

LA JUNTA URBAN RENEWAL AUTHORITY

CALL TO ORDER: The La Junta Urban Renewal Authority Board of Commissioners held a Regular Meeting on Thursday, April 13, 2023 at 4:30 p.m. in the Council Chambers. The meeting was called to order by Chairperson Bennett.

Board Members Present

Absent

Joe Ayala
Nancy Bennett
Trevor Herasingh
Daniel Horton
Toni Madrid
Justin Miller
Randall Roberson
Lily Sweikert – via Zoom

Christine Coffield

**Subject to approval at the
May 25, 2023
Urban Renewal Meeting**

Also present: Cynthia Nieb, Economic/Urban Renewal Director
Melanie Scofield, City Clerk/UR Secretary
Aimee Hill, City Building Code Officer
Bette McFarren, Rocky Ford Gazette

CITIZEN PARTICIPATION:

1. There was no citizen participation.

MINUTES: March 9, 2023

Chairperson Bennett asked if there were any corrections or additions to be made to the March 9, 2023 minutes. Hearing none, a motion was made by Trevor Herasingh, seconded by Justin Miller, that the minutes for March 9, 2023 be approved as published. The motion carried unanimously.

FINANCIAL STATEMENTS: March 2023

Randall Roberson explained that there are two separate checking accounts. One account is for the old taxing district and the other one is for the newer taxing district, which engulfs the old district. The priority would be to get down to one checking account.

The March 2023 financial statements were provided for the Board's review.

BALANCE SHEET

ASSETS

- Total cash at the end of March was \$112,332.65.
- Notes receivable was \$3,750.00.
- Investments were \$362,685.21 (COLOTRUST).
- Total assets are \$478,767.86 for the month ending March 2023.

LIABILITIES

- There were no outstanding bills at the end of March.

STATEMENT OF REVENUE/EXPENDITURES

BUDGET TO ACTUAL

Interest in the amount of \$1,376.67 was received. Tax increment of \$51,792.30 was received from property tax collections. Expenses for the month of March were as follows:

- \$2,466.85 – Saving Places Conference
- \$85.51 – Southeast Colorado Power (Welcome LJ Sing – 2 bills)

The 2023 budget is \$182,500.00 less \$4,128.26 in expenses leaving a budget remaining of \$178,371.74.

Randall Roberson also noted that the Notes Receivable consists of Jake's Gym and Ballantyne Vision Care.

Chairperson Bennett asked if there were any questions or corrections regarding the March 2023 financial statements. Hearing none, a motion was made by Justin Miller, seconded by Trevor Herasingh, that the financial statements for March 2023 be approved as presented. The motion carried unanimously.

LJ URA APPLICATION – Sutherlands: Paul McKnight and Marci Swartz, with Sutherlands Home Improvement Center, presented the following information:

Project Background and Summary

Sutherlands is family owned and operates approximately fifty (50) retail home improvement centers in the United States, primarily in the Midwest, through various family-owned retail entities. Sutherlands was founded over one hundred (100) years ago when our first store opened in 1917. Sutherlands focuses on underserved, rural and ranching communities which have limited home improvement, DIYer options. Sutherlands seeks to be a strong community citizen. Sutherlands is currently under contract to purchase the blighted property (former Walmart) located at 27304 & 27332 Frontage Road, La Junta, Colorado, and is expected to close on the purchase on or before May 15, 2023.

Sutherlands' analysis of the La Junta community and Arkansas River Valley are narrow home improvement shopping options and is underserved. Sutherlands believes opening and operating a retail home improvement center in La Junta will provide some of the following benefits for the community:

- Renovate the blighted and vacant property and reutilize the property for a retail home improvement center to better serve the community
- Reduce 'sales leakage' and lost sales tax revenue to other cities such as Pueblo and increase sales tax revenue for La Junta
- Provide full and part-time employment opportunities to local citizens
- Provide a convenient local 'one stop', 7 day-a-week shopping option, limiting the need for individuals to travel nearly seventy (70) miles to Pueblo

There are several features and product categories a La Junta Sutherlands retail home improvement center would offer:

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Lumber & Building Materials	Electrical & Lighting Fixtures
Plumbing, Fixtures & Hardware	Heating & Cooling
Paint, Flooring & Home Décor	Power & Hand Tools
Windows, Doors & Roofing	Building, Garage & Shed Pkgs
Farm & Ranch, Fencing	Furniture & Mattresses
Appliances	Lawn & Garden
Clothing, Sporting Goods & Pet	Grills & Outdoor Equipment

Operations

- Estimated annual sales of \$10-\$12 million for the proposed property
- Open 7 days a week (typical non-operation holidays are Thanksgiving and Christmas)
- Typical hours of operation: Monday – Saturday (7:30 a.m.- 8:00 p.m.) and Sunday (9:00 a.m. – 5:00 p.m.)
- Employ approximately 30-45 full and part-time employees, with benefits available to salaried full-time employees and additional seasonal spring/summer staff
- Estimated hourly wage of \$14-\$18 (excluding salaried employees)
- Extensive product selection with very competitive prices
- Excellent Sutherland family customer service tradition
- Online ordering and in-store pickup
- Private label credit card with regular financing and special promotions
- In addition to the traditional 'cash and carry' homeowner/DIYer channel, opportunities available for commercial and home builders
- Home and site delivery

Summary

The Sutherland family intends to purchase and renovate the blighted, under-utilized and idle property (formerly Walmart) located at 27332 Frontage Road. Sutherlands estimates \$1.98 million in total site and building renovations and another \$3 million in personal property, vehicles, forklifts and inventory investment.

Sutherlands is seeking a \$250,000 grant from the La Junta Urban Renewal Authority (LJURA) to renovate and revitalize the blighted, former Walmart property, contingent upon Sutherlands final purchase of the property. The grant will be applied to the façade renovation and exterior painting cost of the project improvements. Sutherlands requests the grant be a reimbursement to Sutherlands upon full completion of the project improvements, which is expected to be completed within 10-12 months following the purchase of the property.

The \$250,000 public grant financing would only consist of approximately thirteen percent (13%) of the estimated site and building renovation costs and approximately five percent (5%) of the entire Sutherland investment in the property and community.

DISCUSSION:

Information given from questions asked by the board:

- Sutherlands plans on bringing a manager and an assistant manager from outside the community. These two individuals have worked for Sutherlands for several years. It is important to bring in someone who knows the Sutherland way of operations. New employees will be trained on the job. There would be adequate time to train before the store opens.

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- Both the manager and assistant manager and their families will relocate to La Junta. Sutherland's feels that it is important for them to integrate with the community.
- There are some supply chain issues, especially on HVAC equipment, which typically has a six (6) month lead time. As soon as they close in mid-May, they will be going full steam ahead to get everything ordered to make sure there are no problems opening next spring.

MOTION TO ACCEPT THE SUTHERLANDS PROPOSAL FOR AN URBAN RENEWAL GRANT IN THE AMOUNT OF \$250,000: Herasingh

SECOND: Roberson

DISCUSSION: There was no further discussion

VOTE: The motion carried unanimously

REPORTS:

A. Plaza Building

Chairperson Bennett: A temporary Certificate of Occupancy has been issued for the 2nd floor and the construction company is opening their office there and paying rent for the one apartment. They're doing that so we can get the tax credits.

In the construction activities, an egress window has been installed upstairs. The plumbing system is under pressurization for the entire building. Doors are on order but were delayed by a month and temporary doors have been installed. Electrical panels are in place. Inspection is anticipated late last week or early this week. Conduit has been buried and goes into the building on the south elevation. The gas line is in place and walls have been furred out to run the gas line inside the building. The grease trap is anticipated to be installed this week. The sump pump is in place and concrete will be poured around it this week. Condenser lines are in progress. Preparation for installation of the makeup air unit are ongoing. Color selection is needed for the baseboard heaters and Summit will provide the color options as soon as they are received.

The storefront rehabilitation work is in progress. Custom knives to match the historic profiles have been ordered but were delayed. Early summer work on the storefront is anticipated. Woodwork installation in the building is anticipated this summer. The south elevation windows will be removed for rehabilitation once the contract work is in place. Derek is coordinating with the local jurisdiction for fire suppression systems. The fire department connection will be located at the front end of the east elevation and a fire lane is anticipated along the highway.

UNFINISHED BUSINESS

- A. LJ URA 464311405014 – Request to Purchase.** Cynthia Nieb found out that you cannot put up a garage in a residential area without having a house first. She spoke to Mr. Garcia and he and his relatives are going to see what their next move might be. They are considering a modular home.
- B. Strategic & Communications Plan.** Cynthia Nieb was going to apply for a grant for the rest of the funding for the plan; however, as she was applying for it, she noticed that it asked for a resolution from the city council and there was not going to be a meeting before the grant was due. After speaking with Gail Langley, Colorado Main Street, she said she could provide a one-day session that would have to include people from all over the community. It would probably be a two-page plan. That we can get for free or come up with the other \$15,000 to

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have the thorough plan that was seen last time. There is an immense difference between the two options. There is the one plan that consists of one day or the more thorough plan that takes several months to go through all the phases.

POINTS OF DISCUSSION:

- Make it clear that she is the one writing this plan.
- Prefer to have a loose draft before the retreat.
- Have clear expectations on both sides, in writing.
- Have a contract or letter of engagement with signatures.

MOTION TO APPROVE AN ADDITIONAL \$15,000 TOWARDS THE STRATEGIC & COMMUNICATIONS PLAN TO MOVE US FROM WHERE WE ARE TO WHERE WE NEED TO BE, PENDING RECEIVING AND AGREEING TO THE SCOPE OF WORK AND CONTRACT: Madrid

SECOND: Sweikert

DISCUSSION: There was no additional discussion

VOTE: The motion carried unanimously

NEW BUSINESS

A. Urban Renewal Director:

1. Justin Miller is moving out of state. He's accepted another position.
2. The Urban Renewal and CLG meetings have been changed to the fourth Thursday at 4:00 p.m. beginning in May.

B. Governing Body Comments:

1. Randall Roberson: Urban Renewal invested over \$200,000 for the elevator in the CORE Building. When the City sold it to Sangre de Cristo Hospice, Urban Renewal should have received those funds back instead of the City profiting. It should not have been done as a grant. (There was continued discussion amongst the board).

There being no further business, the meeting was adjourned at 5:33 p.m.

Melanie R. Scofield, Secretary

Nancy Bennett, Chairperson