



January 27, 2023

Chair Ann Rest, Minority Lead Bill Weber, and Members of the  
MN State Senate Tax Committee  
3225 Minnesota Senate Building  
St. Paul, MN 55155

Chair Aisha Gomez, Minority Lead Greg Davids, and Members of the  
MN House of Representatives Tax Committee  
597 Rev. Dr. Martin Luther King Jr. Boulevard  
St Paul, MN 55155

Chair Dave Lislegard, Minority Lead Duane Quam, and Members of the  
MN House of Representatives Property Tax Division  
451 State Office Building  
St. Paul, MN 55155

**Re: Beltrami County Local Option Sales Tax Request**

Dear Respected Senators and Representatives:

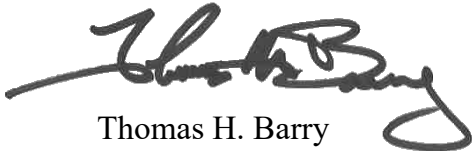
The Minnesota Department of Corrections has required Beltrami County to upgrade its Jail and resolve inmate overcrowding issues. Beltrami County has been working for some time evaluating various options and recently completed several studies including a Jail and Justice System Assessment and Jail Needs Assessment and Feasibility Study. Upon the conclusion of this work, the County Board has committed to building a new 242-bed Jail and is now requesting the authority to place a question to our voters asking them to consider a Local Option Sales Tax (LOST) to fund the construction of a new Jail that will provide regional benefit to the greater Bemidji area. Enclosed you will find the County's submittal request which includes authorizing resolutions, background information, a project summary, public outreach and involvement summaries, as well as documentation that further describes the project and its cost implications and regional benefits. The County would be happy to share any additional information that may be needed to consider its request.

The estimated cost of the project is \$80M. The estimated sales tax that could be generated within the 30-year maximum LOST requested authorization period is \$170M, supporting bond financing of up to \$90M. The County is working to gather additional data to

more precisely estimate revenue figures, as well as a refinement of uses and associated costs to make these figures available to voters within the County.

Beltrami County would appreciate the Legislature's favorable consideration of this request in order to keep the project moving forward and meet Minnesota Department of Corrections timelines and expectations. Please do not hesitate to contact me at 218-333-4109 or [tom.barry@co.beltrami.mn.us](mailto:tom.barry@co.beltrami.mn.us) with any questions you have regarding this request. We look forward to working with you through this 2023 Legislative Session for consideration of this important matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Thomas H. Barry". The signature is stylized and fluid, with a large loop at the end.

Thomas H. Barry  
County Administrator

cc: Senate Tax Committee Administrator Mitch Berggren  
House Tax Committee Administrator Patrick McQuillan  
Legislative Assistant Christie Blood  
Legislative Assistant Lamont Pyykkonen  
Legislative Assistant Lauren Sabes  
Legislative Assistant Jennifer Goblirsch  
Legislative Assistant Faith Privett  
Legislative Assistant Rebecca Reiners  
Beltrami County Board of Commissioners  
Beltrami County Sheriff Jason Riggs



# **Local Option Sales Tax (LOST) Request**

**Submitted: January 27, 2023**

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## Project Background

The Beltrami County Jail was built in 1989 and is operated by the Beltrami County Sheriff's Office in Bemidji, Minnesota. The Jail has design and operational limitations that have resulted in constrained capacity. Moreover, due to increased average length of stays, increased court processing times, county population growth and other factors, the Jail's population is projected to continue to increase.

The current state of the Beltrami County Jail lacks staging areas (new intake space), proper classification and recreation areas, and a formal booking area. It is unable to meet current separation requirements per Minnesota standards nor does it provide the correct number of cells per classification requirements. Additionally, it lacks detox recovery facilities. Over the years, the Jail has been continuously modified, expanded, patched, repaired, and many repair items are hard to find due to the Jail's age. In 2019, the Minnesota Department of Corrections (DOC) and Beltrami County agreed to begin a process to methodically address the future needs of the Beltrami County Jail. The language from the report (Appendix A, page 6) reads: *Several inspection reports have documented a recommendation for long-term planning, which incorporates renovations and expansion or a new facility to meet the detention and public safety needs of the County. Because of the age and condition of the facility a written plan is now required to be submitted to the D.O.C.*

On August 24, 2022, Beltrami County Commissioners received the Jail Needs Assessment from Justice Planners, LLC. (Appendix B). The assessment evaluated 7 options to meet the projected jail inmate bed space needs for Beltrami County over the next 30 years including the total cost of each option. Justice Planners recommended that the County move forward with the option to build a new jail as it reduces the number of inmates housed out of the county, addresses the health, safety, and cultural needs of the inmate population, and provides needed training space for staff and programming.

In the time since the Jail Needs Assessment was presented, Beltrami County has conducted extensive community outreach, held 4 town hall meetings and 2 public hearings, and has presented the findings to regional city councils, tribal councils, service groups, non-profits, and the business community. A survey to gather public input was developed and received 448 responses (Appendix C). The results were overwhelmingly in favor of the Local Option Sales Tax funding mechanism and building a new jail was the highest ranked option compared to the other 6 presented.

The current plan is to construct a new 242-bed jail facility. The design will be purposely planned for the projected number of inmates, the types of inmates that would be housed and required services based upon their risks and needs, the desired operational philosophy, the desired housing unit sizes and configurations, and have program spaces that meet the cultural needs of all inmates.

Beltrami County will continue work together with the DOC to ensure the project is designed to meet our current inmate housing population needs as well as the projected needs for years to come. Likewise we have worked diligently to include all regional stakeholders in the planning process and will continue to do so moving forward.

# **Beltrami County Board of Commissioners**

## **Meeting Minutes**

- **December 17, 2019 Beltrami County Board Meeting Minutes (Resolution to Begin Planning Process)**
- **February 1, 2022 Beltrami County Board Meeting Minutes (Jail Project Reimbursement Resolution)**
- **November 15, 2022 Beltrami County Board Meeting Minutes (Approval of Option to Build a New Jail)**

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## December 17, 2019 Beltrami County Board Meeting Minutes (Resolution to Begin Planning Process)

### BOARD OF COUNTY COMMISSIONERS

### BELTRAMI COUNTY, MINNESOTA

DATE: 12-17-2019

RESOLUTION # 19-12-57

MOTION OF COMMISSIONER: Sumner

SECONDED BY COMMISSIONER: Olson

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**THE BOARD, BY ADOPTION OF ITS CONSENT AGENDA, APPROVED  
RESOLUTION TO ENTER INTO AN AGREEMENT WITH THE MN DOC FOR THE  
PURPOSE OF EVALUATING, PLANNING AND LICENSING OF A NEW OR  
REMODELED BELTRAMI COUNTY JAIL FACILITY**

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WHEREAS the Beltrami County Jail is licensed to operate a secure adult detention facility through the Minnesota Department of Corrections. The licensing requires that the facility be inspected by the Minnesota Department of Corrections. Through the inspection process by the Minnesota Department of Corrections, the Beltrami County Jail has not been able to correct all of the physical plant requirements and the staffing requirements due to the age of facility and its original floor plan not being conducive to the current needs of the jail, and

WHEREAS a resulting reduction in operating capacity has been ordered by the Minnesota Department of Corrections and has resulted in the Beltrami County housing of inmates at other County Jails throughout the state at a significant cost to its taxpayers, and

WHEREAS, Beltrami County has made its intentions known that the deficiencies described need to be addressed through a major remodeling, expansion or building of a new jail facility, and

WHEREAS, Beltrami County needs the assistance of the Minnesota Department of Corrections for the purpose of evaluating and planning, and eventually licensing of a remodeled, expanded, or newly constructed jail facility.

BE IT RESOLVED that the Beltrami County Sheriff's Office, of Beltrami County hereby enters into an agreement with the Minnesota Department of Corrections for the purpose of assisting in the evaluation, planning of, or building a new Beltrami County Jail Facility.

NOW, THEREFORE, BE IT RESOLVED that County Board Chair and County Administrator are hereby authorized to execute such agreements and amendments thereto, as are necessary to implement the project(s).

	<u>YES</u>	<u>NO</u>
Gaasvig	absent	
Olson	X	
Anderson	X	
Sumner	X	
Lucachick	X	

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## February 1, 2022 Beltrami County Board Meeting Minutes (Jail Project Reimbursement Resolution)

### BOARD OF COUNTY COMMISSIONERS

### BELTRAMI COUNTY, MINNESOTA

DATE: 02-01 -2022

RESOLUTION # 22-02-06

MOTION OF COMMISSIONER: Lucachick

SECONDED BY COMMISSIONER: Olson

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### **THE BOARD, BY ADOPTION OF ITS CONSENT AGENDA, APPROVED THE JAIL PROJECT REIMBURSEMENT**

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WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the "Reimbursement Regulations") providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, Beltrami County (the "County") expects to incur certain expenditures that may be funded temporarily from sources other than tax-exempt bonds, and reimbursed from the proceeds of a subsequent tax-exempt bond issue;

WHEREAS, the County has determined to make this declaration of official intent ("Declaration") to reimburse certain costs from the proceeds of tax-exempt bonds in accordance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF BELTRAMI COUNTY AS FOLLOWS:

1. The County intends to improve and potentially expand its County Jail currently located at 626 Minnesota Ave NW, Bemidji, MN 56601 (the "Project"), through analysis, consultation, architectural planning, engineering, acquisition and other preliminary work as needed occurring in 2022 through 2024 and construction of said improvements potentially occurring in 2025 and 2026.

2. The County reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of tax-exempt bonds (if issued) in an estimated maximum principal amount of \$5 million. Reimbursed expenditures will include analysis, consultation, architectural planning, engineering, acquisition and all or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

3. This Declaration has been made not later than 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or 5 percent of the proceeds of an issue; or (c) "preliminary expenditures" up to an amount not in excess of 20 percent of the aggregate issue price of the

issue or issues that finance or are reasonably expected by the County to finance the project for which the preliminary expenditures were incurred. The term "preliminary expenditures" includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

4. This Declaration is an expression of the reasonable expectations of the County based on the facts and circumstances known to the County as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the bonds described in paragraph 2 are consistent with the County's budgetary and financial circumstances. No sources other than proceeds of bonds to be issued by the County are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the County's budget or financial policies to pay such Project expenditures.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

	<u>YES</u>	<u>NO</u>
Gaasvig	X	
Olson	X	
Anderson	X	
Sumner	X	
Lucachick	X	

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# November 15, 2022 Beltrami County Board Meeting Minutes (Approval of Option to Build a New Jail)

## BOARD OF COUNTY COMMISSIONERS

### BELTRAMI COUNTY, MINNESOTA

DATE: November 15, 2022

CERTIFICATION OF MINUTES

MOTION OF COMMISSIONER: Gaasvig

SECONDED BY COMMISSIONER: Anderson

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**THE BOARD, BY ADOPTION OF ITS REGULAR AGENDA, APPROVED THE JAIL  
PROJECT RECOMMENDATION TO BUILD A NEW JAIL**

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#### REGULAR AGENDA

##### Beltrami County Jail Project

A motion was made by Commissioner Gaasvig, and seconded by Commissioner Anderson, to approve option 5; to Build a new detention facility, in its entirety, as recommended, with 242 beds, and authorize staff to pursue a Local Option Sales Tax request with the State Legislature. Motion carried by roll call vote 4:0.

##### Further discussion:

Administrator Barry read a statement by Commissioner Lucachick in support of building a new jail as the best option.

Commissioner Olson challenged the Board that in a future decision on the location for the new jail, that a priority be set on not impacting single family homes if possible, as housing is already an issue in our community.

Administrator Barry indicated that the Design and Operations Sub-Committee has met and one of their criteria in selecting a potential site for a new jail facility is to evaluate the impact on housing.

Next Steps and a project and committee timeline will be presented at a future Board Meeting.

Members of the Board were in agreement that further discussion regarding meeting with City of Bemidji to discuss joint efforts on LOST would not be beneficial at this time. Commissioners felt the County was too far along in its process to change the scope of their plan at this time.

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## December 13, 2022 Beltrami County Board Meeting

### Local Option Sales Tax Resolution

**BOARD OF COUNTY COMMISSIONERS**

**BELTRAMI COUNTY, MINNESOTA**

DATE: 12-13-2022

RESOLUTION # 22-12-56

MOTION OF COMMISSIONER: Gaasvig

SECONDED BY COMMISSIONER: Lucachick

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**THE BOARD, BY ADOPTION OF ITS CONSENT AGENDA, APPROVED THE LOCAL  
OPTION SALES TAX (LOST) RESOLUTION**

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**WHEREAS**, the Minnesota Department of Corrections issued a Notice of Deficiency and has required substantial investments in the current Beltrami County Jail effective September 30, 2019; and

**WHEREAS**, the County has completed a Jail Needs Assessment and Feasibility Study to construct a new facility to replace the current 33-year-old County Jail and is ready to begin the design and construction phase of the replacement jail; and

**WHEREAS**, the County intends to issue up to \$80 million in bonds to pay for the jail replacement costs; and

**WHEREAS**, the County believes that the most efficient and equitable way to repay the jail replacement bonds would be through the implementation of a Local Option Sales Tax (LOST) of 0.625% for up to 30 years or \$170,000,000 of total collections, whichever comes first; and

**WHEREAS**, Minn. Stat. 297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and

**WHEREAS**, Minn. Stat. 297A.99 requires the County to pass a resolution authorizing such a local option sales tax to obtain Legislative approval prior to submitting the tax for approval by local voters to enact the local tax;

**NOW, THEREFORE, BE IT RESOLVED, IN ACCORDANCE WITH Minn. Stat. 297A.99  
LOCAL SALES TAXES:**

1. The Beltrami County Board of Commissioners hereby requests that the State authorize a Local Option Sales Tax (LOST) of 0.625%; and
2. The revenue from the local option sales tax will be used to fund the design, capital, and administrative costs of constructing and equipping

a new jail facility that will replace the current 33-year-old jail in Beltrami County, MN, plus bond financing costs; and

3. The amount of local option sales tax revenue utilized for this replacement facility would not exceed \$170,000,000 or up to 30 years, whichever comes first; and

4. The replacement jail facility and its appurtenances together with modifications to the existing jail (including demolition) as well as modifications to the current County Courthouse to accommodate the operational changes a new jail facility will impose are the projects requested for funding eligibility from a local option sales tax as described in the Project Description; and

5. Upon approval of this resolution, the County will submit by January 31, 2023, the adopted resolution and documentation of regional significance to the chairs and ranking minority members of the House and Senate tax Committees for approval and passage of a special law authorizing the tax; and

6. Upon Legislative approval and passage of the special law authorizing the tax, the County will adopt a resolution accepting the new law, which will be filed with a local approval certificate to the Office of the Secretary of State before the following Legislative Session; and

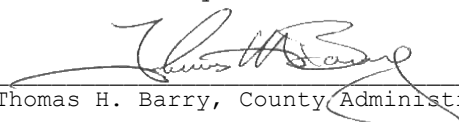
7. The County will put a ballot question on a general election ballot for local voter approval, which will be done within two years of receiving legislative authority; and

8. Upon completion of the requirements, the local sales tax will commence and run for up to 30 years or until \$170,000,000 to fund the jail replacement project costs, including related debt costs, is raised, whichever comes first.

	<u>YES</u>	<u>NO</u>
Gaasvig	X	
Olson	X	
Anderson	X	
Sumner	X	
Lucachick	X	

STATE OF MINNESOTA    )  
   ) ss.  
 COUNTY OF BELTRAMI    )

I, Thomas H. Barry, County Administrator, Beltrami County, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Beltrami County, Minnesota, at their regular session held on December 13, 2022, now on file in my office and have found the same to be a true and correct copy thereof.

  
 \_\_\_\_\_  
 Thomas H. Barry, County Administrator

## Current Facility Description

The current Beltrami County Jail was constructed as a traditional facility in 1989 and is a mix of both the linear and podular correctional model. It was meant to supervise inmates within the corridors between the housing units. Officers were to walk the corridors to monitor but not enter the housing units. This showed to save time and money by allowing a single officer to supervise more inmates. Some units consist of multiple cells (both single and double occupancy). Other units consist of open bunk (podular) areas, few of which we are able to maintain in the current setting. The layout is inefficient when it comes to inmates and Correctional Officers alike regarding supervision, safety, and security. The facility contains outdated housing units, antiquated door systems, aging plumbing and electrical systems, and a poor HVAC system.

At its maximum, the Jail had a total approved capacity of 166 beds. Compliance with MN DOC directives has resulted in available beds being reduced to 132 an operational capacity of 118. The Jail currently lacks staging areas (new intake space), proper classification and recreation areas, and a formal booking area. It is unable to meet current separation requirements per Minnesota standards nor does it provide the correct number of cells per classification requirements. Additionally, it lacks detox recovery facilities. Over the years, the Jail has been continuously modified, expanded, patched, repaired, and many repair items are hard to find due to the Jail's age.

According to the Minnesota Department of Corrections, since 2013 Beltrami County Jail's physical plant deficiencies are as follows:

- 2911.0300 The facility does not have the resources and/or space to provide all genders equal opportunities to be inmate workers (kitchen, laundry, and facility clean up). Due to the layout of each unit males are overrepresented.
- 2911.2500 The facility has a combination of special management, general population, HUBER, Work Release, and minimum-security offenders in the same units. The space that is used is inefficient for this rule. (This is mitigated only by out of county housing).
- There is a lack of space over all within the facility: day room space, medical, storage, program, booking, no staging areas for new arrestees, lack of holding cells, using hallways to hold needed jail storage (carts, mattresses, files), recreation, mental health units, medical cells, visitation areas.
- Plant layout is staff intensive requiring staff to be split up on many different levels, areas, and with a great amount of inmate movement.
- High security concern with the lack of sally ports or secure vestibule outside the master control rooms on both 1st and 2nd floors.
- Water leaks in roof have caused damage to areas of the jail with evidence of additional damage throughout the facility.
- HVAC concerns found throughout the facility: in units and sergeant's office.
- The design of the current bunks and showers do not meet the current standards.

In summary the current facility is an aging , undersized, facility with numerous deficiencies.

## Jail Project Description

### 1. Design/Style:

The Minnesota Department of Corrections (MN DOC) issued a Notice of Deficiency on May 21, 2019 and has required substantial investments in the current Beltrami County Jail. With a commitment to mitigate these deficiencies, the Beltrami County Board of Commissioners issued a resolution to the Minnesota Department of Corrections (see page 3) vowing to address the deficiencies while working towards longer term solutions to manage the growing population and increase in crime in our community.

The current jail facility opened in 1989 and was designed as a linear facility. Its current authorized capacity by the Minnesota Department of Corrections is 132 beds with a maximum working capacity of 118 beds. Unfortunately, the designers didn't realize how extremely inefficient, dangerous, and outdated of a building they had designed as it was soon realized that it was built with an overabundant number of areas that could not be monitored by cameras. This has resulted in the Beltrami County Jail having some of highest rates of assaults on staff and inmates compared to other facilities with similar bed capacities as reported by the MN DOC in 2021. A unique fact given that more than 1/3 of our inmates are housed at other jail facilities across Minnesota because of overcrowding.

The Beltrami County Jail has been experiencing an overcrowding condition since 2014 that has grown at an unprecedented rate. In 2021, Beltrami County Taxpayers spent over \$350,000 housing inmates in other County Jails across Minnesota. In 2022 that cost exceeded \$650,000 and in fiscal year 2023 it is expected to exceed \$1,000,000 as transportation and housing costs increase. This increase is directly related to the acute rise in crime in Minnesota. In fact, more Minnesota County jails are reaching their own capacity with the statewide epidemic of violent crime as well as a rising number of individuals with mental health and chemical dependence disorders that are not being properly treated. Since data reporting began in 2020, the Minnesota Crime Data Explorer lists Beltrami County in the top 8 counties in Minnesota for violent crime and one of the top 2 counties for property damage related crimes. Unless there is a complete, multi-disciplinary approach to reduce crime in Minnesota, the number of persons being incarcerated is only going to continue to grow.

To address these needs, in February 2022, the Beltrami County Board of Commissioners authorized a Needs Assessment and Feasibility Study. A Committee, authorized by the Board of Commissioners to work on this project, used population projections, a modest rise in crime rate, increases in violent crime statistics, and pre-pandemic booking levels as criteria for its forecast.

The study was completed and presented to the Beltrami County Board of Commissioners in August of 2022, and it called for an additional 107 beds to be added to our current capacity for a total of 239 beds and a total square footage estimated to be 96,000 square feet. The square

footage not only addresses the necessary bed space, but the much-needed space for Inmate Programming, a deficiency our current Jail so desperately needs to correct.

Our current inmate to staffing ratio is 1:18 for inmates currently housed in Beltrami County, with an expected inmate to staffing ratio of 1:48 for direct supervision dormitories upon completion of a new, modern facility. The concept of design for the facility will concentrate on providing intense and broadened programming to proactively address recidivism rates, mental health, and chemical dependency issues within Beltrami County and our surrounding region.

The construction of a new jail facility will require the acquisition of new property which will need to be developed before construction of a new jail facility can begin. It is likely that the new property may require demolition of existing infrastructure or buildings, and/or grading, and/or the installation of or modification to existing utilities and roadway infrastructure. Currently, the proximity of the existing Jail is adjacent to the Court House and Law Enforcement and Judicial Centers. A tunnel connects the Jail directly to the Court House. Because it is highly likely that the new jail facility will be located some distance away from the current Court House, required modifications to the Court House are anticipated. These modifications will likely include adding a sally port to the Court House, adding and/or modifying new holding cells to the Court House, modifying ingress and egress access to the Court House and/or other modifications required to accommodate the operational impacts of a new jail facility. Additionally, the existing jail will need to be demolished or repurposed. Because all of these modifications are the consequence of and attributed to the construction of a new jail facility, all of these modifications are intended to be financed by the requested Local Option Sales Tax.

## **2. Unique and Functional Programming Space:**

The concept that Beltrami County has developed for the new correctional facility has four expansive program areas: the EMBER Program, the RESET Program, Education-Based Programming, and a Culinary Program.

Chemical Dependency and Mental Health - the EMBER Program: Minnesota's County Jails are the largest locked chemical dependency and mental health facilities in Minnesota. Unfortunately statewide, there is a lack of resources to provide the treatment that these individuals so desperately need and with the co-occurring disorders or dual diagnoses, such as adding chemical dependency to the equation, it only complicates a very complicated epidemic.

But NOT so in Beltrami County where we partnered with Sanford Behavioral Health to implement our EMBER program. The EMBER program is designed to encourage inmates to Embrace their past circumstances and learn from them and Motivate interest and enthusiasm in making a change for the present. It focuses on instilling a Belief to hold onto the truth; that they have the strength to change their future. It provides a way to Execute each individual's plan that was developed to establish a Remedy – a way to follow the day-to-day plans that were laid out,



helping to mitigate and prevent their past mistakes from happening again by developing a brighter future.

The EMBER program provides Chemical Dependency and Mental Health Treatment in our jail facility but unfortunately due to a lack of programming space it can't currently operate at its fullest potential. New and specific programming areas will be utilized for detoxification, stabilization, assessments, and direct chemical dependency and group treatment with an emphasis on continued aftercare upon release through the partnerships we have established with Sanford Behavioral Health. Along with this intense chemical dependency treatment program, Beltrami County will have specific areas for an expansive Mental Health Treatment program during an inmate's incarceration. As with Chemical Dependency, the Mental Health component of the EMBER Program will have dedicated space for an inmate's stabilization, assessments, diagnosis, and treatment with the additional component of continued aftercare with Sanford Behavioral Health. The inmate's aftercare relies heavily on a coordinated effort with Beltrami County Health and Human services to have their medications, treatment plans, and continued care in place upon their release.

The EMBER Program has one Behavioral Health Therapist who is a licensed mental health therapist. Two LADC's who are licensed drug and alcohol counselors, one peer support person to help connect personally with each patient, one case manager for care coordination between chemical health and mental health as well as coordinating full wrap-around aftercare services upon release. The program also includes a prescriber to prescribe appropriate supportive medications during treatment. Many of our neighboring Counties, in the west-central region have verbally committed to participate or partner in the future growth of this program.

The second prong of programming space is directed toward the RESET Program: The RESET Program, part of Beltrami County Health & Human Services Department, works hand in hand with not only the inmates enrolled in the EMBER Program but with all inmates re-entering the community. The RESET Program was recently recognized by the Association of Minnesota Counties as a 2022 Achievement Award winning program. The RESET Program begins working with inmates well before their release to begin the process of re-entry into the community. It is designed to not only identify the barriers inmates normally face upon release but to eliminate those barriers. Some of the barriers the program targets are not only chemical dependency and mental illness, but employment, finding alternative housing, a cognitive skills program in partnership with the Minnesota Department of Corrections, budgeting skills, the re-establishment of Medicare/Medicaid or other public assistance programs, transportation, and any other barriers that individual inmate's may experience, including helping with the simplest of necessities such as preparing to get their driver's license or government identification. In the first year of the RESET program ending September 2022, the program has achieved a 23% reduction in recidivism by preparing individuals participating in the program for re-entry into our community as productive citizens.

The third prong of programming space is directed at providing space and equipment for GED training (in and once outside the facility on a continuing basis), parenting classes, religious services and bible study, addictions groups, Native American & Indigenous Programming and inmate worker and work release programs.

The fourth area for programming expansion that is desired is not your traditional programming space. It is a partnership with our facilities food service provider. Upon completion of the new facility, we intend to implement a culinary skills program to help prepare inmates who may wish to enter into the food service industry upon their release.

### **3. Classification/Separation of Inmates:**

When the Minnesota Department of Corrections implemented its current classification system in 2014, it was the catalyst for creating the overcrowding issues Beltrami County is experiencing today – effectively causing a loss of about 40 beds to our facility. The new design/concept of our facility will address all levels of the Department of Corrections classification system in all the housing units. Each housing unit will be designed to be multifunctional based upon the needs of the facility during a specific time frame. This means each unit can house any level of classification. By not building specific units to house specific classifications of inmates the flexibility of the facility greatly increases. This flexibility allows the facility to change or adapt to its population as the trends or inmate population changes over time. This is a key component to the longevity of our proposed facility.

### **4. Staffing:**

The concept that Beltrami County has developed for a new jail facility is designed to be very staff efficient and allows us to nearly double our current daily operational capacity without adding additional staff. The current staffing plan will be able to support all of the requirements of the Minnesota Department of Corrections as well as support our broadening programming strategy. Staffing costs are one of the greatest factors that are a long-term burden to our local taxpayers. Implementing a flexible design will limit that burden.

### **5. Equality:**

The concept that Beltrami County has developed for the new jail facility looks at the female inmate population and how to best to serve that population. Female numbers in our local correctional facility have increased drastically since the current Beltrami County Jail opened in 1989. Originally designed for 6 female inmates, our current female population makes up approximately 30% of our daily population. An unprecedented number that no other Minnesota Jail matches or exceeds. In comparison, Minnesota jails average a female inmate population of 24% and the average nationwide female population is just over 11%. To address this concern, the flexibility in the design of our dormitories will allow for the fluctuations in gender and classification. This concept means Beltrami County will have all levels of classifications for female inmates just like the male inmates. The County will have the ability to move one segment

of inmates out of a housing unit and transfer another into that housing unit within minutes of the realized need, making our new facility very flexible. The female population will also have all the same opportunities that the male population will have but additionally will have female specific programming such as parenting and domestic violence groups.

#### **6. Inmate Safety and Care:**

The concept that Beltrami County has developed for the new correctional facility is driven by safety for inmates and staff. The direct supervision units are proven to reduce assaults on both inmates and staff with the majority of all dormitories being direct supervision units. Any remaining space will be indirect supervision units to meet classification requirements, such as those inmates with mental health and chemical dependency needs, so staff are able to provide for the special needs of those inmates. This conceptual design is vastly safer than the linear design Beltrami County currently has and will dramatically increase safety across all spectrums.

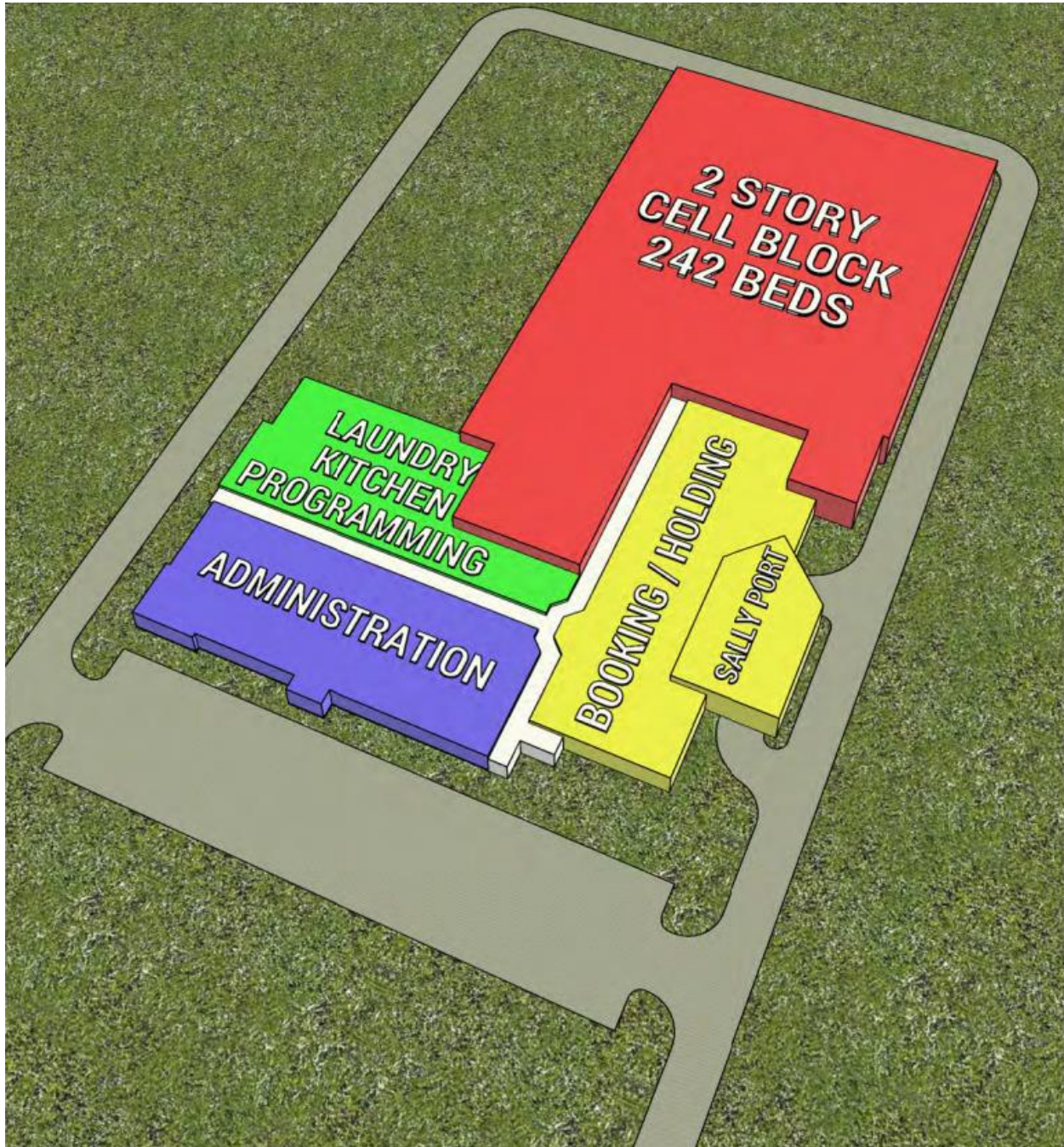
The new conceptual design will increase the level of care across all medical areas with an expanded medical unit that will have the ability to treat traditional and some expanded medical issues, as well as incorporate medical beds in the intake area. Along with a separate area for mental health and chemical dependency withdrawal needs, the new design will provide the care that our population desperately needs.

#### **7. Conclusion:**

The concept that Beltrami County has in place for its new jail facility addresses all the areas where the thirty-three-year-old facility has failed. This includes safety, security, welfare, medical, mental health, classification, programming, and reentry. The design will allow the new facility a projected fifty-year life cycle, lessening the burden on local taxpayers for modifications in the future.

Funding collected from the requested Local Option Sales Tax is intended to: 1) finance the land purchase, site development and construction of a new jail facility; 2) fund all demolition and/or repurposing modifications to the existing jail, and; 3) fund modifications to the current County Courthouse (i.e. sally port, holding facilities, etc.) to accommodate the operational impacts and changes a new jail facility will impose.

## Conceptual Site Layout



## **Regional Significance and Impact of a New Beltrami County Correctional Facility**

Beltrami County is the 3<sup>rd</sup> largest county in Minnesota and has a land mass of roughly 3,056 square miles with Bemidji being its county seat. It encompasses two Native American Reservations; the Leech Lake Band of Ojibwa and the Sovereign Nation of the Red Lake Band of the Chippewa. The 7 metro counties combined total 2,969 square miles. In comparison the land mass that encompasses Beltrami County makes it its own region. There are 3 Minnesota POST regulated police departments and 1 Sovereign Tribal Police department that operate within the jurisdiction of Beltrami County as well as 3 State Agencies: Minnesota State Patrol, Minnesota Department of Natural Resources and the Minnesota Bureau of Criminal Apprehension. The Federal Bureau of Investigation also has a field office in Bemidji that stations 5 FBI agents in Beltrami County's seat due to its regional significance.

### **Relevance to Minnesota Statutes:**

#### **297A.99 LOCAL SALES TAXES.**

*Subd. 1a. **Requirements.** Local sales taxes are to be used instead of traditional local revenues only for construction and rehabilitation of capital projects when a clear regional benefit beyond the taxing jurisdiction can be demonstrated. Use of local sales tax revenues for local projects decreases the benefits to taxpayers of the deductibility of local property taxes and the state assistance provided through the property tax refund system and increases the fiscal inequities between similar communities.*

*(3) documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction.*

### **Benefits Beyond the Taxing Jurisdiction**

The new jail facility will be available for other jurisdictions in the state to use. Northern Minnesota has, and is projected to continue having, a severe lack of female specific housing space. A new jail facility in Beltrami County will be able to fill that void. Additionally, Beltrami County's new facility will have a flexible floor model to accommodate fluctuations in female inmate populations along with other County inmates to alleviate pressure from other northern Minnesota jails that don't have adequate jail capacity to house their female inmates. Female specific programming will be offered, to include mental health, parenting, CD treatment, and reintegration skills through our EMBER program. The newly acquired skills will be deployed back into the County/jurisdiction that the person lives in after release.

### **Beltrami County Jail Population and Limited Regional Space**

Due to a lack of Jail bed space, in 2022 the Beltrami County Sheriff's Office has averaged 33 inmates housed at other county jails. Due to a lack of regional jail bed space and capacity we have

had to house inmates in 23 different counties throughout the state, many of which are more than 4 hours away. This causes logistical issues and significant costs. It also places inmates further away from family or other support networks which compromises inmate reentry success upon release. With a new Jail in Beltrami County we mitigate those concerns and provide our region the needed additional Jail space and capacity. Beltrami County has been approached by two Counties within the northern region who have expressed a current need for 50 Jail beds to support their jail capacity issues and needs.

### **Regional Impact on County, State, and Federal Jurisdictions**

Beltrami County provides relief and services for other jail facilities, on a temporary basis, to house inmates on other county warrants. Currently, 30% of our jail population are inmates from other counties. Beltrami County is also a Northern Minnesota tourist and recreation area within the Bemidji area serving as the economic hub of Northern Minnesota. Economically, the Bemidji area also serves three Native American Reservations; Leech Lake, Red Lake and the White Earth band of Ojibwa.

The Beltrami County Jail also serves the 3 aforementioned Reservations for Federal Offenders. When a federal offender awaits trial for violating federal laws this individual would be able to be held locally and would not place a burden on Federal Agents with multiple long-distance transports to many different Correctional Facilities not only in Minnesota, but all over the Midwest. The additional bed space could be used to alleviate this issue.

Competency Restoration: When an offender is found to be incompetent to stand trial this process is used to restore competency, enabling the individual to proceed through the justice system. Typically, individuals are found to be incompetent because of an active, often untreated mental illness or a disability. A new jail facility would provide the space necessary to allow individualized treatment and training to restore the individual back to competency. This would also alleviate the spatial issues the Minnesota Department of Health is experiencing and addresses the overuse of local hospitals that are not readily able to accommodate this type of service on an already stressed healthcare/hospital system.

Minnesota Department of Corrections Revocation Hearings: When an offender has violated probation and are remanded back to prison the individual would be allowed to complete their time in our local jail facility instead of being sent back to prison away from their families, and from their treatment. This will in turn allow for a reprieve on our already overcrowded state institutions and would also assist them to re-integrate back into the community while working through Beltrami County's EMBER and RESET programs.

Minnesota Department of Corrections Work Release: With our new facility it will allow the necessary space to expand our current program. Work Release allows offenders the opportunity to kick-start their reintegration back into their community through employment opportunities and family stability.

**Regional Population and Growth**

Beltrami County's 2021 population was approximately 46,380. The greater Bemidji area consists of not only Beltrami County, but areas of Hubbard, Clearwater, and Cass Counties respectively, and has an estimated combined population of over 100,000. In addition, our community hosts three higher learning institutions; Bemidji State University, Northwest Technical College and Oak Hills Christian Colleges that have a seasonal population impact of approximately 6,000 students.

The U.S. Census reports the Bemidji area is rapidly growing region. With the realized rapid growth and by a Minnesota Department of Corrections Directive that reduced Jail housing space, a recently completed feasibility study estimated our population growth and crime statistics would require the Beltrami County jail to have a minimum 239 bed jail by 2052.

**Regional Impact on communities outside the jurisdiction**

The sovereign Nation of the Red Lake Band of the Chippewa Indians is within Beltrami County; however, this area is a sovereign nation where Beltrami County has no jurisdiction. The current jail facility in Red Lake, like Beltrami County, is experiencing overcrowding issues like many of the jail facilities across Northern Minnesota. The Red Lake Nation has expressed interest in coordinating with Beltrami County for potential inmate cultural programming as well as overflow housing when needed.

Additionally, a number of regional jail facilities have been classified as 36-hour jail facilities by the Minnesota Department of Corrections or have no jail whatsoever, such as Cass and Mahnomen counties. A new correctional facility in Beltrami County could assist the region in offering bed space when a bench warrant issued in one of those counties is picked up and processed in Beltrami County. The inmate could remain in Beltrami County for a period of time which would alleviate transportation resources and liabilities associated with travel.

**Other Economic Factors**

The construction of a new correctional facility would create construction jobs as well as other service-related jobs with the implementation of more inmate programming, culturally based offerings, and components of our EMBER and RESET programs.

In closing, the tourism and recreation industries are a significant portion of Beltrami County's economy, equaling approximately 35-40% of its gross economic impact. Beltrami County's Jail serves as an important regional facility by both employing nearly 50 staff members and keeping the community safe and thriving.

# Letters of Support

## **Regional Support**

Beltrami County has received overwhelming support from our regional partners for the design and construction of a new jail facility. These partners include:

- Cass County Board of Commissioners; Walker, MN
- Clearwater County Sheriff Darin Halverson; Bagley, MN
- Red Lake Nation Director of Public Safety Mike Burns; Red Lake, MN
- Mahnomen County Board of Commissioners; Mahnomen, MN
- Itasca County Sheriff Victor Williams; Grand Rapids, MN
- Minnesota Department of Corrections District Supervisor Trisha Hansen; Bemidji, MN
- Red Lake Band of Chippewa Indians Tribal Chairman Darrell Seki; Red Lake, MN
- Hubbard County Sheriff Cory Aukes; Park Rapids, MN
- EMBER Program Director Becky Secore; Bemidji, MN



RECEIVED  
5/20/22

## Cass County Commissioners

Our mission is to deliver quality public services to the citizens in an effective, professional, and efficient manner.

PO Box 3000, 303 Minnesota Avenue, Walker, MN 56484-3000  
Phone: 218-547-7204 Facsimile: 218-547-7455 TDD: 218-547-1424  
E-Mail: [josh.stevenson@co.cass.mn.us](mailto:josh.stevenson@co.cass.mn.us) Web site: [www.co.cass.mn.us](http://www.co.cass.mn.us)



May 17, 2022

Ernie Beitel  
Beltrami County Sheriff  
Law Enforcement Center  
613 Minnesota Ave NW  
Bemidji, MN 56601

Re: Beltrami County Jail

Dear Sheriff Beitel,

Thank you for contacting Cass County regarding the proposed Beltrami County Jail project. Cass County currently contracts with two neighboring Counties to house inmates. Our current contracts with Crow Wing and Morrison County have increased communication, cooperation, and lowered the costs for all partners. The option of housing inmates outside of our jail in Walker has reduced travel time for visiting family members and provided critical medical services that are not available in our jail due to the proximity of advanced medical care facilities. We see an opportunity to partner with Beltrami County with similar results given the advanced medical facilities available in Bemidji.

The Cass County Board of Commissioners supports your proposed jail project. The proposed jail project is an opportunity for us to partner together and provide better service to constituents.

Sincerely,



Robert Kangas, Chair  
Cass County Board of Commissioners

CC: Cass County Board of Commissioners



# SHERIFF'S OFFICE

**CLEARWATER COUNTY, MINNESOTA**

**SHERIFF DARIN HALVERSON**

213 Main Avenue North  
Bagley, MN 56621  
(218) 694-6226

September 26, 2022

Sheriff Ernie Beitel  
613 Minnesota Ave. NW  
Bemidji, MN 56601

Dear Sheriff Beitel,

I write to you today in support of the Beltrami County Jail project to provide a safe and secure jail facility for our region. We all know the struggles and difficulties we face operating a jail facility. As a jail ages, the more those struggles and difficulties become magnified and begin to multiply causing more of a burden on taxpayers.

The Minnesota Department of Corrections have made these struggles and difficulties even more burdensome. The additional regulations and extreme oversight have made it difficult for some jails to incarcerate their own inmates and have forced them to house their inmates in other county facilities. I know that Beltrami County has had to house their inmates in other facilities as we have held for them in the past. This could be avoided if Beltrami County had a safe and secure facility that was designed to meet their ever-growing needs.

The incarceration of criminals within our communities is a necessity that we cannot ignore. In addition, mental health concerns within our jails are ever increasing. The need for a modern facility that can meet those needs is paramount. Beltrami County can be a state-of-the-art facility that can meet the needs of their county and be an asset for the region.

Costs associated with housing inmates in other county facilities and other associated costs such as transporting inmates for court appearances, hearings and trials is not cost effective and is not a responsible use of taxpayers' dollars. Beltrami County needs a new jail and I hope to see the project underway in the near future.

If you have any other questions for me, please do not hesitate to reach out.

Sincerely,



Darin Halverson  
Clearwater County Sheriff

*Department of Public Safety  
Law Enforcement Services*

RECEIVED  
8/11/22



PO Box 959, Hwy. 1 W.  
Red Lake, MN 56671-0959

Office: 218-679-3313  
Fax: 218-679-2194

July 21, 2022

Sheriff of Beltrami County  
613 Minnesota Avenue NW  
Bemidji, MN 56601

Dear Sheriff Beitel,

I am writing in support of Beltrami County in its efforts to provide a safe and secure jail facility for our region. As a Criminal Justice Partner, we are very aware of the difficulties each jurisdiction faces to meet community expectation for incarcerating and caring for criminals.

Beltrami County is uniquely situated to service our surrounding communities, counties and Indian reservations. A modern facility will not only upgrade housing conditions for inmates, but it will provide a safer work environment for staff members who work and provide service in the facility. More programming will be possible with more space.

The Beltrami County Jail has a high percentage of Tribal Members as guests on a daily basis. A modern facility with needed cultural programming would be a welcome addition for many of our people. The Red Lake Jail is continuously at or over capacity and a new facility that is nearby would be a great potential resource.

If I can be of further help or support of your efforts, please do not hesitate to call me.

Sincerely,



Michael Burns  
Director of Public Safety  
Red Lake Nation



July 26, 2022

Ernie Beitel  
Beltrami County Sheriff  
Law Enforcement Center  
613 Minnesota Ave NW  
Bemidji, MN 56601

**RE: Mahnomen County Commissioner Support of Beltrami County Jail**

Sheriff Beitel,

Thank you for updating us on your proposed Beltrami County jail project. In Mahnomen County we do not currently have a facility and contract for 30 beds in Polk County (Crookston) and also 10 beds in Clearwater County.

We are routinely looking for additional options for inmates and considering your facility would be as close or closer to other options and are near health care, we see it as an opportunity for Mahnomen County to assist you in utilizing the new space to its maximum potential. We also understand that you are planning to provide on-site mental health services. That would be a needed benefit.

The Mahnomen County Board of Commissioners supports your proposed jail project. The proposed jail is a great opportunity for us to partner together in the future to provide even better services.

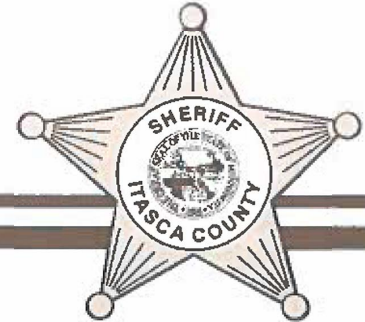
Regards,



Larry Olson  
Mahnomen County Board Chairman

---

**ITASCA COUNTY SHERIFF'S OFFICE**  
**VICTOR J. WILLIAMS, SHERIFF**



---

440 1st Avenue NE • Grand Rapids, MN 55744 • 218-326-3477 • FAX: 218-326-4663

September 30, 2022

Sheriff Ernie Beitel  
Beltrami County Sheriff's Office  
613 Minnesota Ave NW  
Bemidji, MN 56601

Dear Sheriff Beitel,

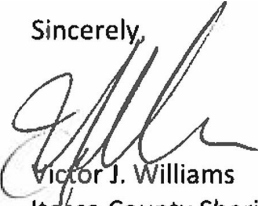
I am writing you in support of Beltrami County in its efforts to provide a safe and secure jail facility for our region. As a criminal justice partner, we are all too aware of the difficulties each of us face to meet our communities' needs for incarcerating criminals through the responsible use of taxpayers' dollars.

These difficulties, year after year, have been exponentially compounded by additional regulations placed upon county and regional jails by the Minnesota Department of Corrections that they themselves are not required to follow. These regulations have limited the ability of County and Regional Jails to keep those incarcerated in their own facility, which unnecessarily places a larger burden on our taxpayers that could be avoided if they had their own safe and secure facility.

Pre-COVID, Itasca County averaged 28 incarcerated persons per day in facilities other than our own. Since the start of the pandemic the number of incarcerated declined; however, with the courts back to normal scheduling, that number is starting to quickly climb and is expected to get even higher as the court backlog is tac. Compounding the cost of housing in other facilities is the costs associated with transporting these individuals, oftentimes on multiple occasions for the necessary court appearances, hearings, and trials.

If I can be of further help or support of your efforts, please do not hesitate to call upon me.

Sincerely,



Victor J. Williams  
Itasca County Sheriff

October 5, 2022

Sheriff Ernie Beitel  
613 Minnesota Avenue NW  
Bemidji, MN 56601



Dear Sheriff Beitel,

It is my pleasure to write a letter of support for the Beltrami County Jail Project. As a member of the Beltrami County Jail Steering Committee and a member of the Jail Program Sub-Committee I see promising changes ahead to ensure safe and secure detention for both inmates and staff.

The Minnesota Department of Corrections-Field Services Division is committed to evidence based practices with regard to programming for clients and are especially hopeful that cognitive behavioral programming might be implemented. Cognitive behavioral programs have demonstrated significant reductions in recidivism with high risk clients. It is my sincere hope that the Beltrami County Jail Project will offer ALL inmates an opportunity to participate in cognitive based programs, substance abuse programs as well as receive quality mental health care throughout their incarceration. I would acknowledge that currently, the Beltrami County Jail lacks adequate space and security to regularly hold cognitive behavioral programs. I would further note that due to space constraints, there are a limited number of inmates that have access to the current programming available within the Beltrami County Jail.

The Minnesota Department of Corrections is also seeking partnerships with local jails to house and expand evidence based programs to clients who are on supervised release from prison and are in jeopardy of returning to prison due to technical violations of their supervision. We believe that by housing these clients in their home communities and providing additional services, client outcomes might be improved. This process would provide for a more structured and supportive re-entry into their home communities.

I have had conversations with the Beltrami County Jail Administrator who has expressed a great deal of interest in developing the programming referenced above. I am both hopeful and optimistic that this will allow all entities involved to better support the clients we have in common and improve community outcomes.

Sincerely,



Trisha K. Hansen, District Supervisor  
619 Beltrami Avenue NW, Suite 300  
Bemidji, MN 56601  
218-766-0250

[Trisha.Hansen@state.mn.us](mailto:Trisha.Hansen@state.mn.us)

**RED LAKE BAND**  
**of CHIPPEWA INDIANS**  
**RED LAKE NATION HEADQUARTERS**



**OFFICERS:**

DARRELL G. SEKI, SR., Chairman  
SAMUEL R. STRONG, Secretary  
VERNELLE R. LUSSIER, Treasurer

**DISTRICT REPRESENTATIVES:**

GLENDA J. MARTIN  
EUGENE R. STANDINGCLOUD  
ALLEN D. PEMBERTON  
HAROLD E. GRAVES, JR.  
ROBERT "BOB" SMITH  
ROBERT L. MAY  
MICHELLE (BARRETT) COBENAIS  
HARLOW S. SPEARS

**ADVISORY COUNCIL:**

7 HEREDITARY CHIEFS

PO Box 550, Red Lake, MN 56671

Phone 218-679-3341 • Fax 218-679-3378

December 21, 2022

Sheriff Ernie Beitel  
Beltrami County Sheriff  
613 Minnesota Avenue NW  
Bemidji, MN 56601

RE: Letter of Support

Dear Sheriff Beitel:

I am writing on behalf of the Red Lake Band of Chippewa Indians to express the Band's support for the decision of the Beltrami County Board of Commissioners to build a new detention facility. The components of the new facility that we are particularly supportive of are the availability of cultural activities to the inmates; and the focus on repairing the issues that inmates are experiencing, rather than warehousing the inmates and neglecting the issues that led to their incarceration.

Because many of our tribal members have the unfortunate experience of having to spend time in the Beltrami County Jail, the Red Lake Band is supportive of the County Board's decision to build a new detention facility that is focused on meeting the inmates' physical, spiritual, mental, and emotional needs.

Sincerely,



Darrell G. Seki, Sr.  
Tribal Chairman



*Cory Aukes, Sheriff*

Hubbard County Sheriff's Office  
301 Court Avenue  
Park Rapids, MN 56470  
218-732-3331 Fax: 218-732-2550



*To protect and serve citizens of Hubbard County*

December 8<sup>th</sup>, 2022

Sheriff Ernie Beitel  
Beltrami Co Sheriff's Office  
613 Minnesota Av NE  
Bemidji, MN 56601

Sheriff Beitel,

This letter is in support of your plans in building a new jail in Beltrami County. Historically Hubbard County has provided housing to many Beltrami County inmates throughout the years. We simply have not been able to do that for the past year due to space issues of our own. An additional jail in this region would hopefully not only provide housing for Beltrami County inmates, but for other counties as well, should the need arise.

Sincerely:



Sheriff Cory Aukes





*Beltrami County Health and Human Services*

*Becky Secore • Director*

*616 America Avenue NW • Suite 330 • Bemidji, Minnesota 56601*

*Phone (218) 333-4195 FAX (218) 333-8307*

*Email [becky.secore@co.beltrami.mn.us](mailto:becky.secore@co.beltrami.mn.us)*

12-12-22

To Whom it May Concern:

The Beltrami County EMBER Program is a collaborative project that was developed to provide support to inmates during their incarceration period. The program provides services during incarceration and re-entry into the community. There is significant emphasis placed on providing support in housing, access to mental health, and substance use disorder treatment and to complete any applications for support. The idea behind this project is to provide this support prior to leaving jail in order to increase the potential for the inmate to find success within the community. Ultimately the goal of the program is to reduce recidivism and improve the quality of life for inmates leaving jail. Beltrami County Health and Human Services is honored to support this service and any funding or service opportunities that offer ongoing financial support.

Becky Secore

*Becky Secore, MS LMSW*

Director, Beltrami County Health and Human Services

616 America Ave. NW

Bemidji MN 56601

Office (218)333-4195

Cell (218)838-0230



## MEMORANDUM

TO: Beltrami County, Minnesota  
FROM: Bruce Kimmel, Senior Municipal Advisor  
DATE: January 18, 2023  
SUBJECT: Proposed Local Option Sales Tax (LOST) Bonding



Beltrami County has asked Ehlers, in its role as the County's municipal and independent public finance advisor, to summarize the County's prospective ability to issue General Obligation Local Option Sales Tax (LOST) Bonds to fund a new Jail with a cost not to exceed \$80 million, that is, in the event that the County receives legislative authorization to present a LOST ballot question to County voters and said voters then approve implementation of the proposed 0.625% sales tax.

Based on recent collections from the County's 0.5% transportation sales tax, we know that a new 0.625% LOST is likely to generate \$5.6 million annually - and probably significantly more, on average, as both the volume and price of taxable goods and services sold within Beltrami County increase in future years.

Ehlers has run several bond scenarios over the course of its Jail financing analysis work with the County, testing different Jail project costs and prospective LOST percentages. Our most recent projection (see following three pages) assumes County bond issuance in June 2025, \$80 million of total Jail costs, interest rates higher than current market rates - already increased over the course of 2022 - and a 30-year repayment term. With these inputs, we estimate debt service averaging \$5.3 million annually.

This projection tells us that the County's LOST financing plan is realistic and has the capacity to either absorb even higher interest rates at the planned 2025 issuance date and/or allow the County to prepay bond principal and decertify the LOST early - and even more so should annual LOST collections grow past the County's conservative \$5.6 million baseline estimate.

Finally, it is important to note that, as of this February, the County will have less than \$2 million of General Obligation debt outstanding and this will be retired fully by December 2025. In addition, the County holds a strong Moody's Aa3 credit rating from its most recent bond issuance in 2013 and we believe the County's stable financial results and steady economic growth will result in a rating upgrade at the time of the County's next bond sale. (This credit rating and overall market interest in the bonds will be augmented further by the dedication of LOST revenues solely to pay debt service, along with the County's full faith and credit pledge.)

In short, Ehlers anticipates the County will find many regional and national bond underwriting firms eager to place competitive bids to purchase Beltrami County's proposed General Obligation LOST debt issuance, and the relatively large, estimated \$80 million bond par amount will further attract potential buyers and aggressive bidding.

Please contact me at [bkimmel@ehlers-inc.com](mailto:bkimmel@ehlers-inc.com) or (651) 697-8572 with any questions about this summary and thank you for the opportunity to be of assistance to Beltrami County.

## Beltrami County, MN

\$80,000,000 General Obligation Jail Bonds, Series 2025A  
Assumes Current Market Non-BQ AAA Rates plus 125bps  
30 Years

### Sources & Uses

Dated 06/01/2025 | Delivered 06/01/2025

#### Sources Of Funds

Par Amount of Bonds	\$80,000,000.00
Reoffering Premium	786,359.30
<b>Total Sources</b>	<b>\$80,786,359.30</b>

#### Uses Of Funds

Total Underwriter's Discount (0.700%)	560,000.00
Costs of Issuance	208,000.00
Deposit to Project Construction Fund	80,000,000.00
Rounding	18,359.30
<b>Total Uses</b>	<b>\$80,786,359.30</b>

\$80,000,000 General Obligation Jail Bonds, Series 2025A  
 Assumes Current Market Non-BQ AAA Rates plus 125bps  
 30 Years

## Beltrami County, MN

### Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
12/01/2027	Serial Coupon	5.000%	3.750%	1,375,000.00	102.956%	-	-	-	1,415,645.00
12/01/2028	Serial Coupon	5.000%	3.850%	1,445,000.00	103.732%	-	-	-	1,498,927.40
12/01/2029	Serial Coupon	5.000%	3.900%	1,515,000.00	104.499%	-	-	-	1,583,159.85
12/01/2030	Serial Coupon	5.000%	3.950%	1,590,000.00	105.145%	-	-	-	1,671,805.50
12/01/2031	Serial Coupon	5.000%	4.050%	1,670,000.00	105.381%	-	-	-	1,759,862.70
12/01/2032	Serial Coupon	5.000%	4.100%	1,755,000.00	105.760%	-	-	-	1,856,088.00
12/01/2033	Serial Coupon	5.000%	4.150%	1,840,000.00	106.036%	-	-	-	1,951,062.40
12/01/2034	Serial Coupon	5.000%	4.200%	1,935,000.00	106.213%	-	-	-	2,055,221.55
12/01/2035	Serial Coupon	5.000%	4.250%	2,030,000.00	106.299%	-	-	-	2,157,869.70
12/01/2036	Serial Coupon	5.000%	4.300%	2,130,000.00	105.864%	c 4.347%	12/01/2035	100.000%	2,254,903.20
12/01/2037	Serial Coupon	5.000%	4.350%	2,240,000.00	105.432%	c 4.429%	12/01/2035	100.000%	2,361,676.80
12/01/2038	Serial Coupon	5.000%	4.400%	2,350,000.00	105.002%	c 4.502%	12/01/2035	100.000%	2,467,547.00
12/01/2039	Serial Coupon	5.000%	4.450%	2,465,000.00	104.573%	c 4.565%	12/01/2035	100.000%	2,577,724.45
12/01/2040	Serial Coupon	5.000%	4.550%	2,590,000.00	103.723%	c 4.660%	12/01/2035	100.000%	2,686,425.70
12/01/2041	Serial Coupon	5.000%	4.600%	2,720,000.00	103.301%	c 4.710%	12/01/2035	100.000%	2,809,787.20
12/01/2042	Serial Coupon	5.000%	4.650%	2,855,000.00	102.881%	c 4.756%	12/01/2035	100.000%	2,937,252.55
12/01/2043	Serial Coupon	5.000%	4.700%	3,000,000.00	102.463%	c 4.798%	12/01/2035	100.000%	3,073,890.00
12/01/2044	Serial Coupon	5.000%	4.750%	3,150,000.00	102.048%	c 4.837%	12/01/2035	100.000%	3,214,512.00
12/01/2045	Serial Coupon	5.000%	4.850%	3,305,000.00	101.222%	c 4.905%	12/01/2035	100.000%	3,345,387.10
12/01/2046	Serial Coupon	5.000%	4.900%	3,470,000.00	100.813%	c 4.938%	12/01/2035	100.000%	3,498,211.10
12/01/2047	Serial Coupon	5.000%	4.900%	3,645,000.00	100.813%	c 4.940%	12/01/2035	100.000%	3,674,633.85
12/01/2048	Serial Coupon	4.750%	4.900%	3,825,000.00	97.920%	-	-	-	3,745,440.00
12/01/2049	Serial Coupon	4.750%	4.950%	4,010,000.00	97.178%	-	-	-	3,896,837.80
12/01/2050	Serial Coupon	4.750%	4.950%	4,200,000.00	97.120%	-	-	-	4,079,040.00
12/01/2051	Serial Coupon	4.750%	4.950%	4,400,000.00	97.065%	-	-	-	4,270,860.00
12/01/2052	Serial Coupon	4.750%	5.000%	4,610,000.00	96.285%	-	-	-	4,438,738.50
12/01/2053	Serial Coupon	4.750%	5.000%	4,825,000.00	96.223%	-	-	-	4,642,759.75
12/01/2054	Serial Coupon	4.750%	5.000%	5,055,000.00	96.164%	-	-	-	4,861,090.20
<b>Total</b>	-	-	-	<b>\$80,000,000.00</b>	-	-	-	-	<b>\$80,786,359.30</b>

### Bid Information

Par Amount of Bonds	\$80,000,000.00
Reoffering Premium or (Discount)	786,359.30
Gross Production	\$80,786,359.30
Total Underwriter's Discount (0.700%)	\$(560,000.00)
Bid (100.283%)	80,226,359.30
Total Purchase Price	\$80,226,359.30
Bond Year Dollars	\$1,524,900.00
Average Life	19.061 Years
Average Coupon	4.8647055%
Net Interest Cost (NIC)	4.8498613%
True Interest Cost (TIC)	4.8487454%

\$80,000,000 General Obligation Jail Bonds, Series 2025A  
 Assumes Current Market Non-BQ AAA Rates plus 125bps  
 30 Years

## Beltrami County, MN

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/01/2025	-	-	-	-	-
06/01/2026	-	-	3,922,687.50	3,922,687.50	-
12/01/2026	-	-	1,961,343.75	1,961,343.75	5,884,031.25
06/01/2027	-	-	1,961,343.75	1,961,343.75	-
12/01/2027	1,375,000.00	5.000%	1,961,343.75	3,336,343.75	5,297,687.50
06/01/2028	-	-	1,926,968.75	1,926,968.75	-
12/01/2028	1,445,000.00	5.000%	1,926,968.75	3,371,968.75	5,298,937.50
06/01/2029	-	-	1,890,843.75	1,890,843.75	-
12/01/2029	1,515,000.00	5.000%	1,890,843.75	3,405,843.75	5,296,687.50
06/01/2030	-	-	1,852,968.75	1,852,968.75	-
12/01/2030	1,590,000.00	5.000%	1,852,968.75	3,442,968.75	5,295,937.50
06/01/2031	-	-	1,813,218.75	1,813,218.75	-
12/01/2031	1,670,000.00	5.000%	1,813,218.75	3,483,218.75	5,296,437.50
06/01/2032	-	-	1,771,468.75	1,771,468.75	-
12/01/2032	1,755,000.00	5.000%	1,771,468.75	3,526,468.75	5,297,937.50
06/01/2033	-	-	1,727,593.75	1,727,593.75	-
12/01/2033	1,840,000.00	5.000%	1,727,593.75	3,567,593.75	5,295,187.50
06/01/2034	-	-	1,681,593.75	1,681,593.75	-
12/01/2034	1,935,000.00	5.000%	1,681,593.75	3,616,593.75	5,298,187.50
06/01/2035	-	-	1,633,218.75	1,633,218.75	-
12/01/2035	2,030,000.00	5.000%	1,633,218.75	3,663,218.75	5,296,437.50
06/01/2036	-	-	1,582,468.75	1,582,468.75	-
12/01/2036	2,130,000.00	5.000%	1,582,468.75	3,712,468.75	5,294,937.50
06/01/2037	-	-	1,529,218.75	1,529,218.75	-
12/01/2037	2,240,000.00	5.000%	1,529,218.75	3,769,218.75	5,298,437.50
06/01/2038	-	-	1,473,218.75	1,473,218.75	-
12/01/2038	2,350,000.00	5.000%	1,473,218.75	3,823,218.75	5,296,437.50
06/01/2039	-	-	1,414,468.75	1,414,468.75	-
12/01/2039	2,465,000.00	5.000%	1,414,468.75	3,879,468.75	5,293,937.50
06/01/2040	-	-	1,352,843.75	1,352,843.75	-
12/01/2040	2,590,000.00	5.000%	1,352,843.75	3,942,843.75	5,295,687.50
06/01/2041	-	-	1,288,093.75	1,288,093.75	-
12/01/2041	2,720,000.00	5.000%	1,288,093.75	4,008,093.75	5,296,187.50
06/01/2042	-	-	1,220,093.75	1,220,093.75	-
12/01/2042	2,855,000.00	5.000%	1,220,093.75	4,075,093.75	5,295,187.50
06/01/2043	-	-	1,148,718.75	1,148,718.75	-
12/01/2043	3,000,000.00	5.000%	1,148,718.75	4,148,718.75	5,297,437.50
06/01/2044	-	-	1,073,718.75	1,073,718.75	-
12/01/2044	3,150,000.00	5.000%	1,073,718.75	4,223,718.75	5,297,437.50
06/01/2045	-	-	994,968.75	994,968.75	-
12/01/2045	3,305,000.00	5.000%	994,968.75	4,299,968.75	5,294,937.50
06/01/2046	-	-	912,343.75	912,343.75	-
12/01/2046	3,470,000.00	5.000%	912,343.75	4,382,343.75	5,294,687.50
06/01/2047	-	-	825,593.75	825,593.75	-
12/01/2047	3,645,000.00	5.000%	825,593.75	4,470,593.75	5,296,187.50
06/01/2048	-	-	734,468.75	734,468.75	-
12/01/2048	3,825,000.00	4.750%	734,468.75	4,559,468.75	5,293,937.50
06/01/2049	-	-	643,625.00	643,625.00	-
12/01/2049	4,010,000.00	4.750%	643,625.00	4,653,625.00	5,297,250.00
06/01/2050	-	-	548,387.50	548,387.50	-
12/01/2050	4,200,000.00	4.750%	548,387.50	4,748,387.50	5,296,775.00
06/01/2051	-	-	448,637.50	448,637.50	-
12/01/2051	4,400,000.00	4.750%	448,637.50	4,848,637.50	5,297,275.00
06/01/2052	-	-	344,137.50	344,137.50	-
12/01/2052	4,610,000.00	4.750%	344,137.50	4,954,137.50	5,298,275.00
06/01/2053	-	-	234,650.00	234,650.00	-
12/01/2053	4,825,000.00	4.750%	234,650.00	5,059,650.00	5,294,300.00
06/01/2054	-	-	120,056.25	120,056.25	-
12/01/2054	5,055,000.00	4.750%	120,056.25	5,175,056.25	5,295,112.50
<b>Total</b>	<b>\$80,000,000.00</b>	<b>-</b>	<b>\$74,181,893.75</b>	<b>\$154,181,893.75</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$1,524,900.00
Average Life	19.061 Years
Average Coupon	4.8647055%
Net Interest Cost (NIC)	4.8498613%
True Interest Cost (TIC)	4.8487454%
Bond Yield for Arbitrage Purposes	4.7804991%
All Inclusive Cost (AIC)	4.8709138%

### IRS Form 8038

Net Interest Cost	4.8309872%
Weighted Average Maturity	18.806 Years

2025A GO Jail Bonds - \$80 | SINGLE PURPOSE | 1/18/2023 | 10:40 AM

## Beltrami County Jail FAQ

### **What is currently happening with the Beltrami County Jail?**

Beltrami County has received a report which included several components to help the County evaluate the best course of action in addressing deficiencies and needs regarding the current jail facility. The components of the report included a jail facility evaluation, an incarceration alternatives evaluation, a program analysis, a future programming projection model, a future infrastructure projection model, and impact and financial analyses. The County gathered feedback from the community on the options moving forward identified in the study through community engagement events, an online survey, and public hearings. Based on study recommendations and public feedback, the Beltrami County Board of Commissioners made the decision to move forward with building a new jail at the November 15, 2022, commission meeting. Project information including the survey can be found here:

<http://www.co.beltrami.mn.us/Departments/Law%20enforcement/Jail Project.html>

### **How did we get here?**

The Beltrami County Jail has experienced many challenges over the years and the County has been working with the National Institute of Corrections, the Minnesota Department of Corrections, and the community to establish a plan moving forward to address them. The challenges faced include severe housing capacity limitations, an inability for the Jail to meet Department of Corrections jail design standards, an increase in needs for mental health and chemical dependency resources, jail staff recruiting and retention impediments due to working conditions, elevated movement and safety liabilities due to current design limitations, and an outdated and aging building infrastructure.

In 2019 Beltrami County entered into an agreement with the Minnesota Department of Corrections to begin the process of evaluating the County's options by studying the facility's limitations and compliance obligations. The County issued an RFP in December of 2021 for a Jail Needs Assessment & Feasibility Study to conduct a jail facility evaluation. After evaluating proposals, Justice Planners, LLC was hired to conduct the study.

### **Where can I find information on the study?**

All information regarding the Jail including the full Jail Needs Assessment & Feasibility Report can be found on the County's website here:

<http://www.co.beltrami.mn.us/Departments/Law%20enforcement/Jail Project.html>

### **Has there been any tribal involvement?**

Yes. Red Lake Nation Chairman Darrell Seki, Leech Lake Chairman Faron Jackson, and a Minnesota Department of Corrections Tribal Liaison are members of the Jail Project Steering Committee. Beltrami County has also presented updates at Red Lake Nation and Leech Lake Nation Tribal Council Meetings. The tribes will continue to be a welcome part of the process moving forward.

### **What options were considered?**

Seven options were evaluated as part of the [Jail Needs Assessment & Feasibility Report](#):

1. Maintain the Status Quo
2. Operate as a 36- Holding Facility
3. Renovate the Existing Detention Center
4. Expand the Detention Center
5. Build a New Detention Center
6. Build a Regional Detention Center
7. Close the Detention Center

### **When will construction begin?**

Now that the decision has been made to build a new jail, the extensive planning process will begin. The absolute soonest a large construction project could begin would likely be in 2024 or 2025 and construction will likely span over 2 years.

### **How much will the project cost, and how will it be funded?**

Construction and financing of the new facility is currently estimated at \$80 million. The current plan is to fund the project utilizing a Local Option Sales Tax (LOST). A LOST must first be approved by the State of MN. Currently, the components required to apply to the State are being compiled and need to be submitted for review by January 31, 2023. Once approved at the state level, Beltrami County residents will have the opportunity to approve or deny the LOST via an election measure. A benefit of the LOST is that approximately half of the cost would be paid by people who reside outside of Beltrami County, reducing the property tax burden on county citizens.

### **Where will the new jail be located?**

Several sites are being evaluated both near the current facility and outside of the city. There is still much discussion and planning to do before a final site is selected.

# Beltrami County Jail Project Community Feedback Survey Results

423 Survey Responses

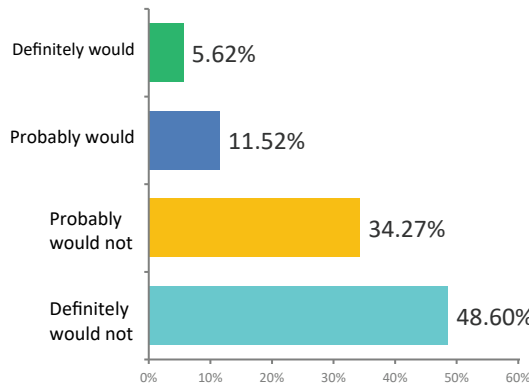
## We Must Do Something

It is clear that the citizens of Beltrami County believe something needs to be done

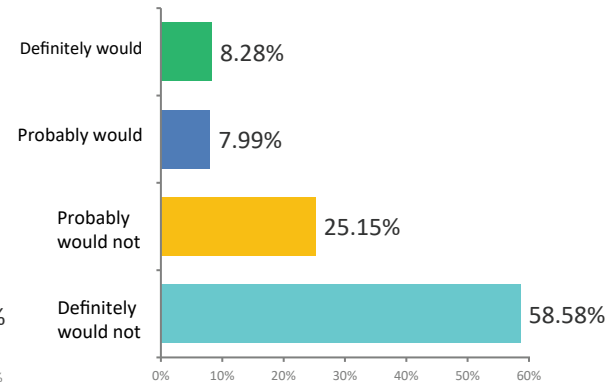
Only 17% of respondents would maintain the status quo

16% of respondents would close the jail

Q9: Would you support Option #1 Maintain the Status Quo?

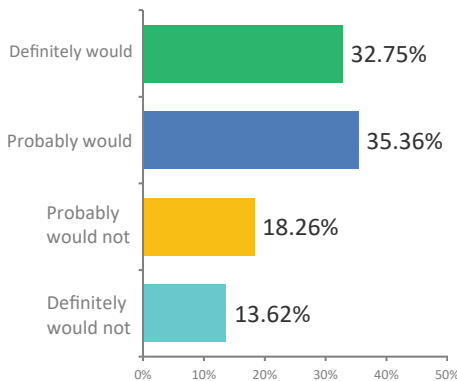


Q15: Would you support Option #7 Close the Jail?



## Building a New Jail is the Preferred Option

Q13: Would you support Option #5 - Build New Jail?

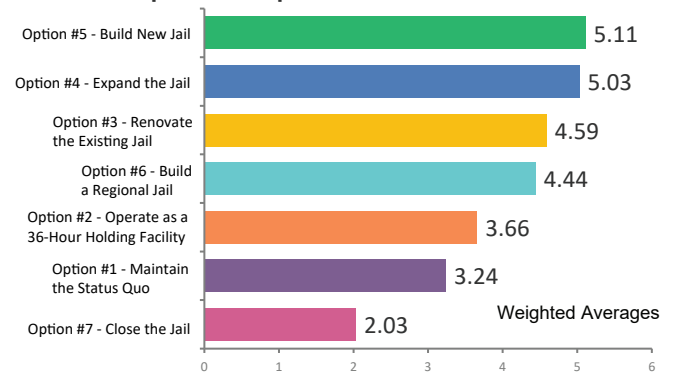


The most preferred jail option is to build a new jail

68% of respondents support building a new jail

Building a new jail was the highest ranked option

Q16: Rank in order from most preferred to least preferred options:



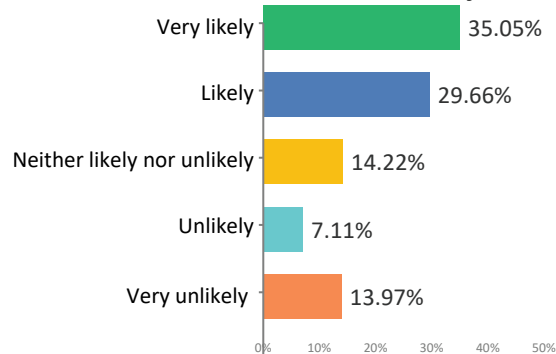
## Local Option Sales Tax is the Right Funding Mechanism

The justice system's effect on property taxes was a frequent concern in the comment section

A LOST provides relief to Beltrami County property tax burden

66% of respondents would support a local option sales tax (14% neutral)

Q7: How likely would you support a local option sales tax to fund which would reduce the criminal justice system property tax burden?



Entire Survey Results can be found at:

[www.co.beltrami.mn.us/Departments/Law%20enforcement/Resources/Jail%20Project/Final%20Survey%20Results.pdf](http://www.co.beltrami.mn.us/Departments/Law%20enforcement/Resources/Jail%20Project/Final%20Survey%20Results.pdf)



## Community Engagement Summary

Activity	Location	Date
Press Release		8/18/2022
Report presentation to commission	County Boardroom	8/24/2022
Publish report to county website		8/25/2022
Bemidji Pioneer Ad		8/31/2022
Blackduck Regular Council meeting	Blackduck chambers	9/6/2022
Bemidji Pioneer Ad		9/7/2022
Town hall meeting	North Beltrami Community Center, Keliher	9/8/2022
Community Resource Connections Happenings - Newsletter		9/9/2022
Noon Rotary Program Presentor	Eagles Club	9/12/2022
Town hall meeting	Beltrami County Boardroom	9/13/2022
Red Lake Tribal Council meeting		9/13/2022
Leech Lake Tribal Council meeting		9/20/2022
Bemidji Pioneer Ad		9/14/2022
Present at Bemidji Chamber Board Meeting	Mayflower Building, 2nd floor	9/15/2022
Present at Keliher City Council		9/15/2022
Present at Greater Bemidji Board Meeting	Mayflower Building Board Room	9/16/2022
Bemidji City Council meeting	Council Chambers	9/19/2022
Present to Bemidji Sunrise Rotary Club	Eagles Club	9/20/2022
Present to Bemidji Jaycees	The Lodge Pub & Eatery	9/20/2022
Bemidji Pioneer Ad		9/21/2022
Present to Bemidji Lions Club		9/21/2022
Public Hearing	County Boardroom	9/22/2022
Community Resource Connections Monthly Interagency Meet	Zoom	10/6/2022
Town Hall	County Board Room/Zoom	10/13/2022
Public Survey Closes		10/31/2022
Public Hearing	County Board Room	10/18/2022
Present to Blackduck Chamber of Commerce		10/19/2022

## Appendices

- Appendix A: MN DOC Report
- Appendix B: Jail Needs Assessment
- Appendix C: Community Survey

# Appendix A:

## Minnesota Department of Corrections Inspection Report

May 21, 2019

Click here to view the MN DOC 2019 Report:

<https://www.co.beltrami.mn.us/Departments/Law%20enforcement/Resources/Jail%20Project/2019%20MN%20DOC%20Inspection%20Report.pdf>

# Appendix B:

## Beltrami County Detention Center Needs Assessment

August 24, 2022

Click here to view the Needs Assessment:

<https://www.co.beltrami.mn.us/Departments/Law%20enforcement/Resources/Jail%20Project/Detention%20Center%20Needs%20Assessment.pdf>

# Appendix C:

## Beltrami County Community Feedback Survey Results

November 15, 2022

Click here to view the Survey Results:

<https://www.co.beltrami.mn.us/Departments/Law%20enforcement/Resources/Jail%20Project/Final%20Survey%20Results.pdf>