

City seeks to improve process

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Since the communications were submitted to the city, city leadership and members of the business community have started meeting to discuss steps that could be taken to better the working relationship between Dubuque city government and the business community.

"We want to start getting to the table and solving problems," said John Gronen, president of local development company Gronen. "I think a lot of people agree that we could be doing better."



John Gronen

City Manager Mike Van Milligen declined to comment on any specific developments or issues brought up by local businesses and developers in their correspondence with the city, but he said the city is implementing its own changes to address their grievances.

"We are looking forward to moving positively," he said. "We are looking forward to making some improvements and changes."



Mike Van Milligen

In a letter responding to the May 10 letter and other communications, however, Van Milligen also stressed that the city has seen success over the years negotiating agreements with developers and businesses but that the city also has multiple factors to weigh.

"My experience successfully negotiating hundreds of agreements over the years is where both parties identify their goals and see if there is achievable results that gets parties to each of their goals," Van Milligen wrote. "While that is not always possible, it usually is. I have heard it said that good agreements make good partners."

'DEEPLY CONCERNED'

Gronen sent a letter to City Council members and Van Milligen on April 26, claiming the actions of city government had contributed to multiple business developments being canceled or delayed.

The letter named several projects Gronen said were delayed or did not come to fruition, such as the development of a Margaritaville resort, the construction of a new FedEx facility and the construction of a new apartment building on Bies Drive.

Gronen's letter listed alleged behaviors city leadership had exhibited toward business owners and developers, such as adversarial discussions with developers, overuse of leverage, unresponsiveness and unempowered city staff and creation of unnecessary hurdles.

On May 1, Mayor Brad Cavanagh sent an emailed response to Gronen stating his intention to craft a written response by the first week of June and asking Gronen for additional information about specific rules, regulations, policies and procedures the city could change to improve development.

On May 10, the group of 26 business owners, developers

and business officials sent their letter to City Council members in response, saying they were "deeply concerned that the city is no longer hospitable to businesses and developers attempting to bring growth and opportunity to the city."

The signatures on the letter were:

- AJ Tucker, president of Tucker Freight Lines
- Chris Miller, owner of Miller Development Group
- Tony Thier, president of BARD Materials
- Dick Hartig, chairman of the board of Hartig Drug Co.
- Barney Grobstick, owner and president of A&G Electric
- Flint Drake, an attorney at Drake Law Firm, P.C.
- Carrie Tedore, chief operating officer of IHL HSA
- Joel Callahan, founder and president of Callahan Construction Inc.
- Chad Chandlee, president and chief operating officer of Kendall Hunt Publishing Co.
- John Gronen, president of Gronen
- Chad Richardson, president of Richardson Motors Corp.
- Charlie Hartig, CEO of Hartig Drug Co.
- Mark Molo, CEO and president of Molo Cos.
- Pat Norton, senior project manager at Buesing & Associates Inc.
- Terry Koelker, Dubuque office manager at Buesing & Associates Inc.
- Tyson Leyendecker, president of Capra Bank
- Mike Portzen, founder and president of Portzen Construction
- Mike Igo, chief operating officer of Klauer Manufacturing Co.
- Mike Steele, owner and CEO of Steele Capital Management Inc.
- Pete Ludwig, of Offshore Enterprises LLC
- Wes Hartig, CEO of MedOne Pharmacy Benefit Solutions
- Rob McDonald, president and CEO of A.Y. McDonald Industries Inc.
- Ryan Becker, president of Hawkeye Boat & RV Sales
- Todd Geisler, president of Geisler Brothers Co.
- Tony Pfohl, general manager of The Fischer Cos.
- Craig Takes, self-employed, former nonprofit board president

The letter criticizes the mayor's initial response to Gronen's letter, stating that Cavanagh's plan to send an official response more than a month after the letter was sent "reflects the very problems cited by the April 26 letter."

"The mayor's response reflects the fundamental misunderstanding of the issues before the city," the letter states. "The mayor's request for five weeks to respond to an invitation to join the effort exacerbates the problem."



Brad Cavanagh

Speaking with the TH, Cavanagh said he had no intention of being adversarial in his response and that his intentions were to inform local business owners and developers that he wanted to explore the issues they were bringing forward.

"It's important to point out



DAVE KETTERING • Telegraph Herald
A Hartig Drug store is located at University Avenue and Grandview Avenue in Dubuque. CEO Charlie Hartig sent a letter to the city expressing several criticisms of its actions.

that I am one member of a seven-member City Council," he said. "My response is to say, 'Hey, I am going to take some time to let everyone have some discussion.'"

The letter goes on to state several issues business owners and developers said they have had in working with city staff, including intimidation, use of leverage to "shift typical city costs onto businesses and developers," "changing of rules in mid-stream" and "the killing of projects by delay and refusal to respond."

The letter does not include specific examples of instances in which these alleged issues happened, but it does state that two ongoing, unnamed projects "require immediate attention."

The letter concludes by stating that its signers plan to develop action steps outlined in Gronen's April 26 letter, which included a meeting to discuss projects "with the goal of removing barriers," development of an "authentic developer roundtable for unvarnished discussions to move projects forward" and creation of a platform for members of the business community "to advocate for support for projects that will strengthen the local economy."

The writers of the May 10 letter wrote that they hope the city will be part of that process and that they planned to hold a meeting to discuss projects and create a framework for the action steps' objectives.

"We will make you all aware of the date, time and location of this meeting and we invite your participation," the May 10 letter states. "Please be advised, however, we are proceeding with or without you."

In a letter dated June 8, a group of local developers sent another statement to the city describing two action steps the group already had begun.

The letter states that they have started the process of hiring a consultant to develop a five-year economic growth strategy. They also propose the creation of a project advisory committee made up of members of the private sector who would be a resource and "potentially advocate to City Council for projects they believe should be considered."

'THERE HAS TO BE A BETTER VENUE'

Along with the May 10 letter, multiple business owners also sent emails to City Council members outlining specific problems they said they have faced when working with city staff.

On May 22, AJ Tucker, president of Tucker Freight Lines, sent an email to council members detailing issues he

faced when he purchased a parcel in 2022 to turn into a parking lot. Tucker's email states the process of getting city approval to pave the lot was encumbered by city staff, though few details were provided on how the project was made more difficult.



AJ Tucker

"It felt like they made it as difficult as possible for us to get what we needed in order to have the space needed for our expanding business," Tucker said in his email to council members. "It felt like they were working against us throughout the entire project."

On May 25, city Planning Services Manager Wally Wernimont sent an email to Van Milligen providing documents related to Tucker's project, which state that a site plan for the paving of the property was submitted on Aug. 5 and approved by the city on Aug. 29.

Reached by the TH, Tucker said he did not want to comment on past issues he has had working with the city and that he now is focused on the future.

"I look at the past as being the past with the city," Tucker said. "I don't want to spend too much time looking in the rearview mirror. We learn from it and move forward."

McDonald's email, sent to City Council members on May 23, states that the company never considered Dubuque as a potential location for its new foundry because of a perceived lack of support from the city.

"A.Y. McDonald Mfg. Co. did not need the additional hurdles and literal roadblocks others have had to deal with in building our foundry, which will be one of the largest projects undertaken in the region in many years," McDonald wrote in his email to council members.

A.Y. McDonald announced plans in April to construct a new brass foundry near Dickeyville, calling the project the largest in the company's 167-year history. Once the project is completed in 2026, the company intends to then decommission its current Dubuque foundry and convert the space to other manufacturing operations, according to a press release sent at the time of the project's announcement.

McDonald's email states that A.Y. McDonald was seeking a large parcel for the new foundry that wasn't readily available in Dubuque but added that the company could have considered using a smaller parcel instead.

When reached for comment

on the May 10 letter, McDonald replied by email, stating "the letter speaks for itself."

Reached again for comment about his email sent to City Council members, McDonald said via email that he and other business leaders in the community have found it undesirable to do development projects in the city for years.

"It's been going on for a long time, and nothing appears to have been done by the current or past mayor and council or city management to address this," McDonald wrote.

On May 25, Charlie Hartig, CEO of Hartig Drug Co., sent a letter to the city expressing several criticisms, saying the city contracts with prescription insurance provider Cigna instead of Dubuque company



Charlie Hartig

MedOne; that the city regularly purchases products on Amazon instead of from local businesses; and that codified regulations created unnecessary

hurdles for local businesses, such as the city's current drive-thru requirements or the requirement that businesses must obtain a permit to sell products outside of their buildings.

MedOne's CEO is Wes Hartig, Charlie Hartig's brother.

The city requires businesses to obtain a temporary use permit if they are selling merchandise in a parking lot and impacting traffic, parking availability or emergency vehicle access. Merchandise displayed against a building that doesn't impact traffic does not require a permit.

The city also requires drive-thru facilities to provide enough space for vehicles to stack without encroaching on public right-of-ways. The city can require a developer to conduct a study to determine how much drive-thru space each individual project requires.

Speaking further with the TH, Charlie Hartig said Hartig Drug Co. has experienced other issues with the city, pointing to an instance in which a city project created traffic that hampered the accessibility of Hartig stores.

Hartig said the construction of a roundabout on University Avenue greatly disrupted traffic access to the Hartig Drug store on University.

In response to Hartig's comments, Dubuque Public Information Officer Randy Gehl stated in an email to the TH that the city kept in constant communication with Hartig Drug leadership throughout the construction of the roundabout and that the design of the roundabout was adjusted in response to the company's input.

Hartig also added that he feels City Council members are not easily accessible to business owners to express any issues they may have with city staff.

"There has to be a better venue for us to raise concerns other than once a Monday meeting on open mic," Hartig said.

'20 YEARS IN THE MAKING'

Other business owners and developers who signed the May 10 letter also spoke with the TH and shared issues they have faced with the city.

Joel Callahan, founder and president of Callahan Construction Inc., previously spoke with the TH about issues he said he faced in developing a 56-unit apartment complex off of Bies Drive.

Callahan said he ran into disagreements with the city over the reconstruction of the intersection of Bies Drive, Sylvan Drive, Century Circle and Century Drive. He said a design for the reconstruction would have caused new portions of road to encroach farther into his property, though the intersection eventually was redesigned so as to not encroach on his land.

Callahan said he also experienced issues with changes to electrical wiring regulations enacted by the city. On Dec. 20, 2021, the city adopted local amendments to its national electric code, one of which prohibited the installation of romex cable in multi-family residential construction above the second floor. Callahan said the code change was made while he was developing his apartment project and increased the project cost by about \$80,000.

However, City Council members on May 15 voted to revise the city's electrical code to allow romex cable above the second floors of multi-family residential developments.

As a result, Callahan previously said he planned to move forward with his apartment project.

Speaking again with the TH, Callahan said he believes the May 10 letter is the result of decades of frustrations local developers and businesses have faced in trying to work with city staff.

"This is 20 years in the making to the point that people just got fed up with it," he said. "As it goes on, they just keep nickel-and-diming you."

Pat Norton, senior project manager at Buesing & Associates Inc., a civil engineering and surveying firm, said he signed the letter because he believes securing construction permits and site plan approvals from the city has become much more difficult in the past five to 10 years.

Norton, who works with developers on creating finished designs and assists them with the city's review process, said gaining approval from city staff used to take about a month but now can take up to six months.

"The process has become much more difficult," Norton said. "It takes a lot longer than it used to be."

Norton noted that some of the added time needed for a project's approval from the city is justified, given the myriad project components the city must review.

His real issue lies in what he sees as lack of communication from the city in informing developers about how long the review process will take.

"There's no real timeline defined, and there's no real time limit on how long the review process can take," Norton said.

Without a concrete idea of when the city will approve a project, Norton said, developers run the risk of missing out on sizable portions of the construction season, which in turns drives up the cost for development.

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