

Cup overflows for Dubuque coffee company

BY JEFF MONTGOMERY JEFF.MONTGOMERY@THMEDIA.COM | Posted: Sunday, January 3, 2016 12:00 am

Just five years after the Dubuque-based company was founded, owners of Verena Street Coffee Co. are on the verge of constructing a 34,000-square-foot facility that would allow them to create at least 10 jobs.

The new facility would operate on a 12.03-acre parcel in Dubuque Industrial Center South on the north side of Seippel Road, across from TriState Quality Metals.

Noting that Verena Street Coffee Co. has outgrown its current space, co-owner Michael Gantz said the new facility will allow the business to move to the next level and meet growing demand from customers.

"We want to eventually be a national player in the coffee business," he said.

Verena Street products first appeared in local stores in January 2011. The company's coffee now is sold in nearly 700 grocery stores in the Midwest, including Hy-Vee, Fareway, Sam's Club and Jewel-Osco locations.

Eric Gantz, Michael's cousin and a co-owner of Verena Street, said the upcoming facility might only represent the "first phase" of expansion, noting there is enough room on the property to grow to 120,000 square feet.

Incentives pending

The company expansion is contingent on the approval of a development agreement between Verena Street's parent company, Roasting Solutions, LLC, and the City of Dubuque. Under the agreement, Roasting Solutions would receive a \$721,800 acquisition grant to offset the purchase price of industrial park property. This would cover half of the total purchase price.

Roasting Solutions also would receive a 100 percent rebate -- minus debt service, the School District Physical Plant and Equipment Levy, and the Instructional Support Levy -- on the incremental increase of the new property tax for 10 years.

In return for these incentives, Roasting Solutions must hire 10 new full-time workers -- bringing the total to 17 full-time equivalent positions -- by Jan. 1, 2020, and maintain those through Jan. 1, 2028.



Cup overflows for Dubuque coffee company

Brock Hefel prepares bags of Verena Street coffee in Dubuque.

A development agreement with the city notes the company plans to invest \$3.2 million in the new facility. Michael Gantz said the overall investment, including equipment purchases, will exceed \$7 million.

Dubuque City Council members on Jan. 4 are expected to set a public hearing date for Tuesday, Jan. 19, for the development agreement.

Company growth

Verena Street employs seven full-time equivalent workers and operates out of a 7,500-square-foot facility at 10529 U.S. 52. Eric Gantz said the company completed an expansion of its current facility in June 2014.

"We have room to add on one more time here, but that would be a Band-Aid," Eric Gantz said. "It would last us maybe a year. We are struggling to keep up with demand from existing customers and can only go after so much new business with the facilities we have right now. With the new facility, it forces us to say, 'OK, let's go for it.'"

Dan McDonald, vice president of existing business with Greater Dubuque Development Corp., characterized the company's growth as a microcosm of one of the Dubuque area's greatest assets.

"Something that is very unique to Dubuque is its long list of committed, family-owned businesses," he said. "It's one of our best-kept secrets."

Michael and Eric represent the fourth generation of the Gantz family involved with Lime Rock Springs Co., a local distributor of Pepsi-Cola products. Michael and Eric Gantz co-own Verena Street with Eric's father, James Gantz, and Michael's father, C.J. Gantz.

Long-Term Vision

While a development agreement with the city is pending, earth and foundation work on the property at Dubuque Industrial Center South already has begun.

McDonald said the early stages of work on the building are made possible by a "site access agreement," which allowed the company to begin early work on the facility before ground froze. As part of the agreement, Roasting Solutions would have to return the site to its original condition if the development agreement with the city is not approved.

Pending city approval, Michael said the building should be completed in July and Verena Street would begin moving equipment into the facility in August. He anticipates the new facility will be running by September, and he said all operations would shift over by November.

"It will probably be one of the most up-to-date, state-of-the-art coffee facilities here in the Midwest," Michael Gantz said.

Michael, 33, said there will be plenty of work to get the facility operational. But he said he and Eric, 34, are at a point in their lives where they welcome the hard work and long hours.

"It is now or never," Michael said. "We decided if we don't do it today, we are never going to do it."