



**Background Paper for Proposed Ordinance**

**COUNCIL MEETING DATE:** September 12, 2022

**TO:** President Heather Graham and Members of City Council

**VIA:** Marisa Stoller, City Clerk

**CC:** Mayor Nicholas A. Gradisar

**FROM:** Daniel C. Kogovsek, City Attorney

**SUBJECT:** AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO SIGN A GRANT AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND FUEL AND IRON COMMERCIAL, LLC, A COLORADO LIMITED LIABILITY COMPANY, AS AUTHORIZED BY SECTION 603 OF THE AMERICAN RESCUE PLAN ACT AND U.S. TREASURY FINAL RULE 31 CFR 35.6 AND AUTHORIZING THE PAYMENT OF TWO HUNDRED NINETY-FOUR THOUSAND ONE HUNDRED TWENTY-ONE AND 51/100 DOLLARS (\$294,121.51) FROM PROJECT NO. CI-2113 - AMERICAN RESCUE PLAN ACT, FOR PURPOSES THEREOF

**SUMMARY:**

This Ordinance approves and authorizes the Mayor to sign a Grant Agreement with Fuel and Iron Commercial LLC, a Colorado limited liability company ("Fuel & Iron") to reimburse Fuel & Iron for the cost of acquiring restaurant fixtures and equipment for the Fuel & Iron Food Hall located at 400 S. Union Ave., Pueblo, CO 81003 (hereinafter "Project") as authorized by Section 603 of the American Rescue Plan Act and U.S. Treasury Final Rule 31 CFR 35.6. Funds for the project, in the amount of \$294,121.51 will be paid out of Project No. CI-2113, the American Rescue Plan Act.

**PREVIOUS COUNCIL ACTION:**

By Ordinance No. 9931, approved on May 17, 2021, the City Council established Project No. CI-2113 and budgeted and appropriated up to \$36.7 million in funds which were expected to be distributed to the City from the American Recovery Plan Act ("ARPA") for covered costs and eligible expenses to be incurred during the period which began on March 3, 2021 until December 31, 2024 (to be expended by December 31, 2026).

**BACKGROUND:**

The redevelopment of the Holmes Hardware Block will consist of the Fuel & Iron Food Hall on the first floor and 28 affordable housing units on the second and third floors of the previously abandoned and vacant building located at 400 S. Main Street in downtown Pueblo. The larger project site will have roughly a half acre devoted to an urban farm, ample parking for both the food hall customers and apartment residents, and roughly a half-acre dedicated to additional housing in Phase II of the project.

Fuel & Iron will serve as an incubator for the next generation of great Pueblo restaurants. The five restaurant spaces within the food hall will be occupied by independent local chefs and restauranteurs. During this time, the up-and-coming culinarians will receive business planning and financing guidance, in addition to help with site selection and lease negotiation for their own brick and mortar locations within Pueblo.

After the restauranteurs are successful in opening up their own stand-alone brick and mortar locations, their space in the food hall will be given to other restauranteurs, and the cycle will be repeated, affording these entrepreneurial chefs opportunities they would not have otherwise had and at the same time invigorating the Pueblo restaurant scene as a whole.

The upper floors of the Holmes Hardware block, in conjunction with Phase II of the site redevelopment, will bring much needed housing into Downtown Pueblo, and will help activate Pueblo's downtown during a much greater portion of the week. The aim of the project is to be catalytic, encouraging more commercial and residential development downtown and further encouraging Pueblo's growth in a way that honors local residents and businesses to live, work, and play downtown.

The Fuel & Iron Project will have a catalytic impact in contributing to the recovery of the hospitality and tourism industry from the impacts of COVID-19. In addition to its impact on small business creation for restauranteurs as described above, the project will create 57 FTE positions in the hospitality industry, helping to make up for some of the job losses due to the pandemic.

Furthermore, the Fuel & Iron food hall will help rebuild Pueblo's tourism industry because it will be a can't miss amenity for tourists and out of town visitors. Its location strategically bookends Union Avenue, with downtown's other main tourist attraction - the Pueblo Riverwalk. As locals and tourists alike move between the food hall and the Riverwalk, the increased traffic along Union Ave. will create greater opportunities for the intervening businesses. By adding another amenity downtown, locals will be encouraged to make more trips downtown, and tourists will have enough amenities to remain in Pueblo for longer durations, which will further create economic opportunities for the rest of downtown Pueblo.

Fuel & Iron is a small business disproportionately impacted by the COVID-19 public health emergency, operating in a qualified census tract under 31 CFR 35.6.(b) (2) (iii) (B).

Fuel & Iron is engaged in the development, repair and operation of affordable housing and services or programs to increase long-term housing security under 31 CFR 35.6 (b) (3) (ii) (A) (5).

Fuel & Iron is engaged in the rehabilitation of commercial properties and is eligible for a grant for start-up costs for a small business under 31 CFR 35.6 (b) (3) (ii) (B) (2).

**FINANCIAL IMPLICATIONS:**

Fuel and Iron will receive \$294,121.51 in ARPA funds from Project No.CI-2113.

**BOARD/COMMISSION RECOMMENDATION:**

Not applicable to this Ordinance.

**STAKEHOLDER PROCESS:**

Not applicable to this Ordinance.

**ALTERNATIVES:**

City Council could decide not to support the Fuel & Iron Food Hall project.

**RECOMMENDATION:**

Approval of the Ordinance

**Attachments:**

Proposed Ordinance

Proposed Grant Agreement.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO SIGN A GRANT AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND FUEL AND IRON COMMERCIAL, LLC, A COLORADO LIMITED LIABILITY COMPANY, AS AUTHORIZED BY SECTION 603 OF THE AMERICAN RESCUE PLAN ACT AND U.S. TREASURY FINAL RULE 31 CFR 35.6 AND AUTHORIZING THE PAYMENT OF TWO HUNDRED NINETY-FOUR THOUSAND ONE HUNDRED TWENTY-ONE AND 51/100 DOLLARS (\$294,121.51) FROM PROJECT NO. CI-2113 - AMERICAN RESCUE PLAN ACT, FOR PURPOSES THEREOF

RECITALS

The following recitals are incorporated in and made a part of this Ordinance.

WHEREAS, on March 11, 2021, President Biden signed the U.S. Senate-amended H.R. 1319 (P.L. 117-2) known as the American Rescue Plan Act (hereinafter “ARPA”); and

WHEREAS, on May 10, 2021, the U.S. Treasury issued the Interim Final Rule to implement ARPA in Title 31, Part 35 of the Code of Federal Regulations (“CFR”); and

WHEREAS, on January 6, 2022, the U.S. Treasury issued, with an effective date of April 1, 2022, the Final Rule to implement ARPA in Title 31, Part 35 of the Code of Federal Regulations (“CFR”); and

WHEREAS, under the Final Rule, recipients may use Coronavirus Local Fiscal Recovery Funds (“CLFRF”) to respond to the COVID-19 public health emergency and the negative economic consequences resulting therefrom; and

WHEREAS, under ARPA Section 603 (c)(1)(A) and (3) and the Final Rule 31 CFR 35.6(b)(7) recipients may use CLFR Funds to award grants to nonprofit organizations that are responding to the negative economic impacts of the COVID-19 public health emergency; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF PUEBLO that:

SECTION 1.

The Grant Agreement (“Agreement”) dated September 26, 2022, between the City of Pueblo, a Colorado municipal corporation and Fuel and Iron Commercial, LLC, a Colorado limited liability company (“Fuel & Iron”), a copy of which is attached hereto, having been approved as to form by the City Attorney, is hereby approved.

**SECTION 2.**

The Mayor is hereby authorized to execute said Agreement for and on behalf of the City and the City Clerk is authorized to affix the seal of the City thereto and attest same.

**SECTION 3.**

Funds in the amount of \$294,121.51 are hereby authorized to be paid from Project No. CI-2113 – American Rescue Plan Act, for purposes of reimbursing Fuel & Iron for the cost of acquiring restaurant fixtures and equipment for the Fuel & Iron Food Hall located at 400 S. Union Ave., Pueblo, CO 81003, as described in the attached Agreement.

**SECTION 4.**

The officers and staff of the City are authorized to perform any and all acts consistent with this Ordinance and the attached Agreement to implement the policies and procedures described herein.

**SECTION 5.**

This Ordinance shall become effective on the date of final action by the Mayor and City Council.

**Action by City Council:**

Introduced and initial adoption of Ordinance by City Council on \_\_\_\_\_.

Final adoption of Ordinance by City Council on \_\_\_\_\_.

\_\_\_\_\_  
President of City Council

**Action by the Mayor:**

- Approved on \_\_\_\_\_.
- Disapproved on \_\_\_\_\_ based on the following objections:

---

---

---

---

\_\_\_\_\_  
Mayor

**Action by City Council After Disapproval by the Mayor:**

- Council did not act to override the Mayor's veto.
- Ordinance re-adopted on a vote of \_\_\_\_\_, on \_\_\_\_\_
- Council action on \_\_\_\_\_ failed to override the Mayor's veto.

\_\_\_\_\_  
President of City Council

ATTEST

\_\_\_\_\_  
City Clerk