

INTRODUCED: June 1, 2020

Expedited Consideration

A RESOLUTION No. 2020-R040

To request that the Mayor introduce such budget amendments and propose other such legislation as may be necessary to establish a grant program to be administered by the Economic Development Authority of the City of Richmond for restaurants within the city of Richmond affected by the spread of COVID-19.

Patrons – Ms. Gray, Ms. Larson, and Ms. Trammell

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUN 1 2020 AT 6 P.M.

WHEREAS, on March 23, 2020, the Governor of Virginia issued Executive Order No. 53 (2020), which ordered that “[e]ffective 11:59 p.m., Tuesday, March 24, 2020 until 11:59 p.m., Thursday, April 23, 2020, all public and private in person [sic] gatherings of 10 [sic] or more individuals are prohibited;” and

WHEREAS, on March 30, 2020, the Governor of Virginia issued Executive Order No. 55 (2020), which imposed criminal penalties for violation of the prohibition on “[a]ll public and private in-person gatherings of more than ten individuals,” among other prohibitions; and

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

WHEREAS, these executive orders effectively have closed all restaurants in the city to dine-in patrons and relegated restaurants to take-out sales only, resulting in drastic reductions in employment by and income to those restaurants; and

WHEREAS, the Council believes that, as citizens adhere to the prohibitions set forth in Executive Order No. 55, business communities within the city of Richmond are particularly affected by the decrease in business activity and the reduction in business income, which the Council anticipates will reduce the City's meals tax revenue estimates for the fiscal year commencing July 1, 2019, and ending June 30, 2020, and the fiscal year commencing July 1, 2020, and ending June 30, 2021; and

WHEREAS, the Council believes that the City must act immediately, to the extent permitted by law, to mitigate the effects of the spread of COVID-19 on the owners, operators, employees, and patrons of restaurants within the city of Richmond; and

WHEREAS, the Council believes that it is in the best interests of the citizens of the city of Richmond, including those who own, operate, work at, and patron restaurants in the city, that the Council request that the Mayor introduce such budget amendments and propose other such legislation as may be necessary to establish a grant program to be administered by the Economic Development Authority of the City of Richmond for restaurants within the city of Richmond affected by the spread of COVID-19;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Council hereby requests that the Mayor introduce such ordinances, effective upon adoption, providing for appropriation and a cooperation agreement as may be necessary to establish a grant program, to the extent permitted by law, for restaurants within the city of

Richmond affected by the spread of COVID-19 to be administered by the Economic Development Authority of the City of Richmond (the “Authority”) with the cooperation of the Department of Finance and the Department of Economic Development subject to the following parameters:

1. An ordinance, effective upon adoption, authorizing the Chief Administrative Officer to enter into, on behalf of the City, a cooperation agreement between the City and the Authority for the purpose of providing for the operation of a grant program for restaurants located within the corporate limits of the city of Richmond economically affected by COVID-19; designating the Authority as the administrator of the program, with the assistance of the Department of Finance and the Department of Economic Development; and authorizing the Authority, with the assistance of the Department of Finance and the Department of Economic Development, to develop such rules, regulations, policies, and procedures as may be necessary to implement and operate the grant program.

2. The Authority, with the cooperation of the Department of Finance and the Department of Economic Development, shall develop such rules, regulations, policies, and procedures as it deems necessary for implementation and operation of the emergency grant program for the support of city of Richmond restaurants.

3. All grants made to restaurants within the city of Richmond shall be funded, to the extent permitted by law, from such funds as may be received from the United States Government or the Commonwealth of Virginia for the relief of the economic impact of the COVID-19 pandemic or from the City’s General Fund.

4. An ordinance, effective upon adoption, transferring and appropriating funds in an amount equal to the grants to the Authority for the purpose of funding a grant program for

restaurants within the city of Richmond affected by COVID-19, pursuant to such parameters as may be prescribed by a cooperation agreement between City and the Authority concerning such grant program.

5. A requirement that the Director of Economic Development provide the Council and the Mayor with weekly progress reports on the operation of the grant program.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Haskell Brown, Interim Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Lawrence R. Anderson
Council Chief of Staff

FROM William E. Echelberger, Jr, Council Budget Analyst

COPY Kimberly B. Gray, 2nd District Representative
Tabrica C. Rentz, Interim Deputy City Attorney
Meghan K. Brown, Deputy Council Chief of Staff
Craig K. Bieber, 2nd District Liaison

DATE May 22, 2020

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TITLE Emergency Grant Program for Support of Richmond Restaurants – COVID-19

RECEIVED

By Elyse Steele at 4:38 pm, May 22, 2020

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Kimberly B. Gray, 2nd District Representative

SUGGESTED STANDING COMMITTEE

Expedited Consideration

ORDINANCE/RESOLUTION SUMMARY

The patron requests:

- A. A resolution advocating for the establishment the grant program set out below by:
 - 1. Submission of an ordinance by the Mayor to transfer the required monies to the Economic Development Authority, and
 - 2. A cooperation agreement agreed to by the Economic Development Authority.
- B. An ordinance that creates an Emergency Grant Program for Support of Richmond Restaurants.
 - 1. To be administered by the Richmond Economic Development Authority, with the cooperation of the Richmond Department of Finance, and the Richmond Department of Economic Development.
 - 2. Grants shall be made to restaurants located in the City of Richmond in support of costs resulting from the COVID-19 pandemic.
 - 3. Grants shall be funded from such funds as may be received from the federal government, or the Commonwealth of Virginia for relief of the impact of the COVID-10 pandemic, or the General Fund.
 - 4. The Richmond Economic Development Authority, with the cooperation of the Richmond Department of Finance, and the Richmond Department of Economic Development, shall develop such policies and procedures as it deems necessary for

implementation of the Emergency Grant Program for Support of Richmond Restaurants.

5. The Director of the Richmond Department of Economic Development shall provide weekly progress reports to the Mayor and City Council.
6. This ordinance shall be effective upon passage.

BACKGROUND

Summary:

- The State Health Commissioner declared COVID-19 a public health threat on Feb. 7.
- Governor Northam declared a state of emergency due to COVID-19 on March 12.
- Governor Northam March 20th executive order prohibiting more than ten patrons in any restaurant.
- Based on the available data COVID-19 will dramatically reduce statewide and Richmond restaurant patronage and revenues during calendar 2020.
- Prior to the COVID-19 pandemic, Richmond restaurants employed thousands of individuals, however, that level of employment has dropping dramatically.
- The patron believes that the COVID-19 public health emergency and its attendant impacts on Richmond restaurant employees, owners, operators and patrons warrants immediate action by City Council to mitigate the effects COVID-19 costs on Richmond restaurant employees, owners, operators, and patrons.
- The patron believes that, based on available reports in the news media, many of the restaurant-related revenue projections in the FY 2020 budget, and the Mayor's proposed FY 2021 budget will not be met, including the prospective collection of gross receipt license taxes.
- Charter § 5.05(b) provides that "[i]t shall be the duty of the mayor to . . . [k]eep the council advised of the financial condition and the future needs of the city and of all matters pertaining to its proper administration."
- Charter § 5.05.1(c) provides that "[i]t shall be the duty of the chief administrative officer, acting under the general direction of the mayor, to . . . [p]resent adequate financial and activity reports as requested by the council."

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact

There will be a cost for implementation of the proposed grant program, however, this cost cannot be estimated at this time.

Additionally, the emergency grants themselves will have a cost; but, given the nature of the COVID-19 pandemic's impact on Richmond's restaurants this cost cannot be estimated. An amendment to add a transfer to the EDA would be required to fund any portion of the Emergency Grant Program for Support of Richmond Restaurants that falls in FY20, or FY21. Such amendments would be drawn to the Non-Departmental section of the FY20, or FY21 General Fund Budgets, and would need to be proposed by the Mayor.

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /srs