

Council Communication
November 27, 2023

<u>Department:</u> Community Development	Resolution No: 23-__	City Council: November 27, 2023
<u>Subject/Title:</u> Application to the Iowa Economic Development Authority (IEDA) for financial assistance benefits under the Targeted Jobs Withholding Tax Credit Program (TJWTCP) by Acadia Healthcare Company Inc. (Acadia).		
<u>Location:</u> The intersection of S. 24 th Street and Richard Downing Avenue, Council Bluffs, IA		
<u>Company Background:</u> Acadia is a behavioral healthcare service provider that offers inpatient, outpatient, detoxification, and residential treatment. Disorders treated include the following: substance abuse, behavioral health, psychiatric, PTSD, trauma and eating disorders. Acadia support people in 39 states and Puerto Rico with over 250 treatment facilities. They have 75,000 patients daily and are the United States largest standalone healthcare company. Acadia's mission is to create a world-class organization that sets the standard of excellence in the treatment of specialty behavioral health and addiction disorders. Acadia strives to be synonymous with excellent care, customer service and commitment to their patients, staff, physicians, and community.		
<u>Scope of Project:</u> According to American Hospital Directory data, there is a shortfall of more than 300 inpatient behavioral health beds in Iowa and Nebraska. To address this need, Acadia has partnered with Methodist Jennie Edmundson Hospital to build a state-of-the-art behavioral healthcare hospital in Council Bluffs, Iowa. The 96-bed hospital will include 24-inpatient beds dedicated to serving the mental health needs of children and adolescents, as well as provide outpatient services. This new facility will be a center of excellence, addressing the growing and unmet need for accessible, high-quality behavioral health services in the region. This strategically designed (71,000 SF) behavioral healthcare hospital is anticipated to include large treatment rooms for group therapy sessions, centralized nursing stations to provide open lines of sight to all common areas, high ceilings and large windows to capitalize on natural light, serene outdoor spaces and high-tech features. Ultimately, this will allow patients from western Iowa and eastern Nebraska access to the services they need in an environment that promotes peace and well-being.		
<u>Project Budget:</u> The project budget for Acadia's Council Bluffs facility is \$60,000,000.		
<u>Project Workforce:</u> Acadia currently has 23,000+ full-time employees at their locations throughout the United States. The Council Bluffs Acadia project is projected to add 144 new full-time equivalent employees (FTE's) with Iowa Economic Development Authority (IEDA) deeming 54 of the new 144 FTE positions eligible under the Targeted Jobs programs minimum wage threshold guidelines for Pottawattamie County of \$26.35/hr. The 54 jobs deemed eligible for this project by IEDA include an estimate hourly wage of \$49.12/hr. or \$102,169 annually (minus overtime pay). The Acadia positions include doctors, management, general hospital and nursing staff as well as behavioral health technicians.		

Historical Project Discussion:

Acadia desires to apply to the Iowa Economic Development Authority (IEDA) for benefits under the Targeted Jobs Withholding Tax Credit Program (TJWTC). The company has submitted a project questionnaire form to IEDA and has been invited by the State to submit a full application for the TJ incentive program. Per program guidelines, the City must sponsor the application by passing a resolution of support detailing local incentives. Incentives under the Targeted Jobs Withholding Tax Credit Program include a rebate of payroll withholding taxes for a period of 10-years. The following outlines what the State of Iowa estimates that Acadia qualifies for under the TJ program as well as the required local match which will be satisfied utilizing the Urban Revitalization designation currently on the site.

Targeted Jobs Withholding Tax Credit Program	
Targeted Jobs Withholding Tax Credit Assistance	\$1,508,028
Proposed URV Tax Abatement Program	\$9,008,005
Total:	\$12,052,288
Total Estimated Incentive Amount:	\$10,516,033

Upon review of the investment levels and job numbers, staff is recommending that the City utilize the Urban Revitalization property tax abatement program in the amount of \$9,008,005 to satisfy the match requirement for the Targeted Jobs program. The property tax abatement is only applicable to the increase in valuation based on this project and will either be 100% for 3-years or on a sliding scale from 80% down to 20% over the course of 10-years – the program allows the company to choose which option.

Project Timeline:

Acadia anticipates to start site preparation in Q1 2024 with an anticipated construction completion and opening date in Q1 2026.

Staff Recommendation:

Advance Southwest Iowa Corporation recommends that the City Council adopt the resolution supporting the application submitted by Acadia Healthcare Company, Inc. for benefits under the Targeted Jobs Withholding Tax Credit Program.

Attachments:

Acadia's full Targeted Jobs Withholding Tax Credit application is available to review upon request by contacting Paula Hazlewood at (402) 960-8505 or phazlewood@selectgreateromaha.com.

Respectfully Submitted By: Paula Hazlewood, Chief Executive Officer, Advance Southwest Iowa Corporation

Approved By: Courtney Harter, Director, Community Development