

## Isle reports small steps in Rhythm City sale

By Kurt Allemeier and Rod Boshart  
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The Isle of Capri reported minor steps Thursday in the proposed sale of its Rhythm City property in Davenport.

After a company official described the sale process to MSEG as being stalled in September, slight progress was reported at Thursday's Iowa Racing and Gaming Commission meeting in Johnston.

MSEG, comprised of principals from The Mercantile Companies Inc., which builds sports arenas, professional ball diamonds and corporate headquarters, has a two-year agreement with the city to build a land-based casino in the downtown.

Mike Fries, Isle of Capri vice president for legal affairs, reported his company received a purchase agreement from MSEG that had been marked up.

"We turned that around and tendered it back to them," Fries told the commission. "It's now in their court."

"We have no new information as to whether or not they secured a partner or any financing."

Fries also informed the commission that the Isle of Capri hired an investment banking company, Los Angeles-based Innovation Capital, to conduct the Rhythm City's sale. That occurred in early October.

Thursday was the one-year mark of Davenport's two-year development agreement with MSEG. Mayor Bill Gluba said he was pleased to hear of progress in what he described as a complex process that required plenty of due diligence.

"They are both negotiating in good faith," Gluba said. "That is good news. Hopefully, we will have some more good news soon."

Mercantile partner Steve Edelson, who is leading the project, could not be reached by the Times for comment Thursday. He was not at the meeting.

[http://www.qctimes.com/news/local/isle-reports-small-steps-in-rhythm-city-sale/article\\_114b7450-0be1-11e1-a3eb-001cc4c002e0.html#ixzz1dMeQstJu](http://www.qctimes.com/news/local/isle-reports-small-steps-in-rhythm-city-sale/article_114b7450-0be1-11e1-a3eb-001cc4c002e0.html#ixzz1dMeQstJu)