



**City Of Richmond, Virginia  
Office of the City Clerk**

**Request to Withdraw Legislation**

Paper Number: Res. 2020-R026

Chief Patron: Councilor Kim Gray

Introduction Date: April 13, 2020

Chief Patron Signature: Per email request

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*For Office Use Only*

Attestation: *Caroline Reid*

Effective Date: 5/22/2020

**From:** [Braxton, Lisa - Clerk's Office](#)  
**To:** [Gray, Kimberly B. - City Council](#)  
**Cc:** [Reid, Candice D. - Clerk's Office](#); [Brown, Meghan K. - Council Chief of Staff Office](#); [Bieber, Craig K. - City Council Office](#); [Echelberger, Jr., William E. - Council Chief of Staff Office](#)  
**Subject:** RE: Amend Resolution No. 2020-R026:  
**Date:** Friday, May 22, 2020 2:48:00 PM

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Ms. Gray,

This email will serve as **authorization to withdraw** [Res. 2020-R026](#) (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) and no additional action is required.

*Lisa Braxton*

Council Management Analyst  
Office of the City Clerk  
City of Richmond  
900 East Broad Street, Suite 200  
Richmond, VA 23219

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Web: [www.richmondgov.com/cityclerk](http://www.richmondgov.com/cityclerk)

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**From:** Reid, Candice D. - Clerk's Office  
**Sent:** Friday, May 22, 2020 2:32 PM  
**To:** Braxton, Lisa - Clerk's Office <Lisa.Braxton@richmondgov.com>  
**Subject:** FW: Amend Resolution No. 2020-R026:

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**From:** Brown, Meghan K. - Council Chief of Staff Office  
**Sent:** Friday, May 22, 2020 1:53 PM  
**To:** Reid, Candice D. - Clerk's Office <[Candice.Reid@richmondgov.com](mailto:Candice.Reid@richmondgov.com)>; Warren Jr., Richard A. - Clerk's Office <[RJ.Warren@richmondgov.com](mailto:RJ.Warren@richmondgov.com)>  
**Subject:** FW: Amend Resolution No. 2020-R026:

FYI

Meghan K. Brown  
Deputy Council Chief of Staff  
Office of the Chief of Staff  
RICHMOND CITY COUNCIL

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**From:** Echelberger, Jr., William E. - Council Chief of Staff Office  
**Sent:** Friday, May 22, 2020 1:42 PM

**To:** Bieber, Craig K. - City Council Office <[Craig.Bieber@richmondgov.com](mailto:Craig.Bieber@richmondgov.com)>; Gray, Kimberly B. - City Council <[Kimberly.Gray@richmondgov.com](mailto:Kimberly.Gray@richmondgov.com)>

**Cc:** Brown, Meghan K. - Council Chief of Staff Office <[Meghan.Brown@richmondgov.com](mailto:Meghan.Brown@richmondgov.com)>;

Anderson, Samson F. - Council Chief of Staff <[Samson.Anderson@richmondgov.com](mailto:Samson.Anderson@richmondgov.com)>

**Subject:** RE: Amend Resolution No. 2020-R026:

Thanks Craig.

I'll get a revised O&R Requested drafted this afternoon.

Please contact the City Clerk to officially withdraw resolution No. 2020-R026.  
Bill

Office of the Council Chief of Staff

Phone: (804) 646-7871

Fax: (804) 646-5468

Richmond City Hall

Suite 305

900 E. Broad Street

Richmond, Virginia 23219

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**From:** Bieber, Craig K. - City Council Office

**Sent:** Friday, May 22, 2020 1:39 PM

**To:** Echelberger, Jr., William E. – Council Chief of Staff Office

<[William.EchelbergerJr@richmondgov.com](mailto:William.EchelbergerJr@richmondgov.com)>; Gray, Kimberly B. - City Council

<[Kimberly.Gray@richmondgov.com](mailto:Kimberly.Gray@richmondgov.com)>

**Cc:** Brown, Meghan K. - Council Chief of Staff Office <[Meghan.Brown@richmondgov.com](mailto:Meghan.Brown@richmondgov.com)>;

Anderson, Samson F. - Council Chief of Staff <[Samson.Anderson@richmondgov.com](mailto:Samson.Anderson@richmondgov.com)>

**Subject:** RE: Amend Resolution No. 2020-R026:

Bill:

Ms. Gray advises that she would like to withdraw Resolution 2020-R026 and have a new Resolution drafted similar to 2020-R026 that would incorporate the points below. She would then like to request expedited consideration for the new Resolution at the next Organizational Development Committee meeting.

Thanks,

Craig

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INTRODUCED: April 13, 2020

A RESOLUTION No. 2020-R026

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.

\_\_\_\_\_  
Patron – Ms. Gray

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: APR 27, 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 providing for appropriation and a cooperation agreement as may be necessary to establish a grant program for

restaurants within the city of Richmond to be administered by the Economic Development Authority of the City of Richmond (the “Authority”) subject to the following parameters:

1. All grants are to be made to restaurants located within the corporate boundaries of the City of Richmond to offset partially, to the extent permitted by law, losses incurred by such restaurants from March 12, 2020, through June 30, 2020, as a result of the COVID-19 pandemic.

2. All grants are to be made to restaurants based on such portion, as the Chief Administrative Officer may determine, of the meals taxes actually collected by the City, less the amount credited to the special reserve assigned to support public schools in the city pursuant to section 12-37 of the Code of the City of Richmond (2015), as amended, for meals taxes due as of March 20, 2020, through June 22, 2020, and on an amount equal to 16.65 percent of the actual business, professional, and occupational license taxes collected by the City for the tax year commencing January 1, 2020.

3. An ordinance 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.

4. An ordinance 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 within the city of Richmond 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 and regulations as may be necessary to implement and operate the 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, 2<sup>nd</sup> District Representative  
Tabrica C. Rentz, Interim Deputy City Attorney  
Meghan K. Brown, Deputy Council Chief of Staff  
Craig K. Bieber, 2<sup>nd</sup> District Liaison

**DATE** April 3, 2020

**PAGE/s** 1 of 3

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

**RECEIVED**

By Elyse Steele at 1:57 pm, Apr 03, 2020

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

**REQUESTING COUNCILMEMBER/PATRON**

Kimberly B. Gray, 2nd District  
Representative

**SUGGESTED STANDING COMMITTEE**

Finance and Economic Development

**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 losses incurred as a result of the COVID-19 pandemic.
  3. The grant period to be included in the program is defined as the months of March, April, May and June 2020.
  4. Grants shall be made to Richmond restaurants based on:
    - i. 79.70% of the actual meals tax paid by each restaurant during the grant period, as set out above. (This represents the amount of the meals tax not credited to



the special reserve assigned to support public schools in the city established by subsection (b)(1) of section 12-32.)

- ii. 16.65% of the actual Business, Professional, and Occupational License (BPOL) Tax paid by each restaurant for FY20. (This is equal to 50.0% of the prorated share of BPOL Taxes paid for the months of March, April, May and June 2020. These four months represent one-third, or 0.333 of the fiscal year.  $50.0\% \times 0.333 = 16.65\%$ )
- 5. 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.
- 6. The Director of the Richmond Department of Economic Development shall provide weekly progress reports to the Mayor and City Council.
- 7. This ordinance shall be effective upon passage.

**BACKGROUND**

**Summary:**

- The State Health Commissioner declared COVID-19 a disease of public health threat on February 7.
- Governor Northam declared a state of emergency due to COVID-19 on March 12.
- Governor Northam issued an executive order prohibiting more than ten patrons in any restaurant on March 20.
- 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 due to the pandemic.
- Richmond restaurants are subjected to multiple layers of taxation, including:
  - 7.5% meals tax,
  - 6% state and regional sales tax (later this year);
  - \$.36 per \$100 business license tax based on gross receipts;
  - \$3.70 per \$100 personal property tax; and,
  - \$1.20 per \$100 real estate tax (often passed through a lease);
- Section 12-37 of the Richmond City Code requires that 20.3% of the 7.5% Meals Tax is to be credited to the special reserve assigned to support public schools in the city established by subsection (b)(1) of section 12-32.

- For FY20 and FY21 Meals Tax revenues were originally projected to be:

	<u>FY20</u>	<u>FY21</u>
<b>Meals Tax - GF</b>	\$36,791,413	\$37,187,580
<b>Meals Tax - School Facilities</b>	<u>\$ 9,370,962</u>	<u>\$ 9,471,868</u>
<b>Total</b>	<b>\$46,162,375</b>	<b>\$46,659,448</b>

- Actual collections will likely be substantially less, due to the impact of the COVID-19 pandemic.
- The Business, Professional, and Occupational License (BPOL) Tax revenues were originally projected to be \$36,561,999 for FY20, and \$36,998,384 for FY21.

- 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 of restaurant taxation 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 expected drop in the targeted revenue sources, 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. Such an amendment would be drawn to the Non-Departmental section of the FY20 General Fund Budget, and would need to be proposed by the Mayor. Council could amend the proposed FY21 General Fund Budget to fund any portion of the Emergency Grant Program for Support of Richmond Restaurants that falls in FY21.

Attachment/s Yes  No