

State of the City  
Feb. 1, 2017

I'd like to thank the Chamber of Commerce for hosting this year's State of the City Address and to Dewberry for sponsoring. It is truly an honor to have this opportunity for twelve years now. Moment of Silence for Chief Warfare Officer William "Ryan" Owens who gave the ultimate sacrifice in Yemen, fighting for our rights and liberties. Our prayers are with his family and loved ones.

Before I begin, please join me in thanking my colleagues on the City Council who are with us today. We all work very hard for our constituents and are grateful for the opportunity to serve you. I'd also like to acknowledge our City Manager Patrick Urich and his staff. At this time I would to ask all elected officials here to please stand and be recognized for your service to our community. Finally, I'd like to recognize everyone representing our outstanding local school systems. Will all administrators, teachers and anyone else involved in education please stand and be acknowledged. This group has the most important responsibility in order for our communities' future leaders to get a strong education and be successful.

At the beginning, I believe it is important to recognize that race relations in our community and in our country are very important areas to address and resolve. We held our second Community Conversation on Race and Economic Opportunity last night and we are committed to continue these conversations as long as it takes. And it's going to take a while. It is a good thing that we are a part of this national discussion. We've had two good engagements so far. Thank you to everyone in the community that is engaging in this important matter.

Trust me when I tell you that the State of the City address that I'm giving right now is **NOT** the one I had planned to give before yesterday. The elephant in the room is so big it couldn't fit in the ballroom today. But I guess this is the world we live in. My previous opening comments were about what a tough year 2016 was after the roughly 1400 person reduction in force at Caterpillar and its ripple effect on us. I thanked Caterpillar for continuing to have confidence and investments here. I said I was glad their World Headquarters was here. I congratulated Mr. Umpleby for his new appointment and wished him extreme success as he works to bring

Caterpillar back. My last sentence regarding Caterpillar was, quote **“Make no mistake.....we want and need a vibrant Caterpillar in Peoria and we wouldn’t be Peoria without Caterpillar.”**

I sat at my desk yesterday and thought long and hard about the best way to present this years state of the city and how best to address yesterday’s news. But you know what, outside of the fact they’re moving their executive office to the Chicago area the rest of it holds true. It’s a horrible kick in the gut. We may lose 300 jobs when this is done but we will still have the 12,000+ people living and working here when those folks leave. We still need Caterpillar to be strong and vibrant. We definitely have issues to work on, which I’ll be addressing shortly. But in the last day and a half you’re seeing Peoria do what Peoria does best. We rally the troops when things get really tough. This isn’t the first time we’ve had bad news to overcome. This will be another tough one but we will get through this one too. And I for one still wish Mr. Umpleby good luck.

As a community, we have to be very thankful for the growing stability of our healthcare sector to buffer us from these tough economic times. Healthcare is now the largest employment sector in greater Peoria. There are over 700 healthcare-related businesses that employ over 32,000 people. That is about 18% of jobs in the greater Peoria area. Let me focus a bit on this important segment of our economy.

OSF St. Francis Medical Center ranks as the 5<sup>th</sup> largest hospital in Illinois. In Peoria they have a medical staff of more than 850 physicians, over 5600 local employees and over 600 patient beds. They are the region’s only Level 1 Trauma Center and tertiary care medical center. Additionally they also house the Illinois Neurological Institute, St. Jude Midwest Affiliate and the Children’s Hospital of Illinois. The Children’s Hospital at OSF is the only full-service tertiary hospital for kids in downstate Illinois. OSF St. Francis and Children’s Hospital have been designated Magnet Status for excellence in nursing care since 2004. OSF Healthcare’s CEO Kevin Schoepfle will be retiring later this year after nearly 40 years with OSF and we know he won’t be slowly riding into the sunset in his final year at OSF. Kevin will continue to blaze a trail and we’ve been fortunate to have him in our community for a long time.

The Jump Trading Simulation and Education Center (Jump) continues to attract a growing amount of attention where their collaboration and innovation efforts impact the

transformation of healthcare around the world. Jump is collaboration between OSF Healthcare and the University Of Illinois College Of Medicine at Peoria. We are blessed to have Chief Medical Officer Dr. John Vozenilek and the Jump facility leading innovative learning technologies through simulation right here in Peoria, Illinois.

We also boast Unity Point Health –Methodist Proctor and now Pekin. They employ over 4200 in our area, with nearly 600 board-certified physicians. I know that President and CEO Debbie Simon is proud of their continued growth and we all appreciate their continued investments in our community. The new look of their main campus downtown is stunning, especially at night! The new Methodist College has grown to nearly 700 students pursuing baccalaureate and master level degrees. College President Dr. Kimberly Johnston is and should be proud of their new 126,000 square foot building. If you haven't seen it you should go and visit. It boasts 80,000 square feet of collaborative and innovative learning space, 14 classrooms, three science labs, two computer labs, a café, campus store, student fitness center, recreation center, student housing on campus and much more.

Also contributing to our area's leadership in the healthcare industry is the University Of Illinois College Of Medicine at Peoria under the leadership of Dean Dr. Sara Rusch. UICOM Peoria is one of four campuses that make up the nation's largest public medical school. They employ about 170 full-time faculty and are partners in the world-class Jump Trading Simulation and Education Center mentioned earlier. We are very excited because there is a lot of activity at the downtown campus. They're busy renovating space in preparation for their expansion this fall to begin educating and training first year medical students for the first time in their 47 year history here. Enrollment will grow from about 170 students annually to about 225.

Rounding out this important job sector in our community are Midwest Technical Institute and Illinois Central College. Midwest Technicals health programs include six healthcare career pathways. Illinois Central College is the seventh largest community college district in Illinois and offers strong training programs in over 20 healthcare careers. We're happy to have ICC President Dr. Sheila Quirk-Bailey here in Peoria.

I got into a bit of detail there but I want to make sure everyone understands the breadth and depth and significance of the largest employment sector in greater Peoria. This diversification

of our economy over the last nearly 50 years has paid off and helped us keep our heads above water during some very difficult economic times. We truly aren't a one-horse town.

In order for Peoria to grow we need to support our existing businesses at the same time we reach out and encourage new business through innovation and entrepreneurship. For sure these are both difficult tasks, especially in light of the challenges our state has in Springfield. Attracting new businesses to our state and our community is extremely challenging in a state that can't seem to take care of its own business. But we persevere to push forward in that regard through the City of Peoria's Economic Development Department, the County of Peoria, the Greater Peoria EDC and the Downtown Development Corporation. You will see a number of announcements from these groups' in the near future about new ventures coming to our community in 2017 and beyond.

I hope that you all have been following the growing dialogue in our community as it pertains to education. The Alignment Peoria initiative is here and will make a major impact in our community starting right now. Other communities such as Nashville Tennessee, Rockford Illinois and Sacramento California have used the Alignment model successfully with the vision to lead and develop a national community of practice that seeks to innovate and improve collective impact strategies based on Alignment principles, structure, process and technology. Alignment will align goals among all stakeholders to achieve a greater ROI through less duplication and more efficiency. Thank you and congratulations to Dr. Sharon Desmoulin-Kherat for her leadership in getting Alignment off the ground here in Peoria. And to Alignment Executive Director Katherine Coyle for her dedication to education in our community. We need everyone here to support Alignment and achieve success in Peoria Public Schools. If you want to learn more about Alignment, please contact Katherine.

While we're discussing education in our community, I want to update you on Peoria Promise. Since it began in 2008, we've raised nearly \$4 million dollars and served over 2,000 students. As you can see in the slide, we have a very diverse group that we're investing in. 46% African American, 2% Asian/Pacific Islander, 46% Caucasian, 4% Hispanic and 2% Mulit-racial or Native American. 91% of our students work while attending ICC. Beginning this fall, Peoria Promise will expand to students who live in the city from all schools, public and private. Peoria Promise

is funded entirely by private donations and this expansion will put more pressure on our fundraising needs. I'd like to thank the Peoria Promise Board and staff for all their hard work. Please consider investing in Peoria Promise as we educate tomorrow's leaders.

Educational excellence is only one area of focus that we need to continue to improve upon to make Peoria a stronger community. We are in the process of taking a very hard look at reasons we are struggling with education, crime, job opportunities and growth. When you get to the root cause of many of these challenges you will arrive at the same destination.....poverty.

The city is focusing enormous amounts of energy and resources to address poverty in our city, especially in the 61605 area code. We are all affected by concentrations of poverty through higher taxes for more public support services not to mention the waste of human potential.

Poverty and education are closely connected. Children living in poverty hear 30 million fewer words by age three than higher income children. Growing up with the chronic stress of poverty impacts the ability of children to develop cognitively. In March of 2015 we requested assistance from the National Resource Network to address concentrations of poverty in Peoria and to help us revitalize the Southside. With the NRN, we know that concentrated poverty on the Southside is severe and will increase throughout other areas of the city.

The "Cycle of Poverty" is defined as a phenomenon in which individuals continue to experience poverty for at least three generations. We need to break that cycle on the Southside and stop its growth. The Alignment Peoria model will help us to improve educational outcomes on the Southside. Working with the NRN, we will be using a Collective Impact model to improve outcomes by focusing on challenges on the Southside which will impact not only that geographic area, but our entire city.

By looking at just a few slides from the NRN, you can see what a dramatic effect poverty is having in Peoria.

- Southside population is half of what it was in 1970 vs a stable population in the rest of Peoria.
- Income on the Southside has decreased by 28% since 1970 while increasing by 6% in the rest of the city.

- Poverty concentrations have increased since 1970 (14,752) to 2000 (19,242) to 2014 (23,600).
- There is a correlating spread of high poverty neighborhoods from 1970 to 2000 to 2014.

When poverty is highly concentrated, the consequences extend beyond the immediate neighborhood and have an impact on indirect costs like public safety, affordable housing, public transportation and higher infrastructure costs.

This topic is extremely important and today's address does not provide enough time for a deep dive. It is THE most important topic in our community right now. This you all need to know..... If we work together to address poverty in our community as the root cause of many things that hold us back.....we will be much better off. This is not an endeavor for a few.....it requires us all. How will you, your family, your business, your peers, your neighborhood make a difference? Don't wait for someone else to do this because it won't happen if YOU don't participate.

There is a correlation between poverty and crime as well. As we place more focus on poverty we are certain to see crime decrease. You all know we've put a lot of time and money into resource allocation and technology to address crime. The Don't Shoot Initiative and Shot-Spotter technology have made a difference for our police department. These initiatives aren't magic. They need deliberate attention that we're trying to provide. PCAV is beginning to have an influence on crime. The Peoria Community Against Violence is our community voice against crime. They are building new leadership and more neighborhood advocates are getting involved every day. I implore you to get involved with PCAV regardless of where you live or work. Neighborhoods across the city will become the eyes and ears for public safety and have a dramatic impact to drive crime down. Over the past 5 years, we have seen an 11.5% overall reduction in crime. The statistics are real, but the perception of crime here leaves a different impression. We have to continue our focused deterrence on crime, especially gang and gun violence. The State's Attorney, Sheriff, Police Chief, U.S. Attorney's office and I along with PCAV are not letting off the gas in that regard.

Another community organization that is stepping up to help us fight violence is CRIMESTOPPERS. In an effort to bring violent criminals to justice, I am proud to announce today that the CRIMESTOPPERS board will increase the reward to \$5000 dollars for information leading to the arrest and indictment of a person who has committed a murder with a gun in Peoria. The promise of anonymity for callers is Crime stoppers most powerful weapon in the fight against crime. They don't have caller ID. They do not record phone calls. Never. Information given to Crime stoppers is protected under Illinois statutes concerning privileged information. Thank you to Crime stoppers for providing this incentive to get more information to solve homicides to our Police Department. Several Crimestoppers board members are with us today.

Switching gears to another important function of our city government I want to take a few minutes to talk about our infrastructure. I always liked Doug Oberhelms quote that "the road to success starts with a road". Everyone here can probably provide a list of their top 3 worst streets in Peoria. Or for those who travel, worst interstates or highways in Illinois. Or if you travel a lot.....the worst roads in the country. During challenging economic times we don't have the financial resources to maintain the infrastructure that is so essential to livability and commerce. Beginning in 2016, the City Council made a very tough decision to provide an additional \$5.2 million dollars per year to begin working on our road network. Probably the most notable was the work on University and the beginning of the work on Sheridan Road. We were able to achieve this infrastructure funding with new revenue streams. \$800,000 in hotel taxes, \$1.2 million in motor fuel taxes and \$3.2 million dollars in property taxes. Investing in infrastructure helps our economic competitiveness but also our overall quality of life. It's never easy to increase revenues but we focused these resources on critical city needs that will bear noticeable dividends. But there has to be a realization that the way we're funding the needs of our cities is not sustainable. In a few years our pension obligations will be totally consumed by our property taxes. We have asked our state legislators to work with us to change the model. On the topic of Sustainability we have been making progress in this space in large part by the influence and leadership of our Sustainability Commission and its Chairman Dr. Amir Al-Khafaji. The commission has noted the connection between high test scores and poverty. Clearly the

higher percentage of poverty delivers the lowest test scores. The Sustainability Commission has been working through the ICAT Conference for many years now to introduce minority students in Peoria to business leaders from across the state, country and around the globe. With the help of Peoria Public Schools, Dr. Bill Collier, Carl Cannon and many of our local African-American pastors, these students have had amazing opportunities to attend the ICAT Conference and spend quality time learning from these business leaders. Thanks to the following companies, we will be awarding \$15,000 in education grants to local students at this year's ICAT conference; Crawford Murphy & Tilly, Gallagher Asphalt, Terra Engineering, Omega and Illinois American Water. In addition, in 2012 we brought a group together consisting of the NAACP and representatives from the local construction and building trades under the umbrella of the Sustainability Commission. That group is now known as PADEAT (Peoria Area Diversity Employment Action Team). Since that time we've been able to increase minority apprenticeships by 56%. I'd like to remind everyone that the 4<sup>th</sup> annual Minority Construction Career Fair is Saturday March 4<sup>th</sup> at Woodruff. There is also a strong effort by the City to increase minorities in our workforce to closer match the racial diversity of our community. Dr. Al-Khafaji's Sustainability Commission is responsible for advancing a state-wide discussion on sustainable funding for our infrastructure needs. He has held multiple meetings with leadership in our general assembly and the largest business leaders in the state. For these reasons and so many more, it is my honor to recognize Dr. Amir Al-Khafaji as this year's winner of the Outstanding Community Service Award. While he makes his way up, I'll just mention that Dr. Al-Khafaji reminds us that it is our collective responsibility to pursue sustainable and quality living standards by balancing the three major dimensions of sustainability; Social Equity, Economic Growth and Environmental concerns. In addition to his Sustainability efforts, Dr. Al-Khafaji's multi-cultural education and business expertise has been a driving force in advancing equal rights and race relation dialogues in our community. Congratulations Dr. Al-Khafaji.

I'd like to take a moment here and also recognize a person in our community who has been focusing her efforts on training and workforce development for years. And we're also very fortunate to have her on our city council. Through Denise Moore's Black Business Alliance, the

Minority Business Development Center is growing and getting a lot of attention. The MBDC is building capacity of minority businesses in our area. They're working to develop a sustainable entrepreneurial culture within the minority community that will result in job creation, new business formation, wealth creation and economic diversification. If you haven't visited the Center, please do so. You can be a part of its growing success. Nice work Denise.

As we bring this year's event to a close, I would like to bring a couple of important points to your attention. You all know that Peoria was the recipient of a Bloomberg Innovation Grant. One of the areas they're focusing on is the Combined Sewer Overflows which we've all heard so much about. Now the I-Team would like to introduce the PeoriaCorps and PeoriaCorps needs you. PeoriaCorps is a new workforce program created to maintain our green infrastructure. Participants will be those who fit the definition of opportunity youths: those ages 18 to 24 years old that are out of school and out of work. PeoriaCorps will provide them with job skills and experience while they help to build a greener, stronger Peoria. For more information contact our Innovation Director Anthony Corso or visit our website.

You know, we have many outstanding men and women working hard to keep our city safe in both the Peoria Fire Department and Peoria Police Department. I could stand up here for hours telling you about many of their endeavors on and off the job that make our firefighters and police officers the best in the business. But because of time constraints I want to bring a special one to your attention today and hope you can help him out.

Next month, Peoria Police officer Daniel Duncan will travel to Haiti on a mission trip with the Welcome Home Haiti Foundation. Officer Duncan will be accompanied by Peoria Police Cadets who plan to dedicate their Spring Break to serve on the foreign mission field. The opportunity for our cadets to serve in a third world country will ultimately benefit them both personally and in their pursuit of becoming a police officer. Our police department is working hard to instill trust throughout the community. And like them, these cadets have been working to remove graffiti, performed lawn care for senior citizens and veterans, toiled in community gardens and assisted at countless community picnics and other special events. The trip is not funded or sponsored by the City of Peoria. The cadets will take unpaid time off and Officer Duncan will utilize vacation time. The total cost of this mission trip is \$30,000 and they need our help. Your

investment is tax deductible. This mission trip will impact our cadets in many ways and ultimately make them better police officers. Please contact my office for more details. Officer Duncan is here with his wife Tiffany today and I'd like to ask them both to stand and be recognized. Great job Officer Duncan.

I'd like to give a quick plug to be sure you get your ticket for this year's Washington Day Banquet. Banquet Chairman Andrew Rand and his team have done a great job securing America's Premier Columnist George Will as the keynote speaker for this year's 119<sup>th</sup> Annual Washington Day Banquet. You'll want to get your tickets soon. The event is February 27<sup>th</sup> right here in the Civic Center.

Before I close, please join me in thanking Jeff Griffin from the Chamber for all of his hard work. He's done an impressive job since coming to Peoria and we appreciate his hard work.

Thank you all for joining me today. We have many challenges. Work with me on the poverty issues in Peoria. Drop me a line and let me know what you are going to do to help in this effort. Actively engage in the community conversation and work to fill the gap left by Caterpillars announcement. I hope 2017 is a good year for everyone. I thank you for the opportunity to serve this community that I'm so passionate about and I know you are too. I ask God's blessings on everyone in our great city. Have a nice afternoon.