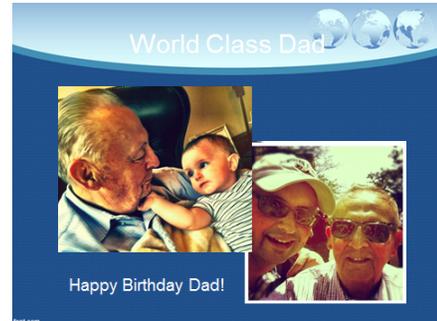


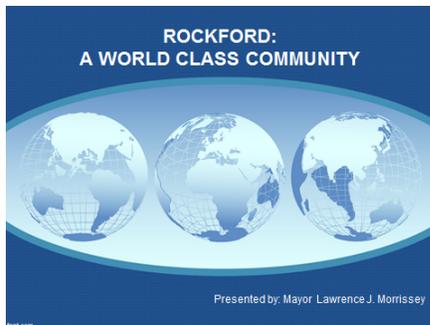
Chamber of Commerce Speech A World Class Community August 16, 2012

Good afternoon. It is an honor to join you again this year for my annual address to the Rockford Chamber of Commerce. Let me start by recognizing my parents who are here today and, in particular, my father whose birthday is today.

I continue to be extremely proud to be Rockford's Mayor. Over the past year, we have continued to work together on initiatives like Alignment Rockford to improve our Public Schools. Over the past year, we've continued to press forward on public infrastructure improvements that you supported in our Rebuilding Rockford campaign. And, over the last year, we've experienced continued recovery on the economic front as we've seen major employers like Chrysler, United Technologies-Aerospace, and Woodward celebrate continued success and job growth.



The simple truth is that when Rockford's business community prospers, then Rockford prospers. And to succeed, Rockford's world-class companies will accept nothing less than world-class talent, training, management, and investment within their organizations.



And in today's extremely competitive and mobile global environment, world-class businesses expect a world-class commitment and world-class results from the communities in which they operate. That is Rockford's challenge today.

World Class Rockford

We need to ask ourselves whether we are meeting the challenge of being a world-class competitive community. Our vision of our community must match the expectations of world-class employers. If we want world-class jobs and opportunities for our families, then we must envision ourselves as a world-class community in everything that we do.



Today, my speech will cover three areas where I will challenge us to ask whether we are committed to being world-class: First, I will ask

whether we are building a *World Class Business Climate*; Second, I will examine our progress toward building *World Class Physical Infrastructure*; and, third, I will examine our progress on building *World Class Human Capital*.

I. WORLD CLASS BUSINESS CLIMATE

A world-class competitive business climate requires a low taxes and an efficient and effective government so that we are a great value for businesses and families. While I have no intention on repeating my speech of last year when I focused on the City’s overwhelmingly tough pension and collective bargaining environment related to our Police and Fire Unions. I will not repeat that speech, but I will tell you that **NOTHING HAS CHANGED!**



So long as our local community lacks the legal ability to manage our own budget due to the interference of Springfield on our collective bargaining and pensions systems, our ability to support the needs of our citizens at a reasonable cost of government will be frustrated.

Despite a year of aggressive lobbying in Springfield on Pension and Collective Bargaining reforms, not a single bill passed to help our position. In fact, while the special pension reform session called by Governor Quinn is happening tomorrow, the bills being debated will not even cover our Fire and Police Pensions, despite the fact that those pensions are the single largest contributing factor to the City’s escalating property tax rate over which we have no local control. Remember, every retired firefighter and police officer gets an automatic, compounding annual 3% cost of living increase even when our current police and firefighters get nothing.

I see some panic in the room. I promised not to pour over all that data again like I did last year. I also will not linger on the likely inaction of our State lawmakers. I will today, however, cover two points necessary to build and maintain a world-

World Class Business Climate

1. Whatever happens in Springfield needs to be met with an appropriate reaction at the ballot box in November.
2. Rockford business community needs to have a recognized voice in Springfield.



class business climate. First, whatever happens in Springfield tomorrow needs to be met with an appropriate reaction at the ballot box in November. Second, the Rockford Business Community needs to have a recognized voice on these issues in Springfield.

Unfortunately, having lobbied now for several years on behalf of our community on these issues, my observation is that the Legislature does not recognize the Rockford

Business Community's voice on these issues. And we're not alone. As far as I can tell, Springfield does not hear from the Statewide Chambers of Commerce, Manufacturers, or Realtors Associations and many other business organizations on these issues.

When it comes to the issues of local public safety employee collective bargaining and pensions, these issues apparently don't fit the agenda of many of the State Business Associations. Therefore, there seems to be little if any voice for these issues outside of the Mayors of the Illinois Municipal League.

I appreciate the fact that our Rockford Chamber took a strong position following my speech last year to support these reforms. Now we need to magnify the strength your voice by joining together with other stakeholders at our City Council and in Springfield to keep the pressure on lawmakers to pass these reforms.

Mayors and city councils can't do it alone. Our local Chamber can't do it alone. Our business communities across the State can be a very powerful voice, but only you, the members, can tell your State leadership that you want these issues to be a priority. Only you can decide to make the trip to Springfield on behalf of your business association to bring these matters to the forefront of action.

If we don't like Rockford's high city property tax rate, then we need to do a much better job of organizing our collective voices. Both in Springfield and right here in Rockford, it can get pretty old listening to the recurring calls for more police more streetlights and lower taxes when there is not an equal voice calling for pension and collective bargaining reforms. We don't live in fantasy land. Our budget actually has to balance.

World Class Business Climate

Which promise or promises are we supposed to break?

- Are we going to keep our **State's** promise to our public safety employee pensioners or our **local promise to our local citizens** to keep them safe?
- Are we going to keep our promise to **live within our means** or are we going to **pass the costs** of these outrageous pension and management flaws onto our people through higher taxes?
- Are we willing to stand up right now for democracy and capitalism and demand change?

My call to action today, consequently, is for us to send a loud message to our City Council and to our State Legislature that we need these reforms to gain the legal authority to manage our budget, as our constituents rightly want us to do.

Action Items
Pledge to do the following

- pledge to Sign up for public speaking on this issue at least one time over the next year at our City Council meetings
- pledge to Write one letter to the editor over the next year expressing your viewpoint on pension & collective bargaining reform
- pledge to Petition the leadership of your business organizations to take positions supporting pension & collective bargaining reforms for public safety employees
- pledge to Join together with other organizations to lobby in Springfield for these reforms.
- pledge to Communicate to legislators that they represent average citizen taxpayers first and not special public employee labor interests

In fact, I ask that you personally make the commitment right now to sign up for public speaking on this issue at least one time over the next year at our City Council meetings; or, write at least one letter to the editor over the next year.

I'd like you to also make the commitment to petition the leadership of your State business organizations to take positions supporting pension and collective bargaining reforms for local public safety employees. And, if you can make the trip, join

together with your organization to lobby in Springfield for these reforms. No one else will do it for us. We have to do it ourselves.

With your help, Legislators will hear our demand in November and next Spring that they represent average citizen taxpayers first and not special public employee labor interests.

II. WORLD CLASS INFRASTRUCTURE:

Rebuilding Rockford



While I'm proud of our efforts to cut costs, lowering our costs is only part of what it takes to compete. To be a world-class community, we must invest in a manner equal to that vision. A world-class City of *Excellence Everywhere* must have world-class physical infrastructure everywhere.

That's why we continue to invest with the resources our citizens gave us in 2011 when we

passed a five-year extension of our Rebuilding Rockford Referendum.

With those dollars we are investing in our Roads, Rail, Riverfront, Runways, and Fiber Optic Ring. With just a few slides, it is good to remind ourselves of what years of planning and persistence will deliver.



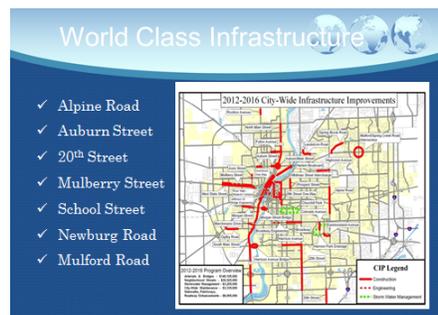
Next year, construction will begin on long-awaited redevelopment of the West State Street Corridor and South Main Street Corridor with approximately \$60 million being invested in these corridors.



Work also continues on the \$40 million Morgan Street Bridge Project, which includes a new roundabout at Seminary and College Avenue.

This project is supporting RHA's partnership to redevelop the old Jane Addams Housing project site.

Our plan also includes millions in ongoing neighborhood streets and arterial roadway improvements.



We're also continuing our investment partnership with the State of Illinois. Architecture and engineering work will begin soon on the \$13 Million

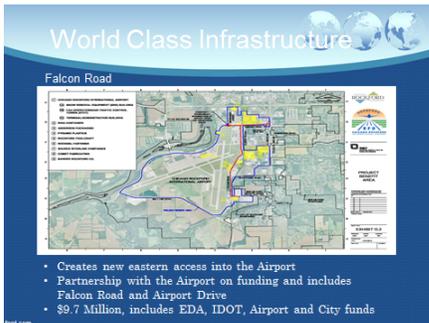
new multi-modal train station on South Main Street which will connect Rockford to Chicago to the East and Freeport, Galena, and Dubuque to the West through the State's \$60 Million rail upgrade plan.



We also completed this year our \$75 million investment in our World Class Water System. This investment has resulted in a dramatic decline in water system quality complaints.

We're also committed to building world-class competitive fiber optic solutions to give our businesses alternative access to high-bandwidth broadband. This effort is being accelerated as the City partners with the State of Illinois and private sector partners on the Federal *iFiber* Broadband grant. Approximately \$70 million will be invested in multiple northern Illinois counties with \$10 million being spent in Rockford, Winnebago, and Boone counties.

We're also committed to working with our partners at our Airport Authority to build gateways to the Airport that equal the world class runways, instruments, and operations. With multi-million dollar economic development grants from our State and Federal partners, the City has entered into an agreement with the Airport Authority and Winnebago County to rebuild Falcon Road and Airport Drive and demolish blighted eyesores like the old Six-Penny Inn.



Downtown/Riverfront

World-class cities also invest in their downtowns and their waterfronts.

That's why we've stayed committed to pursuing State and Federal grants to leverage our local resources in building a complete, connected Downtown Riverwalk. As a result of this commitment, we celebrated recently the opening of our first major new Riverwalk section at the



Riverfront Museum Park.



Through \$8 million committed by the State of Illinois to our River Edge Development Zone, we're continuing our efforts Downtown on the riverfront at the old Ingersoll Building with our *Reclaiming First* partnership. With the Rockford Park District, Winnebago County, Loves Park and other local governments we would renovate

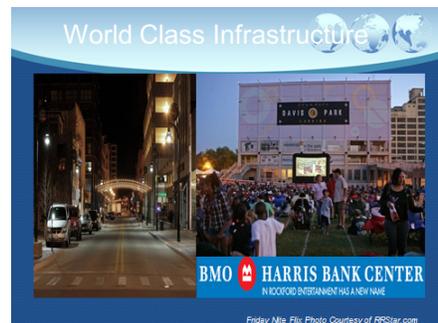
the old industrial building to significantly increase our community's ability to host year-round, indoor, amateur athletic events. This project complements our ongoing plans to build a Whitewater Park on the former ComEd site to the south.

Our City's commitment to investing Downtown is paying off through ongoing commitments from private sector stakeholders who share a vision of a prosperous Downtown riverfront. Both the Ingersoll Building and Whitewater park would face directly across the river from the old Amerock Building. The City is currently completing the demolition and clean up of the old Tapco Building, which is adjacent to the Amerock Building. Because of our ongoing efforts and those of our private sector champions, the Friends of Zioch, we've entered into an agreement with Gorman & Co. out of Madison, WI, which is reviewing the building as a possible site for a long-awaited downtown hotel.



A Downtown hotel is not impossible. We've proven through recent, explosive successes like the City Market and Friday Night Flicks that we can pull crowds downtown throughout the year and that our Downtown has a long history of being a great choice for entertainment, dining, and recreation. World-class cities have hotels in their Downtown. By the end of this year, we expect to know whether the Gorman development team will pursue the Amerock Hotel project.

Whether you visit San Antonio, Texas or Naperville, Illinois you'll find riverfront communities around our country making world-class investments consistently in their downtown riverfronts. If we intend on meeting the expectations of world-class businesses, then we must have the amenities of those cities. That's why I will continue to champion these investments that



are helping us to create Rockford's world-class infrastructure.

III. WORLD CLASS HUMAN CAPITAL

The most important part of a world-class business is world-class people. If we expect world-class businesses to come here and stay here, then we must do everything we can to support world-class human capital development.

World-Class Learning: *Alignment Rockford*

That's why I am so proud to be part of the Alignment Rockford network which is drawing upon the successes of our world-class employers and connecting them with

World Class Human Talent

Alignment Rockford College and Career Academy

"I fully support this effort and pledge the support of our City organization to aid in the development of the academies through the College & Career Readiness Councils that will interact with district executive leadership and serve in an advisory capacity.

I encourage your business to support these academies."

School leadership to support success in our Rockford Public Schools. The School Board has now approved the Alignment Rockford College and Career Academy model at each of Rockford's public high schools. I fully support this effort and pledge the support of our City organization to aid in the development of the academies through the College & Career Readiness Councils that will interact with district executive leadership and serve in an advisory

capacity. I encourage your business to support these academies.

World-Class Colleges: The City University Network

Our success in District 205 and the District's emphasis on preparing students for the rigors of both a career and college has helped me to see our local opportunities to build seamless connections between high school, college, a career and our community. And there is a growing urgency for our local community to deliver world-class college experiences since more and more families are being forced to pursue a local college option.

In a recent national study by Sallie Mae and Ipsos, *How America Pays for College 2012*, "Almost half-- 47 percent -- of students whose families earn more than \$100,000 are living at home while attending college compared with 37 percent in 2011 and 24 percent in 2010."



This is a very real issue for Rockford families, including my own. As I indicated during my State of the City Speech earlier this year, my wife and I have arrived at the conclusion that the price of my college own college experience simply is not a realistic plan for our children. Based on my alma mater's current cost of tuition,

room and board of \$54,000/year at Notre Dame, and based on the rate of inflation at the school, we'd have to save \$93,000/year to send each of four children there debt free. So, we thought about our State school, the University of Illinois, it comes it at the bargain rate of \$45,000/year, every year, for the next 21 years. I make a total salary before any costs are taken out of \$95,000/year. Do the math. It just doesn't work. And I just do not accept the prospect of my children leaving home, compiling mounds of debt, and falling into a modern form of indentured servitude. We complain of the so-called "brain drain" but they would essentially be forced to move to a larger market because they simply couldn't command a high enough starting salary in a Rockford market to cover the debt load.

While this reality is tough to accept on one hand, it also provides a very powerful opportunity for our community. If we accept the premise that more families are looking for the local option, then that compels us to put even more emphasis on building world-class college experiences right here. While my children will not likely attend my alma mater, Notre Dame, my wife and I want them to have just as good of an education opportunity right here. I would expect the same opportunities for every family.

Moreover, because of advances in on-line learning, much of the traditional classroom lecture experience is becoming a commodity. With leading universities like MIT (MITx) and Stanford (Udacity) putting their curriculum on-line, for free, one can imagine in the near future thousands of classroom lectures from leading universities around the world available on the Internet free of charge. In that context, Rockford will no longer have the impediment of lacking the world-class lecture content that had previously been the exclusive property of those Universities.

In fact, there are even "open accreditation" platforms being developed to offer alternative forms of credentialing these emerging learning pathways. This emerging field combined with the explosion in college tuition costs and student debt is creating an incredible force for disruption and change in the higher education marketplace. Listen to the following blog comments from Dallas Maverick's owner and investor and entrepreneur, Mark Cuban.

"While colleges and universities are building new buildings for the english, social sciences and business schools, new high end, un-accredited , BRANDED schools are popping up that will offer better educations for far, far less and create better job opportunities.

As an employer I want the best prepared and qualified employees. I could care less if the source of their education was accredited by a bunch of old men and women who think they know what is best for the world. I want people who can do the job. I want the best and brightest. Not a piece of paper."

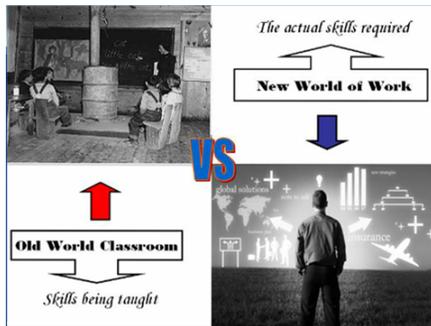
Mark Cuban, May 13, 2012, blogmaverick.com

“And that, ladies and gentlemen,” according to noted open network professor and writer David Wiley, “is the end of the tyranny of the degree. When big name employers accept another credential in place of a Bachelors, the jig is up for higher ed.”

David Wiley, Dec. 21, 2011, opencontent.org

There is much more to an education, in my opinion, than a lecture. Thus, there is no reason why we can't build a better learning experience for our students than what you might get at a traditional college or university or you would get if you only pursued your degree on-line. Our success will depend on us being very

focused at connecting our students to experiences that many traditional colleges and universities overlook and on-line only experiences cannot provide.



If we are open to creating extensive career and community connections for high school students here through Alignment Rockford, then we can also carry that same approach for college students.

We have local employers with world-class labs and experiences outside the classroom that could round out a student's education. In fact, those are the exact opportunities that we explored when we were courting Embry-Riddle Aeronautical University to Rockford. Even though ERAU has elected not to build a residential campus here, there is no reason why we can't create those same opportunities outside the classroom for the colleges and universities that are here.

That's the precise logic behind the "JiET-A" program that has been launched through a network partnership between the RAEDC, NIU, Rock Valley College, and Rockford College. The goal is to recruit and retain students to pursue multiple available career paths in the aerospace engineering field and to even offer the opportunity for dual enrollment to advanced high school students who can begin their college credit work through the partnership.

And if we can make it work for aerospace engineering, there is no reason that we can't provide the same opportunities in other areas of the aerospace market such as careers in maintenance, repair, and overhaul or even flight training. In fact, we know that our leadership at the Rockford Airport is pursuing opportunities to land a major MRO employer but the ability to do so depends on our community's ability to ensure a consistent stream of certified aerospace mechanics through our education system.

Frankly, if we can build a successful partnership for the aerospace field, we can do it for any area where we choose to share the assets between community, career, and college partners. That's precisely why I have been adamant that we explore ways to connect our downtown arts community and career opportunities to our formal education systems. We can and should pursue this same approach in other fields like health care, manufacturing, or social services.

What we will have, if we choose to pursue it, is the ability to connect our world-class employers and extensive community resources to our local high schools, colleges and universities to ensure that each child in our community has the chance to achieve a world-class education.

World Class Partnerships: The Networked, Learning & Growing Community

While most of our investment emphasis on building talent is focused on the formal education we receive, world-class employers expect that their employees continue to grow their talent level throughout a career. Consequently, to be a world-class city, we must support a culture of life-long learning and advancement in everything we do, even in government.



World Class Government: Performance Management

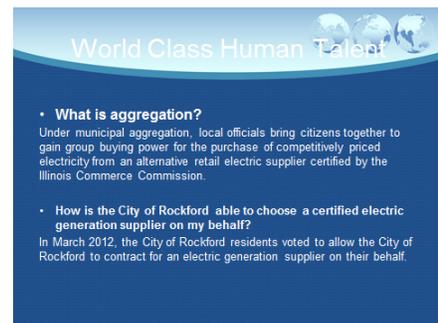
At the City of Rockford, the successes we achieve and the areas of improvement that we focus on, is not a matter of chance. We're continuously planning,



investing, operating, and monitoring our efforts. To ensure that we stay on track to achieve our goals, each month, we challenge our numbers and ourselves at our public RockStat meetings and we post our meetings on our web site. A world-class community must run its organization like a world-class business and RockStat supports this goal through continuous improvement.

Electrical Aggregation Network

We're also pursuing every avenue we can to work with our local partners to improve our community. When we work together, we can in fact gain leverage in the market. In fact, whether we're

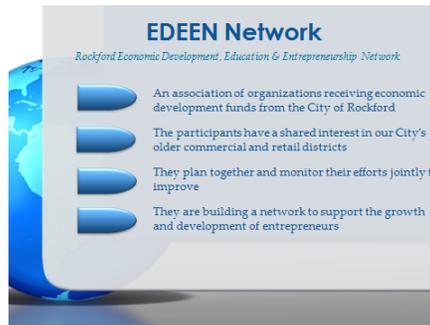


lobbying Springfield or negotiating for lower energy costs, our collective voice has great strength.

Rockford residents and small businesses felt the power of that shared voice as we voted in Rockford to support our City Council's ability to pursue new pricing for energy through the electrical aggregation referendum passage this past Spring. Because you gave our City Council the authority to work with other local governments to leverage our collective demand, Rockford residents will save an estimated \$19 million annually on energy costs over the next two years.

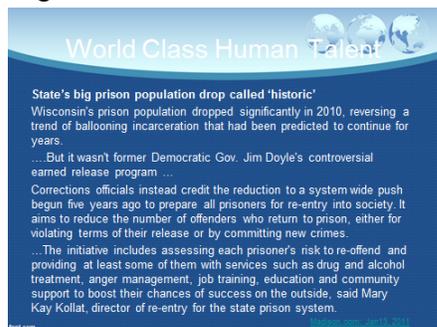
EDEEN Network

The EDEEN Network is an association of organizations receiving economic development funds from the City of Rockford that have a shared interest in improving our City's older commercial and retail districts.They plan together and monitor their efforts jointly to learn and improve. They're building a network to support the growth and development of entrepreneurs. They're working, for instance, to link small business owners who may have a weekly summer presence at our local City Market to opportunities to learn how to grow into a full-time retail shop.



Prisoner Reentry Network

Our EDEEN network is also linked to neighborhood based partnerships to improve the chances of success and growth for inmates returning from prison. Later today, I will in fact be part of a local delegation visiting Racine, WI to observe a meeting of their Prisoner Reentry Network. Our delegation will attend Racine's monthly Notification Session where community members and religious organizations within the affected neighborhoods gather to provide a pledge of

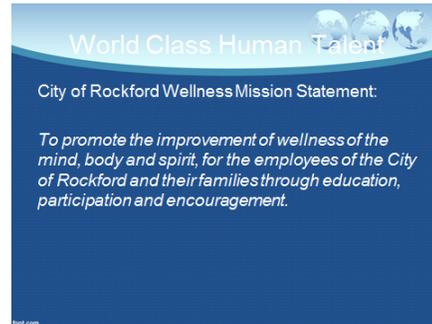


support and a rejection of violence to offenders being welcomed home. A world-class community pursues *Excellence for Everyone* and the growth and development of all of our people. Our efforts to grow our human capital must involve everyone. The benefits from this focused work will be reduced public safety and social service costs and an improved workforce for our community.

World-Class Healthcare: Rockford Wellness Network

Rockford is the health and wellness leader for northern Illinois outside of the Chicago Metro Marketplace. Having access to high quality healthcare is an absolute must for a world-class city. It's also very helpful when you consider the fact that according to a Gallup study released earlier this year, we're the 4th most obese community in the nation!

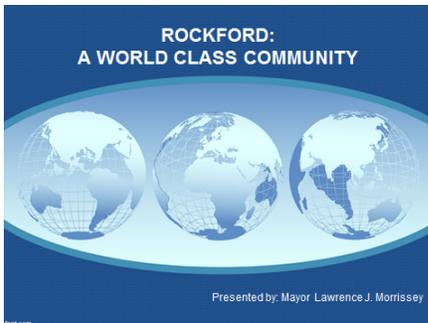
We all know that health care is going through massive change and that our families and our employers simply cannot continue to pay for the costs of avoidable illness linked to unhealthy lifestyles. That's why I am very committed to using the leverage of the City's own annual \$13 million spend in health care costs to drive improvements in how our community incentives and supports health.



We are right now soliciting interest from health and wellness providers that will help us build a wellness model for our own employees that we hope will become a model for our community. We are exploring the opportunity for an employee clinic that will serve as a hub for health promotion, coaching, lifestyle training and education, disease prevention and management. We want to ensure quality primary care access for our employees now and in the future.

CONCLUSION: WORLD CLASS PRIDE

As I think back to my own experiences growing up in Rockford, I can't help but think that we've been our own worst enemy when it comes to the challenge of being a world-class community. Because of all of the hits we took over the years going back to the late 1970's, and because we've lacked a consistent, strong vision, we've reduced our expectations for ourselves and let the world define us.



If we want to be more than a “farm-system” encouraging our best and brightest children and employees to move out of Rockford as a mark of success; and if we want to ensure that we have world-class jobs and world-class employers here; then we must see ourselves as a world-class city and not subordinate to anyone or anyplace.

If we want world-class results, then we better start with world-class pride. I don't care how much money we think we don't have. We have no excuse for failure. It's simply not rationale to expect that we can sustain the dichotomy of having world-class businesses without world-class

education and physical infrastructure. If we're going to keep and grow great employment opportunities, then the pursuit of being a world-class city is not optional. We must do it.

As I finish, I'll share a video that was shown earlier this year at my State of the City Address. I show it again today to emphasize that this is *Our City and Our Story*. It's up to us to tell that story. *Our City Our Story* is the work of local filmmaker, Pablo Korona. This film also features the voice of local artist, and friend, Jim Julin, who passed away recently.

*The video can be found at <http://player.vimeo.com/video/39010229>