



JOINT CITY COUNCIL-RICE COUNTY COMMISSIONERS Work Session Tuesday, September 13, 2022 at 5:30 PM Council Chambers

AGENDA

1. Call to Order/Roll Call

- A. Call to Order FARIBAULT CITY COUNCIL/ Roll Call
- B. Call to Order RICE COUNTY COMMISSIONERS / Roll Call

2. Items for Discussion

- A. Business Subsidy Discussion - Midwest Recovery, Faribault Facility

3. Future Discussion

4. Adjournment

- A. RICE COUNTY COMMISSIONERS Adjournment
- B. FARIBAULT CITY COUNCIL Adjournment

Please contact the City Administrator's Office if you need special accommodations while attending this meeting



Council Work Session Memorandum

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Deanna Kuennen, Community & Economic Development Director
John Sherwin, Chief of Police
MEETING DATE: September 13, 2022
SUBJECT: Business Subsidy Discussion - Midwest Recovery, Faribault Facility

Discussion:

Tax abatement is a tool afforded to cities, counties, and school districts that allows the taxing authorities to abate current or future taxes. Projects seeking tax abatement must provide a benefit to the community and be in the public interest. Measures for determining the project's benefit include increasing or preserving the tax base, employment opportunities, redeveloping blighted areas, and/or providing access to services for residents. The City of Faribault has primarily utilized tax abatement as an economic development tool, supporting industrial development expansion and investments - abating all or a portion of the "new" taxes that will be generated from the investment. This approach allows the taxing jurisdictions to continue to collect current taxes and remain whole, while providing the incentive to the project.

While state statutes provide a lot of flexibility in the use of tax abatement, awarding and providing tax abatement to different projects is at the sole discretion of the taxing jurisdictions. Staff has been in conversations with Midwest Recovery, a residential drug and alcohol recovery facility. Midwest Recovery currently has an outpatient facility in Faribault and an inpatient facility in Northfield, and is now pursuing a recovery facility project in Faribault that would include outpatient, lodging, detox/withdraw management, and inpatient services.

The City of Faribault and Faribault Police Department have worked with community partners to address substance-use disorder in Faribault and throughout Rice County. The majority of local crime, police response, and resultant social harm can be linked to the abuse of controlled substances and alcohol. The Faribault Police Department remains focused on enforcement by dedicating significant resources to reducing the flow of

illegal narcotics into our community. These efforts are largely focused on the supply-side of illegal drugs, but we do very little to address the demand. To address this demand, we are reliant on our community partners to provide care, connections to resources, and pathways to treatment. A few statistics illustrate this need:

- In the past year, law enforcement has responded to 21 non-fatal and 6 fatal overdoses in Rice County.
- In 2021, 446 Rice County residents accessed chemical dependency treatment.
- Pre-COVID, 489 Rice County residents accessed chemical dependency treatment in 2019, with 279 attending residential treatment. Only 4% of residents were able to access treatment in Rice County.

Faribault and Rice County law enforcement are often the first point of contact for individuals under the influence. A lack of local treatment options can present significant obstacles to police operations. The most convenient detox facility is located in Rochester, requires a 2-hour round trip, and removes an officer and squad car from the community for an extended period of time. In times of minimal staffing, it's not feasible to provide such lengthy transport. Officers are forced to find alternative placements and this often results in unnecessary emergency room visits or incarceration in the Rice County Jail. The Faribault Police Department supports Midwest Recovery's efforts in constructing a recovery facility in Faribault. Cost savings are expected in manpower hours, transport costs, and the elimination of repeat calls for service. In addition, Midwest Recovery's intentions of providing withdrawal management fill a critical and life-saving need in Faribault and Rice County.

Midwest Recovery is seeking various different resources to support the development of their multi-phased facility, including the use of tax abatement. State statutes and the local business subsidy policy support the use of tax abatement for this type of project - as the project fulfills a public purpose. Staff is seeking direction regarding whether or not utilizing tax abatement for a "non-traditional" economic development project would be supported. To help the City Council and County Board understand the proposed project and community/county/regional benefits, representatives from Midwest Recovery will be present, along with Chief John Sherwin.

From an investment and project impact perspective - the Midwest Recovery Project would be a \$10m investment, generating an estimated \$26,000 annually in city taxes and an estimated \$20,000 annually in county taxes, and would provide 40 FTE jobs ranging from \$20/hour to \$130,000/year.

OUTPATIENT AND LODGING FACILITY

FARIBAULT, MN



The City Council and County Board are asked to provide direction on utilizing tax abatement to support the development of a recovery facility.

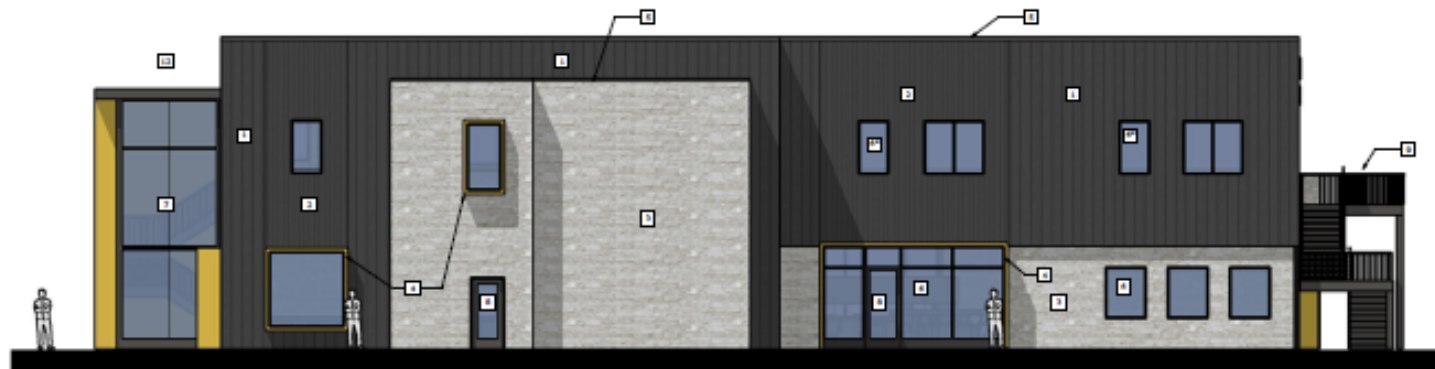
Attachments:

1. Midwest Recovery - Proposed Faribault Facility

OUTPATIENT AND LODGING FACILITY

FARIBAULT, MN





EAST ELEVATION

EXTERIOR KEYNOTES	
1	PER FINISHED ARCHITECTURAL METAL PANEL TYPE 1 (BASED ON CRITERIA CC-410)
2	PER FINISHED ARCHITECTURAL METAL PANEL TYPE 2 (BASED ON CRITERIA CC-420)
3	THIN STONE VENEER (BASED ON ASSOCIATED SPEC. STACO). PROVIDE GILL BLOCKS AT ALL PUNCHED WINDOW OPENINGS
4	WINDOW "PORTAL" APPLIC. LFT. GRP. PERFINISHED PLAT METAL PANEL. WEATHER METAL STUD FRAMING AT WINDOW PORTAL
5	PER FINISHED METAL CORING
6	THERMALLY BROKEN ALUMINUM EXTERIOR FRAMING AND INSULATED GLAZING. "POSSIBLE OPENABLE"
7	THERMALLY BROKEN ALUMINUM CURTAIN WALL FRAMING AND INSULATED GLAZING
8	THERMALLY BROKEN ALUMINUM FRAMING WITH DOOR INSULATED GLAZING
9	STAIR DRCK STRUCTURE WITH STAIR GLASSRSL AND HANDRAIL SYSTEM. PROVIDE COMPOSITE DRCKING ON STAIRS AND DRCK
10	CANOPY WITH PERFINISHED PLAT METAL PANEL. WEATHER IN METAL STUD FRAMING
11	STAIR WEATHER WITH PERFINISHED PLAT METAL PANEL. WEATHER IN METAL STUD FRAMING
12	EXTERNALLY ILLUMINATED CHANNEL LETTER SIGNAGE



NORTH ELEVATION

1 EXTERIOR ELEVATIONS - 1
3/16" = 1'-0"



WEST ELEVATION

EXTERIOR KEYNOTES

- 1 PER FINISHED ARCHITECTURAL METAL PANEL TYPE 1 (BASED ON CENTER CC 602)
- 2 PER FINISHED ARCHITECTURAL METAL PANEL TYPE 2 (BASED ON CENTER CC 602)
- 3 THIN STONE VENEER BASED ON ASSOCIATED 3D STAGE, PROVIDE 1/2" SLAB AT ALL FINISH WINDOW OR DOOR
- 4 WINDOW FINISH AT ALL CURB, FINISHED PLAT METAL PANEL WRAPPED METAL STUD FRAMING AT WINDOW POSTAL
- 5 PER FINISHED METAL CORNER
- 6 THERMALLY BROKEN ALUMINUM STOREFRONT FRAME AND INSULATED GLAZING, INDICATE OF FRAME
- 7 THERMALLY BROKEN ALUMINUM CLUTTER WALL FRAMING AND INSULATED GLAZING
- 8 THERMALLY BROKEN ALUMINUM FRAME WITH DOOR INSULATED GLAZING
- 9 STEEL DECK STRUCTURE WITH STEEL QUADRAL AND WALKWAY SYSTEM, PROVIDE COMPOSITE DECKING ON STAGE AND DECK
- 10 CANOPY WITH FINISHED PLAT METAL PANEL WRAPPED IN METAL STUD FRAMING
- 11 STAGE FRAMING WITH FINISHED PLAT METAL PANEL WRAPPED IN METAL STUD FRAMING
- 12 INTERNALLY ILLUMINATED CHANNEL LETTER SIGNAGE



SOUTH ELEVATION

1 EXTERIOR ELEVATIONS - 2
1/8" = 1'-0"

