

State of the City
Jan 31, 2018

Thanks to Chamber & Dewberry.
Thank and acknowledge all elected officials.

Well, good afternoon everyone. I am honored to deliver the annual state of the city address for the 13th time. For those of you who may have had an opportunity to attend this event in the past, you may find this year just a little bit different.

I've talked about CSO, the Pere and the tough city budget for years. Forgive me for not going down that road. This year I'll do a summary of critical city issues and an update on a Big issue that we're all concerned about.....jobs and employment. That will include recognizing many new start-ups that you may not be aware of. I'm also going to concentrate our efforts this year on support for local business first.

To start things off, I have to tell you that it's very comforting to be able to speak with energy and excitement about the recent announcement that OSF has purchased the Chase Bank Building block and has sensational plans to preserve and renovate the historic building and breathe new life into our downtown and warehouse district.

In 1905 the original Schipper and Block Building was opened and later became Block and Kuhl. Soon it will be The OSF HealthCare Ministry Headquarters. The expected cost to refurbish this historic structure is \$90-100 million dollars. Several hundred good paying construction jobs will be created over the next couple of years. And we know that Peoria has the best skilled trades people in the country. Once completed there will be over 700 employees working in their headquarters every day. That translates into millions of dollars injected into our downtown every year. This project is critical for attracting and retaining talent for OSF. There are tremendous opportunities for future development of the remaining property on the block and this project speaks volumes about OSF's commitment to Peoria and the resurgence of a robust Downtown Peoria.

It is important to give credit to Caterpillar CEO Jim Umpleby for helping make the OSF purchase happen. After the news last year, I appealed to Jim to be sure that block didn't become another vacant "Sears Block" for the next couple of decades and he assured me that he'd work hard to make that block a productive area in our downtown. Thank you Jim Umpleby. And now that the dust has settled and our local economy is becoming more stimulated, we need to move past announcements last year. Caterpillar is and will continue to be a powerful force for us. A sturdy Caterpillar is good for us and we want and need them to remain a strong player here.

So we all know we have significant challenges right? On top of my list is pension reform....my friends...there simply **has to be** pension reform in Springfield. If I sound like a broken record on pensions, it's because I am. If there is ONE thing that is going to implode our city and our state's budget it is unfunded pension liability. In Peoria, it's \$300 million. In the State it's over \$130 BILLION. Springfield created it and they need to reform it. It's unsustainable. Period.

Have you noticed that there is a heightened awareness of many other exciting and innovative things happening in and around our community? Let me name a few:

Bradley University: Bradley's business and engineering complex, home to the Foster College of Business and Caterpillar College of Engineering and Technology, is enabling collaboration between disciplines. In this collaboration between Engineering and Business, the technical nature of engineering connects with a business focus to get the best of their designs.

Construction of the \$85+ million dollar complex is well underway. President Roberts' leadership in this endeavor is invaluable. The innovative partnership between colleges is not only stimulating from an educator's viewpoint, it is also an economic development engine in our community that will provide enormous value. It will attract and retain top talent to this region in the form of world-class faculty and the best and brightest young professionals. The facility's impressive curb appeal will augment the Main Street corridor, enriching livability in the surrounding neighborhoods and paving the way for additional community revitalization. This forward-looking center will draw attention to our community and elevate the status of our regions as innovators in both education and economic development. And don't forget about all the construction jobs for Peoria's outstanding group of skilled trades workforces.

When we talk about the many assets of our community, too many times we don't give sufficient acknowledgement to Bradley University and what it means to our city. Let me be clear, Bradley University.....you are at the bedrock of Peoria's foundation and critical to our future. Thank you for what you bring to Peoria and your continued vision for educational excellence.

Also related to Bradley, this year marks the 31st Innovations in Construction, Asphalt and Transportation Conference April 9-11th. Dr. Amir Al-Khafaji is the Founding Chair and is responsible for bringing many prominent leaders from around the world to this amazing conference in Peoria. One of the major topics of discussion will be Sustainable Funding of Infrastructure, an immensely important and relevant topic at the local, state and federal levels. Thanks to Dr. Al-Khafaji for all his efforts to bring scholars, business executives and government leaders from around the world to Peoria to engage and find solutions to many important challenges.

And while I'm on the subject of education....and the institutions that promote enlightenment, civility, knowledge and essential skills in our fast paced technological age...it is no secret that

Peoria has become a mecca of high quality educational institutions. We are indeed blessed with the continuing growth of the University of Illinois College of Medicine in Peoria, we are so very fortunate for a robust and relevant ICC, we reap the benefits of an expanded and vital Methodist College, and our private and public elementary and high schools give us a definite competitive advantage. Peoria Public Schools continue to strengthen and pursue public engagement with Alignment Peoria, and the ongoing excellence of Dunlap 323 is another asset in our community.

You have all heard me talk about how important education and job training are so our employers have a high quality, educated and well-trained workforce to help them be successful. Providing all of our kids with an opportunity to get a good education is the core function of Peoria Promise. 2018 marks the 10 year anniversary of Peoria Promise. What a milestone for an organization that continues to be 100% donor funded. Peoria Promise is the only program of its kind in our area. Thanks to Caterpillar, Chinn Charitable, AMT, OSF HealthCare, UnityPoint Health, Par-A-Dice, RLI, Illinois American Water and CEFUCU who have all been supporters since day one. Many other companies and individuals support the program annually and we're changing lives and creating opportunities for our kids. In the past 9 years, over \$4.4 million dollars has been raised and over 2400 students have participated in the Peoria Promise. In addition to supporting public and private school students living in the City of Peoria, the Promise now accepts Peoria residents with a GED or from an Accredited Home School. Statistics show that 65% of these students would not have been able to attend college without Peoria Promise. 89% of our students stayed in Peoria because of Peoria Promise. We are proud to say that applications for enrollment grew 24% in 2017 and we expect the same growth in 2018. 2018 applications open tomorrow, February 1st and close on May 1st. "THE EVENT" is the annual fundraiser for the Peoria Promise. Please mark your calendar for October 13 and save the date for a great show again this year. Thanks to all our investors and thank you to the Peoria Promise Board of Directors and staff for all their hard work.

And how lucky are we to be the home of the University of Illinois College of Medicine Peoria? For the first time since the University was established in 1970, Peoria campus had 58 first year medical students this year. Now, all students will spend their entire four years in Peoria! That's very good news, not just because of the millions of dollars it brings into Peoria, but also because statistics show that Physicians tend to practice in the communities where they complete medical school or residency. Under the leadership of Regional Dean, Dr. Sara Rusch, our campus received about \$3 million dollars in upgrades, including a new classroom and anatomy wing and new technology.

With recent announcements, we are looking at new businesses to keep our workforce employed. One of the great assets of the city of Peoria is that there **IS** a vibrant entrepreneurial spirit and small business community. Unfortunately, there is a general lack of some of the resources necessary to propel these start-ups into becoming larger, growth-oriented companies.

We need to find ways to provide these entrepreneurs with access to all forms of cost effective capital and talented business advisory services. In a large city, such as Chicago or Dallas, there is a sophisticated network of capital sources, such as Venture Capital and Private Equity, as well as consultants with considerable experiential depth. This type of support is minimal in our city, and puts our small businesses at a disadvantage as they attempt to grow. We must figure out how to fill this void.

Now I'd like to take the next few minutes and give you all a quick glance at some of these energizing new start-ups in Peoria getting noteworthy attention and featured in the January 2018 IBI, and rightly so.

- **AppsCo**
- **Autonomous Stuff**
- **Bump Boxes**
- **DevBright**
- **Digital Dipstick Company**
- **EatandEvolve**
- **Mobile Mount**
- **Natural Fiber Welding**
- **The Oakford Group**
- **Solomo**
- **TADA**
- **Unit Trac**
- **VirtuSense Technologies**

I wish I could spend time on all of these companies but time won't allow me to. I would like to take a couple minutes and highlight a couple though. First is AppsCo at Richwoods High School. It's the brainchild of Alexis Khazaam. AppsCo is a not-for-profit organization providing a fully integrated business learning experience for public school students. AppCo's sole purpose is generating revenues and raising funds for the school district while employing participating students. Their mission is to create a safe environment that challenges minds and fosters mentorship through local business leaders, giving students life skills and business experience critical to shaping their future in the work place or continuing education. AppsCo received expansive media coverage last year including a story picked up by the Associated Press nationally. They were the winner of the US Congressional App Challenge at the Peoria Riverfront Museum and also winner of the Illinois Bicentennial Video Contest. In 2018 AppsCo was approved to expand to other Peoria Public High Schools, starting with Manual. We expect AppsCo will continue to show impressive student impact in the areas of workforce readiness, general business acumen, confidence, soft skills, communication and student performance. I'd like to recognize the students and mentors from AppsCo with us today. Keep it up AppsCo.

Next up is Autonomoustuff. Folks if you haven't heard about them, listen up. Probably one of the hottest topics in the Innovation space is Artificial Intelligence and Autonomous Vehicles. Autonomoustuff was founded almost 10 years ago by a local entrepreneur, Bobby Hambrick. They are the leader in supplying components, engineering services and software that enable autonomy. They've developed a worldwide brand around providing self-driving technologies to companies ranging from startups to Fortune 100 companies. Check out this short video. Keep your ears open. You'll be hearing a LOT about Autonomoustuff in the months and years ahead. I'm proud to recognize Autonomoustuff and we're glad to have Bobby and his wife with us this afternoon.

We all know how important the medical community, the education community and Caterpillar jobs are to our city, but it's important to know that we have and are continuing to build on an impressive entrepreneurial base like these businesses I've just mentioned. It's not an all-inclusive list and I didn't intentionally leave anyone out. Get to know more about these and others and spread the word about what's happening in Peoria.

Enthusiasm in our Warehouse District continues to gain momentum and will only get stronger with the States extension on Historic Tax Credits for the next 5 years. Special thanks to our local Senators and Representatives in Springfield who have all been strong supporters of this funding tool without which these historic structures could not afford to be regentrified.

Over the last two years, we have seen 8 noteworthy projects in the downtown and warehouse district with close to \$40 million dollars invested. The projects totaled nearly 75 thousand square feet of new commercial development and over 150 new residential units.

Additionally, in the last couple of years several new businesses were created in newly renovated buildings downtown including, Tannin & Hops, Obed & Isaacs, Thyme, Freedom Ink, Bearded Owl, Gone in 60 Escape Games, Zion Coffee, Rambler, Warehouse on State, Widecast, Academy of Screen-printing and Awards and Haggerty Industrial Supply. We've also witnessed relocations of Rhodell's Brewery, One-Fire Media and the Farnsworth Group to our Warehouse District. The proposed indoor climbing gym planned for the Warehouse District, a nearly \$4 million dollar development, will command more visitors downtown. With the Caterpillar Visitors Center and Peoria Riverfront Museum included, it's no wonder our downtown and Warehouse District are bringing thousands of visitors and their dollars to Peoria.

Not in the Warehouse District but also worthy of mention is the largest trampoline park in the country at "Elevate" in Pioneer Park. Elevate has become a huge attraction with over 30,000 square feet of indoor trampoline excitement and their local owners have plans to expand in other communities in Illinois.

When it comes to entertainment, we need to acknowledge and support the groups responsible for escalating live music performances to new heights. Our riverfront has never seen the number and variety of shows that we did last year thanks to Inked Entertainment and Tailgate & Tallboys and other local promoters. The Convention and Visitors Bureau has estimated that the Economic Impact of the 2017 Riverfront Concerts/Tailgate N Tallboys brought more than \$5.7 million dollars into our community. Let's hear it for the promoters. I've talked to Rory O'Connor, owner of the Castle Theater in Bloomington and new owner of the former "Limelight" now known as Monarch Music Hall and he's anxious to keep growing the live music scene in Peoria, both at the Monarch and downtown. The energy (and dollars) these shows brought to our city are much needed and notably boost our quality of place experiences in Peoria.

Peoria's downtown and warehouse district would not be where it is today without our Civic Center. There are few cities our size that can showcase an arena, theater and 110,000 square feet of exhibit space all under one roof. It's challenging to operate but sets Peoria apart from many of our peer cities for the opportunities that present themselves because of the PCC. The Civic Center also brings major dollars into our community, estimated at over \$40 million dollars last year. And how about a big "Thank you" to the Civic Center Authority and PNC bank for continuing Winterfest again this year.

Many times we may not realize all of the things we have going for us in Peoria. The PACVB knows and they've produced several impressive videos highlighting Peoria. Check this one out. Thanks to the CVB and all their efforts to bring visitors and business to Peoria.

You know, another amenity that we take for granted is our own General Wayne A Downing Peoria International Airport. In 2017 PIA achieved its third busiest year in airport history serving over 635,000 passengers. We are one of only two downstate airports served by four airlines with daily nonstop flights to four of the five most connected airports in the U.S, AND they fly more nonstop destinations than any other Illinois airport outside Chicago. The flow of goods and cargo through our airport continues to grow and be an important boost to our local economy. In fact, total freight through PIA grew 26 percent in 2017 over the previous year. Now we need to convince the federal government to send us additional customs officers to increase our airports' international prospects. Don't forget our airport is also home to the renowned 182nd Airlift Wing and Illinois Army National Guard. This would be a great time to thank all service men and women both active and retired. Will you please stand and be recognized? Thank you all for your service to our country. Folks, across the industry, airports our size are shrinking because their communities aren't supporting them. We need to continue to buck that trend. Please give strong consideration to using our airport for all your needs be it business or personal. Thanks to Gene Olsen and his Board for working hard to provide quality service for us in Central Illinois.

High Quality air transportation is critical to a community our size and road infrastructure is too. I hope everyone is beginning to see progress as we continue to invest in our local infrastructure. You'll recall, in 2016 the Council more than doubled our \$4million dollar annual road budget to \$9.2 million. Last year we saw the completion of Folkers Avenue, the Radnor/Alta Roundabout and Sheridan Road from McClure to Eleanor. This year you will see a \$4 million dollar reconstruction of University from Pioneer Parkway to Townline, continuing work on Northmoor Road from University to Allen, Harvard Avenue reconstruction, Western Avenue reconstruction plus the demolition of Riverfront Village among others. Hats off to our hard-working Public Works Department under the leadership of Director Scott Reeise and Deputy Director Sie Maroon.

Right now, I want to call on all of us to exhibit strong loyalty to our local businesses throughout the year and coming years. Sometimes it's quick and easy to jump on the internet for purchases, but the negative impact those sales have on our community and especially locally owned businesses is real. Loss of local sales taxes attributed to internet sales is \$4 MILLION dollars per year. These are dollars that we need to provide police and fire protection, maintain our streets and operate our city. As you can see in this slide, for every hundred dollars spent in a local store, the state receives \$5, the city receives \$2.75, the county .75 cents and /50 cents to our schools. That same hundred dollars spent on-line gives \$5 to the state, .25 cents to Chicago and only .009 cents to the City and .003 cents to the county. I hope to see the Chamber of Commerce engage our city in a "Buy Local 365" campaign and urge us all to patronize and support locally owned businesses. Think local first! I'd like to mention that County Board member Rachel Parker is working on an initiative to help not only "local" business, but stressing local "minority" business owners too.

Jeff Griffin is doing an outstanding job as CEO at the Chamber and his performance is critical to our community. Join me in thanking Jeff and the Chamber Board for their leadership. And speaking of the Chamber, Sherneka Cagle did a great job preparing for this event again this year. I wanted everyone to know that Sherneka recently graduated from the prestigious Institute program of the US Chamber of Commerce. She's a life-long Peorian and graduate of Richwoods and we're glad she stayed in Peoria.

Now I would like to announce the recipient of this years' recipient of the Mayors Community Service Award. It should come as no surprise and I'm honored to present OSF Healthcare System with this year's award. OSF Healthcare System is the largest employer in the City of Peoria and one of the largest healthcare systems in the state. They employ over 20,000 employees in their 13 hospitals. Their physician enterprise boasts over 1200 quality physicians. They are the leader in cardiovascular, neurological, and pediatric service lines. OSF has been a part of the Peoria community for over 140 years – beginning when Bishop Spalding first called upon the Sisters of the Third Order of Saint Francis to come to Peoria to care for the sick and

the needy. The commitment of OSF to Peoria over the last decade could not be clearer. From construction of the \$300 million Milestone building in 2010, to the development of the Jump Trading Simulation and Education Center in 2013 and the OSF Innovation Center in 2016, and now to the decision to locate their corporate headquarters in Downtown Peoria, I could think of no organization more deserving for recognition as this years' outstanding Community Service Award winner. I'd like to ask Sr. Judith Ann and Bob Sehring to accept the award on behalf of OSF Healthcare System.

Every year I attempt to engage you all in some way to make our great City even better. Last year I asked for helping put more focus on the needs of the neediest in our community and in particular those living in 61605. Many of you did so, some quietly and others in a bold way. I hope you will ALL continue to provide support because the challenges are still there. I think we're taking significant small steps, but we need to make them strides.

In addition to Buy Local 365, another way for us to improve our city is by getting involved in your neighborhood. All neighborhoods in Peoria are important and we should all take pride in them. Consider taking a strong, active role in your Neighborhood Association. If you don't have one, start one. Call our Community Development Department for assistance.

I'd also request city-wide participation in PCAV, Peoria Community Against Violence. Most have probably heard of PCAV, but who is it you may ask? PCAV is ALL OF US. Is there anyone who would say they do not want to work towards eliminating violence in our community? PCAV is making a strong commitment to the safety and vitality of every area of our community. WE ARE PCAV. I'd like to recognize Terry Burnside and other community members who are here today. They are working hard to grow PCAV. I encourage everyone here to take an active role in PCAV, regardless of where you live or work. There will be information at the exits about how you can get involved. Please leave us your contact information on your way out this afternoon.

In closing, I would like to thank my fellow council members for their hard work and dedication to our city. I'd also like to thank our City Manager Patrick Urich and his staff for all they do to make Peoria great. We have many challenges, but we have a strong assemblage of elected officials and professional staff working to meet those challenges.

Best of luck to our former Assistant City Manager Chris Setti in his new role as CEO of the Greater Peoria EDC.

Thanks also to Fire Chief Chuck Lauss whose last day at the helm is today. Thanks for your leadership over the last four years. And congratulations to Ed Olehy who will be our new Chief as of tomorrow. Chief Olehy has a distinguished 29 year career as a Peoria Fire Fighter and we're looking forward to him taking the department to the next level. And once again, "Thanks" to OSF for their commitment to Peoria and their plans for revitalizing the Chase Bank block.

Here's to a strong, safe and blessed year for all of us. Thanks for the part you play in making Peoria a place we love to call "home". God's blessings to you all and thank you for attending. Have a great afternoon.