

1. **ORGANIZATION BACKGROUND:** Huerfano County, one of the original Colorado Counties, was founded in 1861 and named for the Huerfano Butte, a landmark for early settlers. Huerfano County is a rural county that encompasses 1,593 square miles and is home to approximately 6,920 (2021) residents. The County is governed by a three-member Board of Commissioners, elected by districts to four year terms. Huerfano County is home to two incorporated communities, Walsenburg and La Veta, as well as two unincorporated communities, Gardner and Cuchara. Walsenburg is the county seat and largest municipality of Huerfano County, with the only two traffic lights in the County.

Through its staff and officers, the County provides a variety of services including, but not limited to: zoning and code enforcement, law enforcement, revenue assessment and collections, Road and Bridge construction and maintenance, social services, and general government administration. Inclusive of elected officials and staff, the County employs approximately 130 employees and has an annual operating budget of approximately \$17 million dollars.

The mission of the Huerfano County Government is to provide services in a matter that is efficient, effective, fair, and respectful while working with other local governments and partners to create an environment that encourages growth, promotes health, and improves the quality of life for all County residents. To that end the Board of County Commissioners has laid out five (5) strategic priorities for the County: Public Engagement, Infrastructure and Facilities, Health and Wellness, Economic Development, and Resiliency.

2. **PROJECT DESCRIPTION:** Walsenburg currently does not have a fitness center. While some Walsenburg residents utilize TPF's La Veta location, the distance (and cost of transportation) from Walsenburg is prohibitive for many individuals. The Washington Underground, a fitness/recreation center, opened in 2016 to serve the needs of Walsenburg residents. Operated by the Huerfano Parks and Recreation District (HPRD), it closed in 2020 shortly before the coronavirus pandemic, and has not reopened. There remains an identified need to have a fitness center in Walsenburg to help improve the health of the community.

Walsenburg's population is 3,049 (2020 census). In 2021, its median household income was \$33,372, with 22.3% of families living in poverty and 27.5% of residents age 65 or older. Poor socioeconomic conditions render 48% of the county's residents with income below 200% of the Federal Poverty line (Huerfano County Community Health Needs Assessment), and the County is one of the poorest and least healthy counties in Colorado, with one of the highest unemployment rate in the state and nearly half its population (3,326 residents) enrolled in Medicaid. It has a single fitness center, Two Peaks Fitness (TPF) in La Veta. For many years, the Robert Wood Johnson Foundation consistently ranked Huerfano County as the least healthy county in Colorado. It is now is ranked 56 of the 60 counties ranked (2020). Perhaps some of that improvement in ranking is due to TPF, in operation since 2012.

Beginning in late 2020, Huerfano County, HPRD, and TPF have been in discussions on the best approach to open a fitness center in Walsenburg. TPF was asked to participate in these conversations because of its history of successfully operating a fitness center and as an advocate for physical wellness, and HPRD wanted a successor to its operations at the Washington Underground (WU), rather than operating a recreation or fitness center itself. These talks culminated with the County purchasing the Walsenburg property at 611 Main St. in June 2022,

for \$85,000 and executing a 3-way MOU with TPF and HPRD in December 2022 for the purposes of having a fitness center at that location. The building at 611 Main St was constructed in 1896, is 2,200 sq ft, and is in need of upgrades to HVAC, bathroom and shower, as well as flooring and foundation improvements to support heavy exercise equipment and weights. The County is currently in the process of upgrading the premises to be ADA-compliant and suitable to be used as a fitness center. The interior build-out is scheduled to be complete by October 1, 2023.

Upon completion of the build-out, the initial equipment to be used in the fitness center will be supplied by HPRD. TPF has applied to USDA-Rural Development for funding to upgrade some of that equipment. The HPRD equipment is not new nor under warranty. Many pieces lack serial numbers, model numbers, and in some cases manufacturer names; making the equipment difficult to maintain and repair. A USDA-Rural Development Community Facilities grant will fund up to \$50,000 and requires a 25% match. This grant application requests funding of \$16,667 (25%) for that match. The total cost of the project to establish the fitness center is \$161,070.

3. **LEADERSHIP:** Huerfano County's three county commissioners are elected to four-year terms and hold regularly scheduled meetings two times a month. The Board of County Commissioners is fully responsible for managing the business affairs of the County. Commissioners can serve a maximum of two terms, and each of the current Commissioners is in his or her first term. The County Administrator reports directly to the Board of County Commissioners and is the county's chief administrative officer. Current capital projects include the a County-wide Energy Efficiency Project, the Replacement of the County Road 543 Bridge over the Huerfano River, a complete Sewer line replacement in Gardner, roof replacement at the Fox Theatre Walsenburg, conversion of the building at 129 Kansas St into an Emergency Operations and Dispatch Center, as well as many other smaller projects.
4. **PLANNING AND FUNDRAISING:** The County's build-out project utilizes funding from the American Rescue Plan Act State and Local Relief Funds. Under the terms of the 3-year MOU, the County will pay for maintenance and utilities (except phone). The building will be available to TPF rent-free. TPF, as the operator of the 611 Main St gym, intends that the new location be financially sustainable, and financial reports will show revenue and expenses broken out by location.

It is anticipated that some fitness center members residing in Walsenburg that currently use the La Veta facility will choose to work out in Walsenburg. Prior to the closing of the WU, TPF's 2019 membership averaged 119 members monthly. 2020 numbers are skewed due to a state-mandated 11-week shutdown during the coronavirus pandemic and initial hesitancy of many members to return. While 2021 also started out with lower numbers, the average was 126 members per month, climbing to 146 in 2022. TPF anticipates an average of 125 paying members in La Veta once the Walsenburg location is established. These numbers do not include SilverSneakers or Renew Active members. There are no records available from the WU regarding its membership or attendance to use for membership or revenue projections.

The La Veta location, staffed only 30 hours per week, utilizes an honor system to be open from 5 am to midnight seven days a week. Walsenburg's demographics require staffing while its fitness

center is open, which increases its operating expenses. Initially the facility will be open weekdays only, 30 hours a week. As membership increases, additional revenue will be directed towards increased staffing, expanding to 46 hours per week (Monday - Friday 6 am – 12 noon and 4 pm – 8 pm, and Saturday, 10 am-4 pm).

Under the terms of the MOU, the County will provide the building rent-free and pay all maintenance and utilities, other than phone.

TPF fundraising to assist with initial expenses for the Walsenburg location include

- A 5/10K running event in June 2023;
- Dec 2022 annual fundraising giving campaign donations;
- Brew pub fundraisers (January and June 2023), where all sales revenue from a special TPF brew is donated to TPF; and
- A \$4,000 donation from the Huerfano County Board of County Commissioners from the 2023 Community Development program.

Huerfano County has committed to provide gym memberships for all County FTEs, which will assist in meeting Walsenburg payroll expenses. TPF plans to meet with other local employers to discuss gym memberships as an employee benefit. The County’s budget for their portion of the project is as follows:

Building Purchase	\$85,000
Design and Engineering	\$9,240
Construction Labor and Materials	\$127,833
Permitting, Plan Review, Construction Engineering	\$10,000
Project Supervisor	\$6,392
Construction Contingency	\$26,845
Total	\$255,310

The complete capital budget is included as a separate document.

5. **GREEN BUILDING:** The building that will house the fitness center and was purchased by Huerfano County is in downtown Walsenburg and was built in 1896. While this building was purchased too late to be included in the investment grade energy audit conducted for the County’s Energy Performance Contracting project, the County intends to use energy efficient fixtures and the existing gas heating system will be replaced with split-system heat pumps, which are far more energy-efficient and will also provide air conditioning. The County will consider this building for future efficiency upgrades, such as solar panels.