

STATE OF THE CITY ADDRESS

City of Rock Island

January, 2008

As in past years, it is my privilege and opportunity to share with you some observations on the year just ended and the exciting year that lies ahead for us in Rock Island.

As in past years, it is also my pleasure to share with you a review of some of the accomplishments we have realized during this last year, discussing first “Brick and Mortar” projects that shape the environment in which we progress; then looking at some of the substantive programs that influence how we do things, as well as awards or recognition received from those outside our community. Finally, we will look at some of the tasks for the year ahead.

1. Projects for 2007

During 2007, construction on the exciting \$150 million Casino Rock Island project got underway. This, largest single construction project in City history, will bring at least 3 major benefits to Rock Island.

1. First, it will greatly expand the possibilities for utilizing the gaming license which the Casino Rock Island possesses, by allowing the Jumer’s organization, for the first time, to fully utilize the gaming positions allowed by law. With a 201 room hotel, four restaurants, a 12,000 square foot theater and conference center, in addition to the 45,000 square foot casino, this should significantly increase the revenues to the City, which has historically used these dollars for economic development and major capital projects, including street repairs and other public improvements. In addition to added gaming revenues, the new Casino Rock Island will generate substantial property tax and sales tax, as well as hotel-motel revenue from the new hotel.
2. Second, the relocation of the Casino from our downtown will open up our riverfront for more appropriate uses of this unique and invaluable piece of real estate. During the last year, we were nationally recognized for our RiverVision planning process, focusing on our downtown riverfront. Our hopes are to take this area, including the site of the old Armory, and convert it to a green “Armory Park”, providing a place for citizens to gather, to observe the majesty of the Mississippi River passing by, to savor musical performances from a performing arts stage, and to ride the river in a new ferryboat shuttling between Rock Island and Davenport. I’ll say more about this later on.
3. The third impact that the relocation of the Casino Rock Island affords will be to serve as a catalyst for added development in our Southwest area. This region, which represents Rock Island’s open space for future growth, is primed for residential, commercial, and industrial development; and it is our expectation that the Casino will stimulate this much desired new investment in Rock Island.

Another major physical development during the last year was the completion of the West Rock River Bridge (Veteran’s Memorial Bridge at Carr’s Crossing) and the Blackhawk Road widening. This project, which was in the planning for almost 40 years, was not without controversy; and the design of the interchange of Blackhawk Road with the West Rock River Bridge was not our City’s first choice. Having said that, with the completion of the bridge, we in Rock Island now have the only fully integrated beltway system around our entire city in the Quad Cities region. This Rock Island Parkway runs from Blackhawk Road on our southeast side, all the way around Southwest Rock Island, through our west side, winding up on our north edge at the Centennial Bridge downtown. Such a four lane divided highway offers enormous opportunities for access and development, not only to our southwest area, but for our downtown and along Blackhawk Road - with excellent access from all points in the Quad Cities. The widening of Blackhawk Road, in turn, will stimulate added development along the south side of Blackhawk Road, where we are already beginning to see new businesses constructed. Likewise, the Bridge / Blackhawk Road Project gives Rock Island perhaps the best access in the area to the Quad City International Airport – a matter of minutes from door to door. Such transportation links as these have historically stimulated economic growth; and we look for this to happen in Rock Island in the years to come as a result of this major highway project in, and literally around, Rock Island.

On the Mississippi riverfront, Columbia Park – formerly the Quad City Industrial Center and before that, the Farmall Plant, saw major progress; with over a million square feet of the old factory space being demolished to clear the way for residential, commercial, and recreational development on our Mississippi riverfront adjacent to the Sylvan Slough. The City, also last year opened the Sylvan Slough Natural Area, amidst accolades from both the

U.S. and Illinois EPAs, which cited our creative use of environmentally responsible technologies in the development of this new park. From bio-remediation of contaminated soil, to use of recycled building materials, the Sylvan Slough Natural Area demonstrates the best of “Green” design in a well laid out, beautiful setting.

We also received authorization in May, 2007 from the Illinois State Historic Preservation Agency to proceed as we saw fit with the Rock Island Armory. Planning for our downtown riverfront after Jumers relocates had been delayed for years because of deed restrictions in the conveyance we received from the State when we acquired the Armory some years ago. After meeting with the State Historic Preservation Agency last spring and explaining our plans for creating a park-like greenspace on our City’s riverfront, the Agency removed deed restrictions and gave us the go ahead to do what we like with this site. We are grateful for this; and believe Rock Island’s strong tradition of historic preservation improved our credibility in discussing this request with the State Preservation Agency. Actions do speak louder than words; and our respect for the past, conserving the fabric of our rich history consistent with progressive development, is recognized statewide.

Finally, we were pleased last year to see a number of new businesses locate or expand in Rock Island. KJWW – a major regional engineering firm with its headquarters in Rock Island - is undergoing a 16,000 square foot expansion at its state of the art west Rock Island headquarters. JTM Concepts – an innovative computer design firm – underwent a 5,000 square foot expansion at its central Rock Island location; and along 18th Avenue, we saw the opening of a number of new businesses, including Advance Auto Parts, Quiznos, and the commencement of the new HyVee store, which will roughly triple the size of the current store at this location. On the east side, Augustana continues its multi-year capital improvement plan in transforming this great college’s physical appearance. On Blackhawk Road, Viridi Eye Clinic is approaching completion of its new medical offices; and downtown, Dennis VanderGinst purchased the Plaza Office building for his law office and other business ventures headquartered in Rock Island.

In other words, throughout the City, economic development moves ahead with the strong and active support of both a strong City Council and an experienced and talented City staff.

2. Program / Initiatives

During this last year, Rock Island also progressed in two areas that should be a strong part of our identity for years to come. One of those has been a recognized trait of the City since the early 90’s; the other in more recent years.

For the last decade and a half, Rock Island has had an identity as an arts friendly community with a rich and diverse cultural life. We house the headquarters of Quad City Arts, the premiere arts facilitator in the Quad City region; as well as Ballet Quad Cities, the only professional ballet company between Chicago and Omaha. Rock Island provides a principal venue for both the Quad City Symphony and Midcoast Arts; and is home of Circa 21, one of America’s oldest and most successful dinner theaters, as well as Genesius Guild and the Prenzie Players. During this last year we also added the Green Room Theater to our roster of production companies of innovative dramatic works.

Rock Island also, in 2007, created its own Arts Commission. This Commission is charged with identifying programs that have helped foster public art displays and murals, as well as the soon to open DeSoto Studio on the eastern edge of our downtown, that will encourage artists and cultivate an even more diverse and rich cultural life in Rock Island.

In Rock Island, we view the arts as both something good for the soul and spirit, and something important to economic development. Numerous surveys in recent years have proven that, more and more, talented young people are attracted to communities offering a rich quality of life, not just good pay scales or job benefits. Rock Island is a leader in this area and continues to benefit from our deliberate and systematic efforts to foster the arts as a major strength of our community.

In addition, we have all become more aware in the recent years of the pressing problem of climate change and of the need to be good stewards of the environment around us. We as Americans, have been blessed with an abundance of natural resources equaled by few places on Earth. Yet, with these blessings comes the responsibility of caretaking them in such a way that future generations can enjoy as rich a quality of life as we have known. This means being more thoughtful and intentional in how we both conserve the resources we possess and pursue practices that are sustainable over time. To this end, we have convened an Advanced Technology and Sustainability Consortium of Rock Island businesses involved in advanced technology and sustainable practices to network and encourage similar businesses to locate here. From this group, we also created a “Sustainable Design Assistance Team” to provide free professional advice to businesses and others seeking to incorporate sustainable design principles in their operations.

In 2007, the City also made a major contribution from downtown T.I.F dollars to a pioneering Green pilot project, the \$6.6 million McKesson Office Building development on 1st Avenue. This exciting project, which broke

ground in November, incorporates a number of environmentally friendly practices, including a green roof, energy efficient heating and cooling systems, and many other elements. With 22 residential condominiums and over 12,000 square feet of commercial space, we hope McKesson will serve as a model for other businesses to generate savings by more energy efficient design practices and principles.

Finally, in 2007 we created a “Green Team” in City Hall, to insure that all of our departments and staff are coordinating with each other to come up with more efficient and environmentally responsible ways to perform City functions – from purchasing hybrid cars, to curbside recycling, to using hydropower for City operations. This will, over time, save significant taxpayer dollars and produce a more responsible carbon footprint our children will benefit from. It also puts Rock Island in the forefront of an emerging economic trends of industries demanding more energy efficient products and practices.

Our forward-looking City Council “gets” this, and made the Green Team and encouraging sustainable business development high priorities at our annual Fall Goal Setting Session last year.

With these and other initiatives, the City continues to provide a high quality of service to our taxpayers. We strive to manage our finances and properties prudently, not only balancing our budget, but working to continually reduce our reliance on property taxes and to hold the line on property tax rates – both of which have steadily declined since the early ‘90s, in real dollars in terms of our total budget.

3. Recognitions and Awards

For our efforts during 2007, we received a number of awards. Rock Island and Davenport were jointly awarded the prestigious City Livability Award by the U.S. Conference of Mayors in Los Angeles. This award, one of only two given nationally, recognized our joint “RiverVision” planning process and the importance of working with each other to improve our beautiful Mississippi riverfronts.

Last year, Blackhawk State Historic Site in Rock Island was also designated as one of the Seven “Wonders of Illinois.”

The Rock Island Housing Authority and Police Department received national recognition from the National Association of Housing and Redevelopment Officers for their innovative community policing work.

And, Rock Island High School for the second consecutive year produced more National Merit Scholars than all the other Illinois Quad City high schools combined – a too seldom mentioned fact indicating the excellence of education in Rock Island. We are proud in Rock Island to have outstanding education from pre-school through graduate level – both public and private – that prepares our young people for constructive lives in the changing and challenging world around us.

Finally, it is worth noting that Rock Island has, for 20 consecutive years, won awards for its budget from the Government Finance Officers Association. For 25 of the last 26 consecutive years, we’ve also received awards for the quality of our annual audit. Both are testimonials to careful work on these important financial tools. Worth noting as well, is that this is the most such awards received by any of the Quad Cities.

Looking to the year ahead, we again face an abundance of challenges and opportunities.

As, we await to the completion of the Casino Rock Island and the opening up of our City’s downtown riverfront late this year or early next, we must lay the plans for the development of Armory Park so that when the Casino relocates off our riverfront by January, 2009; we are ready to move forward with getting bids for development of Armory Park. Our City Council intends to seek public input in the planning process, which we hope to complete by late this Spring.

We look forward to working with the Rock Island – Milan School District in implementing their ambitious plans for restructuring our elementary schools. Although the School District bears primary responsibility for this, the City is very much interested in both the direction and success of this initiative, as the positive perception of our schools is a powerful impetus for growing our population and fostering economic development in our community.

We must continue to work to be fiscally responsible, managing the resources we have prudently, conservatively, and with a willingness to invest in those things that will encourage our growth. Continuing emphasis on providing useful economic development incentives for businesses is one tool for this. Exploration of ways Rock Island can position itself to attract sustainable technology businesses is another strategy, as this will be a fast growth industry in America in years to come. Continued updating of our existing municipal buildings, including renovations of City Hall; as well as appropriate expansion of the King Center and Fitness and Activity Center as funding becomes available, will also be priorities.

On the east side, we hope to work with the LRC Developers and MetroLink to accelerate the development of Columbia Park, including construction of a new MetroLink headquarters and transit facility.

And we must work regionally on priorities concerning Arsenal retention, improving air connections to Washington and other hub cities, and for passenger rail service between here and Chicago.

Challenges from circumstances outside our area afflict us this year as in past years. The preoccupation in Washington with conflicts beyond our nation's boundaries, and the gridlock in Springfield impeding growth in Illinois, will hopefully find resolution within 2008. We need strong federal and state partners and resources to accomplish the important work that lies ahead; and we look forward to working with our State and Federal affiliates to better order their houses in order to accomplish these tasks.

But as our challenges are great, so are our resources and determination. As Lincoln urged, we must "think anew and act anew". With the resilience and determination of our people, this is well within our grasp; and we look forward to working together with all the citizens of our great and historic city to bring an ever brighter future to the people of Rock Island and our region.

Thank you.

Mayor Mark W. Schwiebert

January, 2008