1%	0.9%	1.1%
Information	1.8%	1.9%	1.7%	2.2%	2.7%	2.3%	2.1%	2.1%	1.9%
Finance and insurance	5.3%	3.6%	4.1%	3.4%	2.9%	2.8%	3.1%	3.6%	3.7%
Real estate and rental and leasing	1.8%	1.6%	1.6%	0.3%	1.4%	0.7%	1.0%	1.4%	1.2%
Professional, scientific, and technical services	5.9%	3.6%	4.3%	3.3%	4.7%	3.1%	3.9%	4.0%	3.9%
Management of companies and enterprises	0.2%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Administrative, support and waste mgmt services	2.9%	3.9%	3.7%	3.5%	4.3%	4.5%	4.3%	3.9%	3.9%
Educational services	8.6%	9.0%	9.0%	6.5%	8.6%	15.3%	9.8%	9.7%	9.0%
Health care and social assistance	15.8%	14.2%	14.1%	16.6%	11.1%	13.7%	12.7%	13.9%	13.5%
Arts, entertainment, and recreation	2.0%	2.3%	2.0%	1.8%	2.5%	1.4%	2.0%	2.1%	1.9%
Accommodation and food services	4.3%	8.2%	6.8%	7.1%	7.3%	8.7%	6.8%	7.4%	6.6%
Other services, except public administration	4.4%	4.6%	4.5%	6.1%	4.2%	4.6%	4.9%	4.6%	4.6%
Public administration	5.4%	4.1%	4.5%	3.3%	3.6%	4.6%	4.5%	4.2%	4.5%

Source: American Community Survey

Table 4: Median Wage by Industry Sector and by Jurisdiction, 2014

Industry	Bettendorf	Davenport	Scott County	East Moline	Moline	Rock Island	Rock Island County	Quad-Cities	Metro Area
Civilian employed population 16 years and over	\$45,043	\$31,214	\$35,016	\$27,468	\$31,136	\$26,590	\$30,825	\$32,260	\$32,854
Agriculture, forestry, fishing and hunting	\$33,875	\$50,208	\$34,712	\$28,688	\$14,412	\$17,417	\$26,250	\$33,886	\$33,072
Mining, quarrying, and oil and gas extraction	--	\$59,688	\$62,727	--	--	--	\$77,734	\$59,688	\$59,375
Construction	\$40,590	\$37,809	\$40,284	\$35,625	\$32,239	\$30,698	\$37,457	\$36,013	\$39,204
Manufacturing	\$70,400	\$45,884	\$51,089	\$37,292	\$42,439	\$39,911	\$43,231	\$47,675	\$46,378
Wholesale trade	\$61,324	\$41,852	\$43,497	\$26,484	\$35,795	\$50,329	\$41,201	\$43,796	\$42,257
Retail trade	\$21,496	\$20,576	\$21,386	\$19,239	\$19,578	\$16,347	\$18,813	\$19,853	\$20,271
Transportation and warehousing	\$53,919	\$32,261	\$36,374	\$27,500	\$36,038	\$30,795	\$36,048	\$34,606	\$37,416
Utilities	\$73,173	\$54,745	\$61,895	\$37,016	\$62,308	\$50,350	\$60,117	\$59,420	\$60,608
Information	\$46,354	\$26,517	\$31,074	\$9,808	\$29,250	\$31,979	\$30,833	\$29,312	\$31,602
Finance and insurance	\$50,833	\$38,348	\$41,741	\$29,201	\$39,167	\$36,250	\$37,628	\$40,316	\$39,674
Real estate and rental and leasing	\$51,136	\$34,243	\$37,242	\$18,333	\$28,145	\$26,575	\$27,425	\$35,552	\$33,059
Professional, scientific, and technical services	\$60,625	\$46,121	\$50,380	\$29,342	\$38,904	\$42,105	\$38,655	\$46,180	\$43,678
Management of companies and enterprises	\$230,521	\$60,357	\$116,750	--	\$136,375	\$53,958	\$100,357	\$133,622	\$116,417
Administrative, support and waste mgmt	\$32,750	\$25,735	\$26,891	\$16,739	\$21,133	\$18,857	\$21,000	\$23,726	\$23,602
Educational services	\$49,575	\$34,985	\$39,696	\$25,380	\$41,620	\$13,235	\$27,643	\$32,202	\$36,363
Health care and social assistance	\$33,624	\$26,975	\$30,377	\$25,014	\$31,160	\$25,569	\$26,981	\$28,322	\$28,842
Arts, entertainment, and recreation	\$23,611	\$10,682	\$12,337	\$5,909	\$16,280	\$22,614	\$14,535	\$14,675	\$12,295
Accommodation and food services	\$18,393	\$13,166	\$13,739	\$14,944	\$12,101	\$12,408	\$12,468	\$13,414	\$12,781
Other services, except public administration	\$21,611	\$22,056	\$22,404	\$33,569	\$19,036	\$13,973	\$19,768	\$21,389	\$21,446
Public administration	\$79,417	\$56,120	\$64,167	\$47,461	\$55,473	\$56,326	\$55,829	\$59,948	\$58,644

Source: American Community Survey

Bettendorf Demographic and Economic Profile

Bettendorf Population

As Table 1 shows, Bettendorf grew by 2,288 residents (6.9%) between 2010 and 2015. Over the fifteen years from 2000 to 2015 Bettendorf added 4,230 residents, which equals a growth rate of 13.5 percent. In comparison, all of Scott County grew by 8,902 residents (5.4%) from 2010 to 2015 and by 15,458 residents (9.7%) from 2000 to 2015. Because the Illinois side of the metropolitan area has lost population since 2000, the entire metropolitan area increased by only 5,916 residents (1.6%) from 2010 to 2015 and by only 9,587 (2.6%) for the entire fifteen years since 2000.

Beyond the total growth of population the comparison of the age distribution of Bettendorf's population to other jurisdictions reveals some interesting differences between the city and the other metropolitan area jurisdictions. Table 5 shows Bettendorf and other metropolitan area jurisdictions' populations and population shares by age cohort for 2014.

Dating back to the 1950s Bettendorf attracted families with school age children due to the quality of its schools and this appears to still be the case. Bettendorf has the highest percentage of residents ages 5 through 17. The share of its population in this age range equals 18.5 percent. In comparison, the shares of Davenport's and all Scott County's populations in this age range equal 16.9 percent and 17.6 percent, respectively. For the Illinois part of the metropolitan area this age range's share of total population equals 16.5 percent. Bettendorf's high school age population provides opportunities for businesses that sell goods and provide services targeted to this age group.

Moving up the age spectrum to young adulthood – ages 18 through 21 – Bettendorf's share of population in this age range is only 3.4 percent. The comparable population shares for this age range in Davenport, all of Scott County and the three Illinois metropolitan area counties equal 5.8 percent, 5.0 percent and 5.3 percent, respectively. The most likely explanation for Bettendorf's relatively small population in this age group is older teenagers leaving home and leaving the metropolitan area to attend college.

Bettendorf also has a relatively low share of its population in the age range of 22 through 44 years, which only equals 28.1 percent compared to 32.2 percent for Davenport and 30.1 percent for all of Scott County. But for the three metropolitan area Illinois counties the share is even lower than Bettendorf's share equaling just 27.0 percent.

Bettendorf's population ages 45 through 64 years equals 28.3 percent of the city's total population. Bettendorf leads the other metropolitan area jurisdictions for this age range. This age range's population shares for Davenport, all of Scott County, and the Illinois part of the metropolitan area equal 25.2 percent, 27.0 percent and 27.9 percent, respectively. This age group has particular importance for the city's potential for retail trade growth. People in this age group often have higher incomes than younger people and they often have moved into larger second homes, which generates an increased demand for additional home furnishings and other consumer goods.

Finally, 15.1 percent of Bettendorf's population is age 65 and older. This is above the shares for Davenport (12.8%) and for all of Scott County (13.7%), but less than for the Illinois part of the metropolitan area (17.3%). For those of this age group who have retired the city's recreation and entertainment opportunities may be particularly important.

Table 5: Population by Age Cohort and Jurisdiction, 2014

Age Cohort	Bettendorf	Davenport	Scott Co	Illinois Metro Area	Total Metro Area
Under 5 years	2,277	7,095	11,273	12,848	24,121
5 to 9 years	2,360	7,243	11,602	13,230	24,832
10 to 14 years	2,543	5,898	11,255	13,617	24,872
15 to 19 years	2,095	6,762	11,017	13,839	24,856
20 to 24 years	1,260	7,791	10,482	12,955	23,437
25 to 34 years	3,866	15,723	22,944	25,258	48,202
35 to 44 years	4,992	12,279	21,545	25,136	46,681
45 to 54 years	5,124	13,101	23,627	29,827	53,454
55 to 59 years	2,085	6,568	11,110	15,506	26,616
60 to 64 years	2,485	5,894	10,808	14,191	24,999
65 to 74 years	2,831	6,780	12,673	19,590	32,263
75 to 84 years	1,634	3,950	7,003	11,659	18,662
85 years and over	695	2,232	3,375	5,543	8,918
Total	34,247	101,316	168,714	213,199	381,913

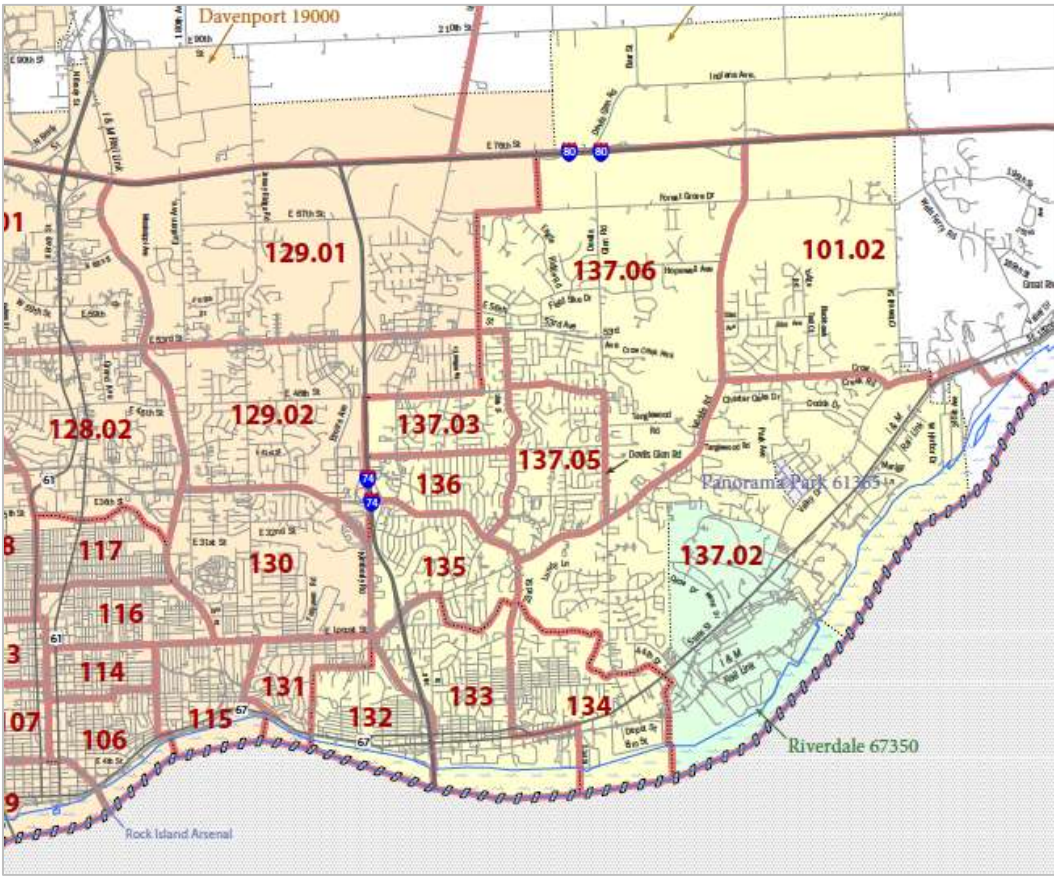
Population Shares	Bettendorf	Davenport	Scott Co	Illinois Metro Area	Total Metro Area
0 to 5 years	6.6%	7.0%	6.7%	6.0%	6.3%
5 to 17 years	18.5%	16.9%	17.6%	16.5%	17.0%
18 to 21 years	3.4%	5.8%	5.0%	5.3%	5.2%
22 to 44 years	28.1%	32.3%	30.1%	27.0%	28.4%
45 to 64 years	28.3%	25.2%	27.0%	27.9%	27.5%
65 years and over	15.1%	12.8%	13.7%	17.3%	15.7%

Median Age	40.1	35.1	37.5	40.9	39.3
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Source: American Community Survey

Table 6 provides the age distribution for the City of Bettendorf by census tract. It should be noted that the sum of the census tract population estimates exceed the Bettendorf total population estimate by about 14.4 percent. The age ranges with the largest estimation difference are 60 to 64 years (18.3%) and 45 to 54 years (18.2%). The smallest age range estimation differences occur for 18 to 19 years (2.9%) and for 20 to 21 years (7.4%). However, assuming the estimation differences are relatively consistent for all of the census tracts, the comparison of the sizes of age cohorts across the ten Bettendorf census tracts should not be significantly altered.

Figure 1: Bettendorf Census Tracts



The census tract that includes most of the State Street – Grant Street corridor is census tract 133. The people that reside in this census tract account for 9.0 percent of the city’s total population. The median age for this census tract is 38.5 years compared to 40.1 years for all of Bettendorf. The only census tracts with lower median ages are census tracts 135 (37.3 years) and 137.06 (38.2 years).

The relatively young population of census tract 133 is reflected in the shares of its total population of ages 0 to 4 years (7.8%) and 22 to 44 years (31.3%). The population shares for the city as a whole are 6.6 percent and 28.1 percent, respectively. These populations of young children and young adults indicate that census tract 133 is home to a relatively large share of the city’s youngest families. This age structure implies that the census tract’s population likely have lower incomes than the city overall.

Table 6: Bettendorf Population by Age and by Census Tract, 2014

Age Cohort	Population by Census Tract										Bettendorf
	101.02	132	133	134	135	136	137.02	137.03	137.05	137.06	
Under 5 years	364	134	273	159	383	121	326	193	156	362	2,277
5 to 9 years	498	89	243	213	188	102	402	224	315	390	2,360
10 to 14 years	620	32	189	267	180	305	326	198	346	478	2,543
15 to 17 years	289	30	95	157	164	111	253	110	196	222	1,428
18 to 19 years	63	20	12	60	35	97	117	55	93	134	667
20 to 21 years	48	34	57	18	51	50	17	78	66	103	486
22 to 24 years	114	32	73	103	100	55	72	84	137	105	774
25 to 34 years	601	200	599	334	532	270	466	332	784	276	3,866
35 to 44 years	1,038	196	427	477	383	385	832	305	850	763	4,992
45 to 54 years	1,254	339	352	427	555	486	867	413	625	738	5,124
55 to 59 years	446	153	206	204	136	175	322	203	353	234	2,085
60 to 64 years	699	94	317	190	195	147	563	232	264	239	2,485
65 to 74 years	495	150	284	246	248	288	437	289	525	271	2,831
75 to 84 years	296	84	252	176	222	66	169	90	401	149	1,634
85 years and over	42	66	131	78	42	16	100	32	73	179	695
Total	6,867	1,653	3,510	3,109	3,414	2,674	5,269	2,838	5,184	4,643	34,247

Population Share	Census Tracts										Bettendorf
	101.02	132	133	134	135	136	137.02	137.03	137.05	137.06	
0 to 4 years	5.3%	8.1%	7.8%	5.1%	11.2%	4.5%	6.2%	6.8%	3.0%	7.8%	6.6%
5 to 17 years	20.5%	9.1%	15.0%	20.5%	15.6%	19.4%	18.6%	18.7%	16.5%	23.5%	18.5%
18 to 21 years	1.6%	3.3%	2.0%	2.5%	2.5%	5.5%	2.5%	4.7%	3.1%	5.1%	3.4%
22 to 44 years	25.5%	25.9%	31.3%	29.4%	29.7%	26.6%	26.0%	25.4%	34.2%	24.6%	28.1%
45 to 64 years	34.9%	35.5%	24.9%	26.4%	26.0%	30.2%	33.3%	29.9%	24.0%	26.1%	28.3%
65 years and over	12.1%	18.1%	19.0%	16.1%	15.0%	13.8%	13.4%	14.5%	19.3%	12.9%	15.1%

Median Age	42.5	47.2	38.5	39.7	37.3	41.5	41.8	40	39.9	38.2	40.1
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Source: American Community Survey

The Bettendorf Economy

On a citywide basis Bettendorf is the home of some of the metropolitan area's most affluent residents. As shown in Table 7, Bettendorf's household median income of \$74,529 exceeded the median income for the entire metropolitan area by \$23,266 (45.4%) during 2014. Bettendorf's median income exceeds the median income for all of Scott County by \$20,825 (38.8%).

Looking at the full income distribution of metropolitan area households, only about a third (33.7%) of Bettendorf households had incomes below \$50,000 during 2014. The shares of households in this income group for Davenport, all of Scott County and for the three Illinois metropolitan area counties are 54.3 percent, 46.5 percent and 50.5 percent, respectively.

Also, about one-third (34.7%) of Bettendorf households had incomes of \$100,000 or more during 2014. For Davenport the comparable share of households in this income range equaled only 15.7 percent. The comparable percentages for all of Scott County and for the Illinois part of the metropolitan area equaled 22.1 percent and 19.2 percent.

The ratio of the share of aggregate household income to the share of the number of households provides another measure of the relative affluence of Bettendorf compared to the remainder of the metropolitan area. Bettendorf contains only 8.8 percent of metropolitan area households, but those households earned 12.5 percent of the metropolitan area's income during 2014 yielding an income to households ratio of 1.42. Comparable ratios for Davenport, all of Scott County and for the Illinois part of the metropolitan area equal 0.89, 1.07 and 0.94, respectively.

All of these comparisons support the idea that Bettendorf should be able to support a number of high end retailers and service companies that cater for affluent households. Comparing the median income of Bettendorf households to the median income for other affluent cities in the state provides an indication of the types new businesses the city should be able to support. For example, during 2014 the median incomes for Ankeny, Urbandale and West Des Moines equaled \$75,069, \$79,786 and \$70,882, respectively.

Table 8 provides additional detail on the distribution of Bettendorf households by income level by census tract. Bettendorf's most affluent households reside in census tracts 101.02 and 137.06, which are located in the north central and northeast parts of the city. During 2014 median household income for the residents of census tract 101.02 equaled \$90,455. For census tract 137.06 the median household income during 2014 equaled \$122,891. For census tract 133, which contains most of the State Street – Grant Street corridor the 2014 median household income equaled \$51,411 during 2014. This is the city census tract with the second lowest median income. The area of the city with the lowest median income (\$51,360) is census tract 134, which is located just east of census tract 133. Not surprisingly, the lower income areas of Bettendorf are located along the Mississippi River, which is the oldest area of the city. The city's highest income households live in the newer northern areas of the city.

The location of higher income households in the northern areas of the city indicated that it will be important to have good road access between these areas and the State Street – Grant Street corridor in order to support the development of high end retailers in this area.

Table 7: Metropolitan Area Household Income by Jurisdiction, 2014

Income	Bettendorf	Davenport	Scott Co	Illinois Metro Area	Total Metro Area
Less than \$10,000	3.6%	8.2%	6.2%	6.9%	6.6%
\$10,000 to \$14,999	3.3%	6.3%	5.1%	5.1%	5.1%
\$15,000 to \$24,999	7.5%	11.8%	10.0%	11.2%	10.7%
\$25,000 to \$34,999	8.6%	12.9%	11.3%	11.3%	11.3%
\$35,000 to \$49,999	10.7%	15.1%	13.9%	16.0%	15.1%
\$50,000 to \$74,999	16.5%	18.2%	18.2%	20.4%	19.5%
\$75,000 to \$99,999	15.0%	11.9%	13.2%	12.0%	12.5%
\$100,000 to \$149,999	17.8%	11.1%	13.7%	11.5%	12.4%
\$150,000 to \$199,999	9.1%	2.9%	4.7%	3.0%	3.7%
\$200,000 or more	7.8%	1.7%	3.7%	2.6%	3.1%
Median	\$74,529	\$45,424	\$53,704	\$49,439	\$51,263
Mean	\$94,623	\$59,644	\$71,588	\$63,061	\$66,775
Less than \$50,000	33.7%	54.3%	46.5%	50.5%	48.8%
\$50,000 to \$99,999	31.5%	30.1%	31.4%	32.4%	32.0%
\$100,000 or more	34.7%	15.7%	22.1%	17.1%	19.2%
Number of Households	13,623	40,912	67,325	87,266	154,591
Aggregate Income (\$Mil)	\$1,289.0	\$2,440.2	\$4,819.7	\$5,503.1	\$10,322.8
Aggregate Income Share	12.5%	23.6%	46.7%	53.3%	100.0%
Households Share	8.8%	26.5%	43.6%	56.4%	100.0%
Ratio Income to Households Shares	1.42	0.89	1.07	0.94	1.00

Source: American Community Survey

Table 8: Bettendorf Household Income by Census Tract, 2014

Income	Number of Households by Census Tract									
	101.02	132	133	134	135	136	137.02	137.03	137.05	137.06
Less than \$10,000	14	15	27	57	113	38	123	0	94	29
\$10,000 to \$14,999	53	35	51	21	34	37	15	0	201	45
\$15,000 to \$24,999	89	74	124	179	126	34	143	61	262	30
\$25,000 to \$34,999	144	73	230	137	79	75	199	51	266	68
\$35,000 to \$49,999	229	112	237	159	173	96	181	30	379	85
\$50,000 to \$74,999	450	155	339	254	334	203	328	138	349	132
\$75,000 to \$99,999	332	73	123	114	272	183	392	310	390	133
\$100,000 to \$149,999	427	123	214	176	169	244	459	192	342	417
\$150,000 to \$199,999	345	46	51	28	34	48	240	151	179	243
\$200,000 or more	386	55	21	55	92	28	316	60	38	303
Median	\$90,455	\$68,450	\$51,411	\$51,360	\$61,397	\$76,563	\$90,841	\$92,048	\$55,217	\$122,891
Mean	\$125,088	\$101,948	\$66,446	\$73,226	\$77,138	\$87,871	\$104,854	\$104,783	\$68,214	\$150,758
Number of Households	2,469	761	1,417	1,180	1,426	986	2,396	993	2,500	1,485
Aggregate Income (\$Mil)	\$308.8	\$77.6	\$94.2	\$86.4	\$110.0	\$86.6	\$251.2	\$104.0	\$170.5	\$223.9
Share under \$50,000	21.4%	40.6%	47.2%	46.9%	36.8%	28.4%	27.6%	14.3%	48.1%	17.3%
Share \$50,000 to \$99,999	31.7%	30.0%	32.6%	31.2%	42.5%	39.1%	30.1%	45.1%	29.6%	17.8%
Share \$100,000 and over	46.9%	29.4%	20.2%	21.9%	20.7%	32.5%	42.4%	40.6%	22.4%	64.8%

Source: American Community Survey

Retail Trade Analysis

This part of the analysis first looks at the types of retail activities that currently exists within the State Street – Grant Street corridor. The second part of this analysis looks at the distribution of competing concentrations of retail activity elsewhere in Bettendorf and in eastern Davenport. The third part of the analysis looks to other areas of Iowa – Des Moines’ East Village and Downtown Dubuque – for indications of the types of additional retail businesses that may be attracted to downtown Bettendorf.

Downtown Bettendorf

Prior to 1960 most retail business in Bettendorf was concentrated along State Street and to a lesser extent along Grant Street. The city’s downtown at that time extended along these two streets from about 10th Street to 23rd Street. Located within this area were two groceries (Eagle Foods and S & L), two dairies (Mead’s and Iowa), Stewart’s Pharmacy, Bettendorf Bank and Trust, clothing stores, an appliance store, a floor covering store, a jewelry store, an office supply store, an auto dealership, a bowling alley, as well as many other businesses normally found in small town downtowns. The annual Dollar Days held in this area drew shoppers from across the city.

In 1960 Bettendorf contained only 11,534 residents, who lived primarily between Middle Road and the Mississippi River and west of Devils Glen Road. With the opening of the Duck Creek Plaza at the intersection of Middle Road and Kimberly Road (U.S. Highway 6) in August 1960 retail businesses began to move away from the downtown. The development of the Cumberland Square strip shopping center at the corner of 18th Street and Spruce Hills Drive in 1964 accelerated the movement of retail businesses away from State and Grant Streets.

Today few retailers remain located in Bettendorf’s original downtown. The one longtime stalwart of the area is K & K Hardware, which is located at Grant and 18th Streets. Also located in the area are ten eating and drinking establishments. Three of these are franchise restaurants (Hardee’s, McDonald’s, and Subway). A popular Italian restaurant (Trattoria Tiramisu) is located at the corner of 18th and State Streets. Four other bars and restaurants (Sport’s Fans Pizza, Fumbles Sports Bar and Grill, Muddy Waters and Riverside Grill) are all congregated between 17th and 18th Streets on State and Grant Streets. This concentration of bars and restaurants near to the main entrance to the Isle of Capri Casino and Hotel complex provides the seed of what could become an expanded entertainment district. (See Figures 2 and 3.)

Table 9 shows the other types of retail and service businesses that are currently located in downtown Bettendorf. There are ten businesses that provide motor vehicle supplies and services. There are nine beauty and barber shops and spas. Toward the east end of the corridor there is a concentration of building trades, interior design and home furnishings establishments.

Statistics obtained from the Iowa Department of Revenue (Iowa DOR), show that businesses located in the corridor had a total of \$31.5 million in taxable sales during 2015. Out of the total, bars, restaurants and lodging places had taxable sales of \$5.7 million (18.2%), other retailers had taxable sales of \$18.7 million (59.2%), and non-retailers had taxable sales of \$7.1 million (22.6%). These statistics exclude taxable sales made by the Isle of Capri Casino and Hotel due to confidentiality restrictions on the release of certain transaction data by the Iowa DOR. Taxable sales during 2015 for all Bettendorf businesses required to have sales tax permits equaled \$368.3 million. So, the downtown businesses accounted for only 8.6 percent of Bettendorf’s taxable sales last calendar year.

Figure 2: Bettendorf Downtown – West Part



Figure 3: Downtown Bettendorf – East Part



Table 9: Number of Businesses with Sales Tax Permits in Downtown Bettendorf and in Comparison Areas

Business Class Description	Bettendorf Downtown	Cumberland Square	Duck Creek/ Kimberly Rd	Devils Glen/ Middle Rd	Utica Ridge Road	Elmore Ave/ 53rd Street	Downtown Dubuque	Des Moines East Village
Restaurants, Taverns & Bars	10	19	11	13	15	37	80	37
Hotels and Other Lodging Places	1	0	3	0	5	2	7	1
Clothing, Shoes, Luggage and Jewelry Stores	1	2	5	1	1	22	13	11
Furniture, Home Furnishings and Appliances	2	0	1	0	0	11	5	1
Sporting Goods and Hobby Stores	2	0	2	1	0	7	18	5
Groceries, Convenience, Drug and Liquor Stores	3	7	4	7	5	15	15	7
Motor Vehicle Sales and Services	10	2	2	9	1	4	17	7
Specialty and Miscellaneous Retail	8	8	5	2	2	8	39	13
Department and Variety Stores	0	1	0	0	0	7	1	3
Home and Hardware Stores	2	2	1	1	0	3	8	0
Beauty/Barber Shops and Spas	9	16	11	6	13	11	27	24
Medical Services	7	8	6	0	7	11	5	4
Other Personal Services	2	3	5	4	0	4	12	3
Financial and Real Estate Services	3	3	1	1	1	4	7	7
Professional Services	9	4	5	2	8	5	26	26
Traditional Retailers	39	41	34	34	29	116	203	85
Services Businesses	30	34	28	13	29	35	77	64
Subtotal Selected Business Types	69	75	62	47	58	151	280	149
Total Permitted Establishments	101	91	90	58	78	179	374	213
Share of All Permitted Establishments	68.3%	82.4%	68.9%	81.0%	74.4%	85.5%	74.9%	70.0%

Source: Iowa Department of Revenue

Local Retail Trade Comparison Areas

Duck Creek/ East Kimberly Road Shopping Area

Duck Creek Plaza opened in August 1960. Among the major businesses located in what was initially an open air mall were Eagle Foods, Walgreens, Bishops Buffet, and Younkers Department Store. The mall expanded in 1973 to include an office tower that housed the headquarters of Bettendorf Bank and a two screen movie theater. Access to the mall was greatly improved with the completion of I-74. In addition, Target and Kmart built big box discount stores to the south and to the north of the mall.

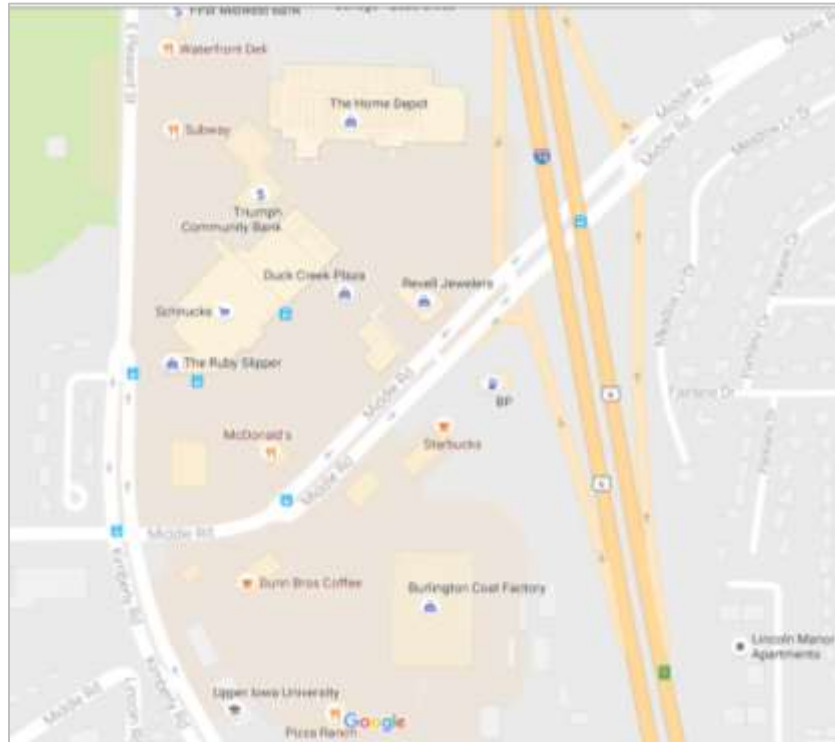
The opening of the much larger NorthPark Mall (Davenport) in July 1973 and SouthPark Mall (Moline) in February 1974 changed the retail landscape for the Quad-Cities. These were both fully enclosed facilities. At the time of its opening NorthPark has five department store anchors and over 100 stores. Subsequent additions have increased the size of NorthPark to 160 stores. SouthPark had three anchor stores and over 100 total stores when it opened. SouthPark currently has five anchor stores, but the total number of stores has shrunk to sixty.

By the mid-1980s the competition from the two larger enclosed malls led to the enclosing of Duck Creek Plaza. During the 1990s the mall included Younkers and Von Maur department stores, plus sixty other stores. The mall contained both national and locally owned stores, but signs of decline in retail trade for this area already began to appear. The Twin Cinemas closed in mid-1987. Target and Kmart left the area. In 1995 Target moved to a new store along Elmore Avenue and in 1998 Kmart left for a new location along North Brady Street.

Nevertheless the Duck Creek/ East Kimberly Road area remains a small regional shopping hub. (See Figure 4.) Because of the area's mix of businesses and size it serves more than just Bettendorf and eastern Davenport. New owners remade Duck Creek Plaza beginning the redevelopment work in 2003. Except for the office tower the area has been totally rebuilt. Existing major tenants are Schnuck's grocery, Marshall's, Walgreen's, and Home Depot. To the south Burlington Coat Factory occupies the former Target store and to the north Hobby Lobby occupies the former Kmart. A new 5-story 115 room Hilton Garden Inn hotel has been built south of the Duck Creek Plaza property. Three other hotels are located on the north end of the area near to the intersection of East Kimberly Road and Spruce Hills Drive. In addition, there are eleven restaurants and coffee shops and 20 other traditional retailers located in the area. Some examples of traditional retailers located in the area include General Nutrition (specialty food), Big 10 Mart (convenience store), Claire's Boutique (clothing), Walgreen's (pharmacy), Brauns (clothing), Del Boys Diamonds (jewelry), Marshall's (clothing), Burlington Coat Factory (clothing), Hobby Lobby (hobby and toy store), and Ann's Hallmark (stationary and gifts).

According to Iowa DOR, during 2015 the restaurants, coffee shops and hotels generated \$7.7 million in taxable sales. Taxable sales by traditional retailers and service companies equaled another \$64.4 million and taxable sales by all other sales tax permit holders equaled \$7.1 million.

Figure 4: Duck Creek Plaza and Kimberly Road Shopping Area



Cumberland Square Shopping Area

Cumberland Square opened for business in 1964. It was designed as a neighborhood strip shopping center and was originally anchored by a grocery store. A number of additions have been made to the development and to surrounding properties. The area contains 91 businesses that hold sales tax permits. Bars and restaurants account for the largest number of permit holders (19). Many of these businesses are regional and national fast food restaurants including Culver's, Dairy Queen, Donutland, Happy Joe's, Hungry Hobo, Jimmy John's, Pizza Hut, and Wendy's. There are also a number of local bars and restaurants including Harris Pizza, Food Lee, Jimmy's Pancake House, Azteca Mexican Restaurant, and Harrington's Pub.

The area's second most common business type is beauty and barber shops, spas and nail salons. There are sixteen businesses in this group. There are 22 traditional retailers located in the area. The largest of these are CVS Pharmacy and Dollar General. Other types of stores in the area include a jewelry store, a florist, a shoe store, an Indian grocery, a quilting store, and a pet and garden store.

According to the Iowa DOR, the Cumberland Square shopping center and surrounding area had \$24.3 million in total taxable sales during 2015. Sales by bars and restaurants equaled \$12.7 million and sales by traditional retailers and personal service businesses equaled \$10.2 million.

Figure 5: Cumberland Square Shopping Area



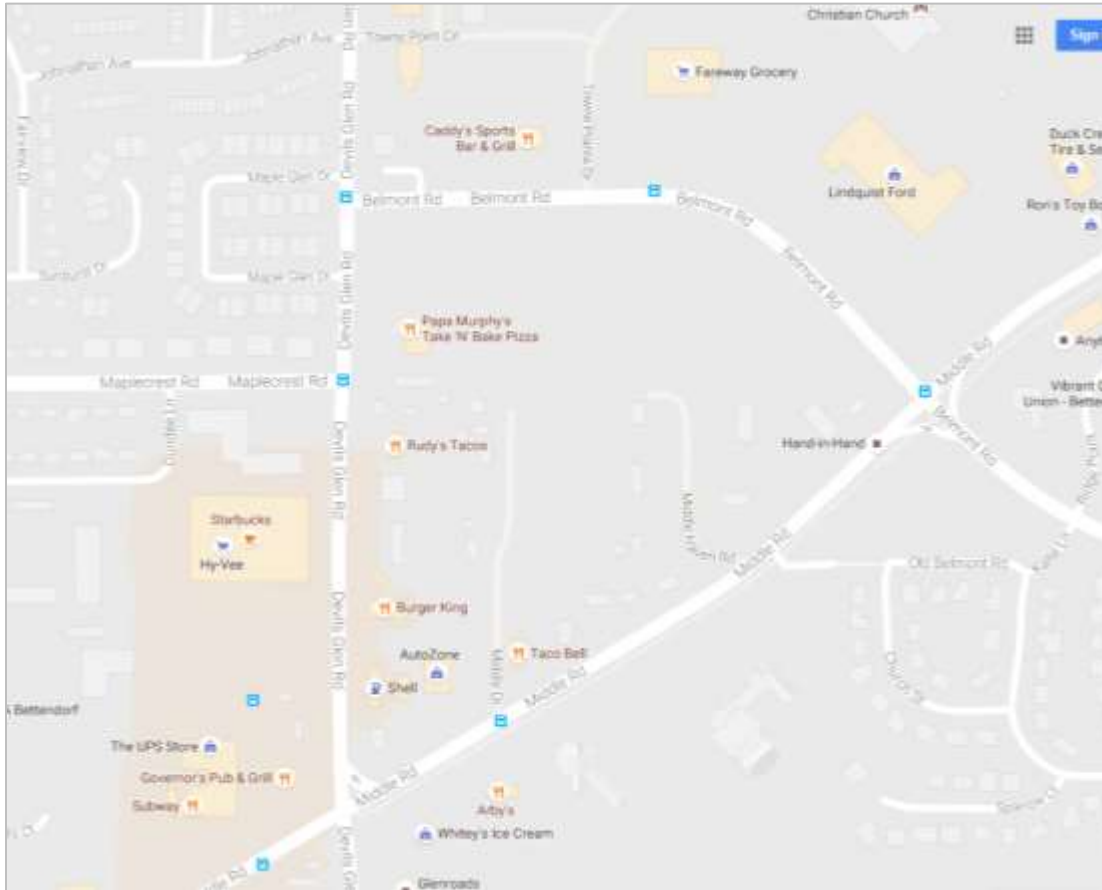
Devils Glen and Middle Road Shopping Area

Most of the commercial development in the vicinity of the intersection of Devils Glen Road and Middle Road dates from the mid-1970. Figure 6 provides a map of the area. Like the Cumberland Square area, this area is most appropriately described as a neighborhood retail and service center. The largest retail businesses located in the area are the Hy-Vee and Fareway groceries, Wallace's Garden Center, Walgreen's and Lindquist Ford. In terms of numbers of businesses, there are thirteen bars and restaurants. Six of these are regional and national fast food franchises (Arby's, Taco Bell, Panda Garden, Papa Murphy's, Papa John's Pizza and Burger King). Among the local establishments are Governor's, My House Sports Bar and Grill, and Rudy's Tacos. Other locally owned specialty food establishments include Whitey's Ice Cream, Creative Confections and Coffee Hound Deli.

The second most prevalent business category in the area involves motor vehicle sales and services. Among the nine businesses in this category are Lindquist Ford, Napa Auto Parts, Autozone, Duck Creek Tire, and Car X Tire and Auto Service. Other retailers located in the area include a liquor store, a stationary and gift store and two sporting goods stores.

During 2015 the bars, restaurants and other specialty food and beverage establishments generated taxable sales of \$6.6 million. Other traditional retailers and personal services companies had taxable sales of \$41.4 million and all other businesses with sales tax permits had taxable sales of \$3.6 million.

Figure 6: Devils Glen and Middle Road Shopping Area



Elmore Avenue and 53rd Street Shopping Area

The Elmore Avenue and 53rd Street area has become the Iowa Quad-Cities' major big box store retail area. (See Figures 7 through 9.) Development of the area began in the late 1980s when Walmart built both Walmart and Sam's Club stores. By the mid-1990s Gordman's, Lowe's, Kohl's and Target added stores in the area. Other big box stores located along Elmore Avenue and 53rd Street include:

- Best Buy
- Old Navy
- PetSmart
- Michael's
- ULTA
- Dress Barn
- Bed, Bath and Beyond
- TJ Maxx
- Staples
- Dollar Tree
- Party City
- Dick's Sporting Goods
- Aldi
- Big Sur Waterbeds
- La Z Boy Furniture
- Ashley Homestore
- PetCo

Overall, there are 77 retail stores located along Elmore Avenue and along 53rd Street from the 2800 to the 4100 block.

Also, 37 bars and restaurant have located in the area. Fourteen of these are regional and national fast food franchises. Twelve are full service restaurants affiliated with regional and national companies. The remaining eleven are local establishments.

According to the Iowa DOR, total taxable sales for this area equaled \$464.5 million during 2015. Bars, restaurants and other food establishments had taxable sales of \$55.4 million. Taxable sales by traditional retailers and companies that provide personal services equaled \$392.5 million. This retail area accounted for 17.4 percent of all taxable sales in Scott County during 2015 and it generated more taxable sales than all of Bettendorf.

Figure 7: Elmore Avenue and 53rd Street Shopping Area – South End

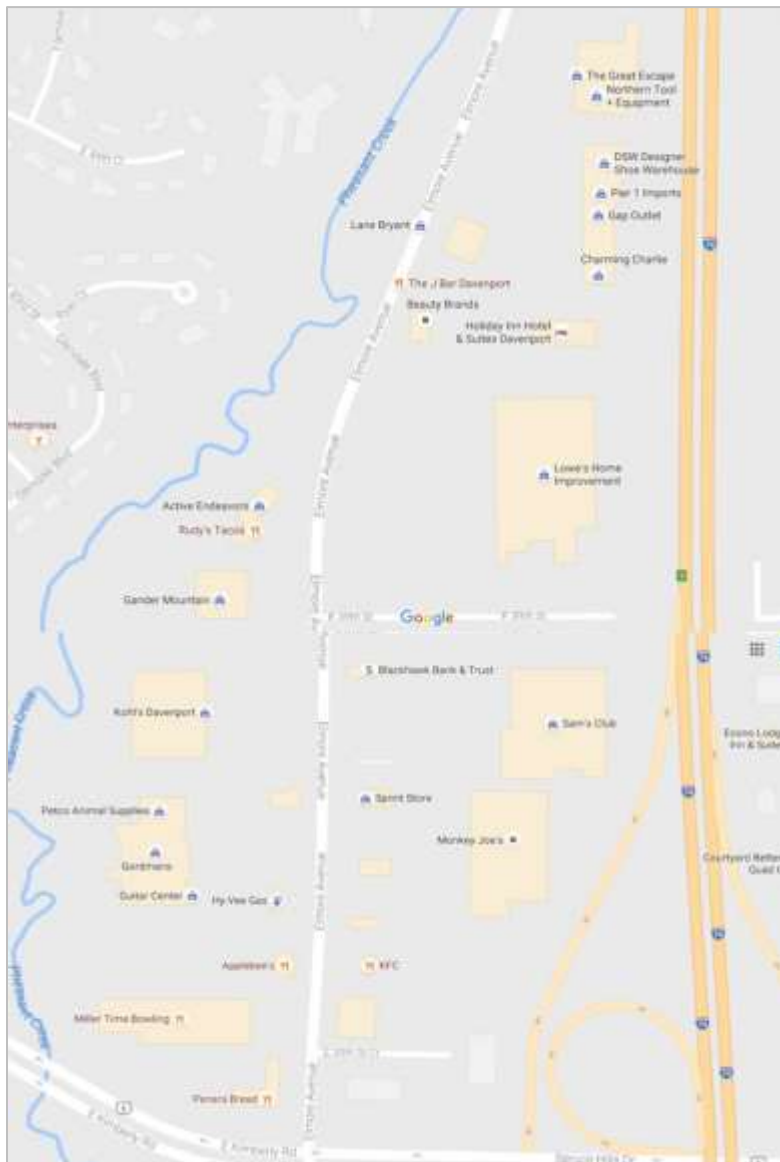
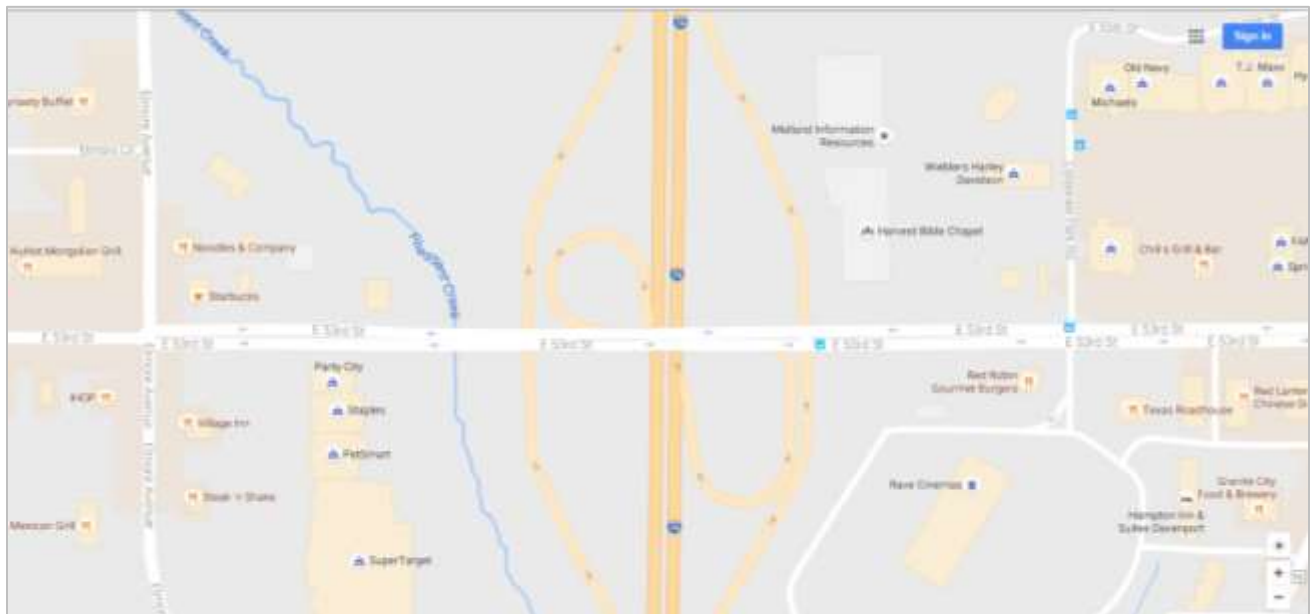


Figure 8: Elmore Avenue and 53rd Street Shopping Area – Middle Section



Figure 9: Elmore Avenue and 53rd Street Shopping Area – North End



Utica Ridge Road Shopping Area

Utica Ridge Road roughly parallels Elmore Avenue but on the east side of I-74. Connections between the commercial areas of Elmore Avenue and Utica Ridge Road are only available at the south end at Spruce Hills Drive and the north end at 53th Street. These two connector roads are about 1.4 miles apart. For this reason the Utica Ridge Road commercial area is analyzed separately from the Elmore Avenue area.

Bars, restaurants and lodging places are the primary types of commercial activity located along Utica Ridge Road. A big draw to the area is the Rave Cinemas, which includes 18 screens plus an IMAX theater. The area has the feel of an entertainment district, but it is not very walkable. See Figure 10.

Figure 10: Utica Ridge Road North End



There are five hotels located in the area. A Ramada, Marriott Courtyard, Super 8 and Econo Lodge are located near to the I-74 and Spruce Hills Drive interchange. A Hampton Inn and Suites hotel is located just south of 53rd Street.

Most of the areas bars and restaurants are located near to 53rd Street. These establishments are a mix of national chain and locally owned companies. Most of the restaurants are full service. Examples of some of the regional and national companies with restaurants and bars in the area are Osaka Steak House, Granite City, Biaggi's Restorante, and Buffalo Wild Wings. What appear to be locally owned establishments include Los Agaves, R Bar, Barrel House, Café Indigo and Pints.

Another prevalent type of business located on the area is beauty shops, barber shops and spas. There are 13 of these businesses located in the area. Also, there are a number of medical related businesses in

the area. The major medical facility in the area is Trinity Hospital, which is affiliated with the Unity Point hospitals and clinics system.

According to the Iowa DOR, during 2015 the area's bars, restaurants and lodging places generated \$30.9 million in taxable sales. The area's retailers and personal services businesses generated another \$7.4 million in taxable sales.

Non-Local Comparison Districts

Two downtown areas elsewhere in the state that have experienced significant revivals over the past decade are downtown Dubuque and Des Moines' East Village. A brief look at these two areas provides some insight into what could be done to revitalize downtown Bettendorf. In particular, the following analysis of these two areas will address the types of entertainment and retail businesses they have attracted.

Downtown Dubuque

Going back fifty years Dubuque has undertaken several efforts to revitalize its downtown. During the early 1970s funds were raised to renovate the Majestic Theater which reopened in 1976 as the Five Flags Theater. Following the reconstruction of U.S. Highways 61 and 151 through the downtown area and a new Mississippi River bridge in the late 1980s and early 1990s a redevelopment effort began along the riverfront. This effort involved the development of regional attractions, which includes two casinos, the National Mississippi River Museum and Aquarium, a waterpark and hotel, the Grand River Conference Center and the renovated Star Brewery. Beginning in the early 2000s a major effort began to renovate and repurpose many historic office and commercial buildings in the heart of the downtown and more recently former manufacturing buildings located between the downtown and the river. These efforts were instrumental in attracting IBM's Global Technology Center to the downtown where its 500 plus employees occupy the renovated 10-story Roshek Building. These efforts have paid off with an unemployment rate of only 3.8 percent. Figure 11 shows the main portion of downtown that has been experiencing this revival.

Focusing on lodging and entertainment businesses, Iowa DOR data shows there are 7 hotels and motels and 80 bars and restaurants located in the downtown area. These businesses generated \$46.1 million in taxable sales during 2015. This amount equals over 25 percent of taxable sales by these types of establishments within all of Dubuque County. One thing that is particularly noteworthy about the bars and restaurants is that almost all of these establishments appear to be locally owned. Also, over half of these establishments have opened for business since 2010.

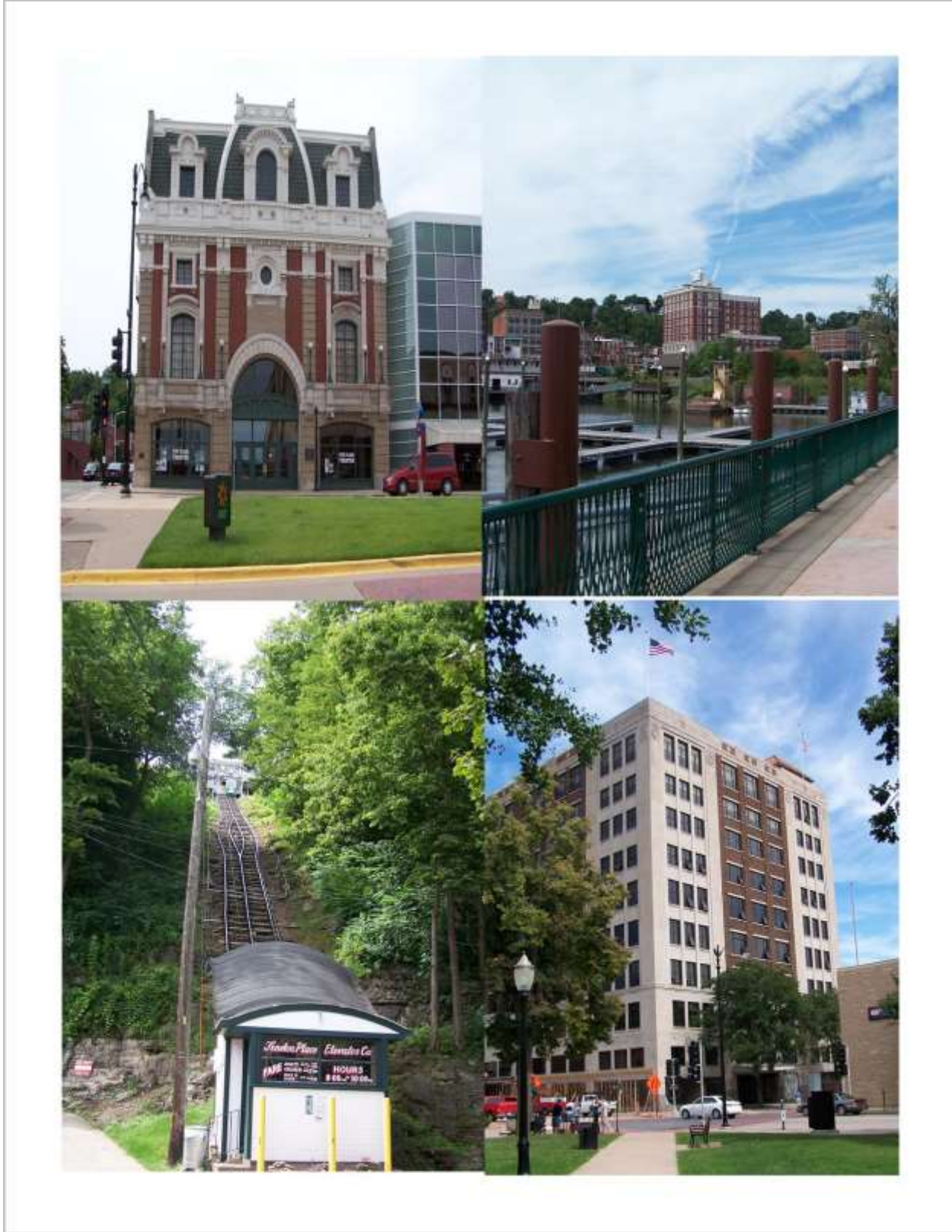
Also, the downtown area contains 116 retailers, which is unusual compared to most downtowns. Thirty-nine of these businesses opened since 2010. There is great diversity amount these retailers. There are stores that sell clothing, books, gifts, jewelry, knitting, sewing and quilting supplies, baking supplies, specialty groceries, candy, flowers, and many more types of goods. Most of these businesses appear to be locally owned. Most are relatively small. One unique area among these retailers is 4th Street, where several antique and collectables stores are located. This is also the location of the Fenelon Place Elevator, which carries passengers up the bluffs to a residential area. During 2015 the downtown retailers had taxable sales of \$32.3 million.

One advantage that Dubuque retail businesses, bars and restaurants have is there is a relatively large daytime worker population in the downtown. In addition, the amount of housing in the downtown area has been enhanced through the conversion of former factory buildings to residential use. The city has played a very active role in this effort to revitalize the downtown. Through one initiative the city purchases older homes to make them available for restoration and renovation. Another advantage is that its commercial core along Main and Locust Streets is very walkable. Also, there are good connections between the downtown and the casino, museum and convention center area via 3rd and 5th Streets.

Figure 11: Downtown Dubuque



Figure 12: Downtown Dubuque Views



Des Moines' East Village

Like Dubuque the renovation and repurposing of historic buildings has played a role in the revitalization of Des Moines' East Village. However, the number and quality of the historic architecture in the East Village is much less than in downtown Dubuque. Consequently, new construction has played a much more important role in the area's revitalization.

One of the first major projects in the East Village was the construction of the Embassy Suites Hotel in 1990. Most all of the other new buildings include a mix of commercial and residential space. Also, the residential development includes a mix of condominiums and rentals. Since the new development has significantly reduced the existence of surface parking in the East Village several of the new buildings include parking ramps. In terms of size most of the new construction is from three to seven stories in height.

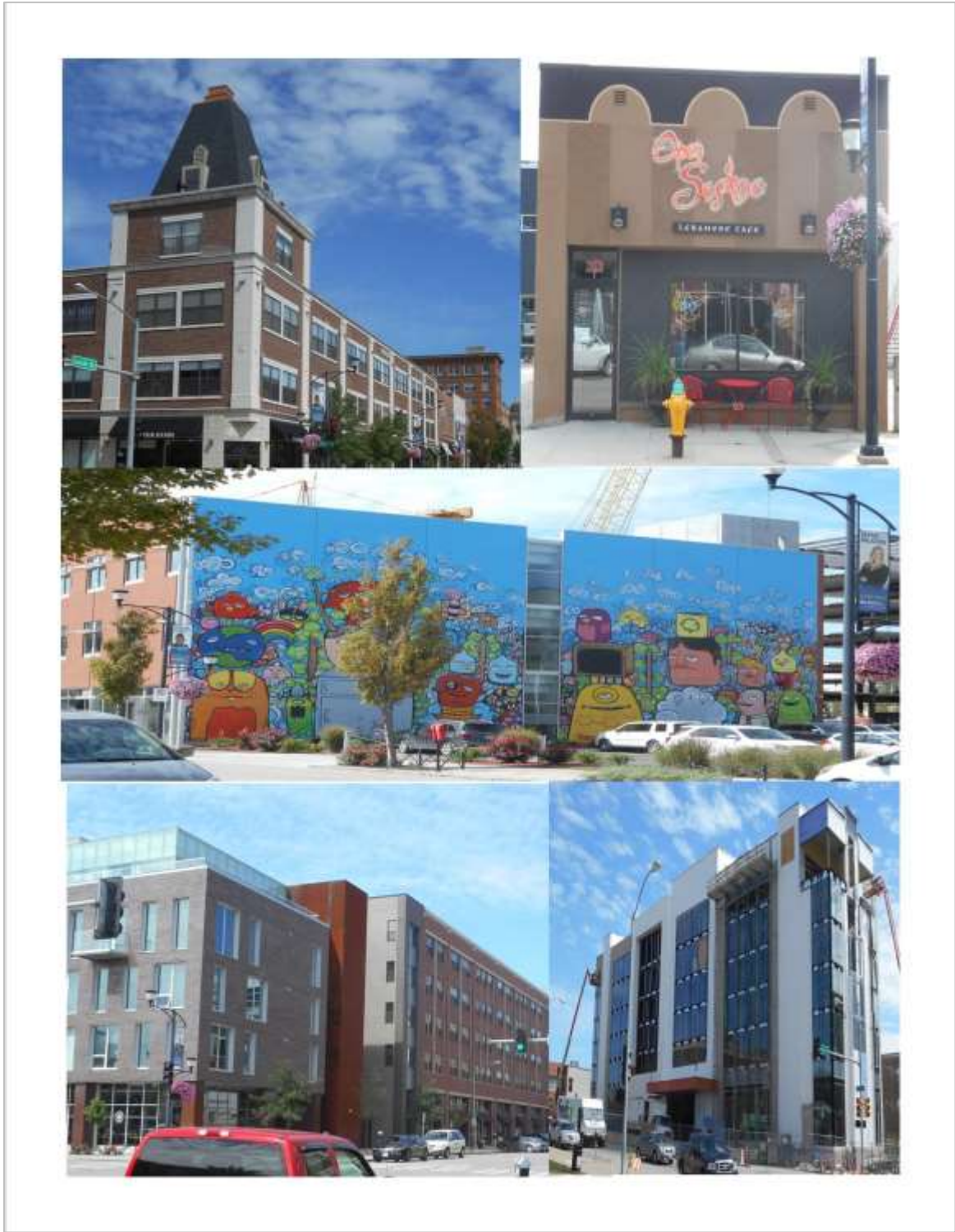
Even though all of the streets that pass through the area are open to traffic the area is very pedestrian friendly. To provide an interesting streetscape a variety of public art has been added to the area. The artwork includes wall paintings and sculpture. There are also wide sidewalks and a considerable amount of trees and flowers. To attract artists and crafts persons to the area one of the new buildings includes small shops and work spaces on ground level with attached mezzanine level apartments and then the top four floors of the building as regular apartments. Also, one parking ramp is fronted with small shops for artists and crafts persons.

The city has supported the revitalization of the area through the granting of tax abatement for a number of years for some of the new buildings. Also, the city played an active role in assembling parcels for development. In addition, some city property was made available for development. The close proximity of the East Village to the west side of the downtown, which has a large daytime work population, makes the area a very attractive residential area.

Currently, the Embassy Suites is the only hotel in the East Village, but two more small hotels are under construction. Thirty-seven bars and restaurants are located in the area and 21 of these businesses have opened since 2010. Most of the bars are locally owned and most are located in historic structures. The bars and restaurants and the one hotel had \$31.5 million in taxable sales during 2015. There are 47 retail businesses located in the East Village and 25 of these have opened since 2010. The retail stores had \$19.7 million in taxable sales during 2015. Most of these retail stores also appear to be locally owned and they are quite varied in the types of products they offer. One thing that is particularly interesting is that the East Village has become sort of an incubator for a few businesses, which have opened branches elsewhere in the metropolitan area and even outside of the Des Moines metropolitan area.

The following picture montage shows some of the buildings and the character of the East Village.

Figure 13: Des Moines' East Village Views



Local Retail Trade Analysis

The analysis of existing businesses in downtown Bettendorf and surrounding shopping areas provides important clues as to what types of development may be most viable for the downtown area of Bettendorf. In addition, the analysis of the five shopping areas that provide the most direct competition to downtown Bettendorf for entertainment and retail business reveal several types of businesses for which the area should not try to compete. The findings include:

- A primary objective of efforts to attract more tourists and retail customers to downtown Bettendorf should be to make the area a destination entertainment and shopping area. This means the area needs to attract bars and restaurants that have a local flavor and unique identities and retailers that are eclectic in nature and that offer goods that are not available elsewhere in the metropolitan area.
- The downtown area needs to attract enough bars, restaurants and retailers in order to provide people that visit the area with the desire to walk around and visit multiple businesses on a single trip. The area needs to promote shopping rather than just buying trips. The area itself needs to offer entertainment value.
- Downtown Bettendorf should not attempt to compete with the Elmore Avenue/53rd Street area for big box retailers. There is not enough demand in the Quad-Cities to support additional businesses of this type. More importantly the downtown area does not have property parcels of sufficient size to support this type of retail business. This type of business is inconsistent with the objective of making the downtown area a more pedestrian friendly environment. Also, this type of retail business is inconsistent with mixed-use development.
- The area needs to attract a large number of retailers that offer a wide variety of products. To support a varied retail experience the types of stores attracted to the area should be relatively small and generate high dollars of sales per square foot. This means in the range of \$300 to \$400 per square foot or more.
- The residents that live in close proximity to the downtown are not currently well served in terms of retailers that provide necessity goods and services, such as groceries, pharmaceuticals, clothing, medical and dental services, etc. Currently, the Cumberland Square, Duck Creek/Kimberly Road and the Devils Glen/Middle Road shopping areas fill this need for most of the city. The small number of residents that currently live in the downtown area and their relatively low incomes would not support the development of these types of businesses at this time. However, if more residents and residents with higher incomes can be attracted to the area the viability of these types of businesses would improve. But this type of development would likely take at least a decade to develop after additional housing is first built.
- The area on Utica Ridge Road just south of 53rd Street provides a good mix of quality full service restaurants and bars. However, this is not a walkable area. Consequently, this area does not lend itself to customers patronizing more than one business per outing. Also, there do not appear to be any music venues among these establishments. For these reasons the downtown has potential to attract customers by providing a much more vibrant bar, restaurant and entertainment experience.

- Although there are already some small concentrations of furniture stores, art galleries and other home furnishings related retailers in the Quad-Cities, there appears to be room for growth in this retail segment. Downtown Bettendorf already contains some interior design businesses and other home and commercial design and furnishings businesses. Given Bettendorf's high median income and the city's relatively strong population growth this is a business segment that the downtown area could use to build a unique destination shopping identity. To give the area a different feel than other parts of the metropolitan area the types of businesses attracted to the area should be small, locally owned, eclectic in terms of merchandise selection, and cater to an upscale clientele. This retail concentration could be further enhanced by attracting other design and art related businesses to the area and by attracting artists and artisans to live and work in the area.

Lessons Learned from Dubuque and Des Moines

Currently, both downtown Dubuque and Des Moines' East Village are experiencing strong growth and a revival of their entertainment and retail businesses. Both of these revivals are fairly recent. Also, they illustrate the importance of local government involvement and that success often starts on a small scale. However, once the revival takes hold it builds on each success and then begins to accelerate. Following are some observations and lessons to be learned from these two areas:

- Both downtown Dubuque and Des Moines' East Village benefit from having large numbers of people that work in close proximity. This provides a significant population of potential residents for the areas and daytime patrons. This implies that plans for the revitalization of downtown Bettendorf should include some office development. Restaurants and retailers need daytime customers as well as customers at night and on weekends.
- Bars, restaurants and retail stores should be located in the most pedestrian friendly parts of the area. Office development should be located along the high traffic roads and office parking should be located to the back side of buildings.
- Parking structures may be required to support dense development. Such structures should be inconspicuous. This can be accomplished by sandwiching them between building structures. Also, access to parking structures should be from side streets.
- In both downtown Dubuque and Des Moines' East Village most of the bars, restaurants and retail stores are locally owned. This has a variety of benefits. Local businesses tend to be unique, they tend to be small in size, their startup costs are often lower than for national companies, and they are more likely to build customer loyalty.
- Bars should be located in a part of the downtown separated from residential development due to the late night traffic and noise they often generate. Mixed used buildings that include first floor restaurants and apartments on upper floors are compatible as restaurants generally do not generate a lot of noise after 9 pm most nights.
- Downtown revivals require a high density of residents and businesses to be viable. High density development presents challenges in terms of the provision of adequate parking both for

residents and for visitors. Opportunities should be looked for where parking can serve different types of users at different times of the day.

- Street and wall art, trees, flower beds, seating areas and good lighting are important streetscape elements in making the revitalized area attractive to visitors and residents.

Retail Sales Analysis

Although Bettendorf’s residents have one of the state’s highest levels of median household income, retail sales in the city are considerably below the statewide average. Table 10 presents comparisons of taxable retail sales for Bettendorf to Davenport, Scott County and to the State of Iowa. The comparisons are presented in terms of:

- Taxable sales per capita
- Taxable sales per household
- Taxable sales per \$1,000 of total household income

Table 10: Bettendorf Taxable Sales Comparisons

	Bettendorf	Davenport	Scott County	Iowa
Population	34,723	102,216	172,126	3,123,899
Number of Households	13,623	40,912	67,325	1,232,228
Aggregate Income (\$ Mil)	\$1,289.0	\$2,440.2	\$4,819.7	\$83,324.5
Total Taxable Sales (\$ Mil)	\$368.3	\$2,101.5	\$2,670.7	\$37,619.4
Per Capita Taxable Sales	\$10,607	\$20,559	\$15,516	\$12,042
Per Household Taxable Sales	\$27,037	\$51,365	\$39,669	\$30,530
Taxable Sales per \$1,000 Income	\$286	\$861	\$554	\$451
Ratios:	Bettendorf Relative to			
Per Capita Taxable Sales		0.516	0.684	0.881
Per Household Taxable Sales		0.526	0.682	0.886
Taxable Sales per \$1,000 Income		0.332	0.516	0.633

Sources: Iowa Department of Revenue, American Community Survey

For Bettendorf taxable sales per capita during 2015 equaled only \$10,607, which is only 88.1 percent of the statewide average. Compared to Davenport’s per capita average of \$20,559, Bettendorf’s per capita taxable sales are only about half (51.6%) as great. The probable reason for the difference between Davenport and Bettendorf is the large concentrations of retail business along Elmore Avenue and spread along Kimberly road in Davenport. Both of these concentrations of retail activity are easily accessible for most Bettendorf residents.

The per capita taxable sales and per household taxable sales relationships between Bettendorf, Davenport, Scott County and the State of Iowa are about equal. However, when total household income is used as the basis of comparison the differences become more extreme. Bettendorf’s taxable sales

per \$1,000 of total income equal only 63.3 percent of the statewide average and only 33.2 percent of the Davenport average. Since new residential development in Bettendorf is occurring primarily in the northern and eastern parts of the city the Elmore Avenue and Kimberly Road retail areas are becoming less accessible. This opens an opportunity for new retail development within Bettendorf.

Table 11 provides comparisons among Bettendorf, Davenport, the remainder of Scott County and all of Scott County for twelve categories of businesses that hold state sales tax permits. The comparison is presented in terms of taxable sales per \$1,000 of total area household income.

Table 11: Taxable Sales by Retail Business Category (per \$1,000 of income), 2015

	Bettendorf	Davenport	Other Scott County	Total Scott County
Apparel	\$10.46	\$42.78	\$0.02	\$24.46
Building Materials	\$29.29	\$58.11	\$3.51	\$38.05
Eating and Drinking	\$40.69	\$101.07	\$32.48	\$69.40
Food Dealers	\$28.64	\$52.45	\$45.00	\$44.40
General Merchandise	\$1.83	\$124.17	\$3.05	\$64.05
Home Furnishings	\$5.74	\$34.84	\$0.82	\$19.36
Miscellaneous	\$53.43	\$44.35	\$28.87	\$43.28
Motor Vehicle	\$10.42	\$41.38	\$1.25	\$24.02
Service	\$44.45	\$94.64	\$28.15	\$66.17
Specialty Retail	\$26.40	\$75.80	\$8.89	\$47.45
Utilities and Transportation	\$8.53	\$129.59	\$6.41	\$69.34
Wholesale	\$26.27	\$63.57	\$13.18	\$42.19
Total Taxable Sales	\$286.15	\$862.76	\$171.62	\$552.17

Source: Iowa Department of Revenue

The comparisons between Bettendorf and Davenport show significantly lower sales in Bettendorf than in Davenport for eleven of the business type categories. The one category for which Bettendorf has higher sales per \$1,000 of income is the miscellaneous category. This category includes taxable sales by manufacturing companies and by construction contractors.

A few categories that are particularly interesting are General Merchandise, Eating and Drinking places, Home Furnishings and Specialty Retail. For the General Merchandise category Bettendorf retailers generated only \$1.83 in taxable sales per \$1,000 of income, while in Davenport retailers had \$124.17 in taxable sales per \$1,000 of income. The explanation for this large difference is this category consists of discount, department and variety stores. There are almost none of these big box retailers located in Bettendorf. Also, this is not a category of retail that would fit in well in downtown Bettendorf.

Bettendorf Eating and Drinking places have one of the highest sales rates per \$1,000 of income at \$40.69. But sales by these types of establishments in Davenport are about two and a half times as high at \$101.07 per \$1,000 of income.

Bettendorf stores in the Home Furnishings category average only \$5.74 in taxable sales per \$1,000 of income. The average sales rate for comparable stores in Davenport equals \$34.84 per \$1,000 of income, which is over six times the Bettendorf rate.

For Bettendorf Specialty Retailers (i.e., flower, jewelry, hobby, toy, book, gift, sporting goods, drug, and stationary and card stores) the average taxable sales per \$1,000 of income equals \$26.40. For similar stores located in Davenport the average amount of sales per \$1,000 of income equals \$75.80.

The differences between the Bettendorf and Davenport sales rates reflect the fact that many Bettendorf residents patronize stores located in Davenport along Elmore Avenue, 53rd Street, and Kimberly Road and at North Park Mall. However, many of the stores located in these areas are regional and national chain stores without any local connections or unique personality. Therefore, a redeveloped and expanded downtown Bettendorf shopping area has potential to recapture a significant share of Bettendorf retail dollars as well as dollars from other parts of the Quad-Cities.

Property Type and Valuation Analysis

Strategic Economics Group obtained county property parcel data from the Scott County GIS Office. From this dataset a subset was extracted that roughly covers the area from 14th Street to 27th Street and from the railroad tracks south of State Street to Mississippi Boulevard in Bettendorf. This area includes 303 property parcels and 90.4 acres. Table 12 summarizes the number, valuation and land area for the 303 parcels by property classification.

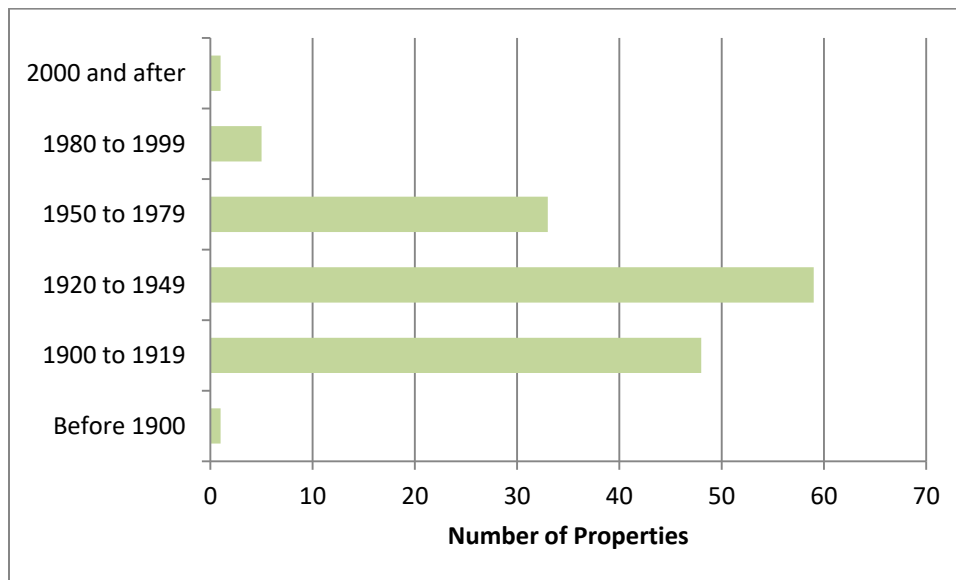
Table 12: Downtown Area Property Parcels Summary

Property Class	Number	Land Value	Improvements Value	Total Value	Acres
Residential	148	\$5,489,780	\$22,607,310	\$28,097,090	42.72
Multi-Family Residential	22	\$987,000	\$3,492,770	\$4,479,770	6.05
Commercial	85	\$4,189,340	\$12,730,810	\$16,920,150	27.39
Industrial	3	\$39,840	\$198,680	\$238,520	0.43
Exempt	45	\$2,735,780	\$23,172,280	\$25,908,060	13.84
Total	303	\$13,441,740	\$62,201,850	\$75,643,590	90.44

Source: Scott County GIS System

The area contains 148 single-family residential properties that have an assessed value of \$28.1 million and they occupy 42.7 acres, which is 47.2 percent of the area covered by the analysis. The housing in this area is older than in much of the city, but not as old as one may suspect. Figure 14 shows the distribution of single-family homes by period of construction. Only one home was constructed before 1900. The largest number of homes was constructed between 1920 and 1949. The average age of homes in the area is 82 years. The average assessed value of property classified as residential equals \$189,845, but the median value equals only \$99,370. The large difference between the mean and median values can largely be attributed to one property that is platted as condominiums and has a value of \$6.4 million.

Figure 14: Year of Construction for Residential Properties



Source: Scott County GIS System

Eighty-five of the parcels are commercial property and they have an assessed value of \$16.9 million, which is 22.4 percent of total valuation. The commercial properties occupy 27.4 acres, which is 30.3 percent of the area. Exempt property accounts for \$25.9 million (34.3%) of the area's total valuation and 13.8 acres (15.3%) of the total area. Much of the exempt property is owned by the State of Iowa and was acquired for the I-74 bridge replacement project. The City of Bettendorf owns 6.9 acres of land in the area, which includes the convention center site.

The total valuation of property in Bettendorf for the 2017 fiscal year is \$2,154.1 million. So, the valuation of the property in the downtown area (excluding exempt property) represents only about 2 percent of the city total. This area will yield about \$1.2 million in total property tax and about \$440,000 in city property tax for fiscal year 2017.

Market Analysis Summary

Bettendorf's continuing population growth and its residents' high household income distinguish the city from other communities that comprise the Quad-Cities metropolitan area. In a number of ways Bettendorf is similar to the suburban communities of the Des Moines metropolitan area. However, one regard in which it is different is its small amount of bar, restaurant and retail business. Taxable retail sales in Bettendorf during 2015 equaled only about two-thirds of the statewide average per \$1,000 of income and only about one-third as much as Davenport.

During the 1950s and 1960s when Bettendorf experienced explosive population growth State Street and to a less extent Grant Street from 10th Street to 23rd Street did function as Bettendorf's downtown. However, since 1960 when Duck Creek Plaza opened for business followed by Cumberland Square a few years later and then North Park Mall in 1973 most retail

business migrated away from the downtown area. The development of big box retailers along Elmore Avenue and 53th Street beginning in the late 1980s has continued to siphon retail dollars out of Bettendorf.

However, most of the other shopping areas either located within Bettendorf or nearby in Davenport do not have any unique characteristics that distinguish them from any other shopping areas one can find throughout the country. Most of these areas do contain some local businesses, but they are mostly dominated by regional and national chain stores. This provides downtown Bettendorf with the opportunity to be something different. The best opportunity for downtown Bettendorf to stage an effective revival is for it to become a destination entertainment and shopping area with a unique character.

The analysis of other local shopping areas that serve Bettendorf residents, downtown Dubuque and Des Moines' East Village provide useful insights as to how a successful revival of downtown Bettendorf may be achieved. A summary of the most relevant findings from the analysis of these areas are as follows:

- Providing downtown Bettendorf with a unique character requires a variety of bars, restaurants and retail shops that are primarily one-of-a-kind and locally owned. Also, there needs to be a critical mass of such businesses so as to provide an interesting entertainment and shopping experience that will encourage people to visit multiple establishments on a single trip.
- The area should include offices as well as retail space in order to provide a daytime population. The likely best location for new office development is along the north side of Grant Street in order to preserve the area between Grant and State Streets for mixed use retail-residential development. Office worker parking should be provided north of the buildings with access from side streets.
- The best area for bar, restaurant and other entertainment type businesses would be between 15th and 19th Streets between Grant and State Streets. There are already several popular bars and restaurants located in this area. This area can probably accommodate 20 or more new bars and restaurants given the density of such establishments that are located in downtown Dubuque and Des Moines' East Village. It is best to keep bar locations somewhat separated from the primary residential and retail areas. Additional parking will probably be required for patrons of these businesses and this can possibly be provided between the new I-74 northbound off ramp and 15th Street and maybe even under the bridge. The close proximity of this area to the Bettendorf Police Station may also be an advantage in providing patrons with a sense of security.
- The bars and restaurants that are already located in the area are relatively small in size. For example, the floor area for Muddy Waters (1710 State Street) is 4,018 square feet, for Fumbles Sports Bar (1716 State Street) is 2,460 square feet, and for Trattoria

Tiramisu (1804 State Street) is 5,128 square feet. New bars and restaurants should be of about the same size. To add vitality and variety to the area it is advisable to have numerous small to medium size venues rather than just one or two large establishments. One possible exception is if the area can attract a brew pub. Such a facility would require brewing space in addition to bar, food preparation and customer seating space.

- If possible, an effort should be made to close off one of the cross streets in the area between 15th and 19th Streets between Grant and State Streets to provide additional outdoor seating space, to promote increased pedestrian activity and to reduce pedestrian-vehicle conflicts.
- Initially the best area to develop new retail and residential mixed use buildings is between 20th and 23rd Streets between Grant and State Streets. This should be relatively high density development with buildings at least four stories in height. The three blocks in this area appear to be large enough to locate buildings facing Grant and State Streets with parking in between. Each building could include about 15,000 square feet of commercial space on the first floor and from 54 to 90 apartments on upper floors depending on the number of stories and the mix of studio, 1-bedroom and 2-bedroom units.
- If mixed used buildings are constructed between State and Grant Streets from 20th to 23rd Streets they would contain between 324 and 540 apartment units and 90,000 square feet of commercial space. Based on the experiences of downtown Dubuque and Des Moines' East Village types of retailers that may be attracted to the area include clothing and accessories boutiques, specialty food stores, furniture and home furnishings stores, gift stores, custom jewelry stores, coffee shops, art galleries, arts and crafts supply stores, beauty salons and spas, as well as some individual stores such as an independent book store, an ice cream shop, a homemade candy store, a kitchen and housewares store, a closet systems and container store, a bicycle shop, a health club, etc.
- One possible alternative for giving the downtown area a unique character that is capable of attracting customers as a destination is for the area to develop a retail specialty. One such focus could be home and business related furniture, furnishings, interior design, visual arts and crafts. The area already has some businesses that specialize in this area. Although there are a number of these types of businesses in the Quad-Cities there is no large concentration in any one part of the metropolitan area. Bettendorf's high household income, large number of higher value homes, and higher rate of residential growth than other metropolitan area cities makes it a good location for these types of businesses. Also, the amount of furniture and home furnishings sales in Scott County is about 25 percent less than this category of sales on a \$1,000 of income basis for Polk County, which means there is likely room for growth, particularly in Bettendorf.

- To complement design and furnishings related retail businesses a strategy may be to attract artists and artisans to the area with the construction of live-work housing. An example of this is East Village Square in Des Moines. This building has small shops on the ground level with direct street access and housing on a mezzanine level, which is connected by internal stairs within each unit. On the upper four floors there are standard studio, 1-bedroom and 2-bedroom apartments.
- To further enhance the character of the area an effort should be made to attract the offices of design professionals to the area.
- A possible area for additional future housing development is land between 21st and 23rd Streets extending from Grant Street north to the alley south of Central Avenue. A large portion of this land is already in public ownership. The tract of land covers about 32 acres. The rise in elevation from south to north provides an opportunity to construct housing (either apartments or condominiums) with a river view, which would make this higher value property. With a density of 6 to 8 housing units per acre, from 192 to 256 housing units could be constructed on this tract of land.
- One longer term objective should be to pursue development options for the approximate 40 acre tract of land and the Alter Metal Recycling buildings located along the river east of 21st Street. One option could be to repurpose the buildings as a combination of a museum that documents the area's industrial heritage, an engineering and technology oriented business incubator, and an open-air type market area. This would require a new railroad overpass likely at 23rd Street.

There is considerable potential for a revival of downtown Bettendorf as a walkable entertainment and retail destination venue. However, for this to happen will require a great deal of activism on the part of the City, its business community and area property owners. The city will need to work with existing land owners to develop parcels for redevelopment.

The city will likely need to provide financial assistance in the form of partial tax abatement for the larger mixed use building projects. The city should avoid providing 100 percent tax abatement because funds needed for public improvements in the area will likely have to come from new property tax revenue generated within the tax increment finance district that already covers the area.

Another way in which the city can play an activist role in fostering and accelerating the attraction of new locally owned businesses to the area is by providing mentoring assistance for people that want to start a business and by working with local financial institutions to provide financing. In addition, it may be advisable for the city to start a grant program and low interest loan fund to provide financial assistance for new start-ups. For the revitalization to progress with adequate momentum in order for the city's residents and businesses to not lose interest will require a small team of people dedicated exclusively to this effort. Finally, the development work will need to be accompanied with a strong publicity and information effort

to keep the community and surround communities informed of the project's progress and future plans for the area.