Good afternoon. Thanks to the Chamber of Commerce and Dewberry for allowing me the opportunity to discuss the State of Our City.

I hope you had a chance to see the slide show during lunch, displaying some of the many events that came out of the ICAT Conference last year. Dr Amir Al-Khafaji is the brains behind the ICAT and also Chairs our Sustainability Commission. ICAT is Innovations in Construction, Asphalt and Transportation. This year marks the 32nd year for the Conference. The ICAT Boards focus on bringing decision makers from government, legislators, scholars and business executives to solve major problems facing business and governments through dialogue and candid discussions at 20 VIP events annually. One of the strategic focus topics is “Sustainable Funding for Infrastructure”, a topic relevant to every city and state in the country. I’m especially proud that Dr. Al-Khafaji keeps this conference in Peoria as many large cities have tried to take it away. People come from around the world to attend this remarkable conference every year. To learn more, go to http://icat.bradley.edu/. This years’ conference is April 8-10 and will be sold out soon.

I’m going to make a strong effort today to talk objectively about the State of our Great City. Due to time limits I may not have time to mention the subjects that are important to you. I may not mention you or your organization. Let me just say to every one of you that are doing countless tremendous things to make our community stronger……….Thank you.

Well it’s not news to anyone that the general feelings across the country when it comes to discussing almost all issues political are frustration, resentment, aggravation……………………and you could all probably add a few more right?

At least at the state level, there seems to be a heightened sense of optimism that the changes in leadership there may be the beginning of a new effort to work across party lines to put our state back on the path of growth and prosperity. We have a LONG way to go. Congratulations to Senator Koehler and Representative Gordon-Booth for serving in the leadership in the Senate and House. Thanks also to Representatives Unes and Spain and Senator Weaver for their efforts on our behalf. We hope they will all work to address the critical pension crisis in our state. This is by far the biggest issue that needs to be addressed for the sustainability of every city in our state.
If there is one thing we need help from Springfield on, it’s the pension crisis. There is no more important fiscal issue for our state legislators to deal with. None. I’ve been talking about this for years and I believe it is finally at a critical point that something has to be done.

Despite a doubling of taxpayer contributions since 2005, police and fire pension debts have doubled to $10 billion instead of shrunk, while funding ratios have fallen. Some blame historical underfunding as the cause of the pension crisis when it is actually the swelling pension promises from Springfield that are to blame. In 1987, municipalities owed a total of $2.6 billion in benefits to public safety workers and retirees in Illinois. Today that number has jumped to over $23.5 billion. Nearly an 800% increase. Those pension promises have grown at a pace that’s overwhelming the state’s economy, inflation and household incomes. Inflation has risen by just 111% and household incomes by 127 percent over those same 30 years. Cities in Illinois can’t reform pensions, cut labor costs, or declare bankruptcy. The state sets the rules that define pension benefits and the collective bargaining laws that must be adhered to. If Illinois cities are to get out of this unattainable situation, that has to change. I will be serving with a group of other Mayor’s from across the state to apply maximum pressure to persuade our legislators to provide relief. If there ever was a cause that all groups here today can rally around, this is it.

Being the Chamber of Commerce luncheon, this crowd is predominantly focused on business. As local media continues to shrink there are fewer opportunities for all of us to learn about what’s happening in our city and elsewhere. It’s not news to anyone that we’ve taken some hard shots in the media over the last few years. I know I take my share of criticism for viewing Peoria through rose colored glasses at times. A big part of this position is to do that, but I want to bring up a very important topic for you all to contemplate. In today’s world, if YOU don’t define yourself, your business, your endeavors............someone will define them for you. Peoria is in a position right now that we’re letting others define who we are and in many cases, not in a very positive light with inaccurate information. I want to challenge everyone in this room to think about that. Neither myself nor the city council or any one group is going to single handedly change the negative narrative. Every person and every business in this community needs to stand up and tell the story about what you and your businesses are doing and how it makes
Peoria a better community. I’m not in denial folks. We’re addressing community relationships with our Police Department, putting a focus on poverty, affordable housing, segregation, taxation and more. We’ve got issues to deal with and we’re working on them. But we have so much more happening here that we can all amplify better. We should be PROUD of Peoria, who we are, how we’ve evolved and where we’re going.

For example:

- Peoria offers the 34th lowest cost of living in the nation among all metro areas (niche.com)
- Peoria ranks #2 in home affordability for midsize metros. (nerdwallet)
- OSF Healthcare, headquartered here is ranked #46 of 500 on Forbes’ best employers in the country, the highest ranking Illinois Company on the entire list.
- Bradley is ranked #6 in Regional Universities Midwest, #5 In Best Value Schools and #14 in Most Innovative Schools
- Peoria exports over $7.3 billion dollars yearly, putting us in the top 50 exporters in the country.
- Dunlap School district is ranked #12 of 408 for best school district in Illinois and over 75% of Dunlap Students live in the City of Peoria!
- Dr. Desmoulin-Kherat and her team at Peoria Public Schools continue to elevate the learning journey of our largest public school system. Evidence-based funding has helped Peoria Public Schools begin to improve its financial position and invest in innovative and meaningful instructional strategies that will help prepare students for productive and prosperous members of our community.

Although manufacturing has been the employment foundation in our community for decades, we’ve been blessed to have a robust and flourishing healthcare sector taking the lead as the major employer. A highly skilled workforce will keep us in the manufacturing mix but it would seem that the opportunities for growing and diversifying in the healthcare space provide us with almost unlimited possibilities.

Last year at this time I talked about the exceptional leadership OSF has shown, especially with the announcement of their new Ministry headquarters in downtown Peoria. And they continue to expand and invest which we’re very
thankful for. There are a few other projects I want to mention. The following projects are planned, underway or finished and represent nearly a quarter of a billion dollar in investments:

- OSF Ministry Headquarters $100 million
- UnityPoint Health relocation and expansion of Methodist College $17 million
- UnityPoint Health renovation of Pekin Hospital $8 million
- UICoM recently welcoming first year med students/upgrades $2.5 million
- Cancer Research Center $12 million
- Ronald McDonald House 22-room facility $8 million
- OSF Healthcare: “Almost Home Kids” facility $8.5 million
- OSF- UICoM Jump Trading Education and Simulation Center $50 million
- UnityPoint investments at Methodist and Proctor campuses $13 million

In mentioning these multiple million dollar projects happening in our community, and a few more I’ll be talking about later, it’s important for us to recognize the value that our professional building trades workforces bring to our community. They take a back seat to no one and consistently provide top quality work, bring the job in on time and most times under budget.

Contrary to what many people may think, we have many robust businesses in different stages of development outside the medical arena. You may recall that last year I spoke to you about a local company making waves around the world….remember Autonomous Stuff? Well last year was an unprecedented year for local entrepreneur Bobby Hambrick and his brainchild, Autonomous Stuff. Their consistent theme is focused on growth. It’s unbelievable to think back about all that was accomplished by one company with an incredibly talented team in the last year. Autonomous Stuff has now enabled thousands of global customers with their automated driving initiatives. A/S have built more vehicles that are being used for automated driving research than any other company in the world. Additionally, in 2018, A/S

- More than doubled their physical infrastructure, including a new operations facility in Morton and a facility expansion in Beijing,
- Dedicated an entire facility to engineering innovation,
- Nearly double their staff, with a huge focus on engineering initiatives
- Launched an innovation practice,
- Participated in or exhibited at 55 events throughout the world, and
• Experienced nearly 40% growth in sales following three years of deep triple digit sales growth.

And to top all of that off, AutonomousStuff successfully closed a transaction at the end of September to be acquired by Hexagon. I’m proud to announce today that CEO Bobby Hambrick has clearly defined several new initiatives in 2019, the largest of which will be executed in downtown Peoria. They will have a strong push to continue innovation to help support the implementation of full autonomy software stacks by significantly lowering the barriers of entry to the entire mobility industry. What does that mean? Within the first half of 2019, AutonomousStuff will deploy their own simple urban city pilot program that will include bringing in participation from several major global corporations. They plan to show the world that next generation mobility will play in Peoria. Please turn your attention to the big screens for this short video from Bobby.

This is really exciting stuff. A fine example of how a company based in one of our nearby communities benefits the entire region. Just as companies based in Peoria benefits theirs. AutonomousStuff is also participating and steering a technical committee to apply for funding for up to a $60 million dollar government DOT grant which will be announced by early spring. Fortunately for us, Bobby is very motivated to bring in these highly sought after technology jobs and to help keep Peoria on the map. The future is very bright for Hexagon and AutonomousStuff in the Peoria area! Thank you to Bobby and his team for his ingenuity and loyalty to the area he calls home. Bobby is out of the country and couldn’t be with us today, but you will notice that one of his vehicles is on display here today and attending on his behalf are his Director of Marketing Holly Tatum and Marketing Manager Natalie Mehn. Thanks for being with us today ladies.

Another local start-up that you’ll be hearing much more about is Natural Fiber Welding. Born out of $10 million dollars in research funding from the Department of Defense, Natural Fiber Welding has the potential to change the way textiles are made and discarded materials are reused. Founder Dr. Luke Haverhals, and COO Steve Zika are both with us today. Welcome gentlemen. The process they’ve discovered results in sustainable, high-performance, bio-based
composite materials that are a viable alternative to petroleum-based plastics – with applications in the textile industry and beyond.

NFW has grown to 24 full time employees. They’ve raised over $1.5 million in federal grants, much of which has gone back into the local economy to pay for employees, good and services. They moved from Peoria Next Innovation Center to a 50,000 square foot manufacturing facility in Peoria. They are working with global businesses that are looking to invest and help them grow right here in Peoria.

Remember, we’re talking about many of the remarkable features in our community that we need to talk about and remind people that this sets Peoria apart from most other communities our size and larger.

Fitting that description is the National Center for Agricultural Utilization Research, known to most of us as “The Ag Lab”, right here in Peoria. Our Ag Lab is among the largest agricultural research centers in the United States. They employ over 250 PHD Scientists and support staff and we’re very happy they’re back to work and hope they stay that way. What happens in that big building on University and Nebraska? They

- Improve agricultural production and the economic security of rural communities
- Ensure the American food supply is safe and nutritious
- Advance economic development and job creation
- Protect the environment by reducing agricultural inputs and wastes, and
- Promote interest in STEM in Central Illinois and beyond.

The City’s Economic Development team headed by Assistant City Manager Deborah Roethler is working very hard to stimulate economic development in Peoria. The Warehouse District continues to intensify and flourish. We’ve seen property values in the Warehouse District increase 43% since 2007 and over $28 million dollars in private investment has occurred. Numerous businesses have expanded, new businesses opened and more are coming this year. We will see over 150 new residential units added to the Warehouse District in 2019 and there are a couple of very exciting announcements that you’ll be hearing about very soon.
A new federal program created by the Tax Cuts and Jobs Act is the Opportunity Zone Program. Opportunity Zones afford individuals and corporations an opportunity to delay and reduce taxes on capital gains by steering those gains to investments within Opportunity Zones. One of Peoria’s Opportunity Zones is in our downtown and we’re confident it will help us get additional investments following the lead of OSF and their $100 million dollar project. More than half of America’s most economically distressed communities contained both fewer jobs and businesses in 2015 than they did in 2000. **Five metro areas produced as many new businesses as the rest of the country combined from 2010-2014.** I urge anyone interested in the Opportunity Zones to contact the Peoria Economic Development Department or Chris Setti and his team at Greater Peoria EDC. Speaking of GPEDC, Chris Setti has been at their helm for a year now and doing a great job.

We need all cities in the region to remain strong to keep our existing businesses here and growing and to attract new business as well. Just like Autonomous based in Morton, new developments in Peoria Heights are good for them and for the region. Congratulations to Mayor Mike Phelan for their recent announcements of new lofts, a boutique hotel and arts center developed by Mr. Kim Blickenstaff.

In addition to those I’ve already mentioned, here are a few more things to keep in mind as you learn more about what’s happening here and customize your marketing and “Sell Peoria”.

**RLI:**
RLI was founded in Peoria and has been headquartered here for over 50 years. It was the brainchild of Jerry Stephens, a great Peoria leader whom we lost last year. RLI has grown to a nationwide company with nearly 1000 employees, half of whom work in Peoria. In the last 5 years, RLI has made a significant investment in Peoria, spending nearly **30 million dollars** on improvements to its Peoria campus and has never asked the city for a dime. We value Jon Michael and his leadership team and their loyalty and commitment to Peoria.

**Komatsu:**
3 Generations of Peoria families have been employed at Komatsu. How easy it is to forget their quiet leadership. They boast the worlds #1 and #3 selling ultra-
class dump truck; the 1\textsuperscript{st} fully automated Dump Truck in 2009 and the 1\textsuperscript{st} to move 2 billion tons autonomously. They have also invested over $100 million dollars at the Peoria plant over the last 10 years while employing over 700 engineers, accountants, welders, assemblers and warehouse workers. Komatsu’s world-wide distribution and product support occurs right here in Peoria. They boast that its “Made in Peoria and Shipped to the World!”

**Keystone:**
Has been a leader in the steel industry for over 125 years. Their facility here employs over 1200 people is one of the largest wire and rod mills in the U.S. As we know, Keystone was recently purchased by GFG Alliance/Liberty Steel. I had an opportunity to meet Mr. Sanjeev Gupta, the Executive Chairman of Liberty and GFG at the formal inauguration a few weeks ago. Mr. Gupta was very enthusiastic about the acquisition and plans on doubling their capacity this year. GFG’s vision is to become a leading U.S. producer of high quality, cleanly produced steel and they’re based right here in Peoria.

**Peoria Innovation Hub:**
You’re just starting to hear about it, but this will be big news the next couple of years. A partnership between OSF Healthcare, the University of Illinois, ICC and the Greater Peoria EDC will build out the Thomas Building on Adams Street that was recently vacated by ICC. The Peoria Hub will be part of the Illinois Innovation Network, a statewide initiative led by the U of I system to foster the breakthrough research, discovery and entrepreneurship that drives progress, job creating and economic growth. We hope the Governor continues the investment of $500 million dollars pledged to this project.

**Caterpillar:**
Many things have happened in the last couple of years but we all know that Caterpillar is still of vital importance to our community. They recently announced sales in 2018 of nearly $55 billion dollars which was an increase of over $9 billion from 2017. Over 12,000 highly skilled employees in our area contributed significantly to that successful year. That’s right, we have over 12,000 Caterpillar employees working hard in Central Illinois. They’re great jobs and we want to see those numbers grow.
You want another positive feature for our community? How important is the presence of Bradley University? It’s been here since 1897 and still growing and adding markedly to our city. The much anticipated Business and Engineering Convergence Complex will be open for classes this fall. Bradley is investing $100 million dollars in this project. The current construction has been estimated to be creating 445 full-time jobs and $186 million dollars in economic activity to our local economy. This new building will certainly create more convergence opportunities with local businesses and organizations to give their students experiences they won’t get elsewhere. It will enhance the Main Street corridor and spur more economic development in that area. With over 1200 employees, Bradley is also one of our major employers.

When talking about amenities in Peoria, don’t forget about the General Wayne A. Downing International Airport. Director Gene Olson is very proud to have just finished a record setting year in 2018. They had seven record setting months and a new all-time passenger record as well. Our airport is served by four airlines and has daily nonstop flights to four of the five most-connected airports in the U.S. – the only downstate airport that can boast that. We also look forward to an enhanced entrance to the airport because of a $5 million dollar reconstruction project of Dirksen Parkway beginning this spring.

Jenni Davis is their Director of Marketing & Air Service and she says it best. “Air service is the anchor for economic prosperity in every community so it’s critical we all support our local airport. “Use it or Lose it”. As a community, we didn’t support nonstop flights to Detroit so we lost them. The airlines are scrutinizing every route, and our airport is competing against every airport across the country for flights, not just our neighbors. As you make your travel decisions, PLEASE fly local and keep our local air service strong. Thank you to the Airport Authority Board for a ton of hard work keeping Peoria at the front of the pack.

Another amenity we relish is our Peoria Riverfront Museum. A great community deserves a great museum and our own privately-funded Peoria Riverfront Museum – the only museum of art, science, history and achievement in the nation, has just launched the “Year of Invention” with a new exhibit on the Ten Medical Inventions that Changed the World and another on the world class duck decoy carvings that came from right here in Central Illinois, opening this Saturday, Feb. 9th. Before the end of the year, they will also welcome a major show on
Leonardo DaVinci: The Genius featuring the Secrets of the Mona Lisa. President and CEO John Morris is doing an unbelievable job at PRM and we’re very fortunate to have him in that position.

We know that to have a vibrant, growing business community, we have to have an educated and well-trained workforce. That’s the main reason that 10 years ago, Peoria Promise was born in Peoria. Since then over $4.5 million dollars in scholarships have been provided to over 2,600 students and the Promise is proud to be a Heart of Illinois United Way Agency. Here are a few facts about the Peoria Promise:

**PROGRAM FACTS**
- 48% of students are first in family to attend college
- 73% of recipients are employed while in school
- 90% of alumni are working in Greater Peoria
- 75% are working in Peoria

**STUDENT STATISTICS**
- 83% are Public School Students
- 16% Private School Students
- 1% Home School Students
- 66% low income
- 61% diversity in students (Asian, AA, Latino, other)
- 65% increase in applications in the past 2 years

**FUNDING**
- 100% Donor funded Tuition Reimbursement Program

*2019 APPLICATION IS NOW OPEN* *Feb. 1 – May 1, 2019*

Hopefully you were at the Peoria Promise Fall Fundraising event last October where Eureka College made a sensational announcement by introducing the Uniquely Eureka Promise. The Uniquely Eureka Promise provides students the opportunity to obtain a Bachelor’s Degree at Eureka College without the burden of student loan debt. Base tuition charge for incoming transfer students with an Associate’s degree from ICC are covered for 4 semesters at Eureka. Students who are Illinois residents and meet the academic score of 2.8 GPA and certain financial aid requirements qualify.
Between Peoria Promise and the Uniquely Eureka Promise, eligible students can now attain a four year degree with little to no debt. I don’t know of any program like this in the state.

Because of these two exceptional programs, it is my honor and privilege to award the Mayor’s Outstanding Community Service Award to ICC President Dr. Shiela Quirk-Bailey and Eureka College President Dr. Jamel Santa Cruze Wright for their leadership efforts and support for our future leaders.................our children.

Would you please acknowledge and give a round of applause to Peoria Promise Executive Director Mary Jo Schettler and Natalie Thomas, Director of Student Affairs. A ton of work gets done by these two dynamic ladies. Thanks also to members of the Peoria Promise Board of Directors who are with us today.

At this time I would like to acknowledge all teachers and administrators who are with us this afternoon. There is no more important job than preparing our children to be productive members of our communities through education. Will all teachers, administrators and others involved with educating our kids, either current or retired please stand and be recognized?

This seems to be a nice spot to give kudos to a group of young Peorians who are working hard to make a positive difference. Have you heard about Build Peoria? Their goal is simple: “To unite the community through their love of the Peoria area to physically BUILD PEORIA into a better place and leave a legacy for future generations.”

Build Peoria recognizes many generous people who have contributed greatly to life changing charities. Build Peoria wants to connect that generation to their generation of millennials to make a difference. They believe that the future of fundraising is not necessarily 10 people giving $10,000, but rather 1,000 people giving $100.

Their first project raised funds to build a Dog Park for the Village of Peoria Heights. Now they’re raising funds to purchase and restore a house for the Peoria Police Department to use as a neighborhood officer home on the near north side.
Build Peoria is one of the most positive initiatives we’ve seen. They believe in the power of the community. Thanks to Nick Yates and his army at Build Peoria. This is a great example of the positive things we can do to change the narrative around here, and the millennials are leading the way!

I’d like to mention a couple other initiatives that have councilmember leadership on important subjects. Councilman Montelongo and I are working with a group of people interested in “Smart City” initiatives. You will be hearing much more about the efforts of this group in the coming months and I want to thank Councilman Montelongo for his leadership and focus. His IT background and business experience is vital to this project.

Councilmembers Oyler and Jensen and I are working with a small group of local real estate investors to establish a better line of communication with those who are investing here. We want to develop strategies to attract more investment in our community instead of driving them away with increased fees. I know the Realtor community has a strong group here today. Thanks to their hard work, the Peoria metro area recorded a nearly 9% jump in sales last year with a median homes selling at $125,000. I want to thank them for their efforts to make Peoria a great place to invest and welcome their input on this and other important topics relevant to their success.

There will be additional councilperson led community efforts to focus on making Peoria a good investment for everyone. I want to thank my peers on the Council for their hard work and dedication. Be sure to learn about the at-large candidates and vote in the Feb. 26th primary.

I also want to recognize Councilwoman Denise Moore for her recent appointment to a National League of Cities task force to address how communities can better respond to the growing challenge of housing availability, affordability, investment and quality. This is critical issue in our community and we’re proud to have Councilwoman Moore working with 17 other elected city leaders from across the country on this important task force.

It’s also bitter sweet that our longest tenured Councilman, Eric Turner will be retiring from the Council after serving 24 distinguished years. We will certainly miss his extensive experience, calm demeanor and common sense approach to
local government and wish him well in retirement in May. Thank you Councilman Turner.

How about a BIG shout out to our friends at Dream Center Peoria for launching a 60-day challenge called “Love Peoria”. Starting in late October, they challenged us every day for 60 days with a specific act of love that we could do for those around us. What an unbelievable show of love for our community. We are grateful for everything the Dream Center and Riverside do to make our community an amazing place to live.

One more call out to Jonathan and Nikki Romain and their vision to transform the old Greely School into a Community Arts Center. Artists ReEnvisioning Tomorrow is a project that we should all get behind. Thanks to Jonathan and Nikki for all your efforts to bring your vision to reality.

PCAV - Peoria Community Against Violence is working very hard to bring all neighborhoods in our community together with the goal of making our city safer. I urge you to get involved regardless of where you live. We need you.

You can’t say enough about this community. No other community gives more per capita than Peoria. I don’t have time to mention the countless organizations and not-for-profits doing remarkable work in our community, but I want you all to know how much we appreciate what you’re doing.

A big thank you to our City Manager Patrick Urich and his team for all of their hard work keeping the city operating. A special shout out to Sie Maroon and his snowfighters in Public Works. They’ve done a great job during a very difficult winter.

As we near the close, I’d like to give a shout out to the new Civic Center General Manager Rik Edgar. The room looks great today, the food and service were fantastic. You may have noticed some big changes here at the Civic Center since Rik came on board. Arena concerts are up 225% vs FY 18 including the highest grossing concert in venue history – Bob Seger on Jan 22, this year. More theater concerts are scheduled in FY2019 than any other year in venue history. John Mellencamp highlights the record breaking line-up. Disney’s “The Lion King” musical grossed over $2.4 million at the Civic Center during its two-week run, and
brought in over an estimated $7.8 million dollars to the Peoria area economy. PCC net revenues are up by more than a million dollars in FY19 vs the same time frame (Sept-Dec) in FY 18. Hats off to the Peoria Civic Center Board of Directors, GM Rik Edgar and his staff here at the PCC.

I try to make an “ask” every year from this audience. PLEASE take it to heart this year. As topics come up for discussion in the community, ask yourself, “What is my solution?” Put it out there for feedback. And as I’ve requested you to consider today, ask yourself and your team “What are we doing to promote what’s happening in Peoria?” Let’s work together and get the message out for the entire world to see and hear. Peoria is a wonderful community. We have so much to be proud of. We’ll continue to work hard to improve the areas that need attention. Do your part to help us spread the word about your company, your neighborhood, your schools, OUR GREAT CITY. Thanks for the opportunity to serve as your Mayor. Have a nice afternoon, and God bless Peoria.