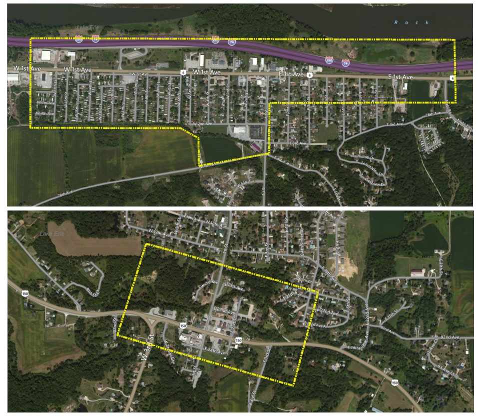





HIGHWAYS 6 AND 150 CORRIDORS MARKET ANALYSIS

Village of Coal Valley, Illinois

Prepared for the
Village of Coal Valley

January 2016

DEVELOPMENT STRATEGIES®
guiding effective decisions in real estate, community, and economic development

Table of Contents

Project Introduction and Scope

Despite recent population growth, the U.S. 6 and U.S. 150 highway corridors in the village of Coal Valley have yet to realize their potential as great places for the community. This study analyzes current and future market and economic conditions to identify potential development opportunities that exist within these two corridors. It also makes various recommendations regarding design improvements and implementation strategies to increase development.

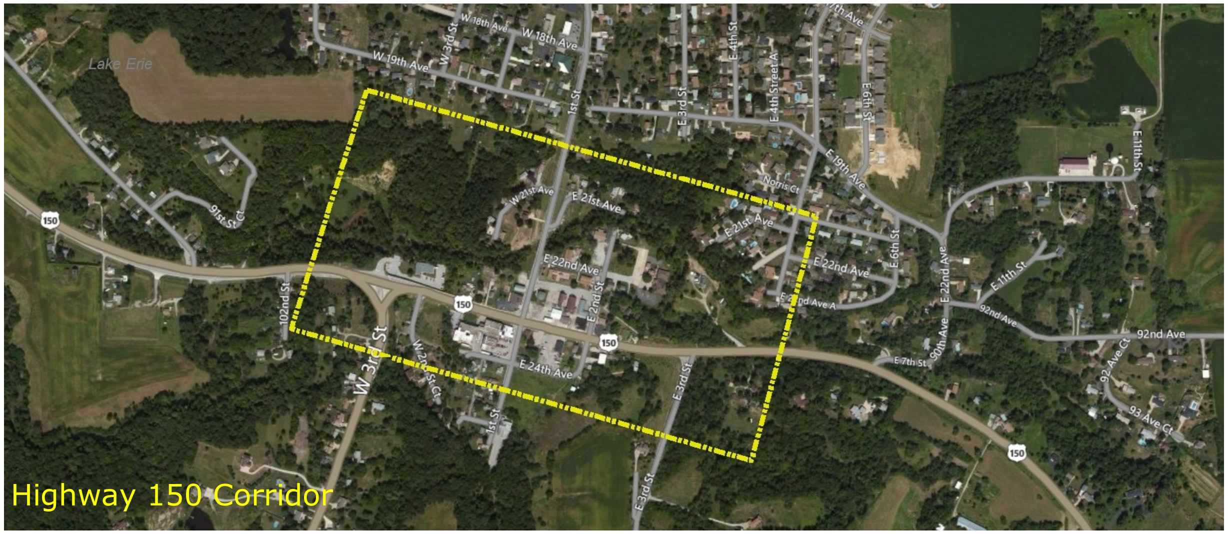
This study evaluates the commercial and residential real estate market and economic opportunities that exist for the U.S. 6 and U.S. 150 highway corridor study areas within the village of Coal Valley as shown in the maps on the following page. It was commissioned by the Village of Coal Valley to better understand the economic and development potential of these corridors, but also to facilitate new urban design improvements that would greatly enhance the village's overall marketability.

This study considers site context, marketability, opportunities and constraints, socio-economic trends and characteristics, competitive supply, and demand and market segmentations that form the baseline that will be used to elicit community and stakeholder feedback in support of subsequent planning efforts. The study is subdivided into eight sections:

1. **Executive Summary:** Based on the analysis presented in this report, there are a number of key findings and recommendations for the two corridor study areas and the Village as a whole.
2. **Marketability Analysis:** Outlining the underlying strengths, weaknesses, opportunities, and threats (SWOT) in the context of marketability helps build the framework for the revitalization plan.
3. **Demographic and Economic Overview:** Analyzing broad and local demographic and economic trends are critical to determining current and future market support.
4. **Real Estate Market Analysis:** Understanding the underlying real estate market and financial feasibility of future development is critical to devising a long-term development and tenanting strategy.
5. **Survey Results:** An online survey of 278 Coal Valley residents and stakeholders was completed that provides a useful guide as to the needs and wishes of the community.
6. **Identification of Land Use Program:** A land use and development program with specific recommendations on various land uses by type and size, with land use requirements will be provided along with recommendations for best locations of these uses.
7. **Implementation Strategies:** Short- and long-term actions are necessary to realizing the desired outcomes of this study.
8. **Design Analysis and Recommendations:** Improving the design and function of the two corridors is critical in enhancing the village's ability to attract and retain businesses and households.

U.S. 6 and U.S. 150 Corridor Study Areas

The U.S. 6 study area runs along U.S. Highway 6 from the village limits on the west to Niabi Zoo Road on the east and encompasses properties along both sides of the highway, including the former Jack & Jill grocery site. The U.S. Highway 150 study area comprises an area known as the Old Coal Valley, or "Downtown" area centered around the intersection of 1st Street and U.S. Highway 150.



	Hwy 6	Hwy 150
POPULATION		
2010	658	144
2015	647	144
HOUSEHOLDS		
2010	294	59
2015	293	60
MEDIAN HH INCOME		
	$39,850	$61,953
MEDIAN HOUSING VALUE		
	$109,956	$145,000
# OF BUSINESSES		
	15	7
TOTAL COMMERCIAL SPACE		
	134,042 SF	14,345 SF
# OF EMPLOYEES		
	139	97

1. Summary of Key Findings

Key Findings

Numerous needs and desires have been identified by stakeholders and local residents within the Village of Coal Valley. While current market conditions remain fairly limited, there are opportunities for improvement and development in both corridors. The following list summarize the key findings of this market study, as well as recommendations for implementation.

Current Needs

Based on stakeholder interviews, a local survey, and our market analysis, the following needs have been identified for the two corridors and the community as a whole:

- Improved conditions near the entrance to Village along Highway 6, including better floodway protection.
- Better urban design and appearance of both corridors.
- Placemaking in the Old Coal Valley, or "downtown", in the Highway 150 corridor.
- The redevelopment of vacant or underutilized properties, specifically the "Jack and Jill" site in the Highway 6 corridor.
- An increase in the number of commercial businesses and retail opportunities to serve local residents in both commercial corridors.
- An expansion in the range of housing types within the community.
- Additional population growth that is facilitated in an effective and planned manner.
- Improvement in the quality of life for existing and future residents with new amenities, events, and services.
-

Existing Market Conditions

An assessment of current economic and market conditions within the two corridors indicates the following:

- Population growth is occurring at a modest rate in Coal Valley, with future growth expected to consist primarily in the senior and elderly cohorts.
- Coal Valley is relatively affluent, with median households incomes of about $62,000. It is also currently home to three primary tapestry segments: Green Acres, Rusbelt Traditions, and Comfortable Empty Nesters, all of which are typically older age groups with higher incomes, indicating its desirability.
- There is considerable demand for housing priced between $150,000 and $200,000, but limited quality product in the community that currently meets this demand. There is also considerable demand for rental housing priced between $665 and $1,300 per month, with no existing professionally managed rental housing to meet this demand.
- There is excess demand for various retail businesses—mostly grocery stores, general merchandise stores, clothing stores, and a pharmacy. However, this excess demand is limited and remains below the requirements of certain retailers that the Village would likely target. Additional growth will likely be necessary.
- Demand for new office space is very limited throughout the region and neither corridor is currently suitable for speculative development. Any new development would likely consist of build-to-suit space for service-oriented businesses.
- Both corridors have greater potential for new industrial development, with increased regional demand for industrial space due to strong growth in production and warehousing jobs and lack of new supply.

Key Findings (continued)

Recommendations and Strategies

The following is a series of recommendations—both short-term and long-term—that are intended to help the Village increase development in the two corridors and realize desired outcomes for the community as a whole.

1. Create a land-use strategy that best utilizes key sites within the two corridors. Certain land uses remain better suited for locations along the Route 6 corridor. For example, the best location for a new small-format grocery store and/or pharmacy would be the intersection of 1st Avenue and 1st Street, while strip-retail would be best positioned on the Coal Valley Township site across 1st Avenue. Good long-range planning should be proactive in identifying these sites and taking steps to ensure that the right users occupy them through aggressive land acquisition strategies. A complete development and land-use program has been provided in the land-use program section of the report.

2. Improve the design and appearance of the two corridors. More public investments in the two corridors in the form of improved road surfacing, better and more uniform signage, enhanced streetscape design, and improved lighting would help encourage additional private investment within the two corridors.

3. Increase housing options within Coal Valley. Nearly all of the new housing built within the community consists of large single-family homes that are targeted to households of relative affluence. Offering a broader range of housing types (affordable senior housing, smaller format single-family homes, or two-family homes) would increase the number of households that could potentially move to the community, which would facilitate additional population growth and increase local buying power.

4. Promote *Placemaking*. The effects of placemaking—the act of creating an inviting public realm to which people have a psychological connection—is good policy and good economics. A growing amount of data indicates that the right mix of walkability, public space, a mix of uses (such as housing and retail) and, often, density create additional value for a community. There is a strong opportunity to reimagine the Route 150 corridor, or "Old Coal Valley" as a central meeting place and destination for the community.

5. Get organized. Create a central coordinating body for corridor improvement efforts or increase the capacity of local community development efforts. This includes either creating a new position for economic and community development within the community or creating a business improvement district responsible for overseeing or marketing the districts. It also includes careful coordination with other local regional planning and economic development entities.

6. Concentrate Investment. Focusing limited reinvestment funds on the marketability and "curb appeal" of a few focused areas will provide better return on investment than spreading dollars too thinly over the entirety of the two corridors. Based on our analysis of the market, the redevelopment of the "Jack and Jill" site with new affordable senior housing, new higher density single-family or two-family homes, and/or industrial development are the best opportunities in the short-term. Note, however, that redevelopment within 20,000 feet of Quad City International Airport may require review by the Federal Aviation Administration to assure same landing and take-off clearances.

7 Confirm the existing floodways. Proposed preliminary floodway maps indicate considerable portions of both highway corridors may be located within the recognized floodway from the Rock River, which creates significant uncertainty that will greatly hamper real estate development and investments by property owners. This uncertainty needs to be removed.

8. Create an annexation and public works program. Many local stakeholders have indicated that Coal Valley should expand its borders in a more planned and orderly manner. This would help facilitate future growth of the village in a more effective way, remove uncertainty from the private sector, and allow for the annexation of key properties for new development.

2. Marketability Analysis

Context and Marketability

Coal Valley's primary asset is its small-town feel and close proximity to other communities within the Quad Cities.

The subject corridors are located within the village of Coal Valley, Illinois on the southern edge of the Davenport-Moline-Rock Island MSA, or "Quad Cities" region. The village is a mostly rural-suburban community with appeal as a small town that is easily accessible to larger communities and their amenities. It has good highway and interstate access and is within close proximity to the regional airport, a benefit for both households and businesses.

Despite these benefits, the two corridors—Highway 6 and Highway 150—are generally under-developed. Highway 6 can be best characterized as a rural thoroughfare with no sidewalks that is transitioning into the earliest stages of a denser suburban commercial corridor. The western portion of the corridor near the entrance to the village remains an eyesore that negatively impacts perceptions of the community. The Highway 150 corridor, which is centered around the intersection of 1st Street and Highway 150, can be characterized as the Old Coal Valley, or "Downtown" area. It has sidewalks and the potential for a walkable main street environment, but most properties in the corridor are incompatible, underutilized, or vacant.

Changes to the community are underway with modest suburban-style population growth and demographic shifts driving demand for new businesses and uses in both corridors. Therefore, a targeted economic development strategy and policy framework is necessary to support this evolution and facilitate its growth in an effective manner. The following analysis of the corridor's strengths, weaknesses, opportunities, and threats (SWOT) is intended to frame the key issues that are critical to the economic future of the two corridors, the businesses within these corridors, and the village residents.

Marketability Analysis: Strengths and Assets

Both corridors could capitalize on their close proximity to two regional destinations, as well as the community's relatively affluent population base, small-town appeal, and attractive housing stock.

Demographics: Coal Valley is a fairly affluent community, with households incomes typically well above the rest of the region. Continued growth of this population will increase demand for new housing and commercial uses.

Historic Character: The Route 150 corridor has the potential to be repurposed and positioned as a historic and walkable Main Street environment.

Commuter Traffic: Highway 6 receives a modest amount of commuter traffic at 12,800 vehicles per day, while Highway 150 has up to 8,900 vehicles per day. The adjacent I-74/280 accommodates an additional 16,500 vehicles per day. All of these are likely far below capacity, indicating room for growth without added infrastructure.

Housing Stock: Housing in Coal Valley is generally newer and has been a popular location for new development of larger suburban-style single-family homes.

New Retail Development: Located along Highway 6 at West 4th Street includes some attractive retail tenants such as a Subway, Happy Joe's Pizza and Ice Cream, and a miniature golf course.

Quad Cities International Airport: The regional airport, which annually serves more than 700,000 passengers, is within one mile of both commercial corridors.

Niabi Zoo: The nearby Niabi Zoo is a regional destination and attracts thousands of visitors to the area.

Underdeveloped or Underutilized Land: There are several undeveloped 3+ acre sites, most of which are located along the north side of Highway 6. Several developed sites are also under-utilized and/or could be assembled for larger projects.

Marketability Analysis: Weaknesses

Both corridors face several challenges such as several nuisance properties and poor urban design, which negatively impact outsider perceptions of the Village. Significant portions of both corridors are also located within the floodplain and poor annexation planning has created a fragmented community.

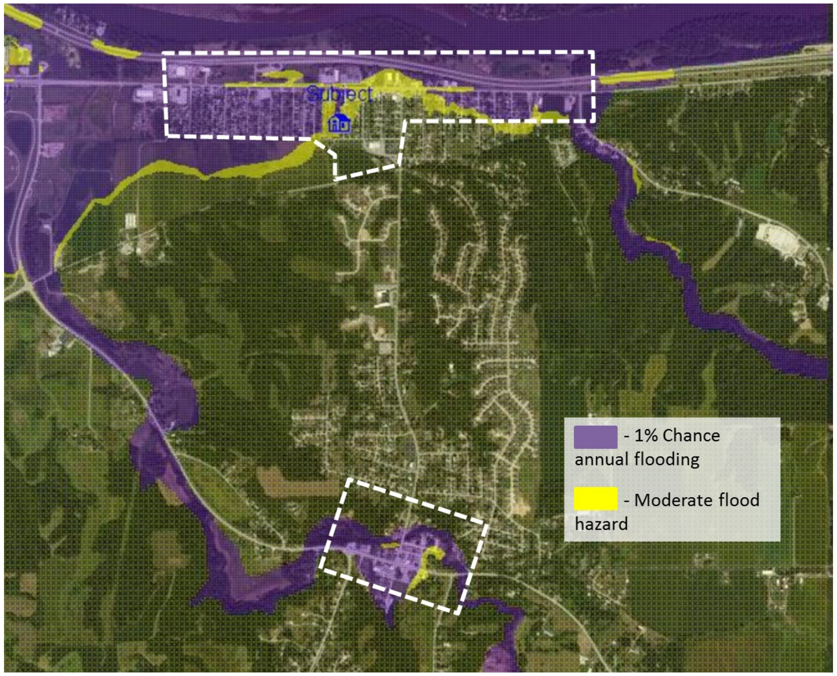
Floodplain: Significant portions of both corridors are located within the 1% annual chance floodplain, making any significant residential development difficult. Even worse, some of the Highway 6 corridor may be designated as flood way, effectively preventing any development.

Reduced Interstate Access: Although Highway 6 runs along the south side of Interstate 74/280, the nearest on- or off-ramp is 1.5-miles away. This reduces visibility and access for market-based development.

Poor Curb Appeal: Highway 6 is designed for commuter traffic and consists of wide roads and shoulders, is completely auto-oriented, and effectively no sidewalks. An internal walkway/bike path network, particularly on the south side, might be in order. The Highway 150 corridor is better-suited for more walkable development, but could use more nearby housing, and connections to it, to encourage pedestrian activity.

Lack of Annexation: Portions of both corridors, including some of the best opportunity sites, are not located within the village boundaries and would require annexation. The village itself also has no discernible shape, which makes appropriate planning difficult.

Lack of Growth: Population and economic growth in Coal Valley, Henry County, and the Quad Cities region has been limited, with most growth occurring on the Iowa-side of the region. That said, Coal Valley has been the fastest growing city in Rock Island County, though such growth has tapered substantially since the Great Recession.



Marketability Analysis: Opportunities

Various opportunities exist: New industrial development and a small-scale grocery store along Route 6, new multi-family housing on the old "Jack and Jill" site, land annexation and various infrastructure improvements, and the creation of a walkable downtown in the Route 150 corridor.

Industrial Development: Some of the undeveloped or underutilized sites along Route 6 present an opportunity for new light-industrial (likely warehouse and distribution) development. This is consistent with existing uses toward the west end of the study corridor and would be appropriate within the village limits up to about W. 14th Street.

Airport Synergy: The community's proximity to the regional airport could lead to potential land-use synergies with it: hotel, distribution and cargo facilities, manufacturers, and office buildings. Height restrictions will likely apply, however, because of take-off and landing clearances. Review of redevelopment proposals by the FAA and airport might be in order.

Excess Retail Demand: Our retail demand analysis indicates there is excess demand for retail services, including a small grocery store and/or general merchandise store. In other words, more local retailing can be supported by the buying power generated from Coal Valley residents alone. Capturing more sales from, say, Zoo visitors would increase this development potential.

Infrastructure Improvements: Various infrastructure improvements could greatly benefit both corridors. Recommended improvements include a full interchange with Interstate 74/280, a new bridge spanning the Rock River, and a flood levee (if there is not one). Stakeholder interviews determined that a new bridge and interchange at the west edge of the village is being planned, but is still well into the future. A levee is not likely, but this decision may rest on the ultimate determination by the State of Illinois regarding flood map boundaries.

Land Annexation: The city should consider potential annexation of key sites with both corridors, as well as other land that might help facilitate additional community growth. Annexation that includes the planned new bridge and interchange at Orion Blacktop Road should be undertaken. While certain unofficial agreements with the City of Moline may affect annexation in the future, a "land swap" with Moline for the area between the two large incorporated segments of Coal Valley should be aggressively explored.

Catalyst Development: There are multiple sites within both corridors that present unique opportunities for potential catalyst projects. The best opportunity currently exists on the "Jack and Jill" site, which could be redeveloped with new housing, preferably a new multi-family housing project oriented to seniors.

Above: Villa-style senior rental housing

Left: Walkable main street environment in Evanston, Indiana

Marketability Analysis: Threats

The greatest threats to the neighborhood are vacant and underutilized properties, new retail and industrial competition, flooding, and annexation challenges.

New Retail/Industrial Competition: Without proper intervention, new retail or industrial development is likely to go elsewhere and the "village's share" will not be captured. This may require the village to formally determine how much of a retail and/or industrial community it wants to be.

Mobile Home Community: Candle Light Community remains a significant presence, eyesore, and inappropriate land use. Much of the land is better suited for retail, other commercial uses, and/or industrial uses, although residential of a higher quality may still be suitable in the southern part of the properties. Candle Light's aesthetics, alone, threaten further development along Highway 6.

Low property values: Relatively low property values along Highway 6, in particular, are likely to lead to the attraction of relatively low value uses. Efforts to intervene in the market through marketing, infrastructure improvements, wayfinding, and code enforcement can increase value perceptions to aid in attracting higher value businesses.

Annexation Challenges: The City of Moline controls much of the land to the west of Coal Valley and in the area between the two large incorporated areas of the village. Better city planning practices and economic development initiatives will result if Coal Valley can eliminate Moline as a "divider" of the Village, perhaps by a "land swap" of other negotiated annexation areas west of the village.

Flooding: Both corridors are sharply affected by at least flood plain challenges. This both lowers the value of the land and limits the scale of potential development even if market opportunities are strong. Moreover, a portion of the Highway 6 corridor may be declared within a flood way of the Rock River, which effectively precludes further development and may require removal of some existing development.

3. Demographic and Economic Overview

National Trends: Household Composition

2
Though single-family housing is the primary housing choice for the majority of households in Coal Valley, national demographic trends suggest the need to provide more housing choices for smaller households.

Household size is declining: In the United States, average household size has been undergoing a steady decrease, from 3.1 persons per household in 1970 to 2.6 persons per household in 2014, a trend mirrored in Coal Valley. Reasons include a greater number of single-person households, individuals marrying at a later age, families having fewer children, and fewer intergenerational households.

Household composition is shifting: In 1970, married couples with children made up 40 percent of all households, a percentage that is twice as high as it is today. Married couples also spend more years in households without children–the average age of women having their first child increased nearly four years between 1970 and 2006.

Increase in renting: The recent housing and economic crises in the last 2000s have impacted current and future homeownership rates, and are driving demand for rental units. Since 2004, the national share of renters has increased from 31 percent to 35 percent in 2013. For young adults, factors may include a need for greater mobility early in their career and the lingering effects of the economic crisis. For households on a tight budget, the fixed monthly costs of rental housing are more appealing than the uncertain costs of homeownership.

Increasing number of older adults: Another major trend that is affecting communities throughout the United States is the "graying of America," caused by the aging of the large Baby Boomer generation. There are currently over 46 million households whose householders are between 45 and 64 years old. It is expected that as Boomers age, they will look for housing to accommodate changing needs and preferences, namely, lower maintenance both inside and outside of the home, fewer steps or stairs, and other fall-prevention measures that can help residents to "age in place" comfortably near their community of origin.

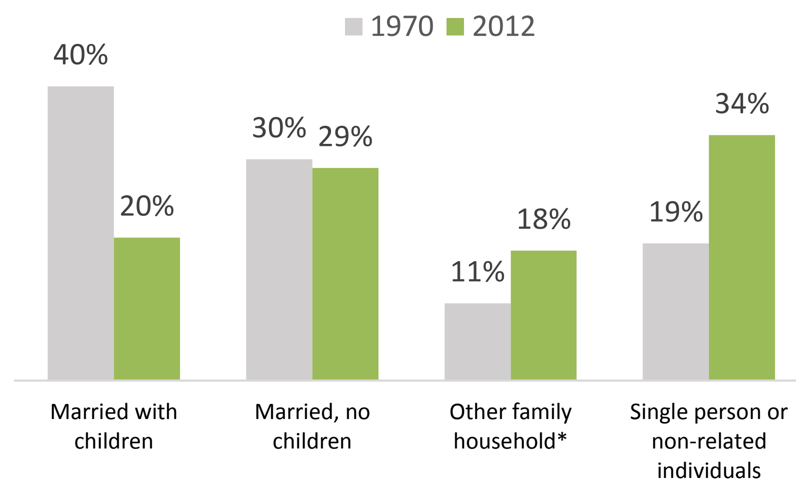
Average Number of People per Household

US Census, American Community Survey

	United States	Coal Valley
1970	3.1	3.4
2014	2.6	2.4

Proportion of U.S. Household Types, 1970 and 2012

US Census, American Community Survey



*Non-married relatives; includes single-parent households (9% of total households in 2012).

National Trends: Retail Preferences

Consumers are shifting away from strip retail and regional malls towards formats that seek to replicate a "Main Street" experience.

Competition from online retailers: Data collected by the census shows that online shopping has grown steadily from about one percent of all retail sales in 2000 to over six percent of sales in 2014. As a result, brick-and-mortar retailers have had to compete with online retailers on the basis of convenience and shopping experience. Shopping districts that are inviting places to linger will continue to attract consumers, as will local retailers who offer convenient locations and products unavailable online, such as groceries.

Desire for businesses within walking distance: As Americans become more interested in healthy lifestyles, walking plays a key role as an easy and accessible way to meet physical activity recommendations. A survey found that 60 percent of American adults prefer a neighborhood where they can walk to nearby shopping and businesses, and 52 percent would be willing to live in a house with a smaller lot if the neighborhood was walkable. Despite this preference, 42 percent feel there are "too few" shops or restaurants within an easy walk of their house, suggesting that demand for these types of places exceeds supply.

Recognition of the importance of independent and local businesses: The retail landscape of the United States is increasingly homogenized, with the same retailers found in communities across the country. Having a number of local and independent businesses within the community ensures that a greater percentage of sales revenue remains local, strengthening and sustaining the local economy. Independent businesses managed by community members fulfill an important social function, creating meeting places and enhancing the character of a place.

Online sales have increased 55 percent since 2000, yet consumers prefer shopping in-store

60 percent of Americans want the ability to reach shops and businesses on foot

National Trends: Placemaking

The effects of placemaking—the act of creating an inviting public realm to which people have a psychological connection—is good policy and good economics. A growing amount of data indicates that the right mix of walkability, public space, and a mix of uses (such as housing and retail) creates value.

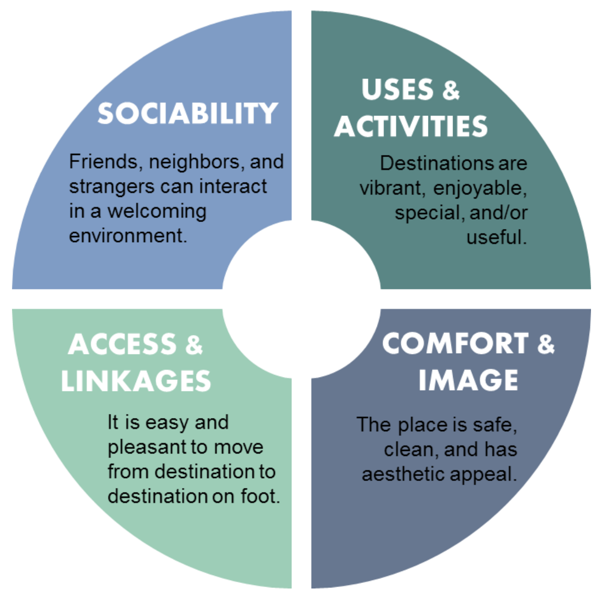
Placemaking is the act of creating or transforming a place into an attractive location where people can fulfill social, physical, and economic needs, such as shopping, meeting others, and spending time outdoors. Though placemaking gets more attention in large, urban centers, small towns across the country in both rural and suburban areas are quietly implementing placemaking strategies. These goal of these efforts are often twofold: first, improve the quality of life of town residents and second, attract visitors and, eventually, new residents.

In many small towns, placemaking efforts naturally center around the town's main street. The town's historic center often offers the strongest foundation for placemaking efforts: a central location, historic buildings that reflect the town's history and character, public spaces, and small-scale retail buildings ideal for the types of uses that draw people in to linger. Many times, public investment, such as streetscape and public space improvements, serves as a catalyst for private development.

Placemaking has a beneficial effect on real estate values. A DS survey of home sales in select walkable, historic communities with attractive main street environments showed residents pay a substantial premium to live in such environments relative to surrounding suburban areas, leading to increases in a town's property tax base. Additionally, placemaking can increase retail activity, which in turn increases the retail tax base.

The diagram at right shows the four elements of a great place. Whether the project is in a small town or a large community, each element seeks to improve the relationship between people and a place—creating positive impressions and experiences that make them want to return.

Four Elements of a Great Place



Coal Valley: An Evolving Village

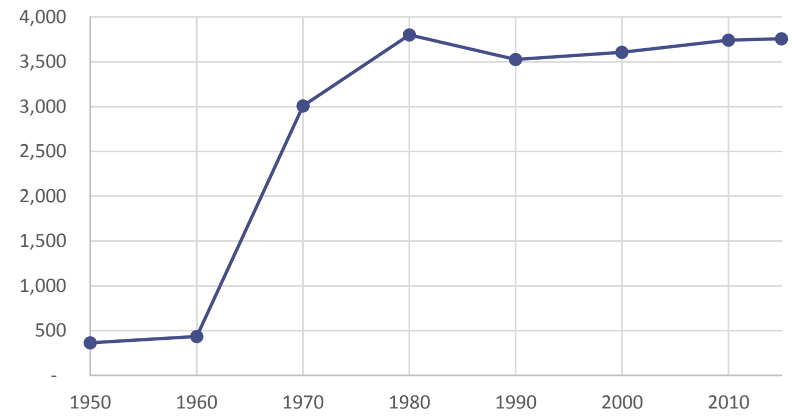
Originally centered around coal mining, the Village of Coal Valley has evolved into a suburb of the Quad Cities, while simultaneously preserving many of its small-town roots. After a decline in population during the 1980s, population has slowly, but steadily, increased during the past 25 years. Additional modest growth is expected.

Located in northwestern Illinois near the southern edge of the Quad Cities region, also known as the Davenport-Moline-Rock Island Metropolitan Statistical Area, the village of Coal Valley is a historically rural community containing 2.6-square miles of total land area that has begun to experience suburban growth, a trend that is expected to continue at a modest pace.

Originally founded as a small mining community and formally founded in 1876, Coal Valley experienced considerable population growth during the 1960s and 1970s due to extensive land annexation. After a small decrease in population from 1980 to 1990, the village's population grew steadily to its current estimate of 3,757 people, an increase of roughly seven percent since 1990. Additional modest population growth is projected through 2020.

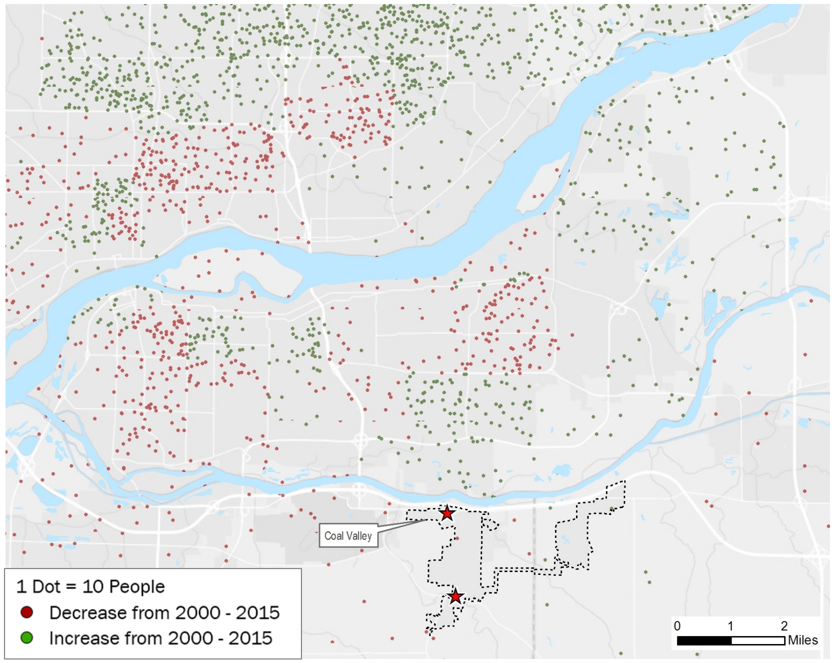
Regional population growth has been limited, with most occurring on or along the fringes of development on the north side of Davenport and Bettendorf. Since 2000, the Quad Cities region has added roughly 3,700 people, an increase of roughly one percent, which lags well behind the rest of the country. ESRI projects additional population growth though, with a projected five-year increase of about 1.5 percent, or 6,700 people. As areas north of the Rock River continue to build out, places such as Coal Valley will be well-positioned to accommodate additional future growth.

Population Growth in Coal Valley 1945 to 2015



Change in Population 2000—2014

U.S. Census



Market Areas

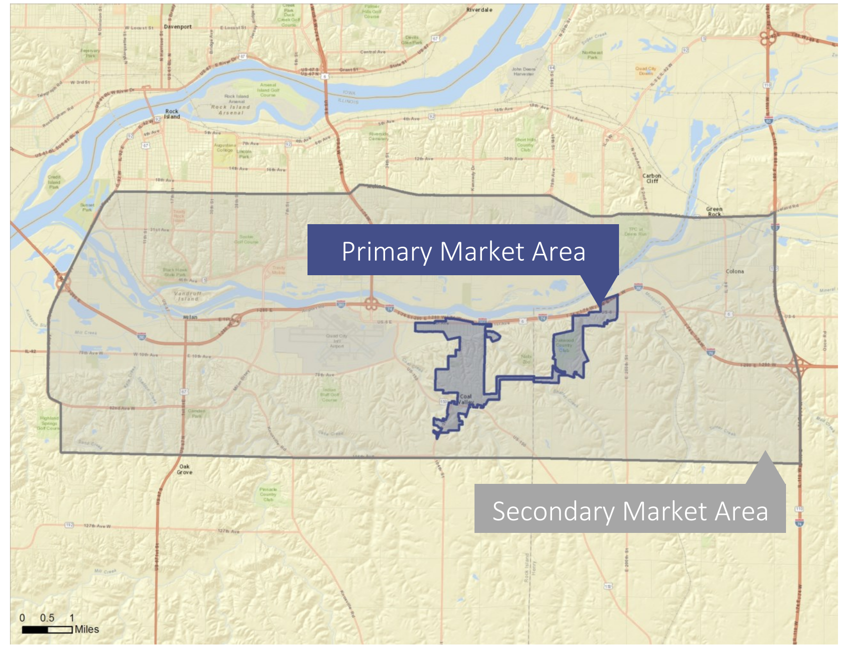
Two designated market areas form the basis of demographic, economic, and real estate analysis.

Real estate analysis is based on the concept of "market areas"—smaller geographic areas with their own unique demographic, economic, and housing characteristics. Looking at each of these indicators gives a fuller profile of the people and housing market within the market areas, laying the groundwork for planning and growth.

Two market areas were delineated for this analysis. The first, the Village of Coal Valley, is the primary market area (PMA). Coal Valley is irregularly shaped with eastern and western sections connected by a thin rectangular strip of land. A portion of Moline City dips in between the eastern and western regions of Coal Valley. Coal Valley spans 2.6 square miles with 3,757 residents, a density of 1,445 persons per square mile, which is one percent of the Quad Cities' population.

The secondary market area (SMA) is the area surrounding Coal Valley, including the area between the eastern and western sections of the village. The SMA is bounded by Avenue of the cities and 22nd Avenue the north, Centennial Expressway and 35th Street to the west, 106th Avenue and 1800th Avenue to the south, and the Interstate 74 to the east. The SMA spans 72.3 square miles and is home to 5,3903 people, or about 14 percent of the Quad Cities' population.

The following section presents data for the PMA (Coal Valley), the SMA, and the Davenport-Moline-Rock Island MSA (the Quad Cities) to understand the underlying socio-economic and demographic characteristics of each area.



Primary Market Area (Coal Valley)		Secondary Market Area
2.6	SQUARE MILES	72.3
1%	PERCENTAGE OF THE QUAD CITIES' POPULATION	14%
1,445	PERSONS PER SQUARE MILE	746

Household Composition

Coal Valley is home to an older population with larger proportions of married residents. The population of the MSA as a whole is generally younger and is comprised of more single-person households.

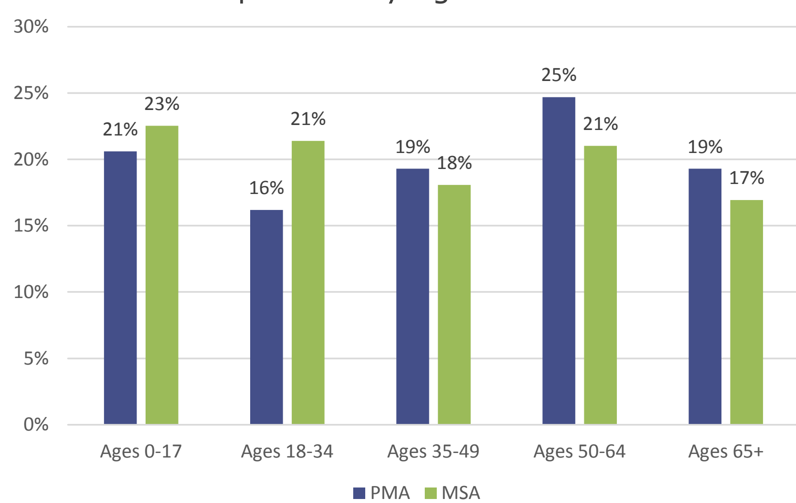
Coal Valley has a higher proportion of residents above the age of 35 compared to the region as a whole. Residents ages 50 to 64 make up the largest proportion of the population in Coal Valley, followed by children under the age of 17. In the MSA, children under 17 make up the largest proportion, followed by residents ages 18 to 24 and 50 to 64. With higher proportions of older residents, the PMA median age is about five years older than the MSA.

Median Age

ESRI (2015)

45.5	43.7	40.1
PMA	SMA	MSA

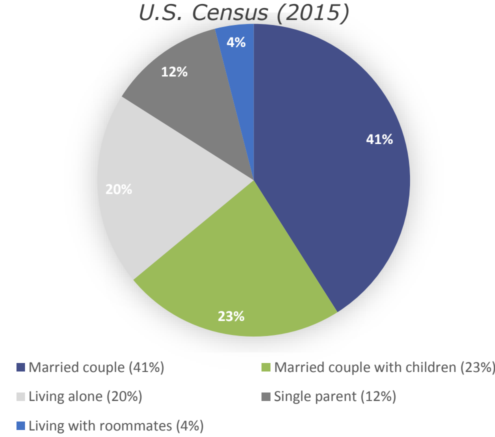
Population by Age: PMA and MSA



Looking at the composition of households in Coal Valley, there is a higher proportion of homes with married couples with and without children (69 percent) than in the region (49 percent). Conversely, in the MSA there is a larger proportion of households with residents living alone (29 percent) compared to the PMA (20 percent).

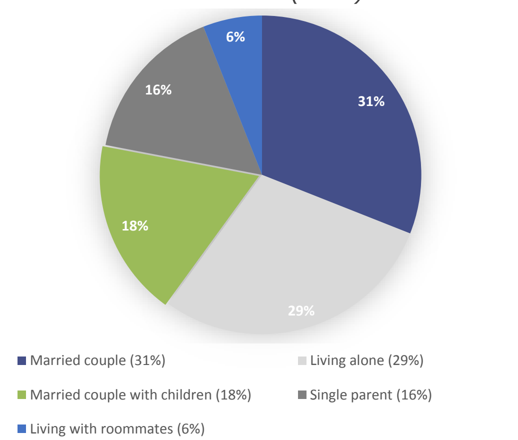
Coal Valley Household Composition

U.S. Census (2015)



Quad Cities Household Composition

U.S. Census (2015)



Housing Characteristics

The vast majority of Coal Valley's housing stock is comprised of single-family homes, while the remaining housing consists of mobile homes. The region has a much more diverse housing stock with greater multi-family housing options. Housing in Coal Valley is also typically much newer than the region and has significantly higher home values.

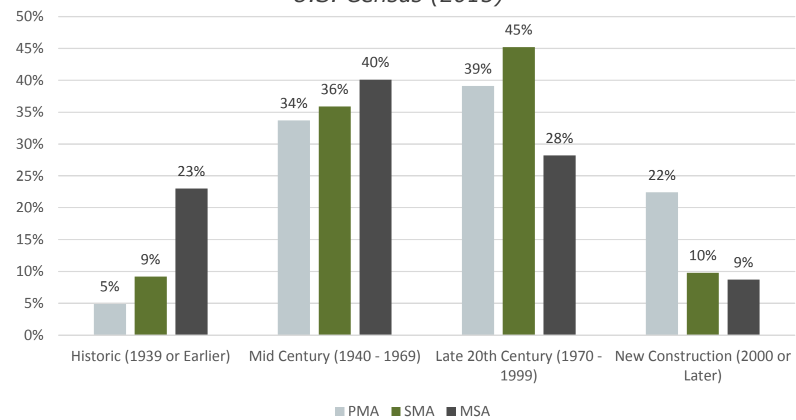
In the PMA, SMA, and MSA the majority of homes were built in the mid- to late-20th century. There are smaller proportions of newly constructed homes in all study areas, but the PMA has a notably higher proportion compared to the SMA and MSA. The median year housing was built in the PMA is 1975, compared to 1961 in the MSA. Vacancy rates across all three study areas are similar. In the MSA the vacancy rate is the highest (seven percent), followed by the PMA (six percent), and the SMA has the lowest vacancy rate (three percent).

The median housing value in Coal Valley is notably higher than the SMA and MSA—about 19 percent and eight percent, respectively. With 84 percent of the total housing stock, Coal Valley's housing stock is comprised almost entirely of single-family homes, while the remaining housing units are contained within mobile homes. While the majority of the region's housing stock is also comprised of single-family homes (77 percent), about 21 percent of housing units are contained within multi-family properties and only three percent are mobile homes. Additionally, Coal Valley lacks rental options; only ten percent of the housing stock is renter occupied, while 90 percent is owner occupied.

This lack of a broader range of housing types limits potential population growth within the community, particularly given the decline in homeownership rates during the past decade. A broader range of housing types would open up new opportunities for population groups that prefer renting or cannot afford a home priced above $250,000.

Housing Age

U.S. Census (2015)



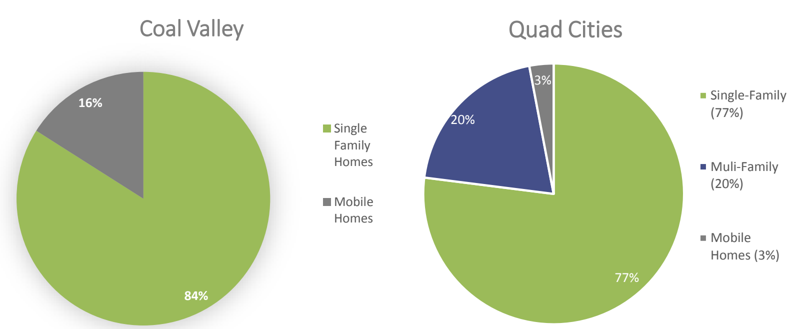
Median Housing Value

ESRI (2015)

$158,539	$133,769	$146,417
PMA	SMA	MSA

Housing Types

ESRI (2015)

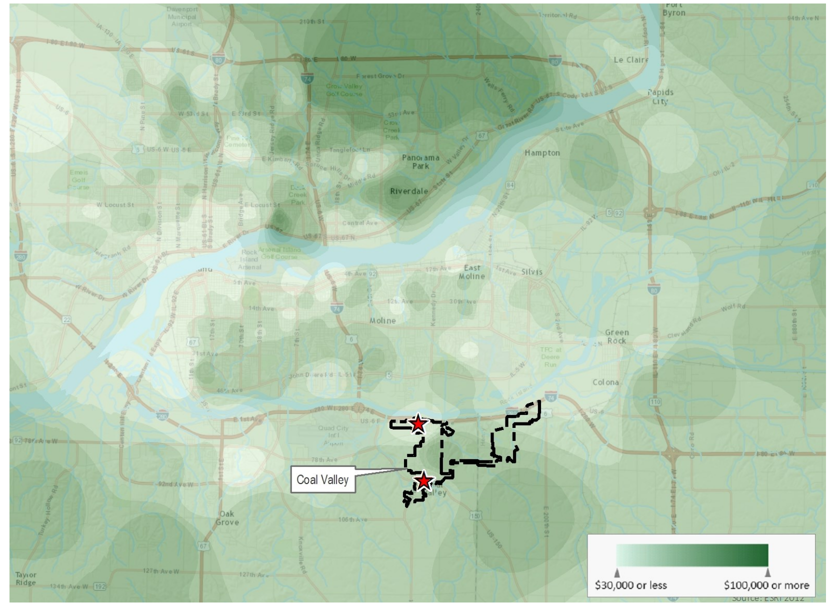


Household Income

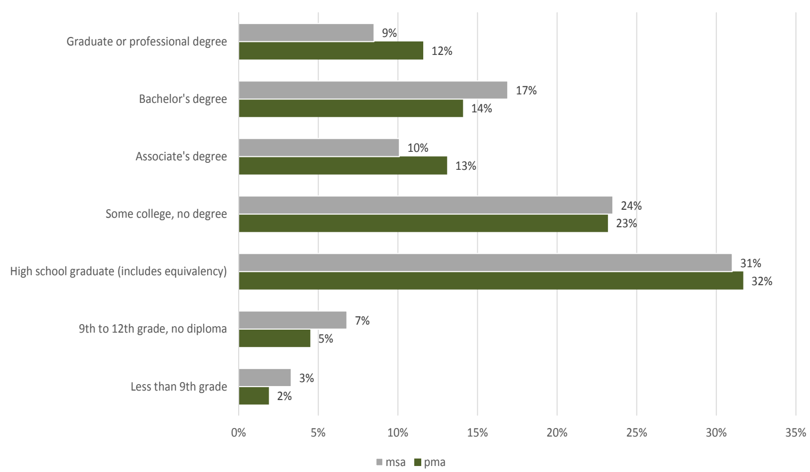
Coal Valley is home to a higher proportion of middle- to high-income residents compared to the region, indicating potential for new higher quality development, as well as growing need for new businesses.

The median household income in Coal Valley ($62,385) is 21 percent higher than the region ($51,515). The village has a higher proportion of middle- to high-income residents compared to the region with about 49 percent of households annually earning between $35,000 and $99,999, as well as 26 percent of households earning more than $100,000 annually. In the MSA the proportion of middle income households are similar, but there are more low-income households and fewer high-income households.

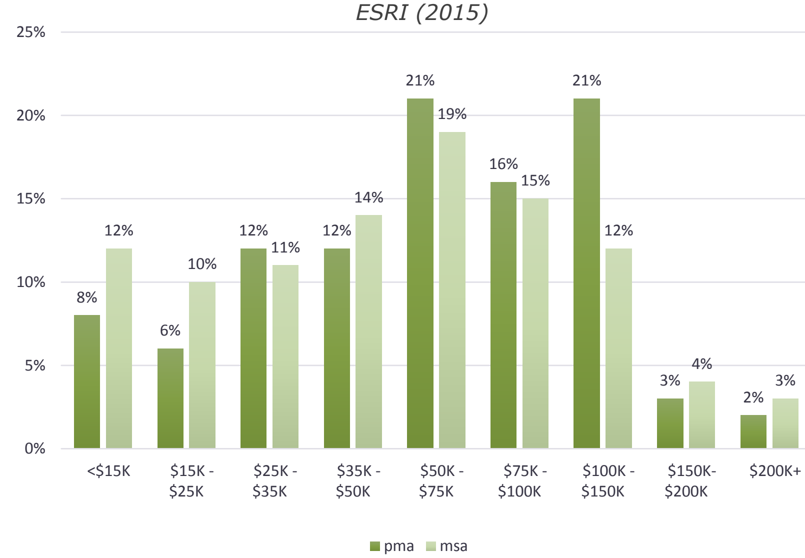
While higher incomes are generally correlated with higher educational attainment, there is only a slightly larger proportion of Coal Valley residents with an associates degree or higher than in the MSA. This is likely explained by the smaller percentages of young people in Coal Valley who are just starting careers and higher percentages of families and seniors who are currently at the peak of their earning potential.



Educational Attainment
U.S Census (2015)



Household Income Distribution
ESRI (2015)



Coal Valley Seniors

Seniors over the age of 55 make up about 36 percent of the Coal Valley population. There has been significant growth in the senior population since 2010, and growth is projected to continue through 2020, especially among seniors over the age of 75.

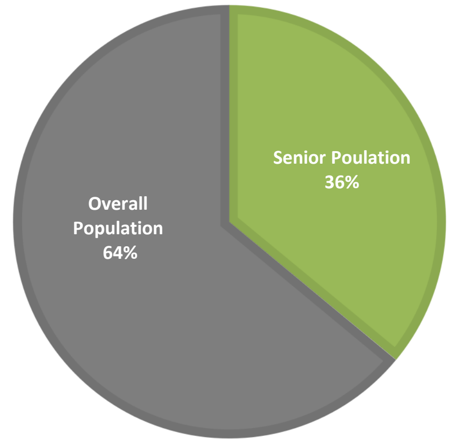
There is a large proportion of seniors ages 55 and older in Coal Valley (36 percent). Since 2010 the senior population has grown 24 percent and is projected to grow an additional seven percent through 2020. In particular, the elderly population (seniors over 75) is projected to increase 25 percent through 2020.

The median senior household income in the PMA is notably higher than in the SMA and MSA, but is significantly lower than the general population, which is consistent with all three study areas. Through 2020 the senior median income in the PMA and MSA are projected to grow by 16 percent and the SMA senior median income is projected to grow by 15 percent.

Similar to the general population, the vast majority of seniors in Coal Valley own their homes (90 percent), while only ten percent are renters. However, as the senior population continues to age and the number of elderly residents increases, demand for senior-oriented rental options will grow.

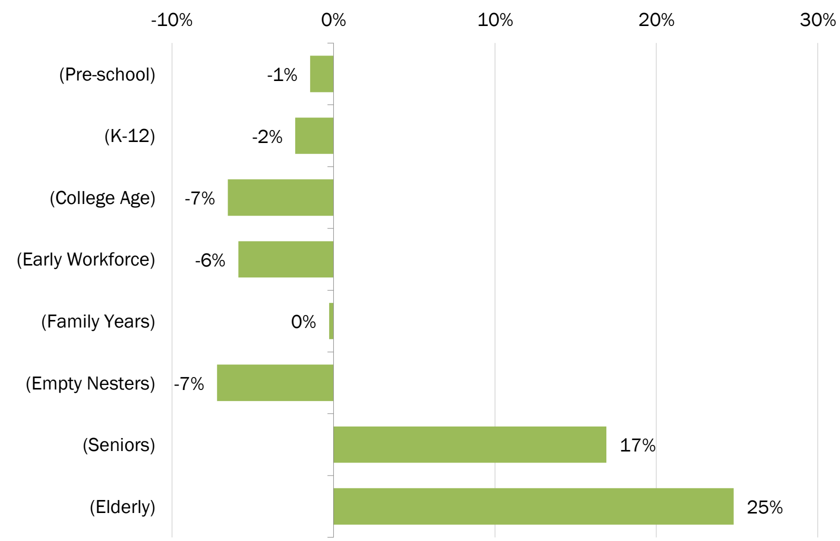
Coal Valley 55+ Population

Source: ESRI, 2015



Projected Population Growth By Age Segment
PMA: 2015-2020

Source: ESRI, 2015



Median Senior Income

ESRI (2015)

$53,183	$46,835	$45,555
PMA	SMA	MSA

Demographics: Conclusions

Coal Valley is evolving from a village centered around coal mining to a suburban community comprised of higher income households. As the population ages and demographic characteristics continue to shift, new housing types will need to be offered within the community for it to continue growing or maintaining current population levels.

Demographics Summary

- Coal Valley's population is expected to increase slightly through 2020, while the MSA population is projected to grow slightly at 1.7 percent through 2020, a reversal of recent trends where population growth in the village outpaced the region as a whole.
- Coal Valley's has a generally older population comprised of more married couples and seniors than the MSA.
- Most of the village's recent population growth has occurred within the senior and elderly cohorts, a trend that is expected to continue at an even greater pace through 2020, particularly for the elderly cohort.
- The vast majority of the community's housing stock is contained within single-family homes, with no multi-family housing units and very limited rental housing options.
- Average home values are also considerably higher in Coal Valley than in the SMA or MSA.
- Household incomes within Coal Valley are significantly higher than the region as a whole, with few low-income households.

Implications

- Given the higher incomes and property values in Coal Valley, new single-family housing development is clearly feasible without subsidy, though various infrastructure needs will be necessary to help facilitate additional development. With these various improvements and, possibly, some aggressive annexation, Coal Valley can continue to be a focal point for population growth in the Quad Cities.
- Additional growth could also be realized if a broader range of housing types were provided. There is currently no multi-family housing in the community and very little rental housing options. The only truly affordable housing in Coal Valley is the mobile-home community. Providing these different housing types would increase the potential for growth in other population groups and age cohorts, particularly younger households. It could also help serve as a replacement for the mobile-home community by providing these residents with a better quality housing option in a more suitable location.
- The growing senior and elderly population will also be impacted by the lack of housing options. Both population groups are the fastest growing age cohorts in Coal Valley and will be primary drivers for future housing demand. Development of new housing that is oriented to their needs—physical and financial—will be necessary if the village is to retain and attract these residents. While many wish to remain in their homes for as long as possible, many will also be forced to downsize.

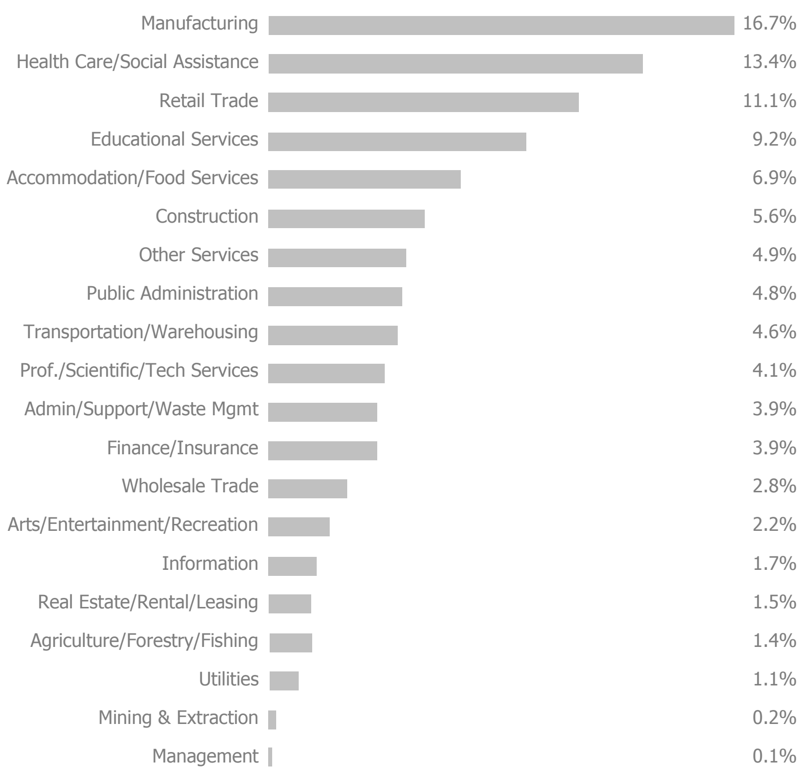
Major Industries

The Davenport MSA regional economy has a fairly diverse mix of industries for employment. The region's primary industry is in manufacturing, which comprises about 17 percent of the total regional employment. Other major sectors include healthcare (13 percent), retail trade (11 percent), and educational services (9 percent).

Compared to the state and nation, the MSA has significantly higher proportions of employment in the manufacturing, public administration, and utilities industries. The MSA has notably smaller proportions in professional, scientific and technical services and finance and insurance occupations.

Employment by Industry

ESRI (2015)



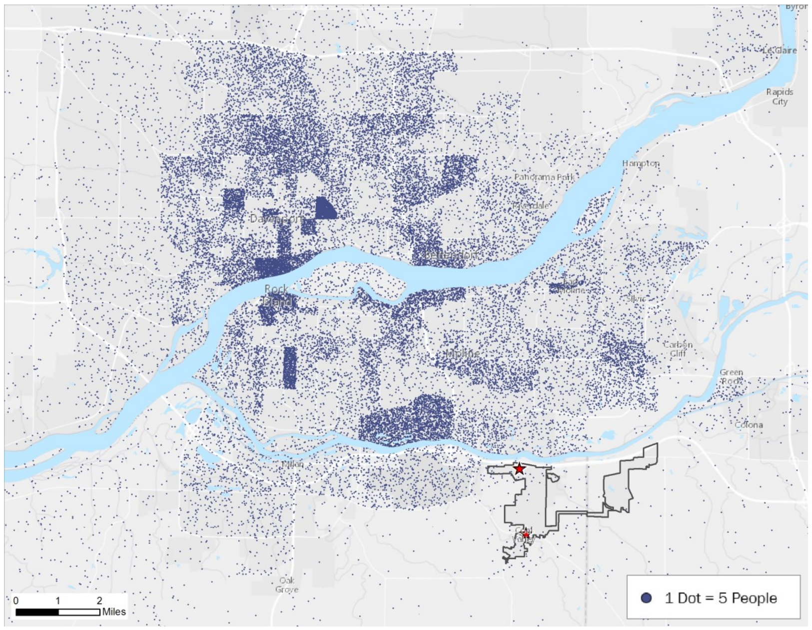
Top Employers

Top employers in the Quad Cities MSA are in the manufacturing, healthcare, food services, and management sectors. Most of the top employers are in the urban core of the region, which consists of the following four major cities: Moline, Rock Island, Bettendorf, and Davenport. The nearest top employers to Coal Valley are John Deere, Trinity Regional Health System, and XPAC.

Major Employers in Quad Cities

Employer	*Description*	*Employees*
Rock Island Arsenal	Defense Manufacturing	8,500
Deere & Company	Agriculture Manufacturing	7,300
Genesis Health System	Healthcare	4,900
Hy-Vee Food Stores	Grocery	4,100
HNI Corporation	Office Furniture Manufacturing	3,200
Trinity Regional Health System	Healthcare	2,900
Tyson Fresh Meats	Food Processing	2,400
Alcoa, Inc.	Aerospace & Defense Aluminum	2,250
Kraft Foods/ Oscar Mayer	Food Processing	1,500
XPAC	Supply Chain Management & Logistics	1,195

Source: Quad Cities First (2012), 2015



Unemployment

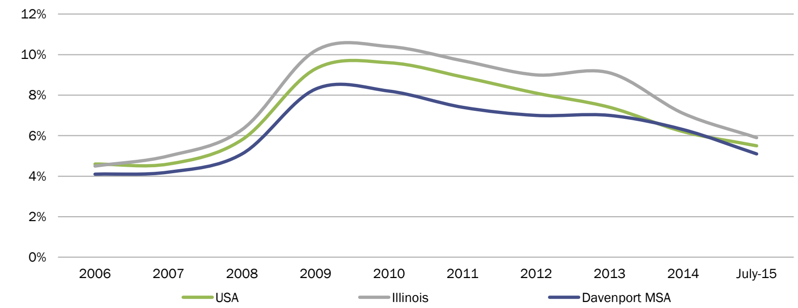
As of July 2015, the Davenport MSA had an unemployment rate of 5.1 percent, lower than both the state and nation.

Over the past decade the MSA, state, and nation followed similar unemployment trends with significant increases in unemployment rates during the national recession; however, MSA unemployment has generally remained lower than the state and the nation. Additionally, the MSA was affected the least by the recession, with unemployment levels 0.9 to 1.9 percent lower in 2010, when all study areas were experiencing decade high unemployment levels. Conversely, the state has maintained higher levels of unemployment during the past decade, and in addition to recession unemployment highs, experienced a slight increase in unemployment in 2013 and 2014. As of July 2015, the unemployment rate in the MSA was 5.1, followed by the nation (5.5), and the state (5.9).

Although, the MSA experienced lower unemployment rates than the state and the nation, there has been limited job growth since 2010. As of July 2015 employment in the MSA was about 182,851, resulting in a loss of about 13,479 employees since decade high employment in 2007. Given the low unemployment rates, the employment decline is rather due to a significant reduction in the participation rate, not actual employment or economic growth.

Unemployment Comparison

Bureau of Labor Statistics (2015)



Unemployment Comparison

	2006	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*July-15*
Davenport MSA	4.1%	4.2%	5.1%	8.3%	8.2%	7.4%	7.0%	7.0%	6.3%	5.1%
Illinois	4.5%	5.0%	6.3%	10.2%	10.4%	9.7%	9.0%	9.1%	7.1%	5.9%
USA	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.5%

Source: Bureau of Labor Statistics, 2015

Davenport MSA Employment Trends

Bureau of Labor Statistics (2015)

Occupational Summary

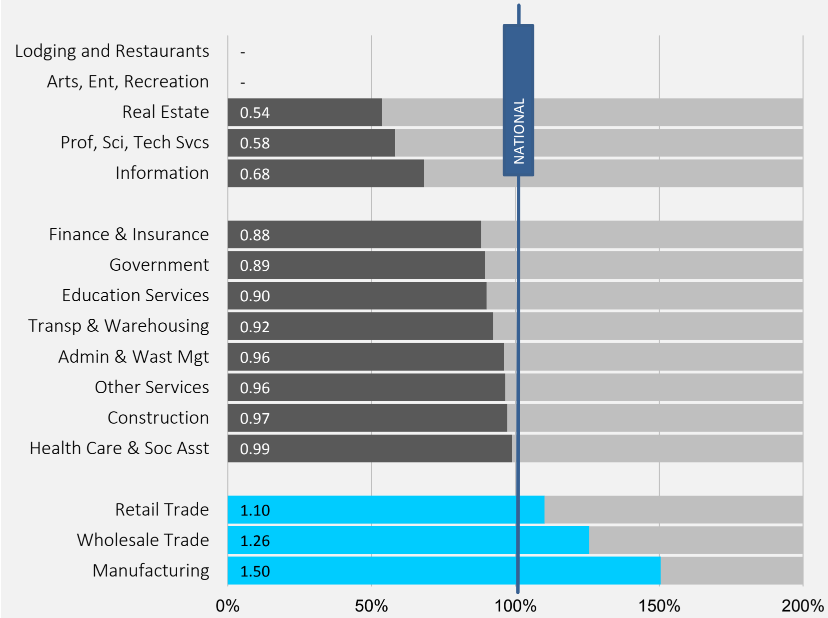
The Quad Cities' regional economy is driven by strength in management, manufacturing, and wholesale trade sectors. Providing opportunities for these industries to grow is a sound strategy.

Analyzing location quotients[1] (LQs) can give insight into potential economic growth strategies. One potential strategy is to continue to reinforce industries where the region has a clear advantage. The Quad Cities has relative strengths in management, manufacturing, and wholesale trade, but remains a laggard in certain "white collar" industries such as finance, information, and professional services.

Unlike many regional economies, the Quad Cities does not appear to be shifting from an industrial-sector to service-sector economy. The LQ for manufacturing rose significantly during the past ten years as regional jobs in manufacturing have remained fairly steady and the proportion of manufacturing jobs for the entire country has declined. At the same time, the LQs of most "service-oriented" sectors such as finance, information, and education declined.

Specifically for Coal Valley, the LQs skew even more heavily towards manufacturing and wholesale trade. Of the 520 jobs located in Coal Valley (Census: On The Map), slightly more than half are manufacturing jobs. Most other industries are so small that they probably fall within the margin of error range.

Employment Sector Location Quotients
2013, Quad Cities Metro Area



1 A location quotient (LQ) is a ratio of the percent of jobs (or other measures) in a sector of the local economy compared to the percent in the same sector in the national economy (or larger economic geography). A LQ of "1.0" means that the local economy has the same percent of jobs in that sectors as the national economy. LQs of greater than 1.0 suggest relative strengths, or export sectors. LQs of less than 1.0 suggest vital local support sectors, but these would be sectors that generate significant amounts of external sales.

Future Employment Growth

Employment in "blue-collar" jobs is expected to grow in the Quad Cities region through 2022, providing an opportunity for additional industrial development. Certain steps by the Village will be necessary in order to capture some of this growth.

Employment projections provided by the Illinois Department of Employment Security and the Iowa Workforce Information Network indicates that jobs in "blue-collar" sectors will increase significantly through 2022, providing an opportunity for additional industrial development. Specifically, occupations in transportation and material moving is projected to increase roughly 2,500 jobs, while occupations in production and manufacturing are projected to increase roughly 2,100 jobs. Other sectors such as healthcare, sales, and office administration are also expected to grow significantly.

Normally, a strategy centered on repositioning future growth trends away from a manufacturing base should be encouraged, but current (and past) strengths should be considered in this situation. Coal Valley and the Quad Cities has not demonstrated themselves as places that are being embraced by the "knowledge economy." Instead, employment in traditional sectors such as manufacturing and production is likely the best scenario.

Indeed, conversations with regional economic development and planning officials indicate that the Quad Cities is marketing its prowess as an industrial center in order to expand economic opportunities in these sectors. It will be important for the Village to help provide opportunities to capture this development within either the two corridors.

Projected Increase in Employment by Occupation Group, 2012-2022
Quad Cities Region*
Source: Illinois Department of Economic Security and Iowa Workforce Information Network, 2015

* Includes Clinton, Jackson, Scott, Muscatine, Henry, Mercy and Rock Island counties

4. Real Estate Market Analysis

Market Analysis: A Brief Process Overview

While demand for close-in housing is great, competition, economic realities, and site constraints typically reduce the total amount of development that is supportable at a given site. Demand, supply, and site opportunities are therefore interrelated variables in any development that are evaluated separately and then reconciled to arrive at an economically sustainable program. This process is equal parts art and science, relying on qualitative understanding of human behavior as well as market metrics.

Determining market support for various uses within a given location requires analysis of many interdependent variables—specifically, those relating to demand, competitive supply, and site opportunities and constraints.

Typically, demand for housing or commercial uses at infill sites exceeds supply—both present and potential future supply. This is often because available sites for development are minimal, or because the cost of acquisition is high enough that only certain types of uses are economically viable (because they generate greater returns). As a result, many households or businesses that would have preferred to locate there are "priced out" and move to locations that are undeveloped.

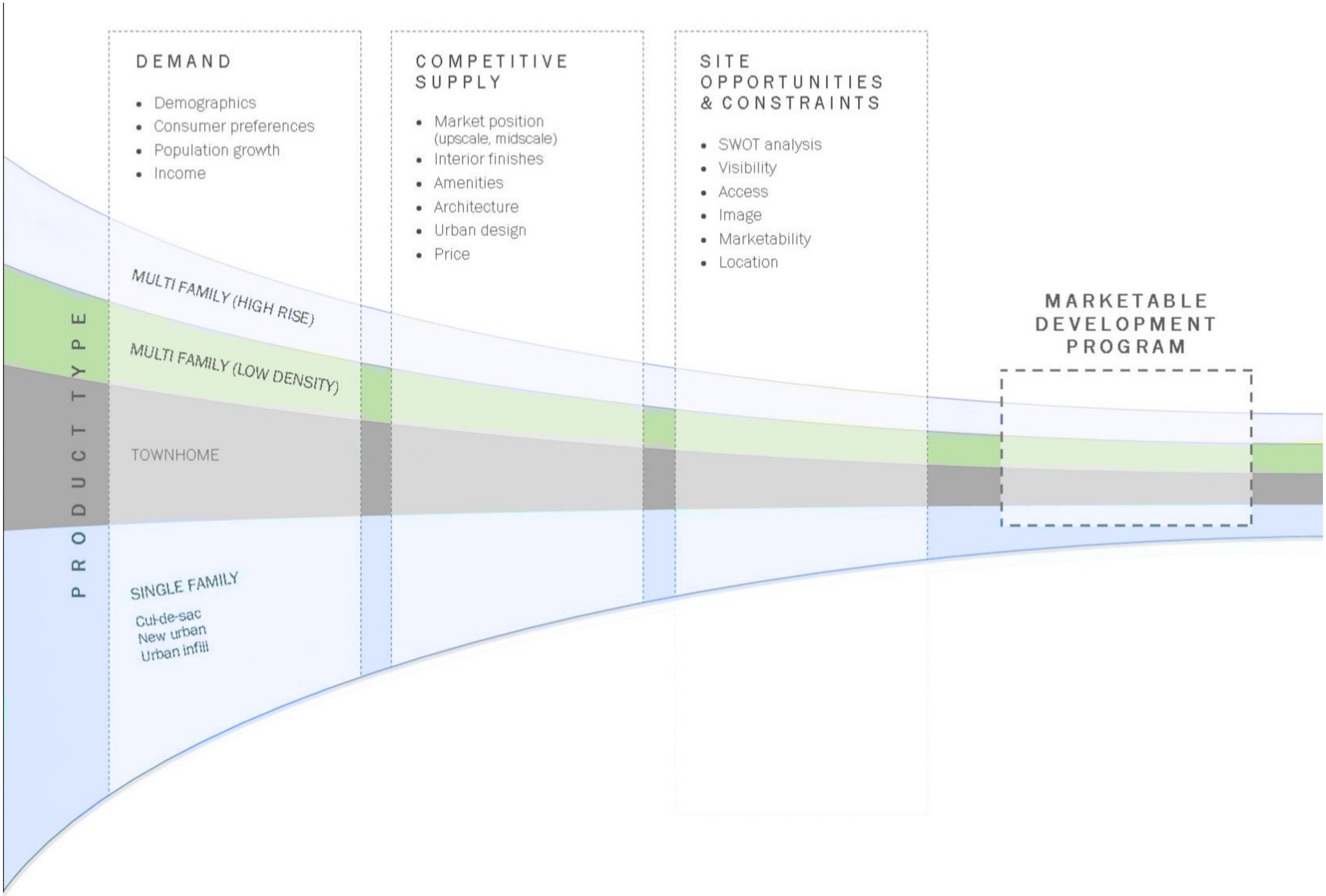
Competition plays a large role in "whittling down" demand that would otherwise be available at a particular location by luring or "capturing" prospective residents and businesses to other locations. Of course, competitive supply also provides invaluable information on the types of products that need to be provided to appeal to different consumer groups.

Last (but not least), location and site analysis is an essential, but often overlooked, element of market analysis. Some sites lend themselves to high-rise, multifamily condos, for example, because they offer the convenience, address and name recognition, image, and views associated with a major thoroughfare, mixed-use district, or prominent public space, while other sites lend themselves to low-density townhomes on tree-lined streets.

Market opportunities are very dependent on locational conditions—which are the sum of amenities, assets, and linkages, as well as barriers, constraints, and incompatibilities—and are shaped and informed by competition (or lack thereof). Therefore, while demand analysis sometimes yields a high volume of support, this demand is necessarily passed through the "filters" of competition and site analysis, leading to a lower number of supportable or marketable units for a site.

This process of market analysis is equal parts art and science, and is as much dependent on a market analyst's experience, vision, and knowledge of the more qualitative influences on consumer behavior, such as psychology, as it is on quantitative metrics such as absorption, occupancy, and lease rates. In this study, demand, supply, and site opportunities and constraints are evaluated separately before being reconciled to conclude a likely development/redevelopment program for the Highways 6 and 150 corridors.

Market Analysis: A Brief Process Overview



For-Sale Housing Supply

Average home price in Coal Valley is the highest of the communities south of the Mississippi River, with stable average home prices over the past fifteen years.

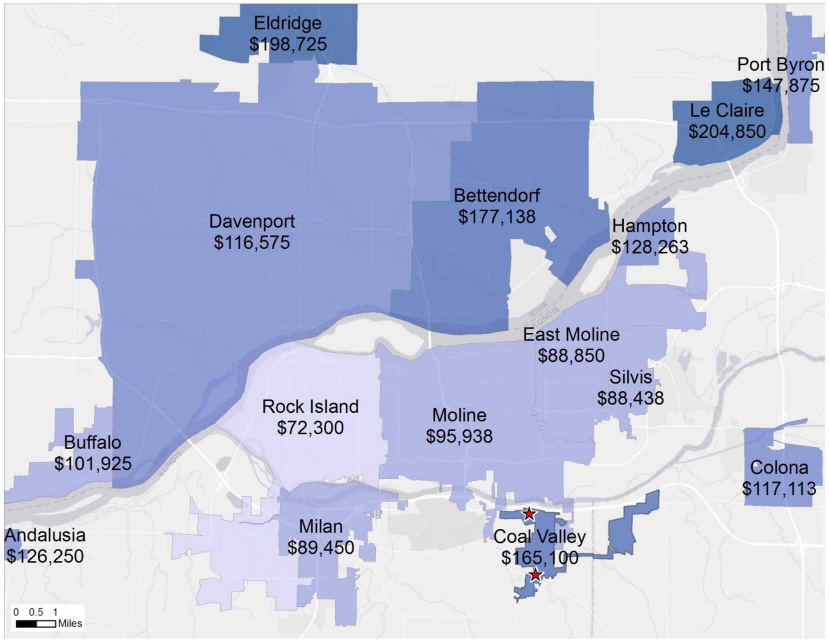
The map at the right shows average home price in the Davenport-Moline-Rock Island MSA in 2015, based on data collected from Zillow. The highest average home prices, in the $200,000 range, are found in Eldridge and Le Claire, Iowa. Of the larger communities within the MSA, Bettendorf has the highest average home price of about $177,000. Overall, communities on the Iowa side of the Mississippi River have higher average home prices than communities on the Illinois side of the river.

Among Illinois communities, Coal Valley has the highest average home price, at $165,000. This compares to about $96,000 in Moline and $89,000 in East Moline, the two communities closest to Coal Valley.

The graph at right shows the change in average home price from 2000 to 2015, adjusted for inflation. Throughout the region, the greatest increase in average home price occurred in Le Claire and Davenport, though increases were very modest (four percent). On the whole, communities either experienced a very modest increase, or, more likely, a modest decrease ranging from two to five percent (likely stemming in part from the recession). Coal Valley's modest decrease in average home price of two percent puts it in the center of the distribution. On the other hand, housing prices in the nearby communities of East Moline, Silvis, and Rock Island depreciated more rapidly, with Rock Island average home price decreasing by an inflation-adjusted 18 percent since 2000.

Average Home Price 2015

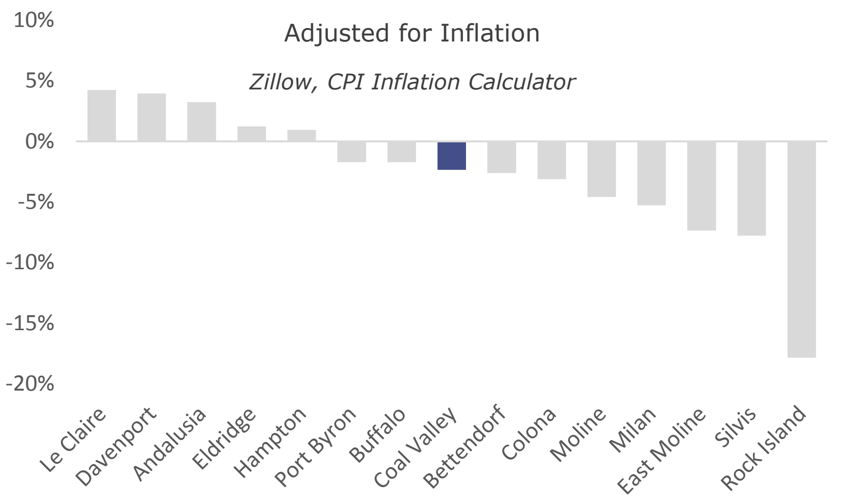
Source: Zillow



Change in Average Home Price 2000—2015

Adjusted for Inflation

Zillow, CPI Inflation Calculator



For-Sale Housing Supply: Single Family

The for-sale housing stock in Coal Valley spans a range of sizes and conditions, but sale prices for new or well-maintained homes typically exceed $200,000, or $100 per square foot.

Recent sales data from Zillow shows a strong market for single-family housing in Coal Valley and most homes sell for above $200,000. Some recent sales were of relatively new properties, while others consist of well-maintained and updated homes and/or modest ranch-style homes in need of updates. Overall, housing in Coal Valley is less affordable compared to other communities, but much of this is attributable to the newer age and superior condition of the area's housing stock.

While the higher home values are generally a positive and indicate the increased marketability of the community, our demand analysis has indicated significant market demand for housing priced between $150,000 and $200,000, which is in limited supply, particularly for new and/or updated homes. Increasing the range in offerings for new and updated housing products can help broaden the community's appeal to other households of more modest incomes or housing needs, which would facilitate additional population growth and increase demand for local retail


12 Oakmont Drive


1507 E. 7th Street


610 E. 6th St.


2703 W. 2nd St. Ct.

Recent Single-Family Home Sales

Property Address	*Description*	*Year Built*	*Unit Type*	*Sale Date*	*Size*	*Sales Price*	*Price/SF*
1507 E 7th St.	Newer single-story home	2009	3-BR/2-Ba	9/12/2015	1,674 SF	$250,000	$149
8300 50th St.	Ranch-style brick home	1967	3-BR/1.5-Ba	8/26/2015	1,470 SF	$134,000	$91
12 Oakmont Dr.	Newer atrium ranch home	2007	5-BR/4-Ba	7/23/2015	3,176 SF	$430,000	$135
2703 West 2nd St. Ct.	Ranch-style home in need of minor updates	1995	3-BR/3-Ba	7/17/2015	1,655 SF	$212,000	$128
132 E 7th St.	Older single-story home in need of updates	1963	2-BR/1.5-Ba	8/18/2014	1,144 SF	$107,000	$94
901 E 7th St.	Two-story home in great condition	1999	5-BR/3-Ba	11/5/2013	2,710 SF	$320,000	$118
610 E 6th St.	Well-maintained two-story home	1996	4-BR/4-Ba	10/23/2013	2,014 SF	$223,000	$111
12119 93rd Ave. Ct.	Older ranch-style home in need of updates	1984	3-BR/2-Ba	8/9/2013	1,305 SF	$193,000	$148

Supply: Market Rate Apartments

There are no professionally managed market rate apartment properties located within Coal Valley, let alone new properties. We broadened our search for new professionally managed apartment properties in the region. A new apartment property in Milan is the best indicator of achievable market rents in either of the two corridors.

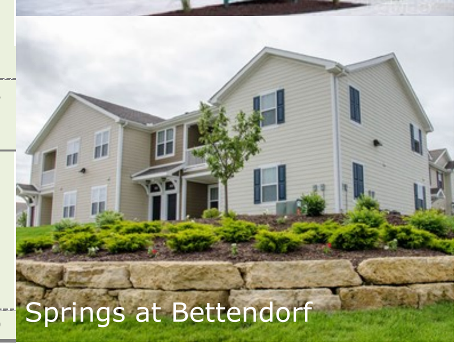
Cobblestone Apartments on Parkway: This is the newest market rate apartment property south of the Rock River. It was built in 2011 in Milan and is about four miles west of Coal Valley, making it the best indicator of achievable market rent for any new apartment construction in the two corridors. Average monthly rents range from $950 for a one-bedroom unit to $1,425 for a three-bedroom unit, with rents per square foot of $0.92 to $1.00 per square foot. The property features four-story walk-up construction with one, two, and three-bedroom apartments. Units have new kitchen appliances, balconies, and washer and dryers.

The Springs at Bettendorf Apartments: While this property is located in Bettendorf about nine miles north of Coal Valley, it provides a ceiling for achievable market rents in the region at $1.41 per square foot. It was built in 2012 and features one, two, and three-bedroom units, as well as a wide array of community amenities such as a fitness center, picnic areas, a swimming pool, garage parking, a community room, and on-site management.

Fox Pointe Apartments: Located in East Moline, this property is more typical of rental housing in the region. It was built in 1978 and contains one-bedroom and two-bedroom units with respective average rents of $546 and $651 per month, or $0.90 and $0.85 per square foot. Community and unit amenities are more limited and the property age and

SUMMARY OF SELECTED RENTAL PROPERTIES

			One-Bedroom			*Two-Bedroom*			*Three-Bedroom*		
	Occ. Rate	*# of Units*	*Avg. Rent*	*Size (SF)*	*Rent PSF*	*Avg. Rent*	*Size (SF)*	*Rent PSF*	*Avg. Rent*	*Size (SF)*	*Rent PSF*
40% AMI Properties											
4 Cross Creek	100%	168	$407	792	$0.51	$447	1,090	$0.41	$542	1,341	$0.40
Total/Average	**100%**	**168**	**$407**	**792**	**$0.51**	**$447**	**1,090**	**$0.41**	**$542**	**1,341**	**$0.40**
60% AMI Properties											
1 Village Woods	97%	96	$555	624	$0.89	$658	878	$0.75	$750	1,130	$0.66
2 Valley View	94%	192	$605	780	$0.78	$715	1,107	$0.65	$825	1,361	$0.61
3 Crowne Forest	95%	120	$533	624	$0.85	$684	878	$0.78	$710	1,130	$0.63
4 Cross Creek	95%	168	$595	792	$0.75	$735	1,090	$0.67	$845	1,341	$0.63
Total/Average	**95%**	**576**	**$579**	**725**	**$0.80**	**$705**	**1,016**	**$0.69**	**$794**	**1,269**	**$0.63**
Market Rate Properties											
5 Springs at Bettendorf	94%	316	$1,203	855	$1.41	$1,440	1,070	$1.35	$1,550	1,324	$1.17
6 Alexis at Perry Pointe	91%	192	$982	846	$1.16	$1,147	1,077	$1.07	$1,269	1,271	$1.00
7 Fox Pointe Apartments	98%	460	$546	610	$0.90	$651	771	$0.85	-	-	-
8 Cobblestone Apartments	-	-	$950	970	$0.98	$1,250	1,250	$1.00	$1,425	1,548	$0.92
9 Chateau Knoll	94%	396	$710	731	$0.97	$896	982	$0.91	$1,125	1,328	$0.85
Total/Average	**95%**	**1,364**	**$807**	**735**	**$1.10**	**$975**	**944**	**$1.03**	**$1,304**	**1,314**	**$0.99**



Supply: Multifamily Affordable Rentals

Affordable properties are generally those that target households earning 30 to 60 percent of area median income with rents that are discounted from market rents. Apartment development is facilitated with tax credits from the Low Income Housing Tax Credit (LIHTC) program, and limits are set on household earnings for qualifying tenants, as well as rents that can be charged.

For 2015, maximum monthly gross rents in the Davenport MSA were $748 for one-bedroom units and $898 for a two-bedroom unit. Featured are selected competitive affordable properties, followed by a table of nine affordable and market rate competitive properties.

Valley View Apartments
Moline, IL
~2mi N of Coal Valley

This family-oriented LIHTC property was built in 2008. It contains a mix of one-, two-, and three-bedroom units restricted to households earning at or below 60 percent AMI, with monthly rents of $605, $715, and $825. Units are well-equipped and the property has a wide range of community amenities such as a playground, community center, computer lab, fitness center, swimming pool, and on-site management.

Cross Creek Apartments
Davenport, IL
~4mi N of Coal Valley

This LIHTC property was built in 2010 and features one-, two-, and three-bedroom units with respective monthly rents of $407, $447, and $542 per month for its 40 percent AMI units and $595, $735, and $845 for its 60 percent AMI units. There are several community amenities including a community room, fitness center, swimming pool, and on-site management.

Village Woods Apartments
Milan, IL
~3mi W of Coal Valley

Located in Milan and built in 1998, this LIHTC property also offers one-, two-, and three-bedroom units for tenants earning less than 60 percent AMI, with respective monthly rents of $555, $658, and $750. Community amenities include a playground, swimming pool, picnic area, and on-site management.

Supply: Affordable Senior Rentals

Similar to general-occupancy affordable properties, affordable senior apartments are developed with funding from LIHTC and target households earning 30 to 60 percent of AMI, but have age restrictions of 55+ or 62+. Rents of about $550 for a one-bedroom unit and $650 for a two-bedroom unit are achievable in Coal Valley.

The vast majority of senior apartment properties consist of one-bedroom and two-bedroom units. These properties are generally designed for and oriented to senior households with building types and amenities that are desirable to this population segment. For 2015, maximum monthly gross rents in the MSA were $748 for one-bedroom units and $898 for a two-bedroom unit. Featured are selected competitive senior affordable properties.

SUMMARY OF SELECTED RENTAL PROPERTIES

			One-Bedroom			Two-Bedroom		
	Occ. Rate	# of Units	Avg. Rent	Size (SF)	Rent PSF	Avg. Rent	Size (SF)	Rent PSF
30% AMI Properties								
Cotton Mill	100%	8	$246	700	$0.35	-	-	-
40% AMI Properties								
Jackson Renaissance	100%	16	$470	656	$0.72	-	-	-
50% AMI Properties								
Cotton Mill	93%	8	$448	700	$0.64	-	-	-
60% AMI Properties								
Heartland Park	99%	100	$557	637	$0.87	$657	863	$0.76
Hometown Harbor	-	-	$526	-	-	$626	-	-
Cotton Mill	93%	8	$473	700	$0.68	-	-	-
Jackson Renaissance	100%	16	$625	656	$0.95	$725	860	$0.84
Taylor Renaissance	100%	21	$625	812	$0.77	$650	896	$0.73
Total/Average	**99%**	**145**	**$570**	**668**	**$0.85**	**$627**	**820**	**$0.77**

Heartland Park Apts.
Moline, IL
~2mi N of Coal Valley

This one-story villa-style apartment community was placed in service in 1999 and has a total of 100 one- and two-bedroom units on a roughly seven-acre site. It is currently 99 percent occupied, with a waiting list of one to two years. Rents are $557 for a one-bedroom unit and $657 for a two-bedroom unit. Community amenities are limited, but unit amenities include fully equipped kitchens and in-unit washer and dryer.

Hometown Harbor
East Moline, IL
~3mi NE of Coal Valley

This one-story villa-style community was constructed in 2011 and has a total of 82 one and two-bedroom units with respective rents of $526 and $626. The property was fully leased upon opening and remains fully occupied. It is restricted to seniors 55+.

Jackson Renaissance
Davenport, IL
~13mi NW of Coal Valley

This property consists of a historic building that was originally constructed in 1893 and renovated for affordable senior housing in 2013. It has a mix of affordable and market rate one and two-bedroom units that are currently 100 percent occupied with a short waiting list.

Housing Demand Pricing

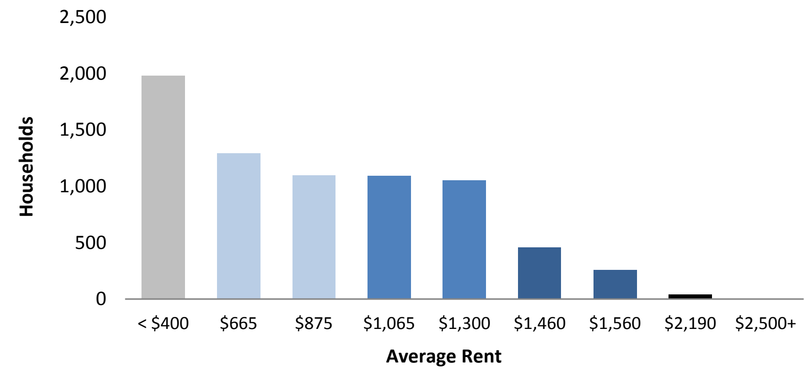
Understanding what residents of the market area can afford offers insights as to the type of rental or for-sale housing the market can support and the financial feasibility of new development.

According to ESRI, there are 25,541 households in the total market area, which is made up of Coal Valley (the PMA) and the secondary market area (SMA). Of these households, median income is nearly $52,000, while the median household income for the PMA is about $62,000. On average, a household earning $52,000 would be expected to pay roughly 25% of their salary towards housing. For these households, an affordable mortgage is estimated to be in the $170,000 to $270,000 range, and affordable rent would be in the $1,040 to $1,560 range. This calculation was made for all income brackets to understand how many households could afford housing at different price points.

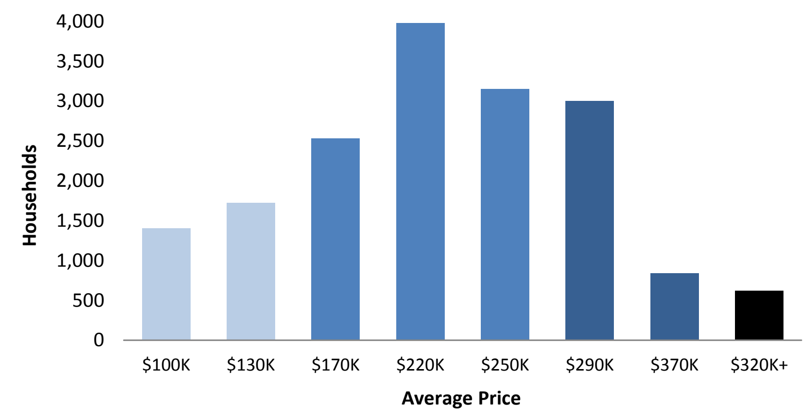
Rental Market: Renters in the total market area span the income spectrum. The highest proportion of renter households, 27 percent, have very low incomes below $15,000 per year, indicating considerable demand for deeply subsidized housing. However, considerable demand is also evident for affordable and/or midscale housing, with a significant portion of renter-occupied households able to afford monthly rents between $665 and $1,300. There is nominal demand for upscale and/or luxury rental housing in the market area.

For-sale Market: The largest market for homes is in the $220,000 to $290,000 range, corresponding to the high number of households in the $50,000 to $100,000 income range. About 37 percent of all households fall into this category, while about nine percent of market area households can afford homes priced above $320,000. This suggests a diverse market for new homes at different levels of size and amenities.

Rental Market Demand by Product Pricing
Total Market Area
ESRI, Development Strategies



For-Sale Market Demand by Product Pricing
Total Market Area
ESRI, Development Strategies



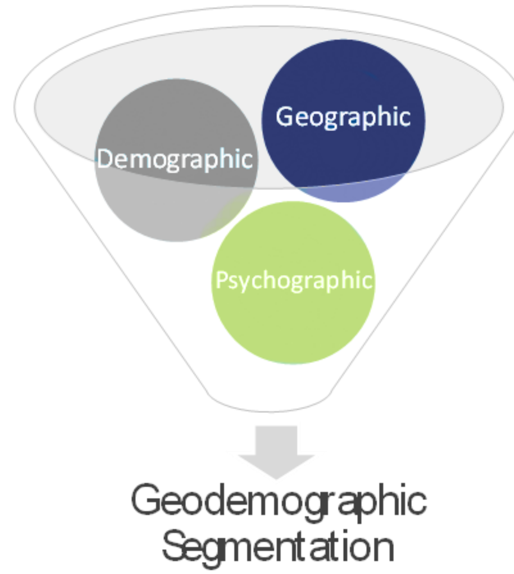
Consumer Segments

Target market analysis is used to determine demand based not only on geography and demographic traits, but also on consumer preferences. This analysis can be used to identify particular household types that would be interested in denser housing options in Lincoln and where they are currently living in the region.

Just as market segmentation and target marketing are used to determine tendencies to buy different types of consumer products—including products as diverse as cars, computers, and dish soap—Development Strategies analyzes market segmentation data to identify demand for different types of housing products at a particular location. Market segmentation analysis provides a clearer understanding of how many households might be attracted to a project (or community), who those households will consist of, and where they will come from. Ultimately, this guides the type, pricing, and market position of housing product to be offered at a given site.

The methodology makes use of ESRI's Community Tapestry™ data, which uses algorithms to link demographic, geographic, and psychographic data to create 65 unique geodemographic segments. In other words, these "segments" are essentially 65 household groupings, each with their own unique combination of demographic (income, age…), geographic (where they live), and psychographic (values, culture…) characteristics (see diagrams at right).

Unlike conventional demand methodologies, which focus on absorption of nearby projects or subdivisions—and demographic data such as age and income within a market area—target market analysis allows us to focus on geographic preferences, and attitudes and cultural norms. This is particularly useful when no nearby comparables exist, a number of housing products are being pondered, or a large percentage of the market may come from well beyond traditional market boundaries. Our target market analysis enables us to find potential homebuyers and renters for SoDo that are located throughout the Lincoln region.

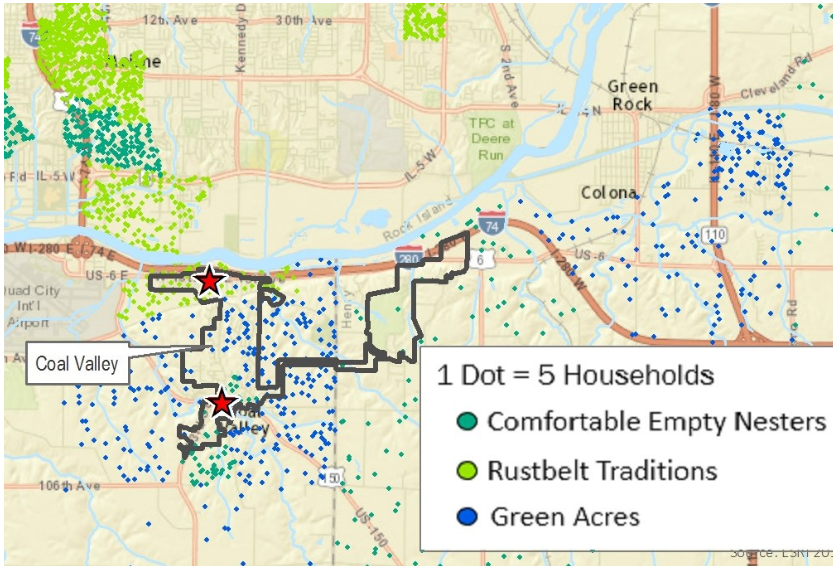


Psychographic	Demographic	Geographic
• Attitudes	• Age	• Market Areas
• Values	• Gender	• Cities
• Culture	• Income	• Counties
• Buying Patterns	• Home Value	• MSAs
	• Ethnicity	• Neighborhoods
	• Family Type	• Census Tracts
	• Education	

Demand: Existing Household Groups

Three tapestry groups call Coal Valley home: Green Acres, Rustbelt Traditions, and Comfortable Empty Nesters. This is consistent with the rest of the Quad Cities, suggesting other large groups would also be interested in living in Coal Valley if certain requirements are met.

Tapestry segmentation is a method of classifying residential neighborhoods based on household characteristics, such as income and family type, to demographic traits such as age, education, employment, and housing choice. The results of tapestry analysis can be used to understand the real estate preferences of the people who live in a place—or to understand the characteristics of competing neighborhoods. At present, three primary tapestry groups live in Coal Valley.



GREEN ACRES

Comprising nearly 57 percent of the village's population, this group is found in rural communities in metropolitan areas of the South and Midwest. Many are well-educated and have median household incomes well above the national level. These residents are also an older market, but do not necessarily have children. This market ranks high in labor force participation rate, home-ownership, and self-reliance. As consumers, Green Acres residents prefer rural and suburban living, outdoor recreation, and various forms of home-improvement.

RUSTBELT TRADITIONS

This tapestry group comprises about 26 percent of the village's population and are often located along the urban fringe of metropolitan areas throughout the South and Midwest where housing is affordable. Roughly half of the households are married-couple families, but most do not have children. The workforce is varied, yet has a higher concentration of skilled workers in manufacturing, retail trade, and health care. Income and education levels are generally consistent with the nation as a whole, while the labor force participation is slightly above average. Roughly 75 percent own their homes and half have mortgages, indicating a large segment of seniors.

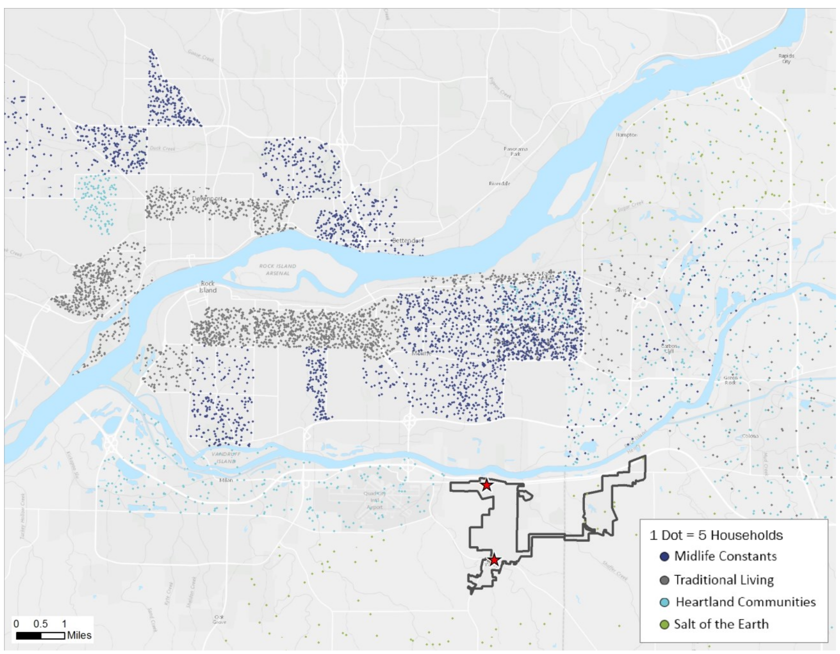
COMFORTABLE EMPTY NESTERS

At about 17 percent of the population, this segment is rapidly growing and consists primarily of older married couples without children living in suburbs and small towns of metropolitan areas. Despite slightly lower education levels, most are professionals earning a good wage or are retirees benefiting from years of prudent saving and investment. The vast majority still live in single-family homes and prefer eating at home.

Demand: New Household Groups

Four additional tapestry groups, which are common throughout the Quad Cities, may be attracted to an area like Coal Valley if certain conditions are met. These groups tend to prefer many of the same things as the existing Coal Valley tapestry groups, but require more modest for-sale housing and/or rental housing.

Looking beyond the primary market area, diverse groups are living throughout the Quad Cities. The four most prominent groups, which span a number of life stages, are settled throughout the region. Understanding what their neighborhoods offer may offer some insight into the preferences of these groups. Given the right circumstances, these residents and households may consider a move to Coal Valley if a broader range of housing types were offered such as townhomes, professionally managed apartments, and smaller single-family homes.



MIDLIFE CONSTANTS

Most are seniors at or near retirement and have above average incomes and lifestyles that are more rural than urban. The majority live in single-family homes of modest value. These residents are typically cost-conscious, but do not sacrifice quality. Almost 75 percent of these household types in the Quad Cities are currently living in owner-occupied housing.

TRADITIONAL LIVING

Residents in this segment live primarily in low-density neighborhoods in the Midwest. A younger market, households include both married-couple families and singles. Few have children and some in this segment have shown a willingness to live in housing types that are not single-family homes. The primary sources of employment for these residents is the manufacturing, retail trade, and health care sectors. Incomes are generally below the national median and come primarily from wages and salaries, but also some forms of public assistance.

HEARTLAND COMMUNITIES

With employment primarily in manufacturing, construction, and agriculture industries, this group is typically found in rural communities or small towns throughout the Midwest. Many are retired and are homeowners of modest, single-family homes built prior to 1970. As consumers, they are very budget-oriented and seek to buy local and American products.

SALT OF THE EARTH

Concentrated in rural settings throughout the Midwest, these residents tend to be older, empty nesters with lower levels of education. Most are married couples who live in single-family homes that are affordable and are willing to have longer commutes. They enjoy the outdoors and various home improvement projects. They are cost-conscious consumers and are loyal to certain brands.

Future Housing Demand

Over the next 15 years, the region's projected population growth will drive demand for new housing. Based on future demand from the groups already living in Coal Valley, and those that would be potentially interested in moving to Coal Valley, there would be demand from approximately 299 net new households.

Over the next 15 years, the seven tapestry groups identified on the previous two pages is projected to add almost 6,000 new households throughout the Quad Cities region. Assuming that Coal Valley's share of the region's population growth continues at a similar rate as the past 15 years, we assume that it could capture five percent of this demand. Of course, accommodating this demand is dependent on the absorption of existing vacant units, development and redevelopment of available sites, and feasibility of building new housing. This analysis assumes a continuation of the status quo, so it is also possible that adding new housing will spur additional demand, leading to growth beyond what is projected in this analysis.

Rental Housing Demand: Based on the percent of renters for the seven identified groups, the 299 net new households would demand about 74 rental units. Based on the average household income for these groups, the existing Coal Valley groups could afford monthly rents from about $1,020 to $1,500 per unit and the new Coal Valley groups could afford monthly rents from about $770 to $1,100 per unit.

For-Sale Housing Demand: Based on average ownership rates for the seven identified groups, the approximately 299 net new households would demand about 226 for-sale units. Based on the average household income for these groups, the existing Coal Valley groups could afford units priced from about $190,000 to $270,000 and the new Coal Valley groups could afford units priced from about $140,000 to $210,000.

15-Year Future Housing Demand for Coal Valley

Capture of Existing and Future Household Types

Tapestry Group/Segment	*Median HH Income* [1]	*% Owner*	*% Renter*	*Projected Regional HH Growth*	*Coal Valley Capture*	*Implied Owner Households*	*Implied Average Price* [2]	*Implied Renter Households*	*Implied Average Rent* [3]
Demand from Existing Coal Valley Groups									
Green Acres	$72,000	87%	13%	701	35	31	$270,000	5	$1,500
Rustbelt Traditions	$49,000	72%	28%	1,334	67	48	$190,000	19	$1,020
Comfortable Empty Nesters	$68,000	88%	12%	780	39	34	$260,000	5	$1,420
Demand from Future Groups									
Midlife Constants	$48,000	74%	26%	1,008	50	37	$180,000	13	$1,000
Traditional Living	$37,000	60%	40%	820	41	25	$140,000	16	$770
Heartland Communities	$39,000	70%	30%	780	39	27	$150,000	12	$810
Salt of the Earth	$53,000	84%	16%	563	28	24	$210,000	5	$1,100
Total/Average				**5,987**	**299**	**226**	**$202,000**	**74**	**$990**

[1] *Median household income, percent owner, and percent renter are based on national averages for these groups*

Existing Retail Supply

Coal Valley residents are within a 10-minute drive-time of major retail clusters that are better suited to serve area residents throughout the region and are where many of Coal Valley's residents currently shop.

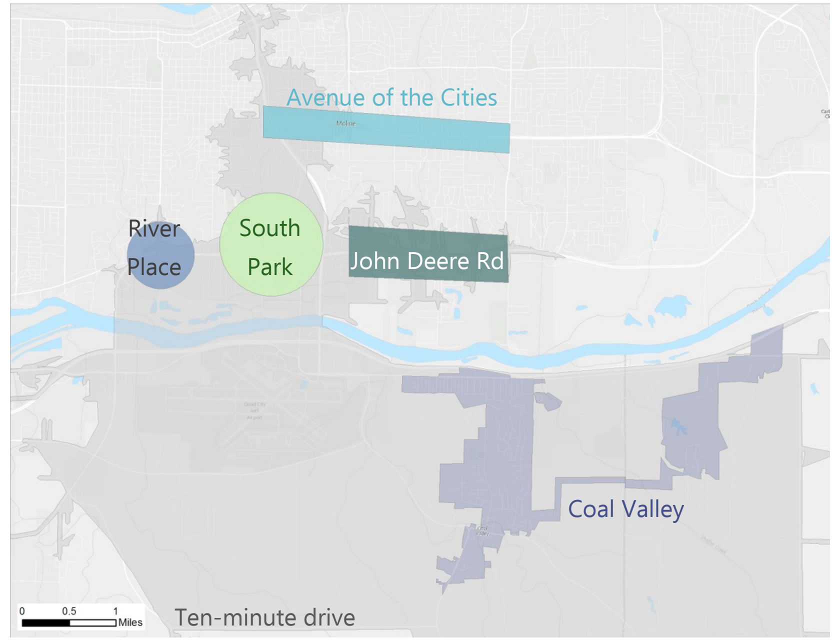
There are four major retail concentrations locally partially or wholly within a ten-minute drive of Coal Valley. All four retail centers are in the cities of Moline and East Moline. The location and extent of these retail concentrations is shown on the map to the right.

The largest of the retail centers, consisting of nearly two million square feet of retail, is anchored by the South Park Mall, which has over 100 stores and more than 1.0 million square feet of retail space. The area around the mall is also home to a number of restaurants and retailers, including a Best Buy, Walgreen's, and Fareway Grocery.

To the east and west of South Park Mall, along John Deere Road, are two more retail concentrations: River Place Center and the John Deere Corridor, which is anchored by Rock River Plaza. River Place Center, the smaller of the two, is a power center anchored by a Hy-Vee grocery, Kohl's, and Target. Along John Deere Road to the east, Rock River Plaza is anchored by Lowe's, Walmart, and a movie theater, as well as a number of chain restaurants.

To the north, at the next exit from Interstate 74, a number of retailers can be found along the Avenue of the Cities, which offers a diverse selection of small retailers, including a number of independent and fast food restaurants, as well as an ALDI grocery store and Dollar General.

Average lease rates within these four clusters range from $10 to $16 per square foot, with occupancy rates well above 90 percent.



Overview of Existing Retail Clusters
Source: CoStar, 2015

	Average Year Built	Existing Square Feet ('000s)	Occupancy Rate	Avg. Weighted Rent/Sq. Ft
River Place Center	1992	346	100%	N/A
South Park Mall	1983	1,956	98%	$14
Avenue of the Cities	1971	1,563	94%	$10
John Deere Road	1993	964	97%	$16

Existing Retail Supply (Continued)

New strip-center retail development along the Highway 6 corridor could achieve a lease rate of roughly $16 per square foot, which is necessary to support costs of development.

Along West 1st Avenue, a number of small retailers offer a variety of daily needs goods and services. Retailers include restaurants, supply stores, a gas station, a Dollar General, and an antique store. This area of West 1st Avenue is also home to the newest retail buildings in Coal Valley. These two strip-style buildings were built in 2007 by a local developer and are home to a Subway and Happy Joe's Pizza and Ice Cream amongst other retailers. Currently, space within these buildings leases for $16 per square foot. However, long-term leases remain rare in this community, which makes new speculative development difficult.

In nearby Moline, there are a number of similar, one-story strip retailers that offer a similar range of goods and services. Many of the retail strips for sale or for lease were built or rehabbed in the 1980s, about thirty years older than the newer retail in Coal Valley. Vacancy rates ranged from no vacancy to 70 percent, while lease rates ranged from $9.50 to $18.00 per square foot.

Typical floor area ratio (abbreviated as FAR), which measures the amount of space taken up by the building in relation to the parcel land area, ranges from about 20 percent to 30 percent. The remaining 70 to 80 percent of the parcel accommodates driving lanes, parking, and buffers. In Coal Valley, the retail center has a far lower FAR, owing to the miniature golf course that occupies a large portion of the site.

Selected Retail Properties

QUAD CITIES REGION

Building Location	Tenant(s)	Building Address	Building Square Feet	Land Area	Listed Lease (per s.f.)	Occ.	Type	Year Built	FAR
Coal Valley	Subway, Happy Joe's	312 - 400 W. 1st Ave.	11,300	84,000	$16.00	100%	NNN	2007	0.13
Moline	Pizza Hut, H&R Block	4319 Avenue of the Cities	6,100	18,200	$9.50 - $11.50	100%	NNN	1985	0.34
Moline	Vision 4 Less, Black Hawk College	4703 16th St.	38,400	144,600	$9.50 - $11.00	78%	N/NNN	1997	0.27
Moline	Factory Card & Party Outlet, Sport Clips	4329 - 4391 16th Street	42,500	123,300	$18.00	97%	NNN	1987	0.34
Moline	Vinar Furniture, Weight Watchers	4200 44th Ave.	34,400	160,000	$14.00	95%	N	1985	0.22
Moline	Jimmy John's, Care Clinic	2350 41st St.	7,800	39,200	$16.00	30%	NNN	1984	0.20
Moline	Dollar General, Subway	627 - 677 Avenue of the Cities	68,100	304,900	$12.00	92%	NNN	1959/1987	0.22

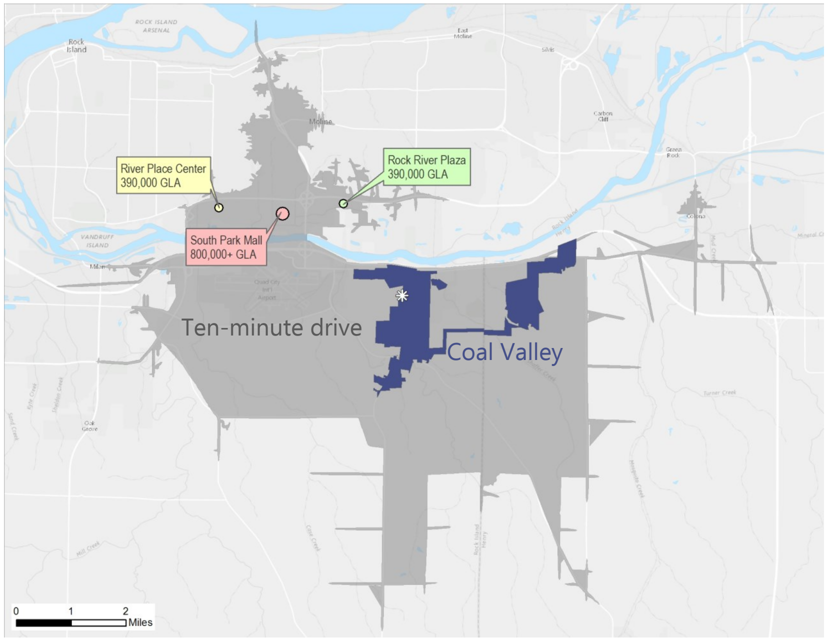
Retail Market Gap Analysis

When considering the existing supply of retail stores and demand from local residents in Coal Valley, the market could potentially support a small-format grocery or general merchandise store. Other retail demand is more limited.

The following analysis measures the amount of locally-supported retail opportunity in two geographies, Coal Valley and the areas around Coal Valley which can be reached in ten minutes by car. Retail undersupply indicates that the amount residents spend within the study area exceeds sales at the stores within the study area. This means households are likely spending portions of their discretionary income outside the study area. The opposite is true for retail oversupply, and indicates that the study area is home to retailers who are patronized by customers from outside of the study area.

The results of this analysis show that there is a small amount of excess demand within Coal Valley that is being captured elsewhere. The greatest excess demand is for general merchandise (e.g. Dollar General, Wal-Mart) and grocery stores, with combined excess demand of about 20,000 square feet. A small store fitting this profile might be supported by the community in one of the two corridors.

However, in the areas within a ten-minute drive of Coal Valley, there is an oversupply of many retailers due to numerous regional retail centers in south Moline and Rock Island that draw in business from the surrounding areas. A few of these large centers are indicated on the map (top right). Since these retailers are closer to population centers, they will compete favorably with any new retail within Coal Valley. It should therefore be assumed that new retail within Coal Valley will need to draw primarily upon local demand in order to be successful.



Square Feet of Locally-Supported Retail Opportunity

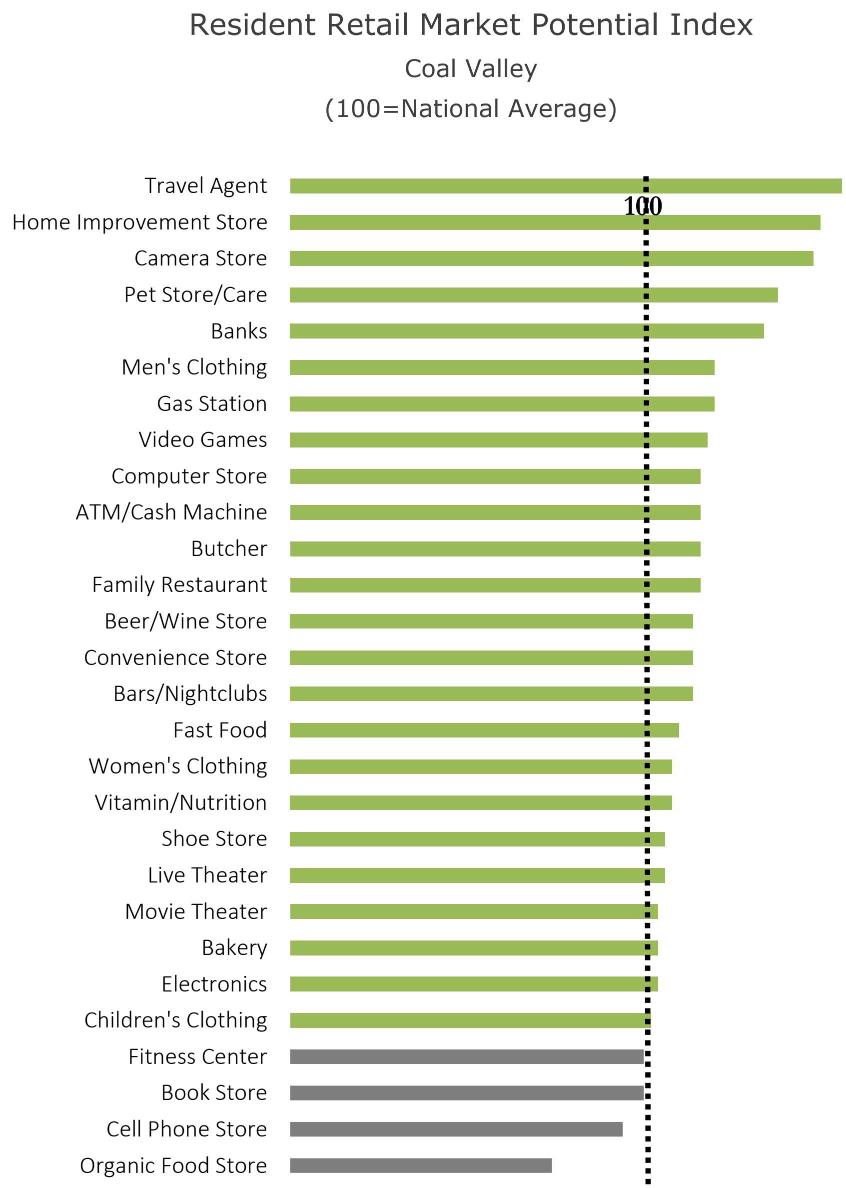
Retail Stores	*Coal Valley*	*Ten-Minute Drive*
General Merchandise Stores	11,000	(225,500)
Grocery Store	9,000	(99,000)
Clothing and Clothing Accessories Stores	3,500	(48,000)
Pharmacies and Drug Stores	3,000	8,500
Building Material, Garden Equip. Stores	2,500	(8,000)
Full-Service Restaurants	2,500	(19,000)
Limited-Service Eating Places	2,500	(17,000)
Miscellaneous Store Retailers	2,000	(19,500)
Electronics and Appliance Stores	1,500	(39,000)
Automotive Parts/Accsrs, Tire Stores	1,500	1,500
Gasoline Stations	1,500	6,000
Furniture and Home Furnishings Stores	1,000	1,000
Specialty Food and Liquor Stores	1,000	(1,500)
Hobby, Sports, Book & Music Stores	1,000	(46,000)
Drinking Places - Alcoholic Beverages	0	(1,500)

Retail Market Potential

Many Coal Valley residents enjoy a good standard of living within their community. The retail market potential index indicates what type of products Coal Valley residents typically buy.

The Retail Market Potential Index represents the ratio of local demand compared to national demand. The national average is 100, so an index greater than 100 indicates demand above the national average. This index does not factor existing supply of retail, or demand from workers or visitors, just the typical demand from local households based on surveys of purchases made in the previous year. For example, demand for travel agencies is based on survey responses indicating that Coal Valley residents are more likely to travel for pleasure than the national average.

The Retail Market Potential Index for Coal Valley indicates preferences for travel agencies (128, or 28% more than the national average), home improvement stores (125), camera stores (124), pet stores (119), and banks (117). Though much of this demand is met in the shopping centers across the river, this snapshot of typical consumer demand in Coal Valley can give some idea of what types of products Coal Valley residents typically buy and what types of small businesses might succeed within Coal Valley's retail corridors. For example, home improvement stores and movie theaters tend to be provided in large-scale, central locations by national retailers, so they may be less plausible. However, family restaurants, bakeries, and other small-scale businesses are often owned and operated locally. These types of businesses may also be more successful in the Highway 150 corridor.



Office Market Overview

Historically, the Quad Cities region has added an average of 48,000 square feet of office space per year from 2007 to 2015. During this period, the Highways 6 and 150 corridors' submarket, Outer Rock Island, had positive absorption of nearly 70,000 square feet of space, comprising roughly 21 percent of total regional absorption.

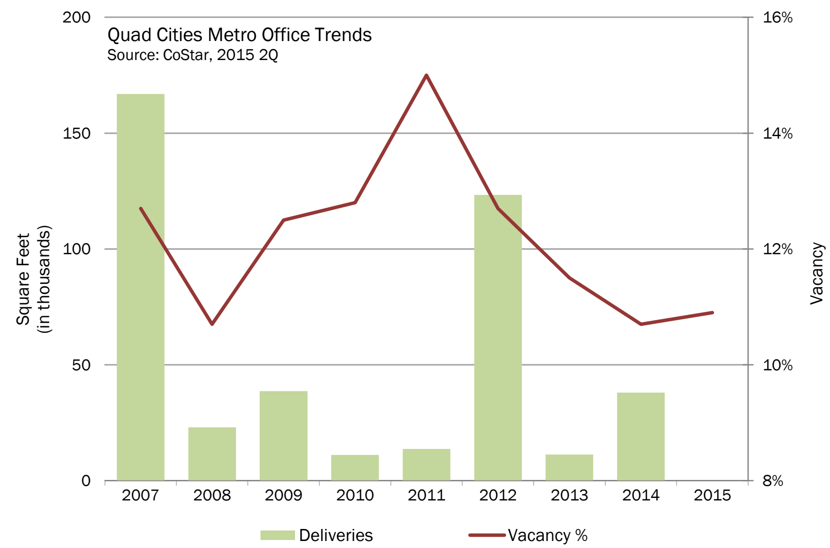
New office development is an essential component of downtown districts and commercial corridors. It has synergies with restaurant and hotel uses, as well as retail, to a lesser extent. New office space not only adds employment and provides valued services, but it enhances the image of an area.

Regional Overview

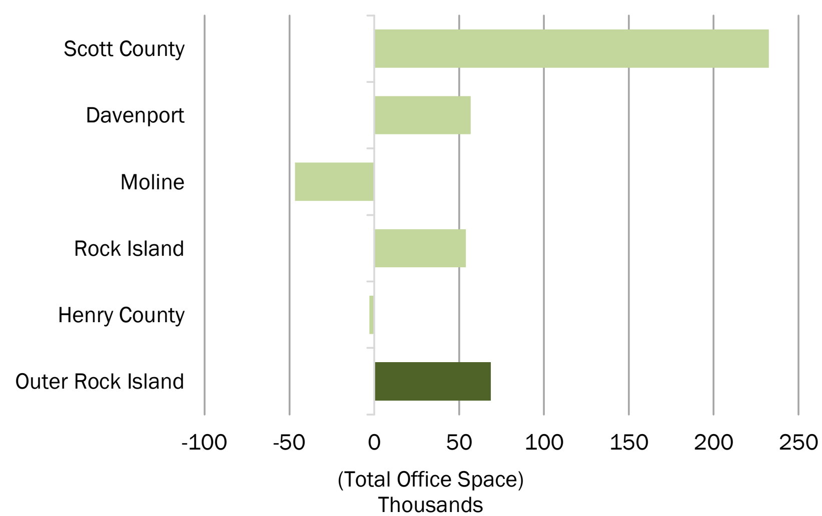
New office construction in the Quad Cities region has been limited, with roughly 430,000 square feet of office space added during the past nine years, an average of roughly 48,000 square feet per year (CoStar 2015 2Q). There is currently no office space under construction in the region and no new office space has been delivered in 2015. These numbers aid in projecting future office development for the region and the two corridors.

Submarkets

The majority of office space development and absorption has occurred in the Scott County submarket, specifically in Bettendorf. The subject property is located within the Outer Rock Island submarket, which is one of the smallest submarkets in the region with roughly 670,000 square feet of gross leasable space. Despite its smaller size, it experienced the second strongest net absorption of each submarket during the past nine years, with nearly 70,000 square feet of absorption during this time. It also added roughly 46,000 square feet of space during this time-frame, comprising slightly more than ten percent of the regional total. The majority of this growth is likely occurring in places north of the Rock River near Blackhawk College.



Absorption by Submarket: 2007-2015
Source: CoStar, 2015



Office Supply

Neither corridor has been a strong location for professional office development and competitive supply is very limited. Rents for new space could achieve no more than $12 per square foot and new speculative construction in either corridor would be highly unlikely.

Corridor Supply

Per CoStar, there is only one office building currently in the two study areas: a 2,806-square foot Class C building constructed in 1987. The property is located at 117 West 1st Avenue and is partially occupied by a pizza parlor with an asking lease rate of $10 per square foot. A few existing single-family homes have also been converted to use as office space and most tenants include doctor's offices, dentists, tax preparers, lawyers, and other businesses that serve a local market, much in the way retailers do.

Competitive Supply

New competitive office supply is also very limited, with little to no new construction in Coal Valley, Milan, or southern Moline. A review of nearby Class C properties (the type of property that would be suitable for either corridor), lease rates generally range from $10 to $15 per square foot, with better-located properties on the high end of the range. An achievable lease rate for new space in either corridor would be roughly $12 per square foot, which is likely too low to support the cost of new construction. In the speculative office market, new construction in either corridor would be unlikely, as neither has the potential to draw (or "siphon") tenants from existing buildings in other parts of the region.

Despite these conditions, new Class B/C office development may still occur to accommodate future growth of existing businesses such as medical service providers or financial services. These types of buildings would likely be owner-occupied and built-to-suit for the needs of that particular business. Cities can help foster this growth through relocation assistance (acquisition, assemblage, etc.), infrastructure improvements, various tax incentives and financial aid, and improving the regulatory

Selected Office Properties

QUAD CITIES REGION

Map Code	Building Location	Address	Building Square Feet	Listed Lease* (per s.f.)	Year Built	Class	Stories	FAR
1	Coal Valley	117-119 W. 1st Ave.	2,806	$6.41	1987	C	1	0.25
2	Milan	2271 E. 1st St.	3,662	$10.00	2004	C	1	0.07
3	Milan	801 Tech Dr.	9,260	$10.00	2001	C	2	0.11
4	Moline	4101 John Deere Rd.	25,723	$14.50	1993	C	1	0.12
5	Moline	4350 7th St.	10,952	$11.00	1990	C	1	0.20
6	Moline	2001 52nd Ave.	9,720	$10.00	1981	C	1	0.22

Source: CoStar, 2015 *Leases are assumed to be modified gross and triple-net

Office Demand

The Quad Cities region is projected to add roughly 965 office jobs per year between 2012 and 2022. This growth and replacement space will drive a forecasted 210,000 square feet per year. A modest two percent share of this growth translates into roughly 40,000 square feet of office space for the Village over a period of 10 years.

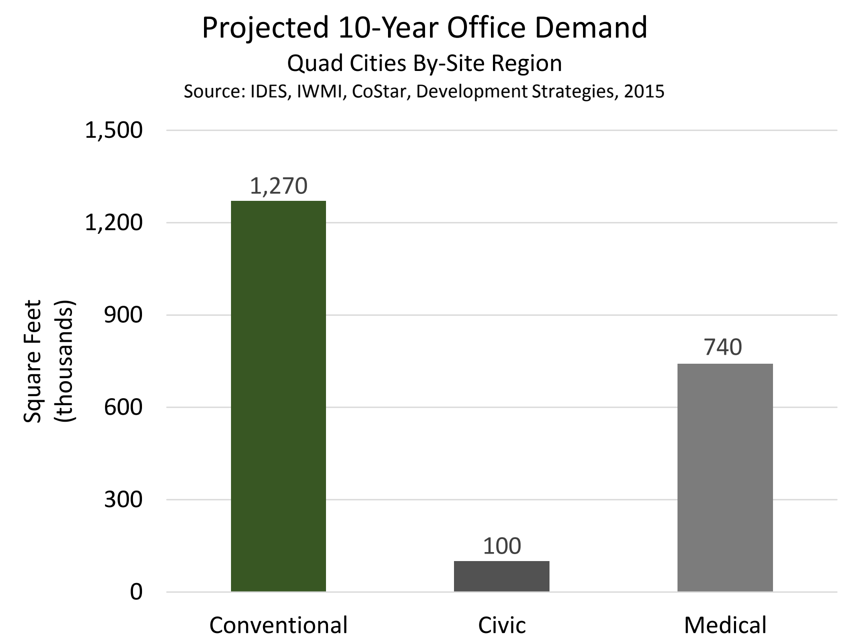
Demand Methodology

Office demand can be calculated by using employment projections to determine future space needs. First, using employment projections provided by the Illinois Department of Economic Security (IDES) and Iowa Workforce Information Network (IWNI), the (KLMI) and the Indiana Department of Workforce Development (IDWD), the annual number of jobs that will be added by occupation is determined. This translates into a quantity of office space that each industry will demand (based on occupational data of per-square foot demands per employee, which is provided by CoStar and updated for current trends).

Based on these projections, 210,0000 square feet of office space will be demanded annually throughout the region, which is significantly higher than the amount of new supply delivered during the past decade. However, the lower supply figures are reflective of a poor economy from 2008 to 2012 and does not take into consideration all medical office space.

Local Office Capture

As indicated in the bottom right table, 965 office jobs per year are projected. While little new office development is currently occurring in Coal Valley, a modest capture rate of two percent of regional office demand (reasonable given potential for growth) would amount to an addition of more than 40,000 square feet of office space over ten years. More aggressively, a three percent capture would lead to 63,000 square feet over 10 years.



Potential Office Demand, in Square Feet
Jobs Quad Cities Bi-State Region

	Office User Type			
	Conventional	Civic	Medical	Total
Annual Office Employment Growth	636	49	280	965
Annual Regional Demand *(in thousands)*	127	10	74	210
5 Years	635	50	370	1,055
10 Years	1,270	100	740	2,110
20 Years	2,540	200	1,480	4,220
10 Year Illinois Capture *(in thousands)*				
Conservative (@ 15%)	191	15	111	317
Moderate (@ 20%)	254	20	148	422
Aggressive (@ 25%)	318	25	185	528
10 Year Village Capture				
Conservative (@ 1%)	10,000	1,000	10,000	21,000
Moderate (@ 2%)	30,000	2,000	10,000	42,000
Aggressive (@ 3%)	40,000	3,000	20,000	63,000

Projections provided by the Illinois Department of Economic Security and Iowa Workforce Information Network
Office usership provided by CoStar, 2008; Data analysis and forcast by DEVELOPMENT STRATEGIES, 2015

Industrial Market Overview

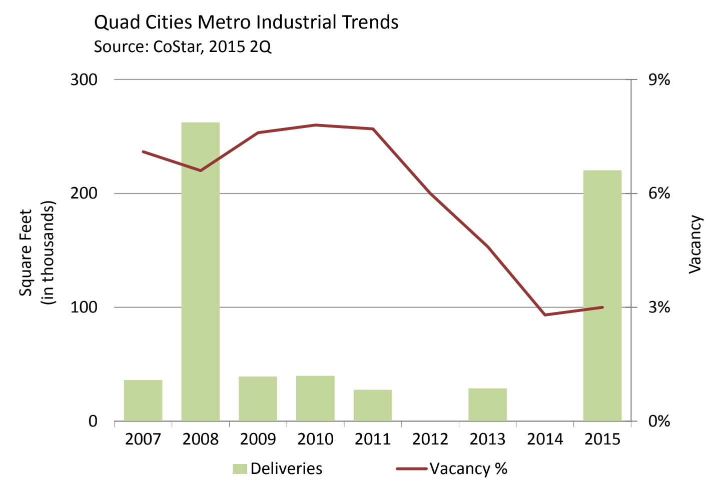
Since 2007, an average of 73,000 square feet of industrial/warehouse space has been added to the market, though most occurred in 2008 and YTD 2015. A lack of new construction and declining vacancy rates will likely lead to new industrial development opportunities.

Regional Overview

New industrial and warehouse construction in the Quad Cities region has also been limited in recent years, with an annual average of roughly 73,000 square feet added to the market from 2007 through the second quarter of 2015 (CoStar 2015 2Q). Vacancy rates from 2011 to 2014 declined more than 300 basis points to current lows of 3 percent, indicating pent-up demand for new industrial and warehouse space. However, no additional space is currently under construction, suggesting there may be an opportunity for new industrial development now or in the near future.

Submarkets

The region's largest submarkets include Greater Davenport, Greater Moline, and Greater Rock Island. The subject property is located within the Greater Moline submarket, which is faring very well with positive year-to-date absorption, the highest lease rates in the region, and very low vacancy rates. While most buildings are located in Moline north of the Rock River, tight market conditions may cause investors and developers to seek opportunities in nearby communities such as Coal Valley.



Industrial Space by Submarket

DAVENPORT/MOLINE/ROCK ISLAND METRO

Submarket	*Number of Buildings*	*Gross Leasable Area (s.f.)*	*Vacant Space (s.f.)*	*Vacancy Rate*	*YTD Absorption*	*YTD Deliveries*	*Under Construction (s.f.)*	*Lease Rates*
Downtown Davenport	35	377,000	0	0.0%	0	0	0	$2.18
Downtown Moline	29	55,000	0	0.0%	0	0	0	$0.00
Downtown Rock Island	37	342,000	23,000	6.7%	0	0	0	$2.88
East Moline	26	964,000	0	0.0%	0	0	0	$0.00
Greater Davenport	182	6,614,000	369,000	5.6%	19,762	0	0	$3.55
Greater Moline	82	1,875,000	72,000	3.8%	8,450	0	0	$5.57
Greater Rock Island	51	2,138,000	227,000	10.6%	(112,982)	0	0	$3.85
Henry County	18	695,500	3,600	0.5%	0	0	0	$0.00
Mercer County	6	61,100	15,800	25.9%	0	0	0	$1.20

Source: CoStar, 2015 2Q

Industrial Supply

There is limited industrial development currently in the two corridors, but a built-to-suit property may be feasible along Highway 6. New speculative development is less likely, but could achieve a lease rate of $4 per square foot for a larger building, while smaller flex space could achieve a lease rate of $7 to $8 per square foot.

Corridor Supply

Existing industrial building supply is also limited in the two study areas, with just two properties identified by CoStar in the Route 6 corridor. Both are Class C properties and contain 7,200 and 27,391 square feet of building space. The larger of the two properties is owner-occupied by Sun-Rys Distributing, while ownership and tenant information for the other building—1721 West 1st Street—is limited.

Competitive Supply

New competitive industrial supply is also fairly limited, with little to no new speculative construction in Coal Valley, Milan, or southern Moline. Most new industrial properties in the market are built-to-suit and do not provide relevant lease information. The newest property in the market—a 190,000-square foot distribution building for FedEx—is in western Milan.

Given this, a new built-to-suit property is possible, particularly given the corridors' location near the airport. An achievable lease rate for larger space—above 50,000 square feet—would be $4 per square feet, while smaller flex space—roughly 20,000 square feet—would have a significantly higher lease rate of roughly $7 to $8 per square foot.

Selected Industrial Properties

QUAD CITIES REGION

Map Code	Building Location	Address	Building Square Feet	Listed Lease* (per s.f.)	Year Built	Loading Docks	Drive Ins	Class	Avg. Clear Height	FAR
1	Coal Valley	3501 69th Ave.	65,284	$4.00	N/A	10	8	B	N/A	0.15
2	Milan	1007 12th Ave. W	17,507	$5.50	2009	0	4	A	16'	0.30
3	Milan	2220 W. 1st St.	21,200	$3.65	1996	0	N/A	B	N/A	0.26
4	Moline	4307 49th Ave.	27,000	$3.95	1977	3	6	C	15'	0.27
5	Milan	801 1st St. E	935,332	$3.50	1956	114	0	B	28'	0.52
6	Milan	1001 15th Ave. W	31,000	$4.83	2000	4	1	B	18'6"	0.23

Source: CoStar, 2015 *Leases are assumed to be modified gross or triple-net

Industrial Demand

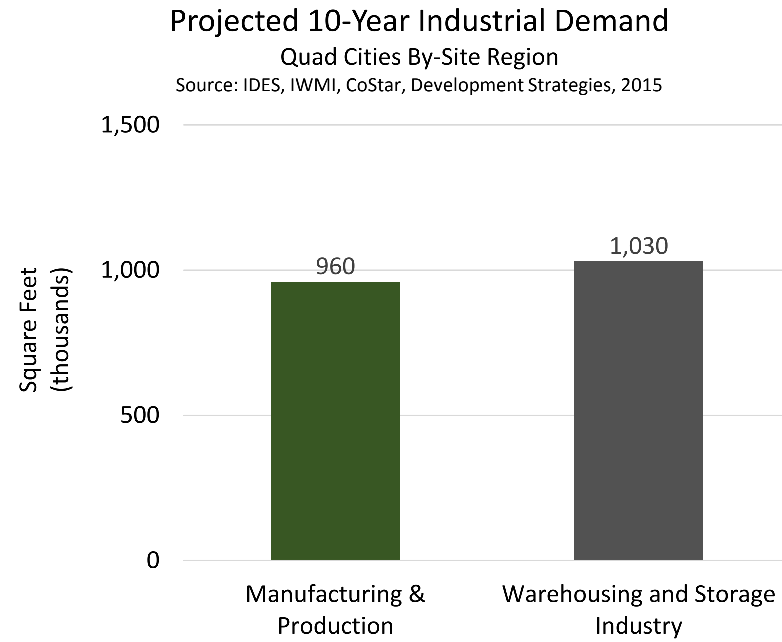
The Quad Cities region is projected to add roughly 460 industrial-related jobs per year between 2012 and 2022. This growth and replacement space will drive a forecasted 200,000 square feet per year. A modest two percent share of this growth translates into roughly 40,000 square feet of office space for the Village over a period of 10 years.

Using the same methodology as the office demand analysis, we have determined that nearly 200,000 square feet of new industrial space will be demanded annually throughout the region. This figure is well above the average amount of new supply delivered during the past ten years (77,000 square feet), but the lower supply figures are primarily reflective of a poor economy from 2008 to 2012 and does not take into consideration the likelihood of a healthier economy during the next ten years.

Local Industrial Capture

As indicated in the bottom right table, 460 industrial jobs per year are projected for the entire region. While little new industrial development has occurred in Coal Valley in recent years, a modest capture rate of five percent of regional industrial demand (reasonable given potential for growth) would amount to an addition of roughly 100,000 square feet of industrial space over ten years. More aggressively, a seven percent capture would lead to 139,000 square feet over 10 years.

While demand for industrial space is evident, it is unlikely to occur unless the community takes steps to help facilitate new development. Most of the community's best sites for development are in areas where there is a need for intervention. This includes the mobile-home park and/or the sites north of Highway 6 that still require annexation.



Potential Industrial Demand, in Square Feet
Jobs Quad Cities Bi-State Region

	User Type Production	Warehousing	Total
Annual Industrial Employment Growth	210	250	460
Annual Regional Demand *(in thousands)*	96	103	199
5 Years	480	515	995
10 Years	960	1,030	1,990
20 Years	1,920	1,030	2,950
10 Year Illinois Capture *(in thousands)*			
Conservative (@ 30%)	288	309	597
Moderate (@ 40%)	384	412	796
Aggressive (@ 50%)	480	515	995
10 Year Village Capture			
Conservative (@ 3%)	30,000	31,000	60,000
Moderate (@ 5%)	50,000	52,000	100,000
Aggressive (@ 7%)	70,000	72,000	139,000

Projections provided by the Illinois Department of Economic Security and Iowa Workforce Information Network
Industrial usership provided by CoStar, 2008; Data analysis and forcast by DEVELOPMENT STRATEGIES, 2015

Market Analysis: Conclusions

Despite limited supply in the four primary commercial land use classes, there are opportunities for some retail and industrial development, as well as some multi-family housing products. New single-family housing remains a feasible product in Coal Valley, but is less appropriate for these two corridors.

Market Summary

- Home values in Coal Valley are high relative to the region, while sale prices for new homes typically exceeds $250,000, indicating that for-sale homes remain a feasible option for the community, but are less appropriate for either commercial corridor.

- There are no professionally managed market rate apartment properties in Coal Valley, while new properties in locations such as Milan have rents of close to $1 per square foot. Given the desirability of the community, a new high quality apartment property in either of the two corridors could achieve similar rents, but it is unlikely that new development could occur at these rents without some form of public subsidy.

- Despite considerable demand, there is also no affordable housing development in the community and nearby supply is limited. A new affordable housing property with rents discounted from market would be feasible if LIHTC are secured, but the community survey indicates significant opposition to this type of housing. Affordable senior housing, on the other hand, would likely garner less opposition and would fill a considerable need for the community.

- Significant demand exists in the Total Market Area for housing at price-points that are in limited supply in Coal Valley. There is high demand for rental housing with monthly rents ranging from $635 to $1,300, as well as homes priced from $170,000 to $220,000. Offering products within either corridor that meet this demand could help fuel additional growth not currently being captured by the community. These types of products would also fit well within the two commercial corridors.

- The tapestry segments in Coal Valley are defined by relatively affluent older married couples and families. However, there are common groups living within other parts of the region that would also be willing to seek housing in Coal Valley if the right products were offered. Under these circumstances, the community would expect to add roughly 299 new households comprised of these groups during the next 15 years.

- There is little existing retail or commercial supply in the two subject corridors, as most daily needs are served by considerable supply nodes in Moline and Rock Island north of the Rock River. However, excess demand exists within Coal Valley for general merchandise stores, grocery stores, a clothing store, and a pharmacy. This analysis is also supported by the recent success of the existing Dollar General store. On the other hand, there is currently an oversupply of most retail uses that require a larger trade area. Therefore, new retail oriented to local daily needs such as a small format grocery store should be planned for in the Highway 6 corridor. Other uses such as limited-service and full-service restaurants should also be considered.

- Neither corridor is an appropriate location for new Class A office space, but Class B/C office development may still occur to accommodate future growth of existing businesses such as medical service providers or financial services. These types of buildings would likely be owner-occupied and developed built-to-suit for the needs of that particular business.

- Current conditions in the industrial market remain strong, with low vacancy rates and expected industrial job growth. Providing opportunities for growth in this sector along the west side of Highway 6 is a good strategy for additional job and economic growth of the community.

5. Community Survey Results

Community Survey

278 members of the Coal Valley community completed an online planning and market analysis survey. The results indicate a range of needs and wishes for the Highways 6 and 150 corridors that, in fact, are consistent with most of the market analysis.

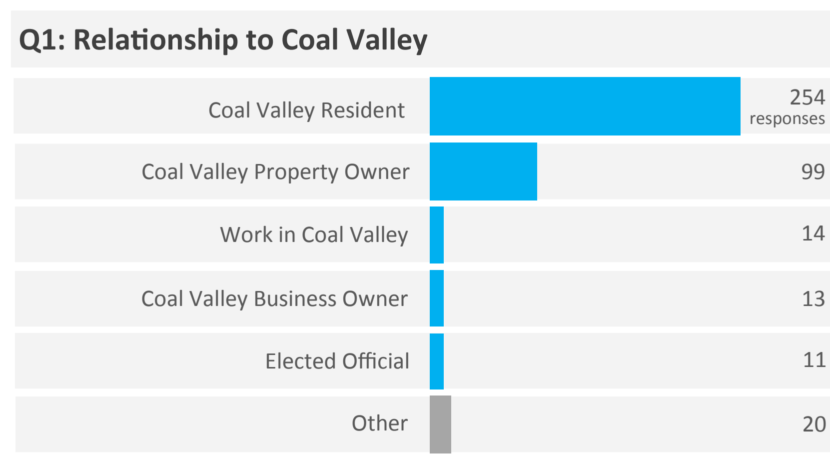
During approximately one month between early October and early November, 2015, residents and businesses in Coal Valley were asked to participate in an online survey (using SurveyMonkey) to obtain their input on the market study being conducted to evaluate development potentials for the Highways 6 and 150 corridors through the village. While the survey results, themselves, do not reveal specific market potential for various uses and other changes in the corridors, the results are quite revealing about the desires, concerns, and conceivable improvements in the corridors.

There were **269 questionnaire responses** as of November 11, a rather impressive response for an online survey. This represents seven percent of the population of the village, or about nine percent of adults over the age of 18. There is no indication of the ages of respondents, however. All residents, businesses, workers, and visitors, and were free to participate.

QUESTION 1
Connection to Coal Valley

Of the 278 participants in the survey, there were 411 responses about their relationships to and within the village. That is, respondents could answer more than one "connection" to the village.

More than nine out of ten respondents (91.7 percent) are residents of Coal Valley. Over a third (35.7 percent) indicated that they are property owners in the village. Almost five percent are Coal Valley business owners and just over five percent are employed in Coal Valley. Four percent of the respondents indicated that they are elected officials, presumably within village or township government, but they may hold such positions elsewhere. Likewise, business and property owners, and those who are employed in Coal Valley, are not necessarily residents of the village.



QUESTION 2

Interests in Improving the Corridors

This open-ended question was answered by 165 of the 278 survey participants, resulting in 214 summarized reasons for being interested in improvements to the two corridors. Development Strategies reviewed all of the written responses and categorized them for ease of analysis. The verbatim responses, however, are quite interesting to read in full because they reveal a certain tone about Coal Valley and a perspective that clearly indicates a widespread desire to use the two corridors as a means for improving a number of conditions in the village.

More than a quarter of the respondents (26.2 percent) emphasized that the two corridors should be instrumental in **making retail and related services more convenient** to Coal Valley residents while also **becoming competitive** with the bigger cities in the region (primarily Moline) so that residents would not have to spend their money in other cities.

In a related way, one fifth of the respondents (20.6 percent) see the corridors as an opportunity to **improve the quality of life** in Coal Valley. There is some overlap with the previous category, of course. More convenient shopping and dining add to the village's quality of life, for instance. But these quality of life answers were stated in more general terms.

Almost one out of six respondents (17.8 percent) expressed interest in the two corridors as attractors of **more growth** in population, jobs, and/or business diversity. These responses, too, are related to quality of life and to the desire for more convenience and competitiveness. But they were expressed in terms of growth or expansion of the economy of the village rather than more narrowly for shopping or dining.

More than one out of six respondents (15.9 percent) said that the corridors should be utilized to **enhance the village's tax base**. Some expressed a desire for lower residential property taxes if the corridors could attract higher value properties and more sales taxes. Others simply see the corridors as a means for raising the overall tax base to support increase services necessary for a higher quality of life community.

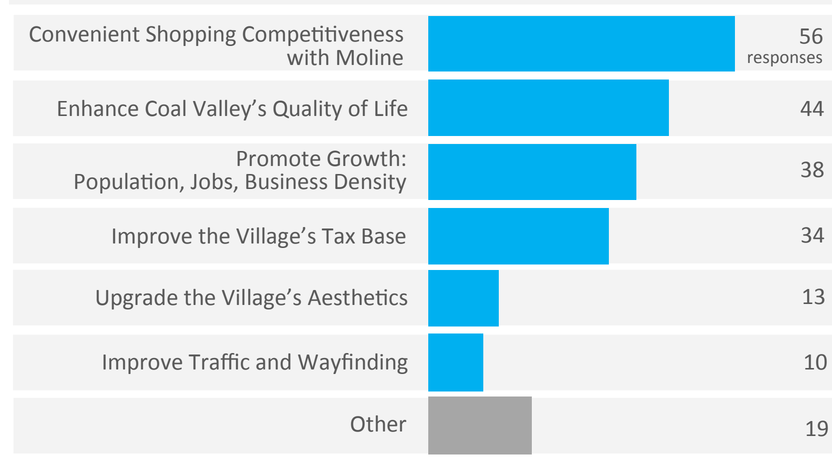
About one in 15 respondents (6.1 percent) directly mentioned the word "**aesthetics**" or similar words as an important goal in improving the two corridors. Some of the comments effectively expressed concern about the image, or "brand," of Coal Valley and how these heavily traveled corridors could do a much better job of improving that image.

A few respondents (4.7 percent) expressed desires to improve the **traffic flow** and even the signage in the corridors or directions to the corridors. Many of these people also want more convenient shopping and dining opportunities and improvements in the tax base or quality of life.

Finally, there is a smattering of a range of other responses not easily categorized. Several of these were simply neutral (e.g., "I live in Coal Valley"). One person indicated a need to deal with the flooding issues in the corridors and another simply desires no changes at all (Coal Valley is just fine as it is).

Altogether, the vast majority of these written comments indicate the potential for Coal Valley to be an even better and diverse community as it continues to grow. The two corridors are the primary faces of the village and should be of highest priority in improving convenience, aesthetics, and pride.

Q2: Interests in Improving the Corridors



QUESTION 3

Land Use Preferences for Highway 6 Corridor

The **overwhelming desire is for a grocery store** in the Highway 6 corridor in order to improve the convenience of grocery and related shopping for Coal Valley. See graph on the next page.

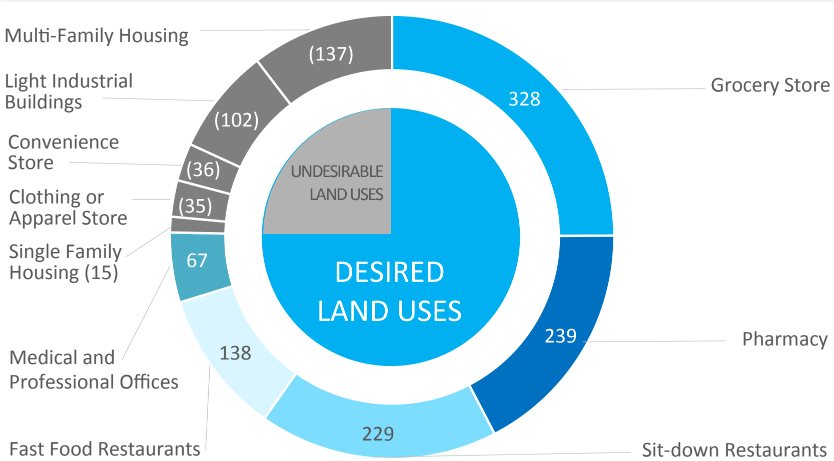
Respondents were asked to agree or disagree that ten broad land uses would be to their liking along Highway 6. The following graph summarizes the responses by assigning a score of negative 2 (-2) for answers of "strongly disagree" with the suggested land use, negative 1 for "disagree," zero (0) for "undecided," positive 1 (+1) for "agree," and positive 2 for "strongly agree."

If every response for a land use were "strongly agree," the total possible score would be 556 (i.e., 278 responses x 2). Not everyone answered each land use, however, and no land use received all "strongly agree" responses. The resulting scores reflect both the distribution of answers as well as the number of respondents for each item.

The **grocery store** option received a weighted score of 328, well above the second preference for a **pharmacy/drug store**, which received a score of 230. **Sit-down restaurants** were right behind at 329.

Q3: Preferences for Uses in the Highway 6 Corridor

Weighted Score on Scale of –2 to +2



QUESTION 4

Land Use Preferences for Highway 150 Corridor

Most community members want a grocery store, pharmacy, and restaurants in Coal Valley but have to travel outside the village for these needs. Most residents travel to Moline or East Moline for groceries, pharmacies, and restaurants. The graphs below show in detail where community members go for grocery stores, pharmacies, and restaurants.

Fast food restaurants in the Highway 6 corridor also received a positive score of 138, as did **medical and professional offices** with 67. These latter two are not as powerful preferences as the prior three.

The other five land use choices all received negative weighted scores. Leading these undesired land uses is **multi-family housing** with a weighted score of –137. **Light industrial buildings**, at –102, are also not desired. Both of these land uses, however, have some presence on the edges of the Highway 6 corridor and could very well be "choices" of the private market and developers when viewed from a regional economic perspective. If so, the survey results suggest that great care be taken in the public reaction to such proposals. They may, in fact, be appropriate uses for the corridor, but might not be perceived as desirable by village residents.

Receiving slightly negative overall responses were **single family housing** in the Highway 6 corridor, **clothing stores**, and **convenience stores**. Given the amount of traffic along Highway 6 and related factors, the corridor is almost certainly not suitable for a great deal more single family housing even though the define geography of the corridor already has a great many single family homes. Respondents to the survey probably do not think of such a corridor as a place to comparison shop for clothing, which is consistent with normal market patterns. The corridor is, nonetheless, the kind of place were convenience stores can proliferate. But there already are such stores in the corridor, and survey respondents may be indicating that no more are really needed.

Again on the scale of –2 to +2, **sit-down restaurants received a weighted score of positive 232**. Consistent with the desire for less-hurried dining in this corridor is the score of **+169 for coffee shops** followed by a **community or civic building (+72)** in this part of the village. Respondents seem to recognize that this is a very different place than the Highway 6 corridor and it should be used as a gathering place of residents and visitors. Even the slightly positive reaction to **office buildings** (+21) and the effectively neutral vote for **single family housing** (+1) signal the corridor as having a very different character.

Bars and pubs also received a neutral evaluation at zero, suggesting some ambivalence that this is a good location for a bit more boisterous gatherings. The "right kind" of bar or pub should be acceptable, but probably of the sort that does not attract large and/or noisy crowds, and perhaps not those with very late night openings.

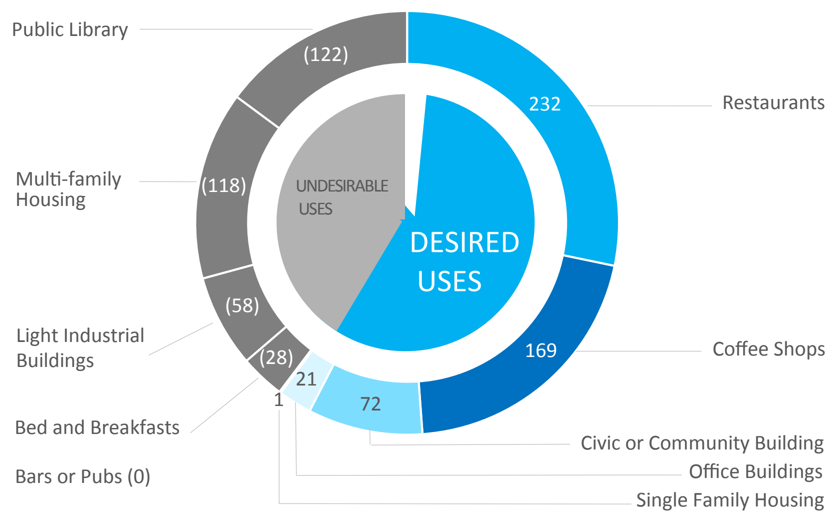
Bed and breakfast places are considered only slightly undesirable at negative 28. It is not hard to envision B&Bs in the Highway 150 corridor or Old Town Coal Valley, but there is a community-wide sense that overnight lodging of any sort in this location must be very carefully scrutinized and supervised.

The corridor already has some **light industrial buildings** within it, which presently contribute nicely to its old town character. This may explain why light industrial buildings weren't rated more negatively, with only a –58 weighted score. It's quite likely that the **public library** option is rated poorly at –122 because the Robert R. Jones Public Library is relatively new on First Street, and there is a facility of the River Valley District Library in the corridor, though it is not technically within the Coal Valley village limits.

Multi-family housing (-118) is substantially undesirable here as it is in the Highway 6 corridor. That said, mixed-use corridors like Highway 150 can attract the attention of multi-family developers and would normally be good places for such housing. Given the desires of the community as expressed in the survey, however, it is probably best to at least greatly limit the density of such housing if it is proposed and cannot otherwise be directed elsewhere.

Q4: Preferences for Uses in the Highway 150 Corridor

Weighted Score on Scale of –2 to +2



QUESTION 5
Programs and Events for Coal Valley

Survey respondents would overwhelmingly like to have farmer **markets** in Coal Valley and, to a lesser extent, **festivals** that celebrate various foods and holidays.

Respondents were asked to indicate, on a list of five "gathering" kinds of programs, which they would like to experience in Coal Valley. No specific corridor or location was suggested, and all five choices could be selected.

Farmers markets came out way ahead of the other choices with almost nine out of ten respondents (87.5 percent) favoring them. This is the same proportion even among just those who are residents of Coal Valley.

Food festivals (58.5 percent) and **holiday celebrations** (53.6 percent) were the other two choices that received positive reactions from more than half of the respondents. As Coal Valley continues to grow and mature, it appears that residents want to participate in more community gatherings and honor the village's character.

Of lesser importance to the respondents are **outdoor movies** (36.6 percent) and **concerts** (33.6 percent). As Coal Valley moves toward sponsorships of community-scale events, it is best to start with farmers markets and/or a festival or two in order to generate the most possible support within the community. Other people-gathering events can be initiated later if their popularity can be warranted.

Several other event sand programs were suggested by some respondents, though none of these has been tested with a wider survey. More intriguing ideas include 5K runs, car shows, and even a community water park or skating rink. As Coal Valley grows in population and affluence, these and other ideas may need further testing to assure that the quality of life in the village continues to offer a variety of services.

Q5: Programs and Events Preferences
Percent of Responses (multiple allowed)

FARMERS MARKETS	88%
FOOD FESTIVALS	59%
HOLIDAY CELEBRATIONS	54%
OUTDOOR MOVIES	37%
CONCERTS	34%
OTHER	12%

QUESTION 6

Current Shopping and Dining Locations

Coal Valley's **biggest retailing and dining competitor is Moline**, which should come as a surprise to no one. When asked where they typically shop for a variety of goods and services, **Moline and East Moline were checked 45 percent** of the time compared to under nine percent for Coal Valley. In fact, respondents are **2½ times more likely to shop or dine across the Mississippi River in Iowa as they are in Coal Valley**.

The accompanying graph for Question 6 is a composite of all responses for 11 categories of retailing and dining. Respondents could check more than one location if they typically shopped for, say, building materials in multiple cities or places.

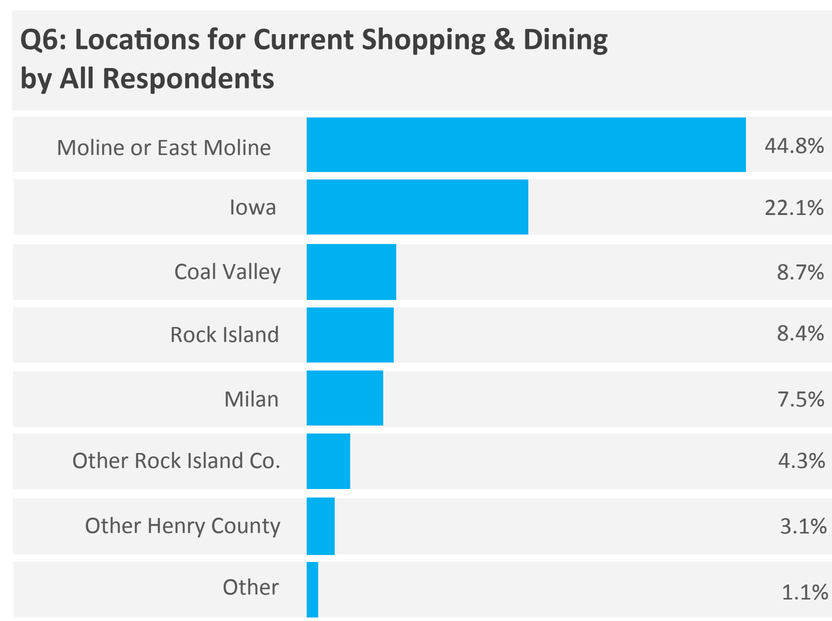
Moline/East Moline received over 90 percent of responses in eight of the categories: big box stores, electronics stores, building materials/ hardware stores, grocery stores, drug stores, clothing stores, casual restaurants, and fast food restaurants.

Coal Valley led the list in only dollar stores, probably because of the popularity of Dollar General in the Highway 6 corridor. Nine out of ten respondents (90.7 percent) indicated shopping at dollar stores in Coal Valley, though one-third also use dollar stores in Moline or East Moline.

Coal Valley scored relatively well for casual dining restaurants (40.0 percent), though Moline/East Moline received over 90 percent of such responses. **Coal Valley attracts 27.3 percent of fast food diners** but almost every respondent (96.2 percent) also buys fast food in Moline/East Moline and almost half (48.5 percent) do so in Iowa.

The major reason for such disparities between Coal Valley and the "big cities" like Moline, East Moline, Rock Island, and Davenport is a lack of market scale in the immediate Coal Valley area. As Coal Valley continues its growth path, particularly with higher income households, it need to position itself to capture more of the spending power of local residents that are now "leaking" from the village.

Still, this is a major challenge given the scale of the village, even in the foreseeable future, and the centrality of Moline, et al, to the larger Quad Cities markets. Almost certainly Coal Valley's early efforts at retaining its own spending power need to focus on local kinds of spending like groceries, drug stores, and non-fast food restaurants.



QUESTION 7

Housing Development Preferences in Coal Valley

Single family homes are the overwhelming preference for continued housing development in Coal Valley, while rental housing is discouraged.

Survey respondents were ask to agree or disagree with five "housing products" that might be suitable for development in the village. Like questions 3 and 4, these responses were also given scores ranging from –2 to +2 (from strongly disagree to strongly agree), with the resulting weighted score representing both the number of responses for that category and the relatively desirability.

The overall maximum possible score from the 271 responses to this question is 542, assuming that all 271 rated the particular choice at +2. In fact, this was not the case, and all the choices received at least a few negative individual scores.

Single family homes came out well ahead of the other choices with a weighted score of 283, averaging just above "agree" (or +1) from each respondent. Of course, this is the predominant housing in Coal Valley today.

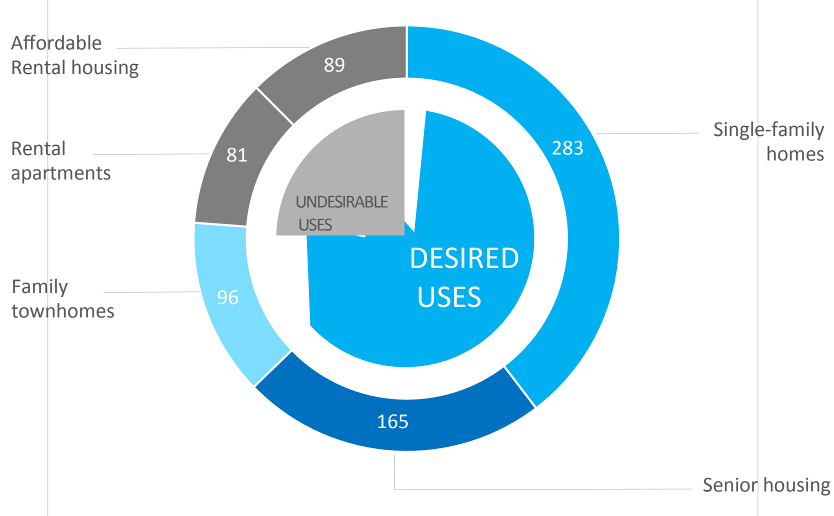
Significantly, there seems to be a **wide recognition that forms of senior housing are necessary** and desirable in Coal Valley. This choice ranked second among the five choices with a weighted score of 165.

Family oriented townhouses also landed in the positive range with a score of 96. Townhouses are, virtually by definition, built at higher densities than single family homes, but those designed for family use (perhaps with an assumption that they would be owner-occupied) seem to have a place in the minds of village residents.

On the other hand, **rental housing** as either apartments (-81) or affordable housing (-89) are **not seen as particularly welcome** in Coal Valley. Both of these received many positive scores, both "agree" and "strongly agree," but such counts were more than counter-balanced by negative scores. In other words, there is a small recognition of the need for rental housing in the village, but its development will likely come

Q7: Preferences for Housing in Coal Valley

Weighted Score on Scale of –2 to +2



QUESTION 8
Specific Store and Dining Preferences in Coal Valley

Grocery stores once again top the list of preferred retail stores in the village, followed by **casual and fast food restaurants** and **drug stores**.

Survey participants were asked to write in their ideas for specific kinds of stores and restaurants they would like to see attracted to Coal Valley, or specific brand names. The graph on the following page summarizes the results after evaluation of the open-ended responses. Of the 278 overall completed questionnaires, 217 people responded to this question.

Tellingly, the respondents seem to recognize that Coal Valley is not a good location for big box stores or major shopping centers. While not explicitly asked such a question, participants overwhelmingly wrote in preferences for groceries, pharmacies, and restaurants—the kinds of retailers that primarily serve smaller markets for convenience items and services. This is quite consistent with measurable market forces in Coal Valley.

One out of four respondents (25.8%) indicated a desire for a **grocery store.** Most often written in was the brand name **Fareway** (9.7% of respondents), followed by **HyVee** (7.4%). Not all of the questionnaires included written brand names or types.

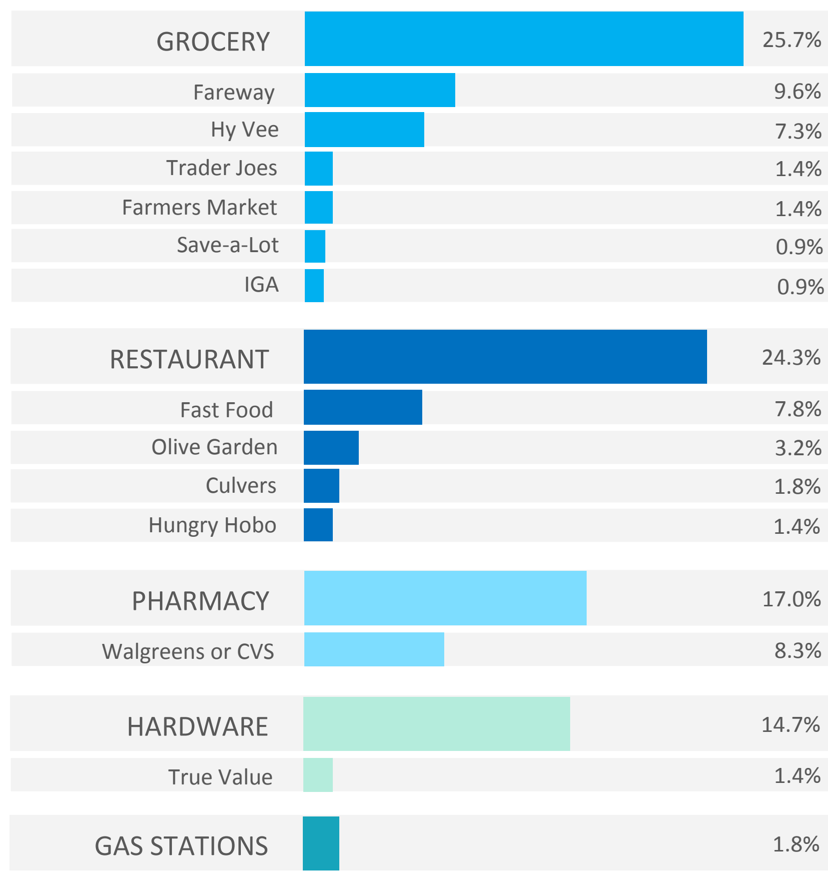
Following closely were the 24.4% of respondents who would like to see **more restaurants**. **Fast food** restaurants are the preference, from 7.8%. Specific examples of restaurants that were written in include **Olive Garden**, which is a casual restaurant, not fast food, and **Culvers**, which is fast food.

Pharmacies were noted on 17.1% of the questionnaires. About half of these people indicated **Walgreens or CVS** as the kinds of stores they would like to see. Keep in mind, of course, that a good grocery store/ supermarket, if attracted to Coal Valley, might also satisfy this pharmacy desire if it includes such a component within the supermarket.

There is also a decently strong desire for a more convenient **hardware store** (14.7%), with **True Value** suggested by a few people as the kind of "local" hardware store potentially suitable for Coal Valley.

The only other major category of retailing suggested by the write-ins was **gas stations**, but this idea was suggested on less than two percent of the surveys.

Q8: Stores and Restaurants Desired in Coal Valley



QUESTION 9

Other Written Comments

Separate written comments were provided by 72 of the 278 participants in the survey. No attempt has been made to summarize or catalog these comments. But reading them should be very valuable for policy–makers in Coal Valley. The verbatim comments are provided in the appendix to this report.

6. Land Use Program

Land Use Program

The table presented below provides land use recommendations for the two subject corridors based on the market analysis and the results of the stakeholder survey. Each land use includes details regarding best location, density, concluded price points, and market timing.

Best development opportunities in the near-term include affordable senior housing and for-sale townhomes, which are both housing products not currently being provided in Coal Valley. A small-format grocery store and/or pharmacy remains highly desirable to the community, but additional population growth is necessary. New storefront retail and stand-alone restaurants are likely to be developed in the next five to ten years and should be planned for accordingly. Light industrial space containing between 20,000 and 40,000 square feet of space is also a good opportunity for the community, but may require public action on the mobile-home site. Renovation of some of the "Old Coal Valley" historic buildings into new uses such as independent restaurants, coffee shops, or a butcher would be possible with the use of historic tax credits and other development incentives issued by the federal and state government.

Coal Valley: Highways 6 and 150 Corridors

Use	*Location*	*Amount*	*Density/FAR*	*Land Needed*	*Unit Type and Size*		*Price/Rate*	*Market Position*	*Timing*
Affordable Senior Housing	"Jack & Jill" Site	24 Units	8 units/acre	3 acres	1 BR 2 BR	550 SF 725 SF	$0.80-$0.85 *psf*	Midscale	Single, early phase
For-Sale Townhomes	Route 150 Corridor	30-36 units	6-8 units per acre	4 to 6 acres	2BR 3BR	1,200 SF 1,800 SF	$150,000 to $200,000	Midscale	Market Driven, phased over ten years
Grocery Store/ Pharmacy	Route 6 Corridor	10,000 to 12,000 SF	0.15 FAR	2 acres	-	-	Owner Occupied	Small Format	Five to ten years, but will require zoning and acquisition assistance
Storefront Retail/ Restaurant/Office	Route 6 Corridor	4,000 to 6,000 square feet	0.25 FAR	0.4 to 0.6 acre	-	-	$16 *psf (nnn)*	Class B	Market Driven, phased over ten years
Medical Office Space	Both Corridors	5,000 to 10,000 square feet	0.35 FAR	0.3 to 0.6 acre	-	-	Owner Occupied	Class C	Market Driven, phased over ten years
Historic Rehabs	Route 150 "Old Coal Valley"	2,000 to 4,000 square feet	0.25 FAR	0.25 acre	-	-	Owner Occupied	Independent Restaurant, Coffee Shop, Butcher	Market Driven, but dependent on historic rehab incentives
Light Industrial/Flex Space	Route 6 Corridor	20,000-40,000 square feet	0.4 FAR	1.25-2.5 acres	-	-	$7.00 to $8.00 psf	N/A	Market driven, but dependent on zoning, annexation, or mobile-home relocation

Typology: Affordable Senior Housing

VILLA-STYLE INDEPENDENT SENIOR HOUSING

Average Monthly Rent

$600

Avg. Rent/SF

~$0.85

Avg. Unit Size

700 SF

Units/Acre

8

Location

"Jack & Jill" Site

Typology: For-Sale Townhomes

FIRST TIME TOWNHOMES/DENSE SINGLE-FAMILY

Average Sale Price

$175,000

Sale Price/SF

$125

Avg. Unit Size

1,500 SF

Units/Acre

5-10

Location

Route 150 Corridor/Downtown Adjacent

Typology: Medical Offices

OWNER OCCUPANT MEDICAL OFFICE

Typical Building Size

2,000 SF

Rent/SF

Owner Occupied

Density

0.30 FAR

Parking Requirements

4.0 spaces per 1,000 SF

Location

South Side of Route 6 & Existing Historic Properties

Typology: Retail Center

MULTI-TENANT

Typical Building Size

5,000 SF

Rent/SF

$16.00 NNN

Density

0.25 FAR

Parking Requirements

4.0 spaces per 1,000 SF

Location

Coal Valley Township and Bastian's Auto

Typology: Historic Rehabs

LOCAL INDEPENDENT SHOP

Typical Building Size

2,000 SF

Rent/SF

Owner Occupied

Tenant Types

Butcher Shop, Café, Local Hardware

Development Incentives

Federal Historic Tax Credit

Location

Existing Historic Properties

Typology: Light Industrial

WAREHOUSING AND LIGHT INDUSTRIAL

Typical Building Size

20,000 SF

Rent/SF

$7.00 NNN

Density

0.4 FAR

Loading Docks/Drive-Ins

1.0 per 5,000 SF

Location

West End of Route 6 Corridor

Typology: Grocery Stores

FAREWAY

Required Potential Location Information

- Zoning
- Demographics—1, 3, and 5 mile radius (minimum population in 5 mile radius: 5,000)

Appropriate Minimum Acreage

- 20m (18,000 sq. ft.) = 30 acres

ALDI

Preferred Criteria for Potential Location

- +/- 17,000 square feet with a minimum of 85 dedicated parking spaces
- 2.5 acre pads for purchase and development
- End-cap or inline space with minimum of 100' of frontage
- Signalized, full access intersection preferred
- Sites located in community and regional shopping districts with convenient access to population
- Sites zoned to allow grocery use
- Daily traffic count in excess of 20,000 vehicles per day

Typology: Pharmacies

CVS

Preferred Criteria for Potential Location

- Highly visible
- Easy access
- High traffic locations
- Free-standing sites with drive-thru pharmacy capability, 1.5 - 2.0 acres
- Minimum of 18,000 people in trade area

Free-standing Prototype: 96 x 137 = 12,900 square feet

WALGREENS

A Typical Location

- Total size: 14,530 square feet
- Sales area: 11,261 square feet
- Employees: 20-25
- Annual sales: $8.5 million

Preferred Criteria for New Location

- Freestanding location at signalized intersection of two main streets with significant traffic counts
- 60,000 square feet +/- of land to accommodate parking for 50+ cars and a pharmacy drive thru
- 114'x130'=14,820 square feet
- Trade area population of 20,000

Land Use Alignment Strategy

Strategically locating land uses within both corridors can improve the viability of those uses by creating synergies with adjacent properties, while also improving local residents' quality life and greatly enhancing the image of Coal Valley. Various public interventions will likely be necessary, including the use of various incentives, targeted acquisitions, and land swaps.

Highway 6 Corridor

Certain land uses remain better suited for locations along the Route 6 corridor, specifically industrial, retail, and office uses. A new small-format grocery store and/or pharmacy would be best located at the intersection of 1st Avenue and 1st Street, while strip-retail would be best positioned on the Coal Valley Township site across 1st Avenue. Existing property owners at these sites are not going to freely give away their properties, but land swaps and other incentives can be made available by the community to ensure these high-value sites are used for higher and better uses.

Alternatively, the Village-owned property at 3rd Street could be a grocery location IF (a big if) constructed in such a manner as to be alluring from the west while serving as a bookend anchor to the core of retailing along the corridor. Even better, if the 1st and 1st corner cannot be secured, would be a grocery where the current dentist office is located, requiring relocation of the less-intensive medical use(s) to the Village-owned site.

New industrial development should be located along the west end of the corridor due to its proximity to the airport. Industrial development remains a strong opportunity, but land needs to be made available and marketed to developers and industrial users. The creation of a industrial business park marketed and overseen by the community would jumpstart this type of development.

With growing demand for senior-oriented rental housing, new villa-style senior housing would be an appropriate use of the "Jack & Jill" site. State and federal incentives are available for new housing development through programs such as the Low-Income Housing Tax Credit (LIHTC) program. Creating a public-private partnership with a reputable and experienced affordable housing developer would facilitate this type of development. The private partner would assume liability for securing funding, construction, and project management, while the public involvement could include acquisition assistance, flexible zoning, and/or low-interest loans.

For-sale townhomes and denser single-family homes on the plot of land immediately south. New zoning regulations to allow this type of development in this location will be necessary.

Highway 150 Corridor

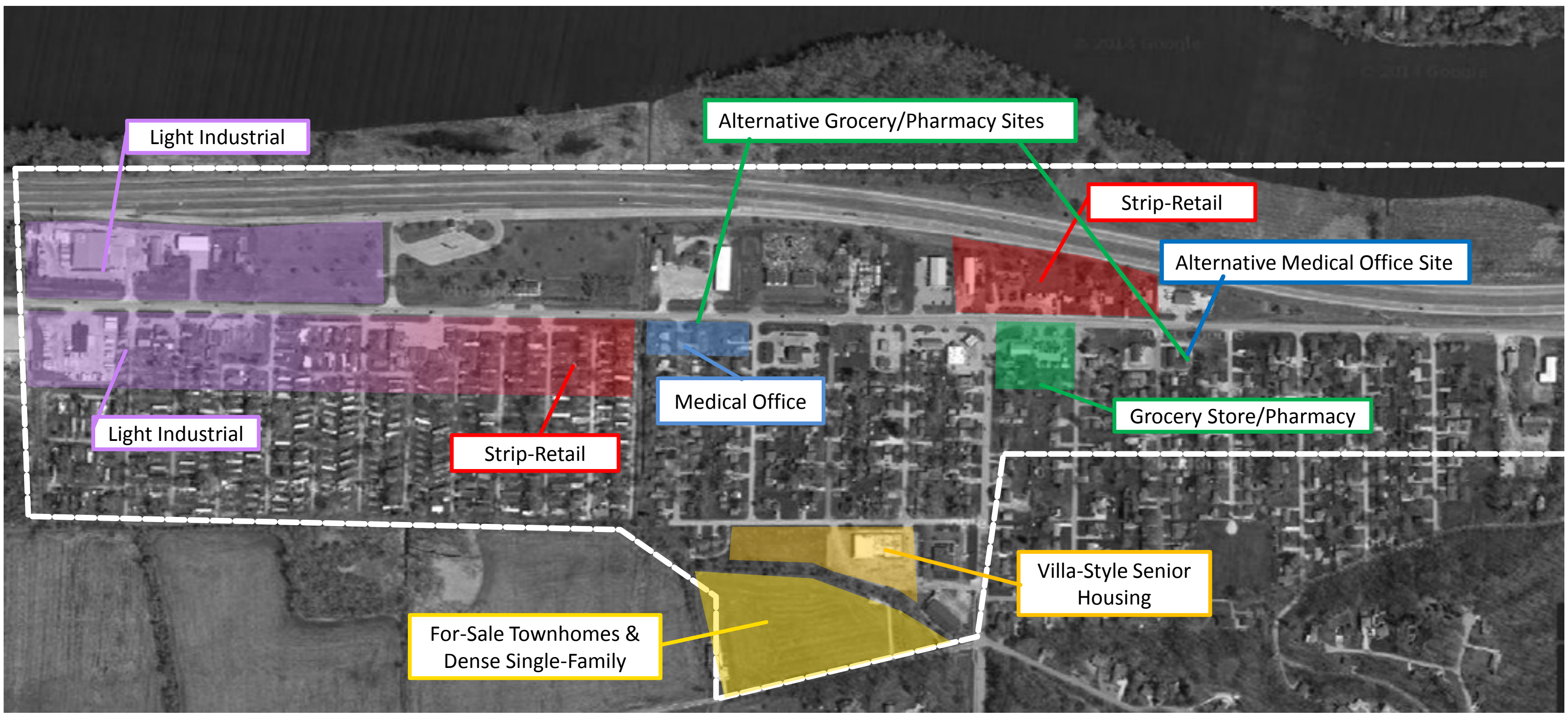
Fewer uses are suitable for the Route 150 corridor, as much of the existing business corridor should be preserved and incentivized for rehabilitation. The Route 150 corridor contains some empty buildings that represent potential rehab opportunities. With excess demand in the local market for additional restaurant and drinking establishments, one or two these Route 150 properties might be converted to new and higher elegance dining destinations. The success of Joe's Place should be reinforced with more options in the area. Other potential options include activity generators such as a coffee shop, ice cream parlor, or even a bed and breakfast. To the degree that some of these more leisure-oriented businesses can be incorporated into the existing park or other usable public space, a greater degree of economic success is likely.

With relatively low rents and property values, any renovation work would likely require assistance from historic tax credits issued by the federal government or other sources such as low-interest loans and/or grants provided by local agencies.

Land Use Alignment Strategy (continued)

However, most of the land immediately surrounding the historic core should be made ready for townhome or denser single-family housing with good pedestrian linkages to the commercial district. The open spaces of this corridor should be programmed for small community events such as Friday Night Flicks or art fairs in order to reinforce a sense of community among Coal Valley residents while encouraging them to visit shops and restaurants in the area.

IDEAL LOCATION FOR A GROCERY STORE AND PHARMACY IS AT THE INTERSECTION OF 1ST AVENUE AND 1ST STREET. ALTERNATIVELY, A WELL-CONSTRUCTED GROCERY/PHARMACY COULD OCCUPY THE VILLAGE-OWNED PROPERTY BETWEEN 3RD AND 4TH STREETS. EVEN BETTER WOULD BE A LAND-SWAP TO RELOCATE THE NOTED MEDICAL OFFICE LAND USES TO THE VILLAGE-OWNED SITE, THEN CONSTRUCT A GROCERY/ PHARMACY ON THE MEDICAL OFFICE SITE.



Land Use Alignment Strategy (continued)

7. Implementation Strategy

Implementation Strategy: A Policy Framework

A market strategy ensures that the right types of products will be delivered to the market, thereby reducing risk to developers and the public sector while increasing the likelihood of lasting, sustainable development. By leveraging investments in place and the public realm, sound urban design and architecture, quality anchors, and coordination of complementary uses, a development, district, or community can be created that is greater than the sum of its parts.

The results of the market analysis point to the need for a market strategy that leverages the corridor's assets, makes use of market opportunities that are present, targets investment in key nodes where development can be most catalytic, locates or co-locates complementary uses, identifies traffic-driving anchors (both civic and private sector-driven), invests in placemaking to maximize private real estate and public tax revenues, and leverages local, state, and federal incentives in order to realize catalyst projects.

A Policy Framework for the Corridors

A holistic policy framework is needed for the two corridors—one that not only improves the physical realm, but begins to address some of the root causes of economic deterioration. Broadly, a market strategy for Coal Valley should seek to accomplish the following:

Improve gateway and entry points: First impressions can have a lasting impact on how a place is perceived. Various streetscape and signage improvements at the main entry to the village from the west on Highway 6 can positively impact how many people perceive the community.

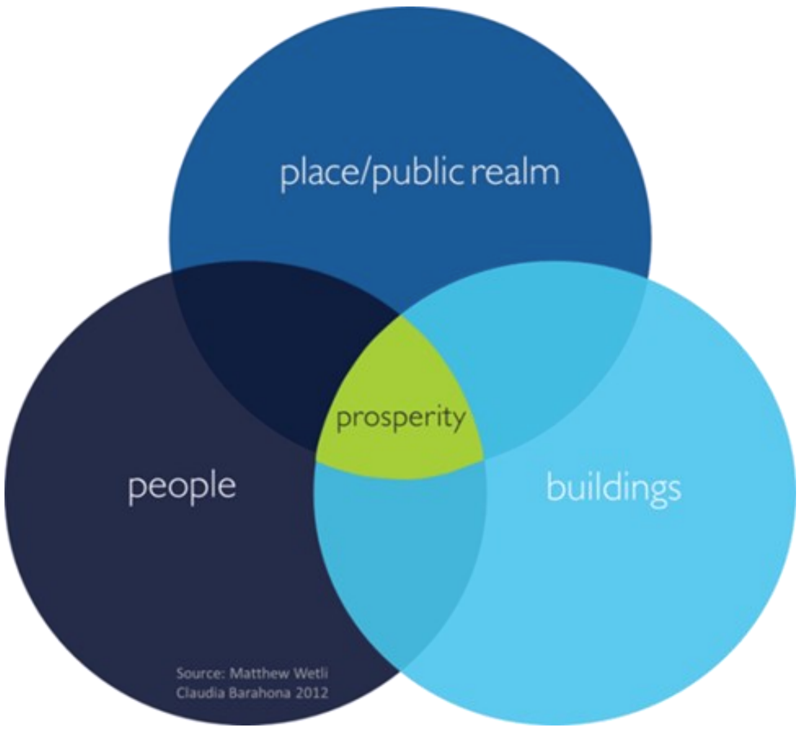
Create a definable place/town center: An identifiable downtown or town center can provide a focal point for the community with new public space, restaurants, retail, and community anchors. Such development can greatly improve the overall image of the community.

Concentrate investment: Focusing limited reinvestment funds on the marketability and "curb appeal" of a few focused areas will provide better return on investment than spreading dollars too thinly over the entirety of the two corridors.

Get Organized: Create a central coordinating body for corridor improvement efforts or increase the capacity of local community efforts.

Annexation and public works: Create an annexation and public works program that would help facilitate future growth of the village and annexation of key properties for new development.

The elements of a comprehensive market strategy listed above indicates a need for targeted investments in people, places, and buildings in a manner that leads to real estate, economic, and community development.



Implementation Strategy: Get Organized

The most critical implementation strategy involves the building a governing framework that includes a diverse representation of business and property owners, bankers, citizens, historians, public officials, chambers of commerce, and other related interests.

Everyone must work together in a long-term effort to renew the corridors and to maintain their stability into the future. The preferred approach is the creation of a **strong, well-trained corporate entity**, ideally an independent, non-profit organization, whose sole responsibility is the enhancement of communication, volunteer development, program implementation, and fundraising necessary to implement the recommendations of the market analysis.

Alternatively, the Village of Coal Valley could **create an office of community development** (or planning or economic development or a combination of all these) with substantial resources to assist land owners, business owners and operators, and developers/investors in the corridors to attract and grow healthy businesses.

A statutory structure of the corridors' organizations might be **special service areas** under the laws of Illinois. The Village could be the initial funder of these business improvement districts, but the same staff person could service both simultaneously. With growth and success, the SSAs should be self-funding for most of their activities, though the Village might still fund and employ the full time staff member—whose duties might eventually extend elsewhere in the village if the corridors do not demand full time attention after a while.

Much of the organizations' can and will be **"voluntary" time from business and property owners**. It is in their best economic interests to work collaboratively to improve the corridors' function and design, to prepare and enforce a tenanting strategy, to promote the corridors both internally in Coal Valley and to external visitors, and to enforce common business hours to assure that when one business is open all the others are, too.

But the volunteers **need a full-time professional staff person** with training and expertise in community and economic development. Such staff member and the organization will also provide training to develop leaders for the corridors' revitalization efforts. Activities of a start-up "organization committee" should begin with creating a not-for-profit organization, establishing priorities through comprehensive work plans, providing the organization with sufficient sources of revenue, and volunteer development.

A key responsibility of the organization should be to **take the market analysis and related plans that emerge from it "on the road" early and often**. Make presentations, formal and informal, to appropriate federal, state, regional, and county authorities and agencies. Arrange targeted site visits. Be sure that all possible funders and other forms of assistance are fully aware of—and made current about—Coal Valley's commercial corridors. Provide annual (at least) updates to all the above. Assure long-term support for inevitable funding and permitting requests.

Secure critical, strategic, and early catalytic properties using "patient money" in a special fund. In some ways, the Village has already done this, but it should be prepared take similar actions for a few similar opportunities. The principal purpose is to assure that crucial sites are removed from speculation while minimizing the potential for lower quality "redevelopment" under as-of-right regulations. Organize local banks, corporations, developers, and/or wealthy advocates of Coal Valley to create a pool of resources. Avoid public dollars in order to avoid public disclosure of purchases, which can artificially raise property prices.

Initiate efforts to find developers of the crucial sites who will comply with the vision plan. **Additional incentives may not be necessary.** Land can be "contributed" to the redevelopment, thus reducing developer costs, but can still be leveraged for an acceptable rate of return to the initial funders (e.g., land leases or partnerships). Public realm improvements would also be an incentive to private developers, as can be improvements to development regulations.

Implementation Strategy: Placemaking

An important intervention in the physical realm that can lead to enhanced performance of private enterprise is the concept of placemaking, specifically along in the Route 150 corridor, or Old Coal Valley. This includes the creation of a walkable, livable, and active downtown area that would be an asset to the broader community.

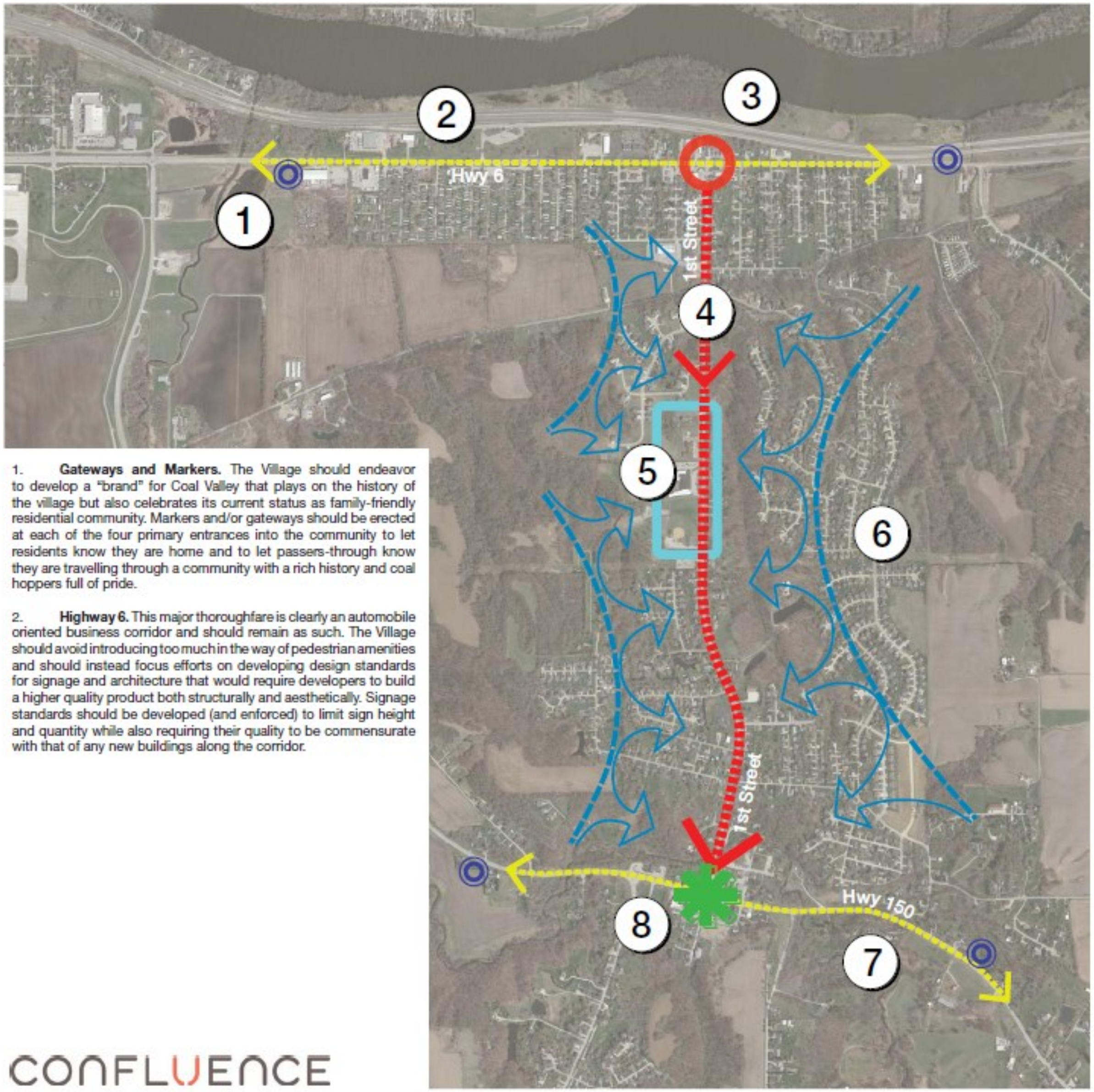
Over the past decade, a measurable positive market response has been well-documented in areas with great character and placemaking principles (i.e., main streets, town centers, walkable neighborhoods, historic districts, transit-oriented development) in the form of value appreciation for property owners, greater retail traffic, greater desirability as a location for employers and employees, and greater real estate revenues (which make quality development more economically viable).

Street environment and retail: The quality of the street environment can boost retail traffic. Often, this can be accomplished by enhancing the streetside zone with sidewalks, street trees, public squares, and opportunities for outdoor dining. Traffic-calming measures and buffers should be explored. If traffic analysis allows, selected locations for on-street parking might be identified at nodes where walkability and storefront retail is desirable.

Main street model: In the Quad Cities region, many other small communities such as Le Claire and Eldridge are leveraging their historic main streets as assets that increase retail traffic. Creating an inviting sense of enclosure with multistory buildings, narrow street lanes, and street furniture are value-creating efforts. Where architecture and building enclosure are not possible, mature street trees can be a practical placemaking tactic that has positive benefits for economic development.

Public Spaces: In many communities, parks, plazas and public spaces can be significant value-creating assets that improve property values. An opportunity exists for a plaza and new activity areas within the park adjacent to the Old Post Office. Regular events and other programs should be created to help develop the park as a central meeting place for the community.

Implementation Strategy: Design Guidelines



1. **Gateways and Markers.** The Village should endeavor to develop a "brand" for Coal Valley that plays on the history of the village but also celebrates its current status as family-friendly residential community. Markers and/or gateways should be erected at each of the four primary entrances into the community to let residents know they are home and to let passers-through know they are travelling through a community with a rich history and coal hoppers full of pride.

2. **Highway 6.** This major thoroughfare is clearly an automobile oriented business corridor and should remain as such. The Village should avoid introducing too much in the way of pedestrian amenities and should instead focus efforts on developing design standards for signage and architecture that would require developers to build a higher quality product both structurally and aesthetically. Signage standards should be developed (and enforced) to limit sign height and quantity while also requiring their quality to be commensurate with that of any new buildings along the corridor.

3. **Intersections.** The intersection of Highway 6 and 1st Street is one of only two opportunities to entice passers-by to break from their normal routine and venture down 1st Street to explore Coal Valley. Every effort should be made to improve the aesthetic characteristics of this intersection. Improvements could include redesigning the road surface to include concrete pavers or some other patterned material; adding wayfinding signage and/or gateway markers to direct motorists to businesses farther south; and reducing overhead utilities and replacing street light and utility fixtures with new, more aesthetically pleasing fixtures consistent with the new Coal Valley brand.

4. **1st Street.** At its heart, Coal Valley is a quiet bedroom community with strong family values. 1st Street is the major artery that feeds the heart and should be treated as vital to life in the Village. To accomplish this, 1st Street should be redeveloped to provide ample space for pedestrians to move along this north-south axis. A continuous 10' wide shared-use path (SUP) should be added along the west side of the road from the intersection of Highway 6 all the way south to W 18th Street. The SUP should be separated from the travel lanes by a minimum 10' wide landscape buffer strip (parkway). At W 18th the SUP should cross to the east side of 1st Street and continue south to Highway 150. This path will provide a much needed physical connection through the heart of the Village and will provide a very important recreational amenity for the community. The visual character of this new pedestrian connection should be enhanced with trees; pedestrian lighting; strategically placed benches and waste receptacles; and may also include some other interpretive or interactive elements for recreational users.

5. **Village Center.** The existing Coal Valley Municipal Building, Elementary School, and Municipal Park are the physical heart of the Village. A new shared-use path along 1st Street (described above) will serve to get people to this active center, enhancements and improvement to the park will serve to keep them there. Suggested improvements include adding trail connections to adjacent residential streets and the cemetery to provide increased pedestrian access to the park; increasing the size and quality of the play structure and/or developing alternative play areas; improving parking for vehicles and adding bicycle parking, bike repair stations, and water fountains/bottle fillers; and relocating tennis courts to interior of park to provide a nicer "front door" to the Village's largest park.

6. **Pedestrian Flow.** Coal Valley has a wonderful topography that adds to its charm as a bedroom community. This same topography however creates a significant challenge for residents who want to get to the heart of the Village on foot. With enhanced pedestrian amenities along 1st Street and an improved Municipal Park, establishing safe and efficient connections to the neighborhoods is vital to their increasing use and to encouraging pedestrian movement over use of the automobile to promote health and well-being within the community. The Village should endeavor to identify any and all opportunities to provide trail connections at multiple points along the 1st Street corridor, especially to neighborhoods to the east where the terrain presents the biggest challenge. Connections from the west should prove easier due to the flatter topography and increased openness.

7. **Highway 150.** Highway 150 has a very different "flavor" than Highway 6 on the north side of town insomuch as it has retained a rural route characteristic that has been lost in many small Midwestern towns. In so many areas, development along the rural route has resulted in auto-oriented business corridors similar to Hwy 6 or highways, that once provided a lifeline to town, have been routed to the outskirts cutting thriving downtown business districts down at the knees. In Coal Valley, the presence of two unique highway corridors should be viewed as an opportunity to cater to both passers-by (along Hwy 6) and destination seekers. As such, the Village should endeavor to maintain the rural characteristics of Hwy 150 intact for most of its length through town. Gateway markers on the east and west ends of town should be consistent with those developed along Highway 6 but may be smaller in scale to better respond to their context and decreased traffic speeds. Streetscape improvements should be limited to the length of highway between W 3rd Street and 114th Street and may include improved sidewalks; and enhanced roadway and pedestrian lighting.

8. **Village Green.** If the Municipal Park and adjacent School and Municipal Building is the physical center of Coal Valley then the small grid of streets at the intersection of 1st Street and Highway 150 is surely the social center of the Village. It is in this area that greatest opportunity exists to create a true small town experience found nowhere else in the Quad Cities area. To facilitate this experience, it will be necessary to develop vacant properties and redevelop existing ones. Concentrated development in this area should begin with the streets and park which will provide the foundation on which all other development will take place. The park should remain and all new development should begin around its perimeter. The Village should encourage, if not require, two-story mixed-use development in this area and develop design guidelines that require any and all new structures to be consistent with the existing historic architecture of the area. Street furnishings including benches, lighting, waste and recycling receptacles should be installed to enhance the character of the architecture. Wayfinding and street signage should be consistent with the look established along 1st Street which will tie the whole Village together aesthetically.

CONFLUENCE

APPENDIX I

SUMMARY OF STAKEHOLDER INTERVIEWS

Summary of Stakeholder Interviews

Persons Interviewed July 21-23, 2015

Walter Blackard, Candle Light Community

Paul Rumler, Quad Cities Chamber

Pieter Hanson, Mel Foster Company

Dennis Eckhardt, Port Byron State Bank

Tracy McMan, Port Byron State Bank

James Dingman, Bank Orion

Denise Bulat, Bi-State Regional Commission

Gena McCullough, Bi-State Regional Commission

Kent Kindelsperger, Country Style Ice Cream

John Phillips, Phillips Decorating

Bill and Lorna Rotz, Crabby's Bar & Grill

Greg Mosley, Property Owner

Joe Gotthardt, Joe's Place

Margarida Laub, Valley Dental

Deborah Till, Blackhawk Bank

Lori Langel, The Kids Corner

Bryan and Beth Bealer, Bealer Family Builders

Greg Farley, Country Fair Mall

Dale Keppy, Resident and Village Board of Trustees

Summary of Relevant Topics of Conversation

The 21 people listed to the left very graciously participated in roughly hour-long interviews with Bob Lewis of Development Strategies over a three-day period in July, 2015. All the interviews were held at the Coal Valley Village Hall. The topic of conversation was market-based development potential of the Highways 6 and 150 corridors in the village. The range of perspectives signified by the businesses and other organizations noted above yielded many good ideas, many challenges, and many consistent themes.

In many ways, there are two Coal Valleys.

One is the commercial and industrial strip of U.S. Highway 6. It also includes modestly priced housing, albeit much of it in excellent condition, though the Candle Light Community's housing is a serious detractor. But the corridor has an unfortunate impression created by disjointed land uses, unappealing aesthetics, and poor maintenance in too many places. Because of the traffic flow and the importance of Highway 6 for regional mobility, this corridor is the prevailing image of Coal Valley.

And, yet, there is another Coal Valley that begins south of 4th Avenue and the former Jack & Jill site. This Coal Valley has evolved into a fairly affluent and prosperous community of higher value and larger homes, good household incomes, and a higher quality image. Recent population growth rates exceed that of the Quad Cities metro area, indicating a community that is much in demand, even if not as "visible" as Highway 6. In fact, it might be said that this Coal Valley has little to do with the Highway 6 Coal Valley.

Still, Highway 6/1st Avenue is the most important and visible entry to the village. But it looks and acts rather shabby. While there is ample evidence of relatively new and current investment in many of the properties, there is still too much disinvestment, too many outdated land uses, too many wrongly positioned land uses, and an overall sense of ill-coordination.

Disinvestment is both private and public, in the minds of almost all of the interviewed stakeholders. More public investment in the corridor (improved road surface, better and consistently designed signage, re-striping of lanes, greatly enhanced streetscape design, perhaps improved lighting) would do much to encourage more private investment and reinvestment.

Growth, Prosperity, and a Need for "Place"

There is a desire that parts of Coal Valley become more pedestrian-oriented for commercial services. With growth and population prosperity, there is also a desire for a more holistic community that incorporates characteristics more associated with the concept of "village." That said, there is also wide recognition that the Highway 6 corridor can probably not achieve such an image or functionality except in isolated locations. On another hand, the Highway 150 corridor in the historic part of Coal Valley can be such a location and can integrate businesses, housing, and community activities in such a way as to be the center of Coal Valley for local residents while Highway 6 serves as the chief commercial corridor for both outsiders and locals.

Village Management vs. Market Forces

Many of the suggested functional and aesthetic solutions to the Highway 6 corridor and, to a lesser but important extent, are distinguished as "city management" opportunities. Through better maintenance of the public realm and through private property code enforcement, for example, the corridors could become more attractive not only aesthetically but also for business investors. Business operators in the corridors are bullish about the possibilities, in light of increasing traffic, continued growth in the southern parts of the Quad Cities, growth of the airport, popularity of the Naibi Zoo, and so forth. These corridors can be regional destinations for many purposes: industry in smaller buildings that takes advantage of highway and airport access, tourism-based retailers and restaurateurs catering to zoo visitors, and as vibrant and diverse commercial centers for a broad "hinterland" of growing communities that are evolving more as suburbs than stand-alone rural centers. But higher quality and consistent local government management is key, and should be recognized as an integral part of the market forces otherwise affecting Coal Valley.

Floodway Uncertainty

A major issue, in many minds, cannot be boiled down to "city management." The proposed floodway maps, still under review by Illinois state authorities and yet to be confirmed by the U.S. government, lend a serious degree of potential uncertainty among those who would investment in commercial and industrial development in the corridor. This uncertainty has to be removed. Acceptable and understandable lines delineating the floodway must be confirmed.

Relatedly, most of the Highway 6 corridor, and most of the Highway 150 corridor, for that matter, is recognized as flood plain. This is considerably different than a floodway. Flood plains imply slowly rising, but not flowing, waters. Floodways are flowing water, which can cause much more damage than rising or standing water, and are harder to manage. It is also possible to develop many forms of real estate in flood plains—typically excluding residences—while development in floodways is generally prohibited so as not to impede the flow of water and cause physical damage. The uncertainty about the location of the floodway will discourage real estate investment whether or not the area is in a floodway. Flood plains may also discourage some investment, but not because of their uncertainty.

Annexation

Associated with village management issues is a common topic of annexation. It is broadly conceded that Coal Valley is not only growing but needs to expand its borders in a more orderly fashion than is now apparent. Of course, this puts enormous pressure on village government to service and manage the added land and, hopefully, additional development. But future-thinking people see a crucial need in creating sensible borders around the city and assuring that future development is subject more directly to local government oversight, not county government oversight.

One participant insisted that Coal Valley and Moline put their "pasts" behind them and essentially swap promised annexation areas. In effect, Moline would give up on land that is now between the two large geographic sectors of Coal Valley, while Coal Valley would exchange some land to its west in favor of Moline. Coal Valley's growth aspirations are better with an easterly force, says this person, while conceding that westerly expansion might be more economically lucrative given the interstate highway system and the airport. These difference, however, need to be worked out. Many people are dismayed at the apparent haphazard set of municipal boundary lines south of the Rock River. Achieving more order would also lessen investment uncertainty.

Peer Cities and Case Studies

Stakeholders suggested a number of "case study" communities from which Coal Valley's evolution to a prosperous suburb might learn much. Many of them are local, such as LeClaire and Eldridge, Iowa; East Village in Davenport; and Geneseo and Port Byron, Illinois. Others are in other states: Solvang, California, and Helen, Georgia. None of these locations was studied as part of the present report by the consulting team, but all of them might become topics for further analysis by village officials. There can be lessons learned in the transformation of small cities to thriving attractions of suburban character. Lessons range from changes in city management, expansion or addition of staff to support planning and economic development, capitalizing on historic preservation and heritage, marketing and promotion to influence perceptions, and so on.

Still, several participants were quick to caution that Coal Valley is unique and that lessons learned from elsewhere do not mean copying good examples. Techniques might be adopted, but not marketing themes and image. Coal Valley should be true to itself.

Candle Light Community

Perhaps it can go without much saying, but everyone is sensitive to the aesthetic, physical, and social challenges of the Candle Light homes, including the site's owner and manager. Only about half of the sites are occupied by people, a fact of which many are aware, and no one, it seems, would favor elimination of the development. But because only half the sites are occupied, perhaps they can be consolidated to the back (southern) part of the property, thus freeing up the Highway 6 frontage for industrial and/or retail development. Then net result would be more efficient use of the site, better living conditions for residents, higher value creation for the frontage (thus higher tax base, etc.), and so on. Moreover, the site's physical appearance is not at all favorable for Coal Valley's emerging prestige, so major improvements are required in any event.

The owner is not unaware of these issues and opportunities and is, in fact, making changes. Comments like, "You should have seen the area a few years ago!" were common, so much has changed. But much is still needed.

Jack & Jill Site

Remarkably, this is a well-known property among almost all of the interviewees. The bank, the banquet center, and the stores that used to populate the inner part of the property were all popular. While the bank and banquet center are likely to remain, it is widely known that the former Jack & Jill building, which included several other merchants, must be removed for safety purposes and to open up the site for more productive uses.

Commercial uses are probably not in the offing. This site is off the beaten path, which is Highway 6 if not also, to some degree, Highway 150. But its interior location, flat topography, and setting, which is generally buffered from most other uses, suggest it strongly for higher density housing—townhouses, perhaps—especially for seniors. With commercial and aesthetic improvements to Highway 6, pedestrian activity can be encouraged to and from the Jack & Jill site for those needing the exercise and not wanting (or able) to drive. The site can become an alternative for aging residents of Coal Valley who do not want to relocate from the community but who no longer need or want their single family homes.

All that said, redevelopment of the site could trigger the interests of Quad City International Airport and the Federal Aviation Administration (FAA). The subject site is in the approach area of Runway 27 and, therefore, could have a building height limitation, according to Crawford, Murphy & Tilly (CMT) Engineers who serve the airport. Unofficially, that height limit may be as high as five or six stories, which is likely to be higher than market forces would allow a senior housing development on the site. In any event, according to CMT, any development within 20,000 feet (not quite four miles) of the airport could come under review by the FAA.

Housing Should Drive all Else

Coal Valley has been growing, and the key measure is population and housing. The village is a superb and sought-after choice among families seeking good schools in safe and functional neighborhoods. Leveraging that growth to also attract sufficient commercial services to serve the population and to create a more diverse tax base is also important, but retail development, in particular, will not come without "rooftops." Thus, a common theme is to assure that the city attracts and accommodates a healthy range of housing and household types to assure the village's long-term sustainability. Economic activity will follow.

External Forces and Challenges

There was an unfortunate sense among many of the interviewees that all the "good stuff" is moving to Iowa. These include the better retail stores, good jobs, growing employers, and more affluent residents. While the anecdotal comments were not tested with hard data, the impression of the interviewees is that this Iowa-centric force is driven, in no small way, by the concerns and uncertainties created by the financial strains of the State of Illinois, by the seeming deterioration of Southpark Mall and its environs relative to Northpark Mall in Davenport, and by a general concern that the Illinois side of the Quad Cities is not as well planned or coordinated in development initiatives. The most obvious representation of this force is the difference between Southpark and Northpark shopping malls. The two are close enough by highway that it is easy for Illinois residents to reach Northpark Mall with little concern for Southpark.

While this study does not compare the conditions of the two malls and their environs, there were enough such comments to indicate that Coal Valley must become active in the general socio-economic climate of the greater Moline and Rock Island area. If urban/suburban decline is underway nearby, it can have a deleterious effect on Coal Valley. If people prefer to shop, or even work, in Iowa, even if living in Illinois, there will be a decline in the ability of Illinois businesses and governments to finance reinvestment and new investment.

Grocery Store!

All participants were asked for suggestions on the kinds of businesses that could or should be drawn to the two corridors. Almost unanimously, a grocery store was mentioned. With population and housing growth and the loss of the Jack & Jill store, both residents and local businesses have experienced the inconvenience of (1) shopping at supermarkets further away and (2) the lack of "anchor power" that a supermarket could importantly add to, especially, the Highway 6 corridor.

While such insights from the interviewees may not have been based on hard market analysis, the persistence of the grocery store message clearly indicates that Coal Valley interests should be pursuing a supermarket retailer and/or developer. A big challenge will be identifying appropriate and ready-to-build sites, though the remainder of this report addresses possible solutions. There was much agreement that the best site would be a corner at 1st Avenue and 1st Street, but that location is also recognized as dominated by other successful retailers.

The business attraction recommendations didn't stop at grocery stores. Perhaps in second place are drug stores, another key retail sector that caters to the convenience shopping of local residents while acting as an anchor that will encourage other retailers to capture some of the grocery and drug store consumers.

Also highly desired are more restaurants from fast food to casual to white tablecloth. The growth in local prosperity is accompanied by demands on family time, so a broader range of fast food (including such establishments as Chipotle) would be welcome. Casual family restaurants enable local residents to enjoy a relaxing meal out of the house more conveniently than driving into, say, Moline. Fast food and casual establishments can also cater to zoo visitors. And there were good ideas on higher quality restaurants for the Highway 150 area, building on the great success and popularity of Joe's Place, but "kicking it up a notch" or two from there.

APPENDIX II

VERBATIM WRITTEN COMMENTS FROM COMMUNITY SURVEY

Coal Valley has wasted so much money over the years finding out what the residents want. But our crazy land prices scare away development. You win when your residents live and work in your town money stays here

Bus service would be a benefit to the community. Both Metro transit service and bus service for public school transportation would reduce trafficcongestion.

need east/west cross street for circulation, more bike paths, neighborhood parks, new employers to bring professional jobs, school needs more parking, street turn lanes, more street lighting, annexation

Top priority is a grocery store. HyVee offers pharmacy and Market Café casual dining included. This would draw in nearby town residents as well. The nearest fitness center with programs and kids activities is 15-20 minutes away- 30-40 minutes round trip. Deere reimburses gym memberships. Our family would be actively involved if Coal Valley had a recreational center facility with adult and kids fitness programs/sports.

connect East 5th to East 3rd so we can walk or bike to the bank, library, school and park.

Can MetroLink bus drive thru Coal Valley? Why not make designated stops at the trailer park, go up 1st st and back to the Airport? people are walking along rt 6 now to work at the airport and the hotels. Help them out!

We live on 28th Ave. There are no sidewalks on 3rd, so walking to town is more difficult. Our children also have to be careful on their bikes. I really do not like them riding their bikes down 3rd or 150, but there is no alternative.

And just going for a bike ride, the streets do not connect, so it's not all that great for them.

One thing we really miss after moving from the Des Moines area were the of trails and bike paths. They have wonderful trails connecting neighborhoods and parks.

Lastly, it would be nice to have a park in this area.

Need a City manager who will work towards making Coal valley a better community and get all the U S Government Grants that are available to all Small communitys below 10.000 opulations

We are very proud to be part of the Coal Valley Community. We have lived in 6 different towns and by far the Coal Valley Community has been the most friendly and caring neighbors. :-)

It would be wonderful if CV had sidewalks and curbs on the side of Rt. 6. Dress up Rt. 6 and make CV look inviting.

I think CV has more than enough of industrial type businesses, some of which look trashy, especially along rte #6. CV doesn't need more family housing.

You are violating Illinois state law if you do not follow the guidelines of the Illinois Prevailing Wage Act. Move on from this Right to work ignorance. Right to work and prevailing wage are 2 separate issues.

A water playground like Schwiebert park in Rock Island for the families to use our main park more then it seems to be other them Baseball and soccer.

I would like to see the Village decorate the main streets with pots of flowers in the summer and the streetlights for Christmas as so many other towns do.

If Coal Valley cannot get more retail facilities in city limits the I would like to see a couple more bridges out of Coal Valley crossing 280 & the Rock River. It seems ridiculous to have to drive by the airport every time I need to go to Lowes, Walmart or Menards when a bridge at 150 & 6 would come out by the theater.

We are good on pizza places and convenience stores. Really could benefit from a drugstore and grocery store.

Or a nicer restaurant that's going to attract more people something like red lobster or a road house type

I don't like the split in the village with some of the businesses down on Hwy 150 and some down on Hwy 6. However, I do realize the convenience of it.

We had all three at one time and the pharmacy and hardware store left because Coal Valley residents went to the big box stores and the grocery store left because it was a filthy dirty place and people quit supporting it for good reason.

No more pizza places PLEASE.

We have been residents of Coal Valley for almost 20 years and the lack of a grocery store has really hurt the community.

I note that the Riverbend building is still for sale. Would that possibly be a building suitable for a grocery store? (if someone would risk entering that market?)

If Coal Valley can support a grocery store, I feel that that location would be MORE viable given it is further from Moline, it would serve Orion, Sherrard, and Fyre Lake and is at a stop light. I realize that it is outside the village limits but could be incorporated. Also, the building seems to be a type that could be converted.

Thanks.

We need a clean grocery store here. As long as it was clean and well stocked, it would be a great asset to the community and would be used, and would generate a lot of money.

All new housing constructed in CV is way too big and way too expensive for people like me, a widow who is retired and on Social Security. I love it here but need to give up my house and will be forced to leave the area because there are no smaller and affordable new condos or new homes in CV I can afford.

Ware hose and industrial on Route 6 near Kone!

I have lived here 36 years and I love it. Our goal should be to improve and keep it nice

We do NOT need rentals and multi-family housing. The route 6 corridor would benefit from removing the trailer court or requiring a cleanup of the area. It's an eye sore on the way into an otherwise beautiful town!

relocating Trailer park off rt 6 would make cv look more appealing ... Also the antique mall looks like a dump

Coal Valley is a great place to live! We love it here!

Once again I cannot stress enough need to tear down Jack and Jill what a eyesore raise the taxes you can get rid of the eyesore

We need more events

would be nice to be more like LeClaire or Eldridge with little shops and restaurants.

As a 23 yr Village resident, the Village growth over the last 10 years have led to significant problems with traffic. Increased traffic on Rt 6 , hwy 150 AND residential streets has made it unsafe for walking and bicycling. Not all streets have sidewalks. Most drivers do not observe posted speed limits or stop signs. I only support more Village expansion if appropriate plans for increased traffic are also made. Coal Valley does not need to become the new Moline.

If we are going to support and attract local businesses to come to Coal Valley, we absolutely need to do something about our "speeding ticket" reputation. The Police do a lot of great stuff for our community and I am thankful for that, but the fact is the QC community is all to familiar with this reputation and many people from the QC look to avoid coming to Coal Valley because of it. Local businesses cannot thrive on only Coal Valley residents, we have to be able to attract people to Coal Valley.

Our elected officials are to narrow minded to do any of the above. The can't seem to get anything done about the dilapidated grocery store property and the purchase property so they can pick and choose what they want, not want everyone in Coal Valley would like to have. All they want to do is raise property taxes and not allow any new business to come to the community that could provide an increase in taxes.

We need to continue to build Coal Valley with the focus on being quality young (25-45 yrs) families, not retirees and certainly not rental properties or God forbid "affordable rental housing". That just attracts white trash, pardon my bluntness. We have plenty of that in the trailer parks, which need to go!

REALLY need a SENIOR center, offering classes , computer use,health issues, exercise (senior yoga, zumba etc.), a meeting center area etc.

My property is zoned commercial / residential. I have always been willing to sell so the Village could revamp Rt6. But have always been turned down. I hope they seriously look into it. I would also continue to live in in the Village. Coal Valley is a great place to live and has so much potential, just need to get rid of a few board members, and have fresh new faces and ideas to keep this project moving along.

We need to clean up the intersections at Route 6 and 150 . The oil change shops are not used, car dealerships, etc.

Great, safe little sleepy community. Would like to keep it that way! The village does an excellent job with snow removal. Would love to see dumpsters available more than once a year for bulk trash / construction debris. Full-time recycling center / waste oil/ e-waste drop off would be nice.

Just Moved to coal valley in May. Really like it out here but it would be nice if there was some sort a grocery store Not just an overpriced dollar store(3.99 For non-organic eggs) Or what seems like a dozen pizza joints and a dozen bars Which every time I have walked in to check out the crowd seems like a fight Is ready to break out. So would be nice to have some other type of businesses here in town!

We need a way of letting people know we are here and that we offer some services. Also need to get the mobile home court made nicer or fenced off.

Please, please, please....find a way to provide public busing for coal valley. A taxi ride to and from airport...4 miles away costs $30 each way on most taxi. I'm told because we are outside of residential Moline! This is a necessary need if you are planning to bring other business to the area! Even Colona which is further away has access to mass transit!

I can travel to Moline for all my errands, but it would convenient for at least some of them to be closer to home.

I think a grocery store should go on 150.

It would be great if we could attract a variety of businesses but what we need most is a decent, multi department GROCERY STORE!!!

We have a very bad reputation for our cops in CV, They speed traps and they way they treat people. I hear it all of the time.

Desperate from moline schools district and create own school district

Turn lane at the bottom of East 4th Ave. Traffic in the morning can be very backed up as most traffic comes out that way. Turn lane built down the middle of Route 6. Would make access in and out of businesses better and alleviate many traffic accidents

Question #6 is irrelevant to this questioner. YOU know where these facilities are located, why ask this question of residents.

Coal Valley is very close to a lot of areas in Moline (McDonalds, Lowe's, Target, etc) as they are only 5 minutes from town. I don't know that it would pay to try to get similar places in Coal Valley. I think what we have right now is pretty good since Dollar General carries groceries, we have several restaurants to choose from, etc.

Thanks for doing a great job of taking care of the roads. Employees at the Village Hall are helpful in answering questions. Thanks!

Absolutely no apartment complexes. please!please! please! We already have the trailer park that ruins the value of Coal Valley. The trailer park owner needs to clean up his used sales lot in the trailer park by moving all of those used/beat up/empty trailers sitting along route 6 (which has been sitting there for years). It is the first thing you see when you drive into Coal Valley. If he is going to keep used trailers in a lot, his can move them to the back of his trailer park or build a wall high enough to hide them by keeping them out of the view from route 6. He has plenty of empty lots in the back that are not being used and have not been used for years. Stricter rules about yard maintenance, and people who leave trash or junk (cars/trucks) in their driveway or yard. Change the speed limit going up the hill on East 4th Street. Put a turn lane down the middle of route 6. Put a left turn lane at the bottom of East 4th Street. Stop raising taxes. Lower the Value of our houses (non-Beaver Homes), because Beaver Builders have caused the value of the rest of our homes to be worth less. Beaver Builders do not build quality home and then they sell them for cheaper prices running down the value of quality built homes. Develop more land for new houses to be built. .

RESIDENTS DO NOT HAVE AN OPPORTUNITY TO SPEND THEIR MONIES IN COAL VALLEY SO THIS MUST SEEK OTHERS VENUES

Kathy Cornish is a really nice person!!!

I would like to see emphasis placed on improving our existing residential neighborhoods. Additional businesses are a low priority on my wish list. I would like to see the addition of another access to the neighborhoods east of 1st street (Jackson Oak Park area) and finding a solution to the high rates of speed in our residential neighborhoods. We need to control vehicle speed, the neighborhood streets were not designed to handle the number of vehicles and the speed of those vehicles. It is a matter of safety and quality of life.

I think a good grocery store in the RT 6 corridor such as behind Blackhawk Bank run buy locals employees would be a great asset as well as a good hardware store.

More street lights in neighborhood on top of hill.

Municipal pool would be something residents might be interested in.

Walking and/or bike trails would be a HUGE asset to Coal Valley.

The more you develop the more people will move out there which in turn would give the residents a nice tax deduction. We had a "lovely" Ma & Pa grocery store and you let the owners run it into the ground!! Really sad.... and of course it's always more difficult to get anyone interested in moving/building in either corridor if our police force continues to pray on vehicles doing 2-3 miles over the limit. I'm not looking for an Indy 500, but there needs to be some better discretion....

Laser tag would be awesome.

We need more things to do for the kids like a sprinkler park at the CV Park by the school. We also need other things like a drug store. I remember when the mall was filled with shops and also a video store. We need to bring those things back so the residents patronize our local businesses. A florist would be great too.

During the summer it would be great to have outside movies up at the park for a family night out.

Thanks for taking this step to solicit input from the community. I look forward to the sharing the results of this input and progress on the strategic planning process.

To me the rt 6 corridor is what people see the most when passing through town, this should be the staple of the city, like a main street feel to attract more visitors. Need to have a family atmosphere to it activities for families other than say mini golfing.

Please do not build any income based housing in Coal Valley. I think adding businesses along route 6 would be more beneficial for the city with extra taxes paid by the businesses.

N/A

Thanks for asking

I would love to see the stores mentioned above in Coal Valley, but I am skeptical of the sustainability of any of those businesses with Coal Valleys demographics. We would need the surrounding communities populations to help support those businesses and that would require something unique to Coal Valley as a draw people in.

I have 50 + year old memories of CV and I want it put back like it was. just kiddin'. But thanks for askin'!

Work on corridor appearances

Coal Valley needs a grocery store and pharmacy

A grocery store is the most important.

APPENDIX III

SELECTED BIBLIOGRAPHY: COMMERCIAL CORRIDOR DEVELOPMENT AND MANAGEMENT

American Planning Association. *Commercial Corridor Revitalization.* Planners Advisory Services Essential Information Packet EIP-29. Chicago, Illinois (2011).

Bohl, Charles C. . *Place Making: Developing Town Centers, Main Streets, and Urban Villages*. Urban Land Institute (2002).

Boyanoski, John with Knox White. *Reimagining Greenville (SC): Building the Best Downtown in America*. The History Press (2013).

Brett, Deborah L. and Adrienne Schmitz. *Real Estate Market Analysis: Methods and Case Studies* (second edition). Urban Land Institute (2009).

Francaviglia, Richard V. *Main Street Revisited: Time, Space, and Image Building in Small-Town America*. University of Iowa Press (1996).

Gordon, Gerald L. The *Formula for Economic Growth on Main Street America*. CRC Press (2010).

Kemp, Roger L. (editor). *Main Street Renewal: A Handbook for Citizens and Public Officials*. McFarland & Company, Inc. (2000).

National Trust for Historic Preservation. *Revitalizing Main Street: A Practitioner's Guide to Comprehensive Commercial District Revitalization*. National Trust for Historic Preservation (2009).