

State of the City Address

Mayor Roy D. Buol

Monday, March 25, 2013



Good evening! On behalf of the Dubuque City Council, we want to thank our partners for making this annual outreach possible. Thanks to the Dubuque League of Women Voter, Radio Dubuque, and City of Dubuque Staff for sponsoring tonight's outreach in a variety of venues to provide non-partisan information to the public at large on issues of importance to us all.

I want to take this opportunity to acknowledge and personally thank my esteemed, conscientious and extremely hard-working Council Colleagues: Ric Jones, David Resnick, Kevin Lynch, Karla Braig, Joyce Connors, and Lynn Sutton. And, to, our extraordinary, hard-working City staff: City Manager Mike Van Milligen, Assistant City Manager Cindy Steinhauser, City Attorney Barry Lindahl and City Clerk Kevin Firnstahl, as well as Assistant City Manager Teri Goodmann who could not be with us this evening, our sincere gratitude for your expertise and professionalism.

Last, but certainly not least, our collective appreciation goes out to all our department and division directors along with our exceptional City employees, and volunteer Boards and Commissions. You are all proof-positive that hard work yields tremendous results!

Finally, we extend our collective gratitude to our rock-solid partners -- locally, regionally, in Des Moines, and nationally in D.C. Together we are building a remarkable community and brand, one that continues to be recognized by independent organizations nationally and internationally!

President John F. Kennedy once said, "We celebrate the past to awaken the future." With that in mind tonight, in this beautiful, historic Chamber, I am honored to deliver the 7th State of the City Address.

I want to begin with reference to an article brought to the Council's attention last fall by City Manager Mike Van Milligen entitled, "Where You'll Want to Live in 2032." This article summarized a Gallup Poll and concluded that the best place to live in 20 years will be a place where 'most residents are healthy, optimistic, employed in good jobs they love, and are enthusiastic about their communities.'

What we learned bears repeating tonight, beginning with the fact that the study identified the "West North Central Region" as the one designed for the brightest future, a region that includes Kansas, Minnesota, Nebraska, North and South Dakota and Iowa!

As a City Council and City Staff, we remain focused on setting the tone, serving the citizens, and creating the atmosphere to ensure that Dubuque remains a community where you want to live today, tomorrow, and always. How do we do that? The answer is taking one direction: forward. And, we can do it! How do we know? All we need to do is to look at the many partners helping to ensure that ours is a viable, livable and equitable community!

Sometimes, we can get too close, too close and too familiar with our positives and strengths. As a result, because we're human, we don't always see what others may see. We may not, as a community, always realize our distinct, "home court" advantages. For example, in January 2012, Dubuque's resilience was recognized by the US Conference of Mayors as "one of 26 metro areas out of 363" to have completely recovered the jobs lost during the Great Recession;

Another example -- with our local colleges and over 304,000 college students within 100 miles, this area was recognized by *The Atlantic Magazine* in June as the sixth "Brainiest Metro" in the country.

Adding to that, Dubuque is being recognized as a “City of Colleges,” having a tremendous impact on the economic health and vitality of our City. For example, did you know that our local higher ed institutions contribute an economic impact of \$547 million annually to our local economy? Did you know that our higher ed institutions collectively employ over 1200 full-time employees? Did you know that our higher ed institutions feature an abundance of arts and cultural events both on their campuses and in other venues throughout the year...and, coming on line this spring will be the UD Heritage Center for the fine and performing arts...a tremendous investment that is important both to the University, and the community! Did you know that our higher ed institutions contribute over 147,000 hours of service to the Dubuque community? Finally, and importantly, did you know that 70% of our local college graduates stay in IOWA contributing to our workforce needs and improving life in their communities? “Brainiest Metro?” Yes! “Community Treasures?” Most Definitely!! “Home Court Advantage?” Without question!!

Recently released, Dubuque scored a U.S. Top 5 ranking for Tier One Cities with a population of 200,000 or less from the prestigious *Site Selection Magazine* in the March 2013 edition. This comes on the heels of the Milken Institute’s nod to Dubuque for its move into the U.S. Top 15 “Best Performing Cities” in 2012, placing our community ahead of Sioux Falls, South Dakota and Iowa City! For the second time in five years, Dubuque was named an All-America City by the National Civic League in 2012! And recently, Dubuque was named “River City of the Year” by Iowa Rivers Revival, noting that our “historic city is in the midst of a renaissance in revitalizing its relationship to the Mississippi River and improving recreation, protecting the environment, and bolstering our community!”

We realize Dubuque receives a lot of recognitions, deservedly so, because they represent what is happening throughout all sectors of our community: efforts and initiatives of, by, and for citizens. These are efforts undertaken by people who love their community...people who want to contribute to its well-being...and, most importantly, people who understand that their efforts and the resulting recognitions are the very “seeds that will transcend to economic prosperity” in the long term. To them I say, your community is grateful to all of you for your investment of time and talent! You care immensely and, boy, does it show!

We also know that real leadership and real progress also means taking a candid look in the mirror and seeing the whole of our City’s reality. When we do that, sometimes the mirror stares back hard, especially when it’s clear that even with recovery of all the jobs lost in the great recession, we still do have challenges. We still have dear friends and family members...hard-working folks...that are ready, but need to have renewed job skills to qualify for the positions that exist.

That is why I want to acknowledge all of the smart, nimble partnerships that we’ve developed with the Community Foundation, Chamber, Greater Dubuque Development, NICC and others -- partnerships that are defined by working together to identify the needed skill positions and creating the classes to provide the training to those in need!

Locally, we believe Dubuque is on the right track. That has been reinforced by objective non-local talent including Rebecca Ryan, a nationally known expert on workforce development and the keynote speaker for the Iowa Economic Development Authority at its annual conference in 2012. Ms. Ryan

told over 400 attendees from across the State of Iowa about cities that are on the ropes, including Detroit and Cleveland. She then gave three specific examples of emerging cities, including Charlotte, North Carolina; Chattanooga, Tennessee; and DUBUQUE, IOWA!

Further support for Dubuque's focus on job growth and efficiencies in service to citizens came from IBM Vice President Joe Dzaluk who said, "Dubuque is a city that has firmly established itself as a national leader in forward-thinking public policies."

Sometimes public policies, such as the City strategically using low-cost debt to bolster its infrastructure and efficiencies for service to citizens, are misunderstood. In addressing public policies, an independent source, Stephen Goldsmith, who is a professor of government at the Harvard Kennedy School stated, "If there is one place where public officials should consider taking on more debt, it is in an area crucial to the country's economic health, addressing deteriorating infrastructure -- roads, bridges, water systems and the like."

"Now," he said, "is the time public officials should look at repairing their infrastructure. Historically low interest rates provide an opportunity to inject necessary capital much more affordably. Much of our infrastructure that is most in need of repair is deteriorating at a rate that far exceeds current interest rates." Not repairing or replacing a water plant for another four years would likely incur an annual cost three times higher than borrowing would, taking into account the rate of deterioration as well as the increasing cost of materials.

He concluded that, "Officials who starve their capital budgets to help get past the bad times are really engaging in another form of accumulating deficits. Importantly, the strategic use of alternate financing structures, revenue sources, and public-private partnerships amount to a prudent investment."

Dubuque's investments in our Water and Resource Recovery Center and the Bee Branch Creek Restoration are examples of prudent investments that cost tax payers less by doing them now, and will provide safer and more efficient services to our citizens sooner.

As a "smart city," let's be even more clear; infrastructure needs, public projects, and vital improvements will not go away. They are why we are being smart and wise with our investments and taking advantage of the historically low interest rates for specific projects that must be accomplished.

That's right, saving money by planning for the long term and leveraging low rates. We can pay now or pay more later. It also is important to be clear that the City does not just depend on debt to complete the priority projects.

In the past three years, the City applied for and received over \$133 million in federal and state grants to help fund projects and City staff continues to be in constant pursuit of partners to help keep taxes and fees down. The City has also applied for \$1 million in flood mitigation funds from the U.S. Economic Development Administration and may be eligible for tens of millions of dollars from a new State flood program. Both would help to hold down the storm water fee and improve the performance of the Bee Branch Creek Restoration Project.

The idea of strategically investing in our City's future is not new at all. In fact, our economic investments in TIF (tax increment financing) have served to help many local businesses to build and expand and experience success.

For example, while both locations were cornfields some 14 years ago, today, the Tech Park and the Dubuque Industrial Center West no longer grow corn. In fact, since early 2001, more than 2.3 million square feet of new construction occurred -- 91% of which comes from existing business expansions.

The long-term results of utilizing TIF to support business expansion are about to be realized. Within five years, Dubuque's taxing bodies could receive as much as \$1 million per year when the Dubuque Tech Park tax increment financing or TIF district expires and as much as \$3 million per year in seven years when part of the Dubuque Industrial Center West TIF district expires. The City will receive about 30% of these revenues for the general fund, with the rest split among the Dubuque Community School District, Dubuque County, NICC and others.

As a Council, we conscientiously focus priorities to ensure that City services and infrastructure will not only accommodate our current population, but our planned growth in the long term. Dubuque has been investing in the future of our City, not spending money on short-term improvements with limited life that will provide only short-term gains.

The top ten capital expenditures from 1997 through to 2018 represent investments in storm water management and the Bee Branch Creek Restoration Project; Industrial Parks; an Airport Terminal Project; the Sanitary Sewer system and the Water Resource & Recovery Center; the multiple phases of the America's River Project; Parking Ramps; the Southwest Arterial; and our annual street paving and reconstruction program.

Investing in and building a solid future -- a sustainable future -- is the underpinning of the budget that is based on the Council's goals and priorities. In addition, the budget tries to position the City to "catapult" past other cities as a premier place to live, benefitting our local residents and attracting new people to our workforce and, yes, spreading out the tax base.

Looking to the future, several significant projects are designed to continue the City's momentum, while also having the immediate benefit of job creation. These include:

- the creation of a new industrial park off of Highway 20 at Seippel Road;
- the completion of the Roshek Building renovation which provided space for IBM to create 1300 jobs, and houses the Community Foundation of Greater Dubuque along with several high-quality retail outlets, and preserved a significant anchor for our downtown that is Platinum LEED certified and on the National Historic Register; and
- a downtown partner, Heartland Financial, has now leased the entire 3rd floor of the Roshek building for 100 of its employees, including 50 new jobs.

The City has received over \$20 million in grants and low-interest loans to implement the Millwork District plan. Gronen Restoration has completed the residential component of the Caradco Building in

the district, and is now completing the commercial space, including the future home of the first grocery co-op in Dubuque!

As Senator Grassley's special assistant said last summer during a tour of the district, "Seeing the repurposing of that area come to fruition has been helpful to the community...and it is nice to see how the coordination between federal, state, and local governments and private dollars are all being used to advance and enhance a community and revitalize a section of town that wasn't being used. That's exciting!"

I also want to take this opportunity to highlight that those choosing to live in the popular Caradco Building apartments are employees of our diverse business climate including:

Sinsinawa Mound, Kendall Hunt, RDA Engineering, John Deere, McGraw-Hill, Entege Engineering, IBM, Sedgwick CMS, Crescent Electric Supply, Finley Hospital, McKesson Corporation, Rainbo Oil, Prudential Retirement, Cartegraph, Super 20 Truckstop, Seton Catholic School, Brand L Embroidery, McGladrey, Huron Consulting Group, Dream Catcher Productions, Jitterz Coffee Shop, Fidelity Investments, Cottingham & Butler, Hilton Garden Inn, Flexsteel, and A Clover on Main Salon & Day Spa of Galena -- along with some retirees who have chosen to make the Millwork District their home!

The City's partnership on redevelopment of the riverfront continues. Examples include:

- the Mystique Ice Center on Schmitt Island by Dubuque Ice & Recreation Center, along with bringing USHL hockey back to Dubuque, including a national championship Clark Cup in the first year;
- the expansion of the National Mississippi River Museum and Aquarium, with the creation of the Rivers to the Sea and the outdoor plaza connecting the two facilities;
- the transient boat docks at the Port of Dubuque Marina, and the partnership with Newt Marine to revitalize the South Port and America's River Project along 16th Street creating amenities; and
- master planning will begin in fiscal year 2013 for Schmitt Island!

The City continues implementing important transportation projects with property acquisition and final design continuing on the Southwest Arterial.

As we think about the Dubuque economy, we realize there are a number of factors that contribute to job growth. Taking into account the natural ebb and flow of the economy, we are proud to report that Dubuque continues to lead Iowa and much of the U.S. for strong, consistent job growth. In fact, during the past year, of the State's largest metros, Dubuque remains the only city with a job growth rate of over two percent. It is staggering, in a good way, to realize that during the past three years, Dubuque County, with only 3% of Iowa's population, created over 13% of all net new jobs in the State!

So, what is driving this growth? The answer is Dubuque's committed, smart, and innovative existing businesses -- our partners for progress.

For example, in the spring of 2012, Theisen Supply began construction on an 80,000 square foot addition to their existing headquarters and distribution center in the Dubuque Industrial Center West. At the same time, Key City Plating /Seven Springs Customs was doubling the size of its Kerper Boulevard facility.

By April, John Deere had announced a project that would create up to 125 new jobs and potential investment of \$44 million in new capabilities and in Research and Development.

By June, AY McDonald was breaking-ground on a new, 15,000 square-foot addition to their existing facility, a project that includes new machinery and equipment, new technology, and new jobs for Dubuquers and their families. A project that is proactive, smart, and hits the front-side of the no-lead brass marketplace.

Also during the summer of 2012, Fed Ex Ground started construction on a new, 84,000 square foot facility in the Dubuque Industrial Center North.

Moving into September and the Fall of 2012....Giese Manufacturing, the first private business to locate in the Dubuque Industrial Center West, announced its third construction project with new plans to add 28,000 square feet.

In early September, Flexsteel Industries officially opened its newly constructed global headquarters in the Port of Dubuque.

And Radio Dubuque opened their 10,000 square foot state of the art broadcast center on University Avenue where 31 employees operate four radio stations!

By October, more good news arrived with Rousselot's announced expansion of \$16 million and a 40% capacity increase at its Kerper Industrial Park location.

Later that same month, Green Industrial officially welcomed visitors and guests to their new, 140,000 square foot facility in the Dubuque Industrial Center North.

Just these projects alone total over \$90 million in capital investment, 324,000 square feet of new construction, and at least 243 new jobs resulting in at least \$8.5 million in annual payroll entering the Dubuque economy!

In November, Boyd Gaming Corporation purchased Peninsula Gaming and their five casinos, including the Dubuque Diamond Jo. Boyd Gaming has a long history of delivering exceptional guest experiences and being of service in the communities in which they operate. We welcome them to the Port as we acknowledge that the Diamond Jo is among the largest employers in our City, with a long history of community investment and partnership.

All of these private partners are helping our City to continue on its path to sustainable progress while keeping the tax burden reasonable, the second lowest, and highly competitive when you consider the rates of the other nine largest cities in Iowa.

In fiscal year 2014, the property tax rate will increase from \$10.32 per thousand of assessed value to \$11.03. This will result in an increase of almost \$33 in 2014 for the average residential property owner. For all city services combined, in fiscal year 2014, the average homeowner will pay an additional \$124 in property taxes and fees for water, sewer, and solid waste services. There will be no increase in the stormwater fee.

We all agree that the City of Dubuque cannot and should not be responsible for everything, and that is the precise reason our City is being built on partnerships.

Our local banking industry is a partner for progress. Recently, American Trust, Dubuque Bank & Trust, Premier Bank, and US Bank each committed \$750,000 for a total of \$3 million for rehabilitation and adaptive reuse of downtown Dubuque's historic buildings. We are talking about a loan pool for a 90-block area in downtown Dubuque that is full of pride, but could use some TLC and the money to do it. The true highlight of this collaboration is the ability for business owners and commercial developers to lock in the low interest rate of 3.99% for 10 years!

And, because the city of Dubuque's downtown rehabilitation loan program has committed funds through 2026, these four private banks stepped up to fill the funding void -- another example of the importance of the public/private partnerships that have always been crucial to economic revitalization in Dubuque.

We have many partners across all fronts helping to ensure that ours is a viable, livable and equitable community. Dubuque businesses, large and small, are partners leading the sustainability efforts in Eastern Iowa through their participation in the Petal Project, a regional green business certification program designed to encourage organizations to adopt environmentally friendly business practices. Currently, there are 18 local businesses participating in the certification program, with seven of those already certified, including: The Finley Hospital, Loras College, Dubuque Bank & Trust, Premier Bank, Premier Tooling & Mfg., River Lights Bookstore and Dubuque Data Services.

As a Premier Bank representative shared, "Being a sustainable business is not only a good environmental position, but we have been able to save money as a result of our efforts to reduce consumption of our natural resources. The beautiful thing about many individuals and businesses making small changes is that collectively these changes become significant and quite meaningful to our environment and the quality of life we enjoy in our community!"

These businesses join their education and practice with partners in our Green Vision Education Schools program, in the religious community, in area non-profits, and with private citizens in implementing daily practices to conserve, reuse and recycle.

Tourism, Arts & Culture are partners in our progress as well. The City awards grants to area arts and culture organizations for programming that reaches thousands of Dubuque adults and children.

Since 2005, the City has invested \$2 million in grant support, helping to spur a \$47.2 million dollar arts and culture industry right here in Dubuque! It is an industry that supports 1,530 full-time equivalent jobs and generates \$5 million in local and state government revenue.

Our non-profit arts and culture organizations are creating and sustaining vibrancy throughout our community, never before experienced, and they leverage a remarkable \$29.6 million in additional spending by arts and culture audiences. Spending that pumps vital revenue into restaurants, hotels, retail venues and other businesses, supporting the dreams and success of small business owners. I believe we can agree that the arts, a cornerstone of our tourism industry, provide an excellent return on investment.

In fact, here are some statistics from the Convention & Visitors Bureau tied to the expanding social and cultural vibrancy in our area. In 2012, Dubuque welcomed an estimated 1.9 million visitors to our City. Group tours brought in about 4,000 nights of mid-week business to our economy. Conventions in Dubuque brought over 72,000 delegates.

For the second time in the last three years, Dubuque received the Outstanding Tourism Community of the Year award in 2012, and our internationally recognized National Mississippi River Museum & Aquarium received the “Like It” award at the Iowa Tourism event in 2012. In 2012, Dubuque hosted the first of three annual Dockdogs World Championships which last year brought over 300 contestants from 37 states and parts of Canada to our midst, and contributed approximately \$475,000 to our economy, not to mention a national television audience to see our beautiful Port of Dubuque!

Finally in 2012, the Dubuque Regional Sports Commission helped to fund 20 national and regional sporting events, generating an estimated economic impact of \$5.4 million.

I want to switch gears now to address a topic that is important to every community in the nation. That topic is diversity and understanding its value, the ever-increasing value of diversity.

We, as a community, have come a long way in realizing that our economic stability and vitality long-term will be the result of welcoming people of all races, ethnicities and cultures. We also believe that, together, we have to continue to make the conversation more intentional going forward. There is no doubt about it, this is important for the people who have moved here from other parts of the country, and world, to live and work. This is important for area businesses seeking a highly skilled, educated workforce. This is important for our economic development team to be able to demonstrate that Dubuque is the best choice for a company’s expansion or relocation, to be able to ensure that their employees will find a welcoming and diverse community in which to live, work and enjoy life!

The success stories can be witnessed on our higher education campuses where on any given day, you see students from across the nation and 50 different countries living, studying, and cheering at athletic events together. Another success story is attributed to our growing young professionals’ network where diversity is, simply a non-issue. It is living and working, with respect, in a global society.

It is our hope that more efforts will be made to visibly, vocally and proudly support our community leaders and organizations that are already at work and striving to help citizens who are new to Dubuque, or those who may be on the fringe of society, to be hopeful. One such effort is known as the Dubuque Circles Initiatives, a program that is a vital part of our community. This effort brings together volunteers from both middle and upper class families in our city, to help families in poverty break through the barriers that have prevented them from becoming established in the middle class or moving up the ladder, so to speak.

I want to take a moment to personalize that initiative. Many of you know my story, for those who don't, the short version is that my six siblings and I were raised by a single mom, and we moved into my grandparents home when I was 18 months old and my younger brother only five months old.

My grandparents' home went from two to 10 overnight. Times were difficult. My mother never missed a day of work and my grandfather worked hard at the Dubuque Boat & Boiler Works to take care of us. My grandmother ran the home and looked after us but times were difficult.

Even back then, the City of Dubuque gave us hope. At that time, the Salvation Army was there to help us. Let me tell you why I love and believe in the City of Dubuque, with every fiber of my being. Dubuque gave us the intangibles, that "X factor" that separates "okay" communities from remarkable communities. We had neighbors who cared. We had teachers who cared. We had role models in the home who cared. We were fortunate to have a support system. In short, we had hope.

The Circles Initiative and its staff and volunteers, along with the similar support systems which I counted on as a young boy, are offering hope to local families in poverty, families on the fringe of society, and they are seeing success stories. We need more volunteers, and more success stories.

To be a community of character, to continue to achieve prolonged growth and cultural vitality, a diverse, healthy culture is critical. Greater Dubuque Development President Rick Dickinson predicted that we could realize a modest 5-10% growth long term. He predicted it will be sustainable, smart growth; it will leave no neighborhood behind. It will see that everyone in this community has the opportunity to reach their full potential.

Rick summed it up this way, "Sustainability is about doing things right, in the right way. And, more than a slogan, can be the ethos that brings quality to our community and helps us to recruit employers, retain employers and, most especially, helps us to recruit talent because this needs to be a cool and fair place to live, or people won't live here."

Doing things right and being a cool place to live was recognized this year when the Community Foundation of Greater Dubuque celebrated its 10th anniversary and \$40 million in assets, demonstrating the generosity of private citizens and private businesses in our area to provide grants that improve the mission of area non-profits!

It was in 1968, during in my senior year at Dubuque Senior High School, when then-Senator Robert Kennedy said something that struck me as simple, yet profound. "The future is not a gift," he said. "It is an achievement."

In serving the citizens and City of Dubuque for 18 years, including the last seven plus as your Mayor, I could not be more proud of the commitment and collective leadership that has been demonstrated from the "inside out" of our community, all focused toward achieving meaningful goals with a positive long-term impact.

In fact, we in Dubuque do "celebrate the past...to awaken the future." A future we are moving to in an intentional and balanced way, building an economy that is durable, and ensuring an enriched

quality of life that is safe, vibrant and diverse. One in which our children and grandchildren grow up healthy, kind, and optimistic, where they can be employed in good careers they love, and where they are enthusiastic and downright proud about the place they call “home.”

Senator Kennedy was right, the future is not a gift, it is an achievement, and the City of Dubuque, its citizens, and partners, remain up to the challenge!

May God continue to bless you, our citizens, our veterans serving at home and abroad, and their families, and the State of our City! Good night!