

Moline Spiegel Building

Public Market Feasibility
Study Presentation
City Council of Moline
April 2025





The information in the following slides represents the study materials developed by the New Venture Advisors (NVA) consultant team to the Spiegel Building: Public Market Feasibility Study.

A feasibility study is designed to identify if a proposed concept can meet the three levers of feasibility. These levers are community interest and verification of core project objectives, operational viability, and financial feasibility.

The concept under exploration in this project is the proposed redevelopment of the Spiegel Building into a mixed-use public market facility as a part of the downtown waterfront redevelopment. The study leads were also asked to evaluate if there is sufficient demand/interest for a mixed-use public market facility at any location (if the Spiegel Building were deemed unfeasible).

A feasibility study takes twelve to eighteen months to conduct. It includes public engagement and market analysis, operational modeling, design development, funding development, and financial modeling before determining feasibility and establishing conclusions and recommendations for the next steps in development.

This study was conducted in partnership with the riverfront redevelopment plan being led by the firm MKSK. This deck includes a summary of the final work of the study and feasibility conclusions. These materials should only be reprinted or reused with the permission of the project team led by Renew Moline. Please contact Alexandra Elias, executive director at Renew Moline, if you have requests or questions on the material provided.

Study Focus and Uses of Included Content

New Venture Advisors Feasibility Study Scope

Objective: Validate the public market concept and identify interest and support from key community stakeholders.

Objective: Evaluate if the Spiegel building is a fit, or if an alternate site offers significant upsides operationally or financially.

STAGE 1: JAN–JUL 2024

STAGE 2: AUG 2024–JAN 2025

Market Analysis

- Building evaluation
- Research plan development & launch
- Retail analysis
- Market analysis & retail analysis reporting

Modeling, Design & Mid-Project Review

- Concept development
- Design development
- Mid-project concept review
- *Scope modified to include two models as we advanced (Spiegel site and alternate site)

Refined Modeling, Design & Engagement Event

- Operating model development
- Financial model development
- Refined design
- Stakeholder workshop

Funding Development Plan & Finalization

- Economic impact considerations
- Funding development plan
- Final feasibility report and determination

Significant Input & Interest Gathered by Study

- 922 community survey responses (Feb–Mar 2024)
- 25 interviews gathered input from 29 stakeholders representing 21 organizations (Mar–May 2024)
- 47 small business & farm survey responses (Mar–Apr 2024)
- 16 vendors expressed interest in retail opportunities
- 6 vendors joined informal feedback meetings to review modeling/design

24 Organizations Expressed Interest – in future collaborations, programs, operations, or use of space

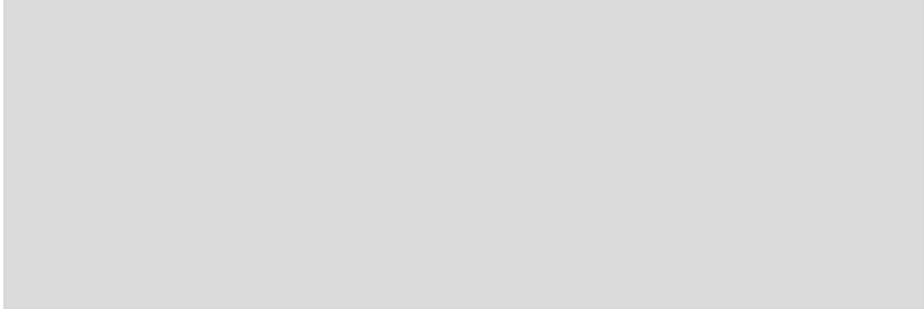
- | | |
|--|-----------------------------------|
| • Akwaaba Quad Cities | • NEST Café |
| • Common Chord | • Oak Farms |
| • Davenport Community School (culinary programs) | • Palomares Social Justice Center |
| • EveryChild | • Prep to Table |
| • Field to Family Food Hub | • Pro Start Kitchen at ASC |
| • Freight House Farmers Market | • Renew Moline |
| • Genesis Health | • Riverbend Food Bank |
| • Hy-Vee Grocery | • Rock Island Co SWCD |
| • Mad Farmers of Coal Valley | • SBDC at WIU-QC |
| • Mercado on Fifth | • Tapestry Farms |
| • Moline Regional Community Foundation | • U of I Extension |
| | • Visit QC |

The Changing Face of Markets and Food Retail...

1980s-1990s
Malls & Food Courts



2000s-2010s
Rise of the Food Hall



2020s – Future
The Public Market



Refocusing as a Public Market

Public markets can benefit communities in many ways, including

- **Economic opportunities:** Public markets provide a low-cost way for small businesses to enter the marketplace and a space to test products and get customer feedback. This can lead to job creation and a self-sustaining economic ecosystem.
- **Access to healthy food:** Public markets, especially farmers markets, provide affordable access to fresh fruits and vegetables.
- **Social cohesion:** Public markets are places where people of all ages, genders, ethnicities, and socioeconomic statuses can share experiences. For many people, they are a daily, weekly, or monthly ritual of connection.
- **Public gathering places:** Public markets can provide safe and sociable public gathering places.
- **Community resilience:** Public markets can be a crucial part of community recovery. For example, during the war in Ukraine, markets in Italy and Poland were used to gather donations for those impacted by the war.
- **Linking urban and rural economies:** Public markets can bridge urban and rural landscapes.



A Collaborative Ecosystem is KEY

The public market model is a unique ecosystem of spaces, programs, services, and partners who each contribute toward the growth of small businesses.

The collaborative, wrap-around model offered by a public market is its crucial attribute.

- Access to space: kitchen, retail, production, event, office
- Access to programming: incubation, acceleration, small business, education, workforce
- Access to partner services: food access, sales support, development support, growing/supplies, mentorship

Each of these elements contributes to the successful growth of a small business and may be supported by multiple organizations collaborating in the public market space.



Concept Models

Stage 2 work was designed to evaluate two primary models:

MODEL A Spiegel Building Redevelopment
<ul style="list-style-type: none">• Redevelopment of the Spiegel Building site and structure to accommodate a new public market facility• The concept preserves the existing building shell and redevelops internal floors/space to best support proposed functions• Plans address ADA access to the facility, exterior spaces controlled by the building, and load zones• Full model with all possible revenue-generating spaces, utilizing four floors + rooftop• The study explored TWO scenarios for Model A – with and without the rooftop restaurant - to see the impact on build cost and overall financials. <ul style="list-style-type: none">• PROS: Preserves historic structure; maximizes the use of the building; maximizes revenue potential• CONS: High development cost (historic preservation/structure reinforcement); no anchor identified for restaurant (presents risk) but removal of restaurant may reduce visitor attraction

MODEL B Alternate Site
<ul style="list-style-type: none">• Model B was initially proposed to represent an “ideal” alternative concept for comparison – to see if there was any operational or financial upside to developing the public market in an alternate location• A potential parcel in the riverfront redevelopment zone was selected as a site to anchor this alternative version• The parcel selected to evaluate model B has significant constraints (loading access, logistics access, traffic/routing access) that will need to be resolved before any future commitment for the public market use• Demonstrates alternate space allocation in a building with three floors + rooftop• Revenue-generating square footage increases as a percentage of the total (no carve-outs for open floors as in Spiegel's vision) <ul style="list-style-type: none">• PROS: Lowers build cost; maximizes profits• CONS: Hypothetical (no specific site — site selected has significant logistics/access issues)

Concept Models: Two Sites

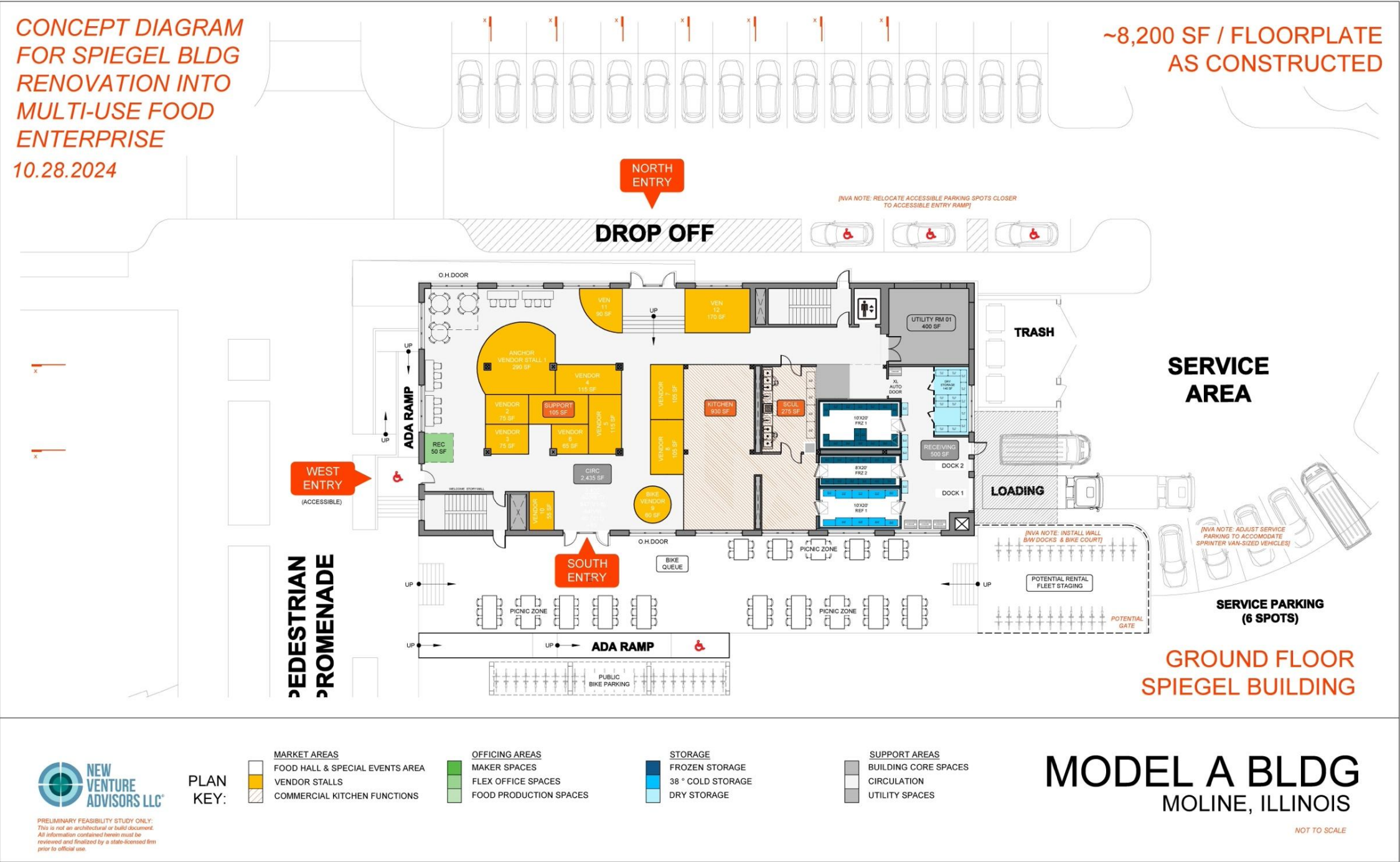
Model B was evaluated on an adjacent parcel in the waterfront redevelopment zone.



Model A Design: 1st Floor

Spiegel Building Re-Development

- The first floor supports incubation, production, and retail spaces for small businesses.
 - Incubation/production kitchen
 - Flexible retail booths for food and non-food vendors
 - Anchor partner retail space
 - Bike vendor retail and outdoor support space
 - Loading/logistics space
 - Dry, cold, and frozen storage
 - Outdoor dining space



Model A Design: 2nd Floor

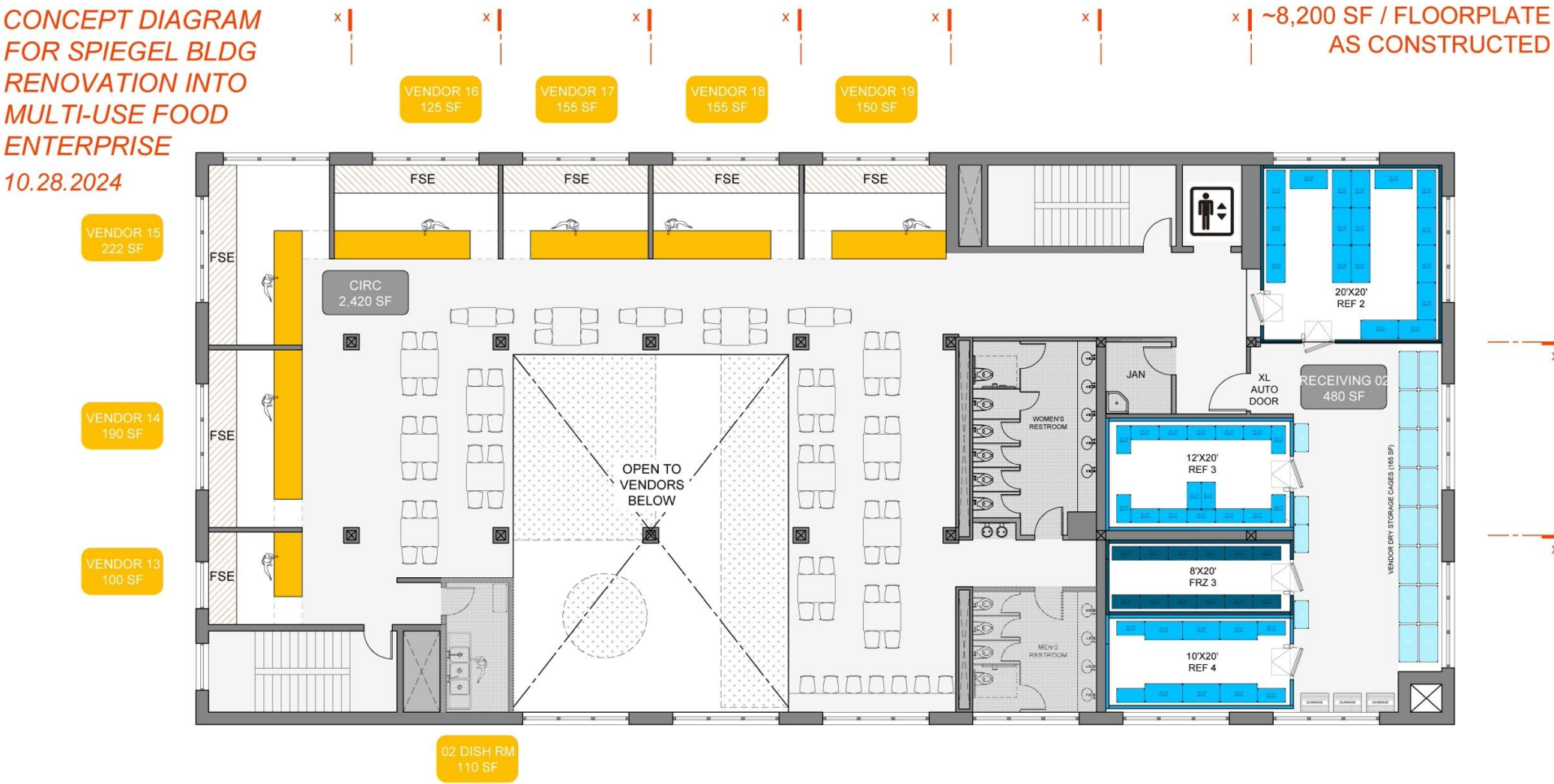
Spiegel Building Re-Development

The second floor offers larger acceleration spaces, community spaces, and additional support functions.

- Large flexible retail booths for food and non-food vendors
- Anchor partner retail space
- Community seating, restrooms, and access areas
- Support zones with additional storage and scullery space.

The second floor is imagined with a mezzanine opening to the main floor but this can also be programmed if desired.

CONCEPT DIAGRAM
FOR SPIEGEL BLDG
RENOVATION INTO
MULTI-USE FOOD
ENTERPRISE
10.28.2024



PRELIMINARY FEASIBILITY STUDY ONLY:
This is not an architectural or build document.
All information contained herein must be
reviewed and finalized by a state-licensed firm
prior to official use.



PLAN
KEY:

MARKET AREAS

- FOOD HALL & SPECIAL EVENTS AREA
- VENDOR STALLS
- COMMERCIAL KITCHEN FUNCTIONS

OFFICING AREAS

- MAKER SPACES
- FLEX OFFICE SPACES
- FOOD PRODUCTION SPACES

STORAGE

- FROZEN STORAGE
- 38 ° COLD STORAGE
- DRY STORAGE

SUPPORT AREAS

- BUILDING CORE SPACES
- CIRCULATION
- UTILITY SPACES

LEVEL 02
SPIEGEL BUILDING

MODEL A BLDG
MOLINE, ILLINOIS

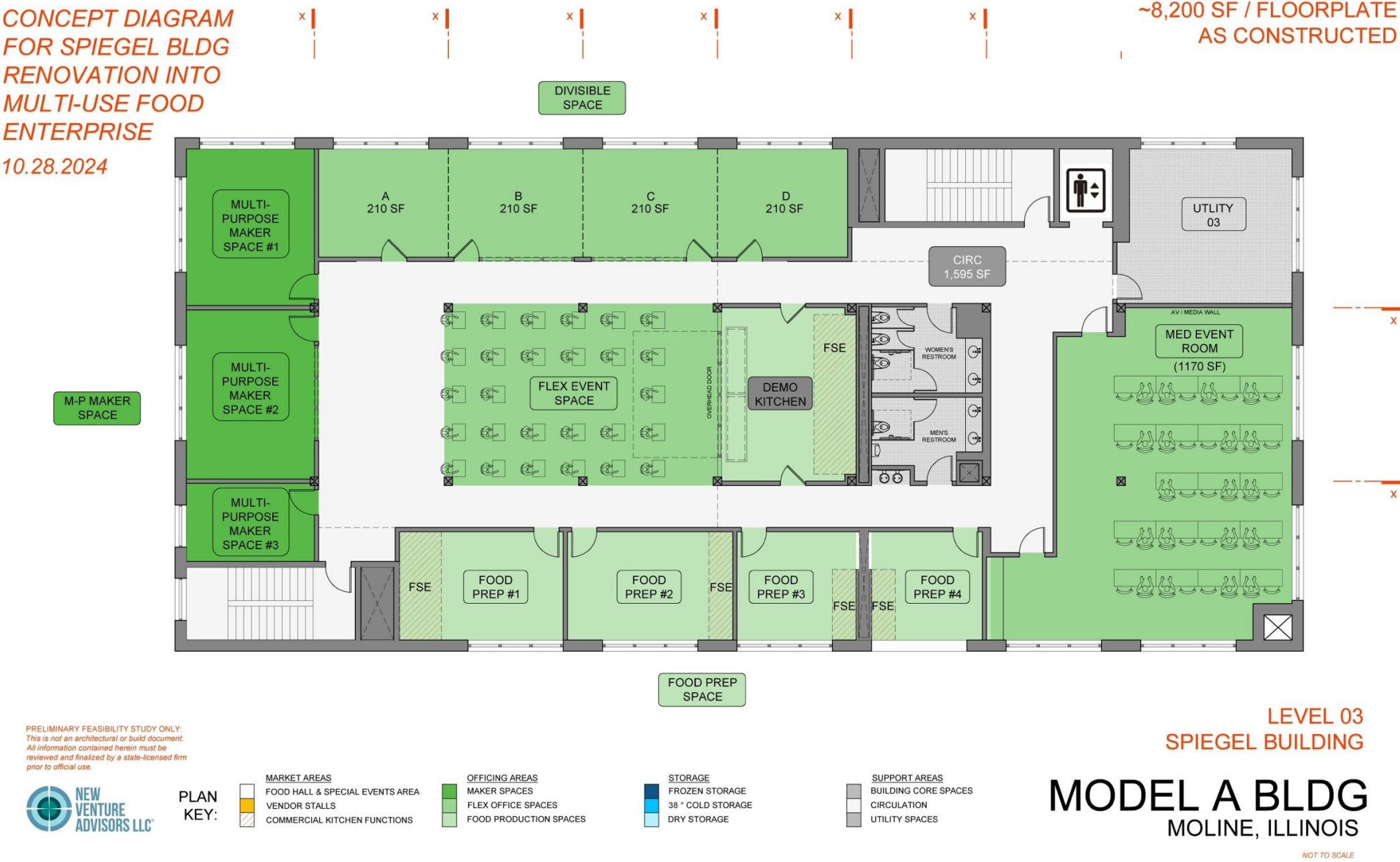
NOT TO SCALE

Model A Design: 3rd Floor

Spiegel Building Re-Development

- The third floor offers production and gathering spaces that are key to integrating partners and programs for small businesses and community opportunities.
- Large, flexible production or “maker” spaces for food and non-food small business operators
 - Flexible space for office or additional maker space uses
 - Two multi-functional event spaces for classes, events, and other programs
 - A demonstration kitchen to support food programs
 - Toilets and support space

CONCEPT DIAGRAM
FOR SPIEGEL BLDG
RENOVATION INTO
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Model A Design: 4th Floor

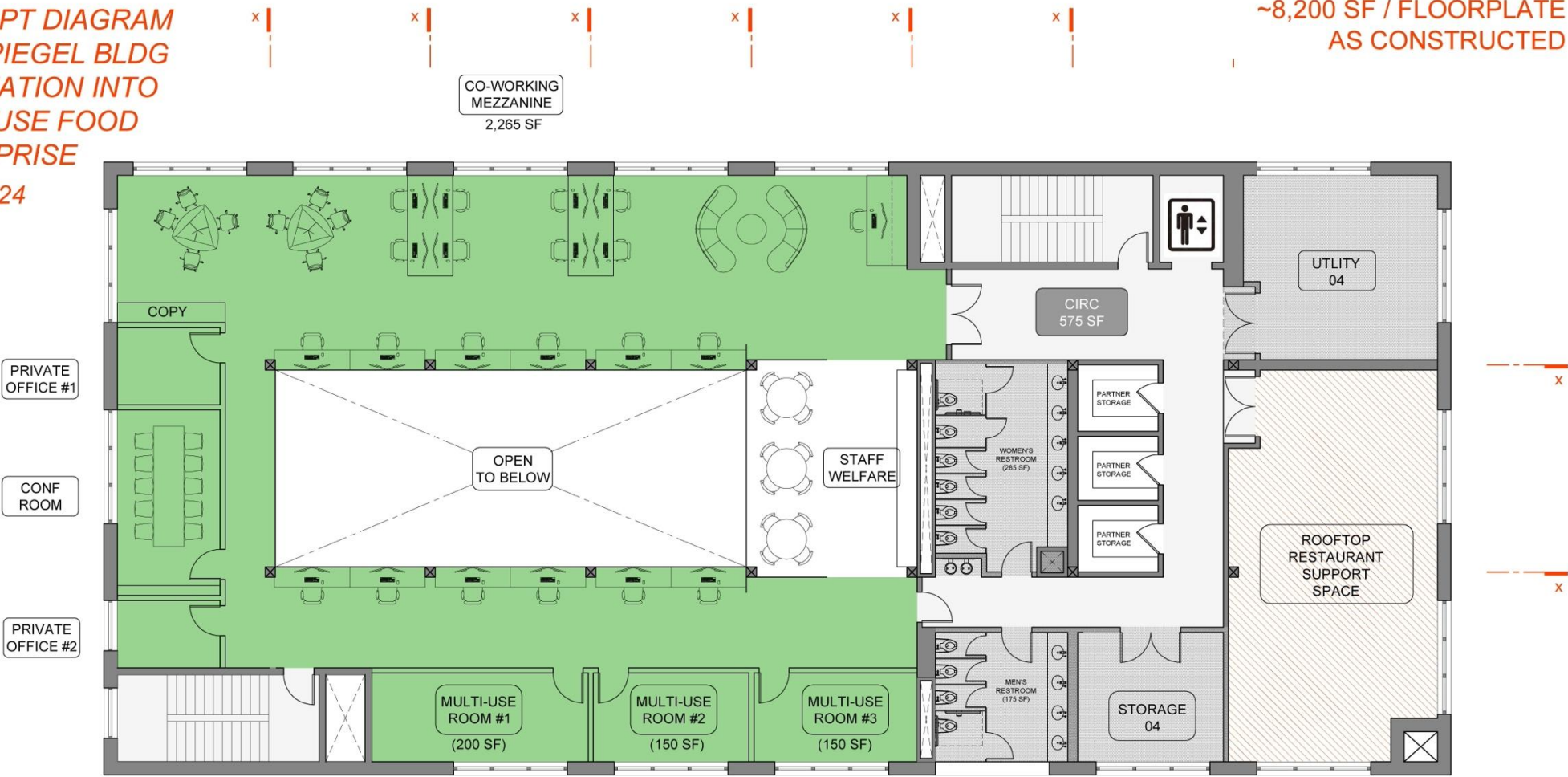
Spiegel Building Re-Development

The fourth floor is currently programmed to support private and shared office space and support functions for a rooftop user.

- Private office space
- Shared office/co-working space
- Shared meeting and conference spaces
- Toilets and storage for tenants
- Support space for a rooftop vendor

The fourth floor is imagined with a mezzanine opening to the 3rd floor. However, this is also enough demand for office space from potential anchors to support programming the full floor.

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OFFICING AREAS
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STORAGE
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38 ° COLD STORAGE
DRY STORAGE

SUPPORT AREAS
BUILDING CORE SPACES
CIRCULATION
UTILITY SPACES

LEVEL 04
SPIEGEL BUILDING

MODEL A BLDG
MOLINE, ILLINOIS

NOT TO SCALE

Model A Design: Rooftop

Spiegel Building Re-Development

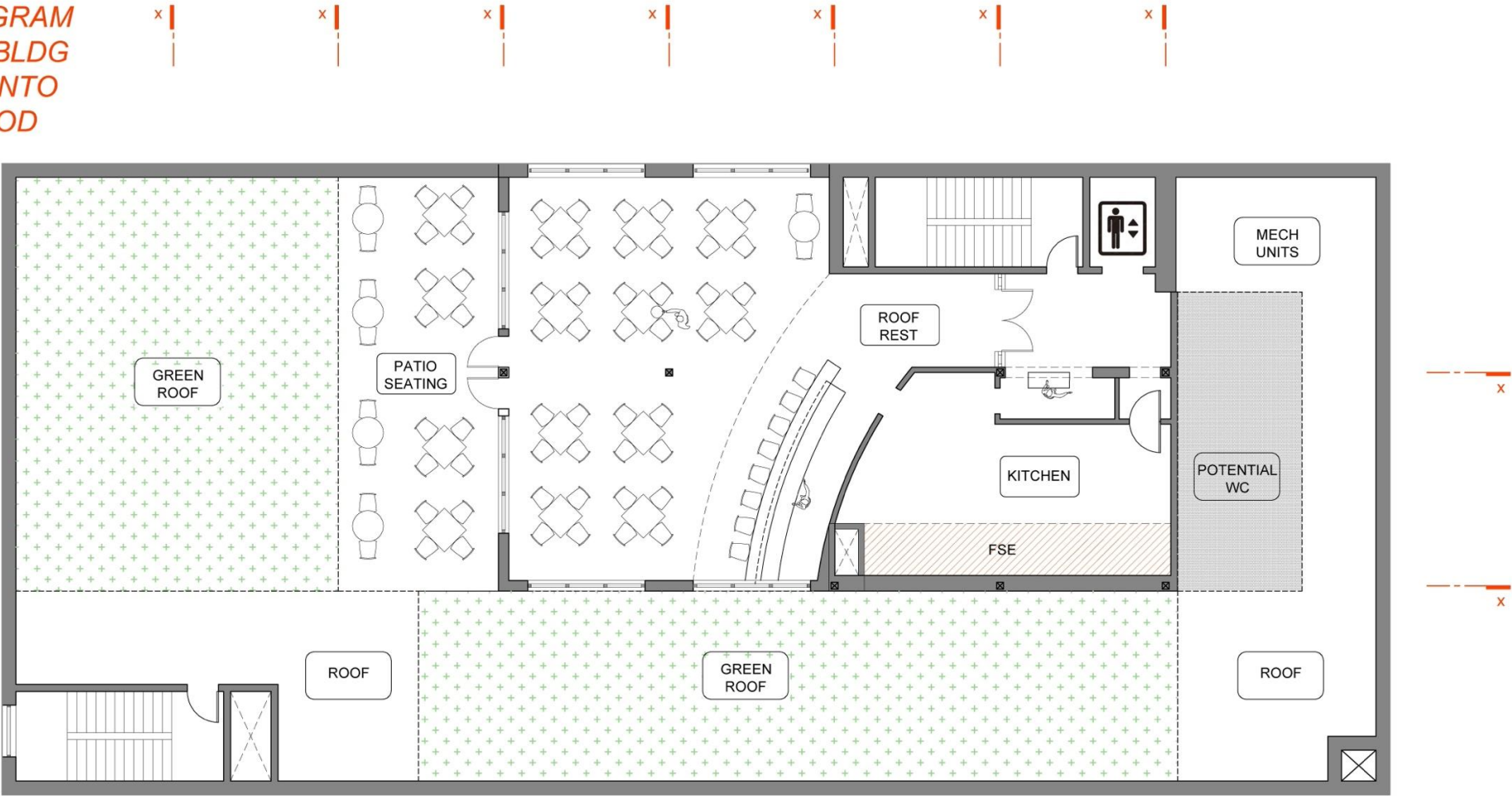
The rooftop space is currently imagined to support a sit-down restaurant with indoor-outdoor seating.

This was a concept/interest that was identified in the market analysis and community listening sessions.

An experienced operator would need to be identified to justify investment in roof build-out.

Alternative uses include green roof space, growing space, and event/gathering space, which are less expensive.

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ENTERPRISE
10.28.2024



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 - DRY STORAGE

- SUPPORT AREAS
- BUILDING CORE SPACES
 - CIRCULATION
 - UTILITY SPACES

ROOF LEVEL
SPIEGEL BUILDING

MODEL A BLDG

MOLINE, ILLINOIS

NOT TO SCALE

Financial Summary

*EBITDA represents earnings before interest, taxes, depreciation, and amortization. It is often used as a measure of financial health and cash flow potential.

- Both models provide diversified revenue models projected to break even within the first five years.
- Model A (with restaurant) offers more significant revenue potential than model B.
- Model B requires a lower upfront investment than Model A. However, a new site will need to be selected due to site access constraints, which may alter financial projections.

	MODEL A (with Restaurant)	MODEL A (without Restaurant)	MODEL B
Build plan	<ul style="list-style-type: none">• Four floors (two full, two mezzanine)• Repair/seal basement (limited function)• Structural upgrades (all floors/roof)• Roof build-out• Outdoor space• Logistics/parking/access	<ul style="list-style-type: none">• Four floors (two full, two mezzanine)• Repair/seal basement (limited function)• Structural upgrades (all floors/roof)• No roof build-out• Outdoor space• Logistics/parking/access	<ul style="list-style-type: none">• Three floors (two full, one mezzanine)• No basement• Current IBC/engineering• Roof build-out• Outdoor space• Logistics/parking/access
Size	<ul style="list-style-type: none">• 36,341 gross square footage• 61% revenue-generating	<ul style="list-style-type: none">• 32,200 gross square footage• 60% revenue-generating	<ul style="list-style-type: none">• 31,342 gross square footage• 64% revenue-generating
Build budget	<ul style="list-style-type: none">• <u>\$25 million total cost</u><ul style="list-style-type: none">• \$9.4 million construction• \$309/sq. ft. average build cost	<ul style="list-style-type: none">• <u>\$23 million total cost</u><ul style="list-style-type: none">• \$9.4 million construction• \$275/sq ft average build cost	<ul style="list-style-type: none">• <u>\$21.4 million total cost</u><ul style="list-style-type: none">• \$8.5 million construction• \$311/sq. ft. average build cost
Breakeven model	<ul style="list-style-type: none">• <u>EBITDA* positive in year 1</u>• Cash flow positive in year 4• Interest on debt begins at \$518,000 in year 1• Operating loss reserve required to offset negative cash flow in years 1–3	<ul style="list-style-type: none">• <u>EBITDA* positive in year 2</u>• Cash flow positive in year 5• Interest on debt begins at \$518,000 in year 1• Operating loss reserve required to offset negative cash flow in years 1–4	<ul style="list-style-type: none">• <u>EBITDA positive in year 1</u>• Cash flow positive in year 2• Interest on debt begins at \$446,000 in year 1• Operating loss reserve required to offset negative cash flow in year 1
Pros	<ul style="list-style-type: none">• Preserves historic structure• Maximizes use of building and revenue potential	<ul style="list-style-type: none">• Reduces risk on restaurant/rooftop scenario• Offers additional square footage on 4th floor	<ul style="list-style-type: none">• Lowest build cost• Most profitable model (but dependent on final square footage of building)
Cons	<ul style="list-style-type: none">• Highest build cost• Riskiest return-on-investment scenario	<ul style="list-style-type: none">• More conservative return-on-investment scenario	<ul style="list-style-type: none">• More hypothetical• Presents site challenges (traffic/loading)

Feasibility Conclusions

Mixed-Use Public Market Concept
CONFIRMED

- Stage 1 identified demand from small businesses and entrepreneurs for a facility that offers production spaces, vendor spaces, and educational programming opportunities.
- These spaces align with community priorities for food and beverage options at the riverfront.
- The study also identified significant local interest from organizations operating in these spaces in having more space to expand programming and grow the number of small businesses that can access these resources/spaces.

Spiegel Building Fit
CONFIRMED

- The study identified an argument for preserving the building and redeveloping it for this use.
- There is a significant cost for redevelopment, but there are opportunities to reduce the total price tag during the final design/development stage. Several spaces can be repurposed for alternate uses based on how relationships with anchor tenants, partners, and operators take shape.
- Several potential anchor tenants, programming partners, and operators were identified for the site, which indicates its potential success.
- The concept offers a highly diversified revenue model. Even with the incorporation of discounted pricing for some users, the financial model demonstrates viability.

Alternate Site Upside
POSSIBLE

- A new build would offer benefits, including more efficient space allocation and alternative design options.
- It was identified that the placeholder site chosen has notable other constraints related to truck access, logistics, and parking accessibility and would not be a good fit for this project.
- This scenario presents a better option ONLY if a site can offer significant improvements to Spiegel’s logistics.
- Most likely, this site would be outside of the riverfront redevelopment, which would withdraw a unique asset and resource site from the overall plan.

Project Benefits to the Community

This concept is expected to provide a number of community and economic benefits to the city of Moline, in addition to the potential preservation of a historic structure.

Overall benefits of multi-functional public market facility

- Improved economic metrics
 - Kitchen and production spaces support incubation opportunities annually for 50–60 small businesses.
 - Retail spaces provide residents with up to 14 new food/dining opportunities
 - Office and growing spaces support 20+ businesses or nonprofit organizations
- Job creation
 - Small business incubation and development provides the potential for 75+ new jobs in the first three years
- Growth of food access supports and resources
 - Growing areas provide the opportunity to grow over 7,000 pounds of culturally appropriate produce annually
- Small business incubation/acceleration, especially for communities of color
 - The facility is expected to support \$3 to \$5 million in small business revenue annually
- Creating community placemaking spaces
 - Event spaces provide opportunities to offer food access, workforce development, small business development, educational, and community/cultural programming for over 300 people each week

Benefit of specific location (Spiegel) in riverfront redevelopment

- Preservation of a historic façade/structure
- Creation of community placemaking spaces within a city focal point (waterfront redevelopment zone)
- Creation of an immediate audience to support year-round small business sales via connection to other programming spaces — amphitheater, housing, hotel, outdoor activity spaces
- Opportunity to create a collaborative eco-system that uniquely supports small business development — nonprofits interested in BOTH Spiegel preservation and project objectives
- Funding opportunities tied to building

**Projected metrics are based on comparable facilities in similar urban settings. All projections are directly informed by the space, resources, and programming planned for this specific facility but are assumptions and should not be taken as guarantees.*

Successful Collaborative Models



- Detroit, MI
- Collaborative management structure
- City owns market
- Eastern Market Development Corp (nonprofit) oversees development plans/strategy and day-to-day operations of campus
- Partners support shared kitchens, co-pack production spaces, network programming, acceleration
- Partners plug-in for food access resources connected to vending opportunities and ag markets
- For-profit anchor tenants occupy space throughout campus



- Seattle, WA
- Collaborative management structure
- City owns market
- Pike Place Market Preservation & Development Authority (PDA) (nonprofit public corp) oversees development plans/strategy and day-to-day operations of the market
- Emphasis on preservation and development of historic spaces
- Decision making council (12 member volunteers) supports oversight
- Program partners support wrap-around services
- For-profit anchor tenants occupy space throughout market



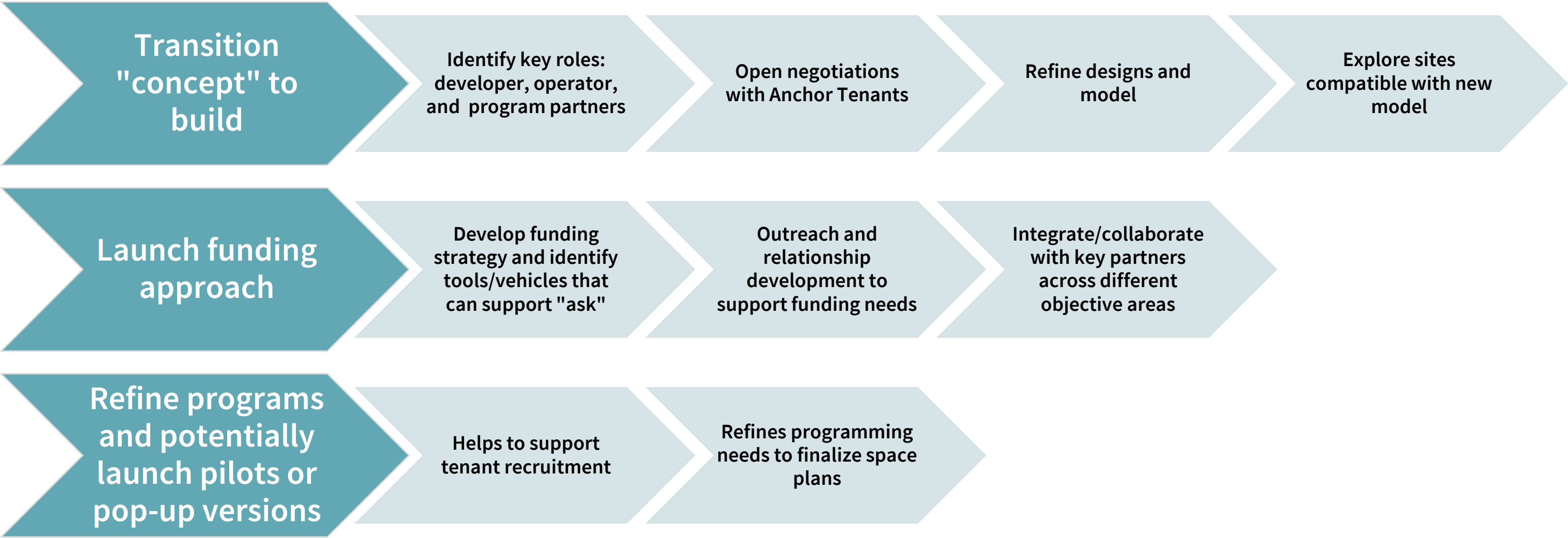
- Flint, MI
- Collaborative management structure
- City owns market facility
- Uptown Reinvestment Corp (URC), a nonprofit, manages the market
- For-profit anchor tenants occupy space throughout market (both indoor year-round and outdoor seasonal spaces)
- Key partners support/run small business programming to support space use (production/retail)
- Partners plug-in for food access resources connected to vending opportunities and ag markets

Development Plan & Timeline

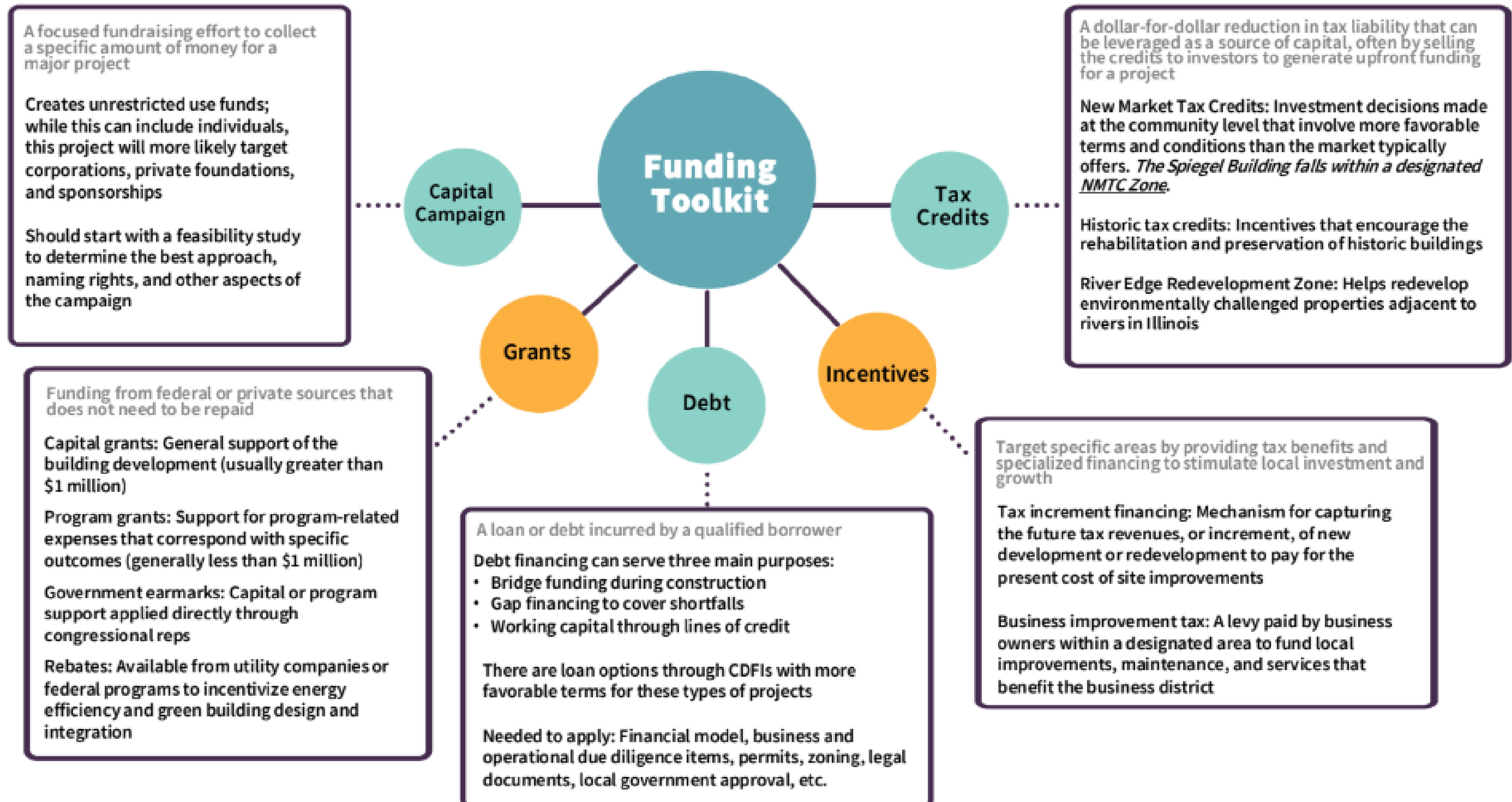
- A development plan represents a project's steps from initial concept validation (feasibility study) to operational go (implementation).
- The proposed development plan is an overview of the steps typically involved in a project of significant scale, along with the considerations evaluated in this report.
- As with any project of this scale and complexity, timelines and processes will vary.
- The development process typically includes four major milestone stages (graphic at right).

15–18 Months	18–36 Months	18–24 Months	4–6 Months +
Concept Development (Feasibility)	Pre-Development	Development	Implementation and Occupancy
<ul style="list-style-type: none">• This initial stage allows for developing an idea, concept, or project.• This portion is based on gathering community feedback and validating a project concept.• This phase typically includes identifying the stakeholders to move the project forward.• <i>This feasibility study fits within this portion of a development plan.</i>• <i>This project has begun to identify key operations, programming, and service partners — this is a critical step!</i>	<ul style="list-style-type: none">• Following the initial concept vetting, the project proceeds into pre-development, which tasks the core project team with solidifying partner roles, identifying site and development partners, identifying operational partners, refining project objectives, and <u>securing financing</u>.• This stage may include the development of a formal business plan to support funding/debt.• <i>This is a complex stage of development that can significantly extend timelines depending on the partners and variables involved.</i>	<ul style="list-style-type: none">• Once all primary variables have been defined, the development process engages a build entity (construction firm, architects, engineers, specialists, etc.) and guides the project through the stages of construction.• <i>Construction timelines define this stage.</i>	<ul style="list-style-type: none">• Day 1 is the starting point for this portion of a development timeline as operators, partners, and programmatic elements are defined and activated.• Implementation is often spread over a four- to six-month timeline to allow for the time needed to activate equipment, hire/staff, and other operational levers.
	Funding Phase 1	Funding Phase 2	Funding Phase 3

What needs to happen next?



Overview: Exploring Potential Funding Tools









About NVA



New Venture Advisors is a certified woman-owned small business (WBE, WOSB) based in Chicago with a team of 23 consultants in 14 states.

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- **New Venture Advisors (NVA)** is a strategy consulting firm specializing in food system planning and food infrastructure development. Our team is committed to environmental sustainability, social impact, equity, diversity, and inclusion as we help our clients realize their vision for a more just and sustainable food system.
- Our clients are public agencies seeking to promote sustainable agriculture, boost economic development, and address community health and hunger; organizations in the social sector seeking to generate earned income through promising social enterprises; and entrepreneurs and investors seeking to capitalize on the extraordinary growth of the good food sector.
- For more than a decade we have helped to develop food system infrastructure in many forms: aggregation and distribution facilities, food processing centers, shared kitchens, food business incubators, retail markets, and community and culinary training centers, to name a few. Early on, our clients focused on one or two of these operations. Now, increasingly, they are exploring the benefits of combining multiple units into mixed-use developments that house a variety of food enterprises under one roof as a community food center, food campus, food district, or public market.
- As we describe in a [screencast series](#) on our blog, the benefits can be significant. Participants can buy and sell from each other, share resources and knowledge and reduce overhead and operating expenses. And they can become important assets for the community by offering space for gathering, nutrition education, workforce development and hunger relief programs.
- The Moline Spiegel Building Feasibility Study was led by Senior Director Andrea Carbine and Senior Project Manager Liane Sullivan.