Renovation and Replacement of **Richmond Public Schools** Facilities through the **Meals Tax**

July 27, 2026

City Council

Pillars: Families, Economy

CITY OF
RICHMOND

INCREASED MEALS TAX FROM 6.0% TO 7.5%

ORD. 2018-017 increased the meals tax by 1.5%, the revenue generated from the increase was intended to make additional funds available for the renovation and replacement of public-school facilities in the City.

On **February 12, 2018**, City Council voted and unanimously passed ORD. 2018-017 to amend Sec. 26-669 of the Code of the City of Richmond (2015) to impose and levy by the City a tax at the rate of 7.5% (an increase from 6.0%) on the amount paid for meals purchased from any food establishment, whether prepared in such food establishment and whether consumed on the premises.

Ordinance No. 2018-017 effective beginning on **July 1, 2018** (fiscal year 2019).

20.3% OF MEALS TAXES CREDITED TO A RESERVE FOR RPS

ORD. 2018-140: Credit 20.3% total meals taxes collection to a special reserve dedicated for Richmond Public School facilities renovation and replacement.

May 14, 2018: City Council unanimously passed ORD. 2018-140 to amend Sec. 12-37, Disposition of Certain Meals Tax Proceeds, to cause the Director of Finance to credit 20.3% of the amount collected under Sec. 26-669 to the special reserve assigned to support public schools in the City.

Ordinance No. 2018-140 was effective beginning on **July 1, 2018** (fiscal year 2019).

The City finances its schools facilities construction with bonds, and the meals tax has been used for the repayment of these bonds.

RESULTS

The special reserve ensures the availability of funds for the bond financing of the renovation of existing facilities and for the construction of new school facilities.

Three completed new schools have been bond-financed and built to date with the dedicated meals taxes:

- **Henry Marsh Elementary**
- **Cardinal Elementary**
- **River City Middle School**

The meals tax has also enabled the cash funding of a portion of the **Fox Elementary** renovation and is anticipated to assist the repayment of a portion of the bond financing of the **Richmond High School for the Arts** (the replacement of the school formerly known as George Wythe High School).

MEALS TAX COLLECTIONS FROM 2019 - 2025

Fiscal Year	Total Collections (100%)	Growth Rate	Dedicated to Richmond Public School (20.30%)	General Fund (79.70%)
2019	$45,740,073	23.79%	$9,285,235	$36,454,838
2020	$38,099,329	-16.70%	$7,734,164	$30,365,165
2021	$37,018,912	-2.84%	$7,514,839	$29,504,073
2022	$45,762,510	23.62%	$9,289,790	$36,472,720
2023	$52,216,109	14.10%	$10,599,870	$41,616,239
2024	$57,436,445	10.00%	$11,659,598	$45,776,847
2025	$58,726,635	2.25%	$11,921,507	$46,805,128

MEALS TAX COLLECTIONS FROM 2019 - 2025

FY	Per ACFR		20.30% Meal Tax Dedicated to RPS	Phase I Debt Service GO Bonds 2019A & 2020A	Annual Meals Tax Dedicated to RPS less Debt Service	Other Spending (Fox Elementary School Renovation)	Cumulative Available Balance
	A	B	(C = A × B)	D	(E = C − D)	F	
2019	$45,740,073	20.30%	$9,285,235	$383,761	$8,901,474	$0	$8,901,474
2020	$38,099,329	20.30%	$7,734,164	$839,718	$6,894,446	$0	$15,795,920
2021	$37,018,912	20.30%	$7,514,839	$5,828,325	$1,686,514	$0	$17,482,434
2022	$45,762,510	20.30%	$9,289,790	$9,050,590	$239,200	$0	$16,833,415 *
2023	$52,216,109	20.30%	$10,599,870	$9,046,215	$1,553,655	$0	$18,387,070 *
2024	$57,436,444	20.30%	$11,659,598	$9,045,715	$2,613,883	$15,000,000	$6,000,953 *
2025	$58,726,635	20.30%	$11,921,507	$9,048,340	$2,873,167	$0	$9,762,339 *

** adjustment of $888K was made to the school facility special reserve fund balance in ACFR 2025 attributed to prior year revenue true up.*

PROJECTION AT CURRENT RATE (7.5%)

Projected future meals tax funded special reserve dedicated for Richmond Public School Facilities Renovation and Replacements at current 7.5% Tax Rate

FY	growth rate	Per Adopted Budget & Projection Starting 2028		20.30% Meal Tax Dedicated to RPS	Phase I Debt Service GO Bonds 2019A & 2020A	Annual Meals Tax Dedicated to RPS for Future Debt Service	50% of Phase II Debt Service GO Bonds 2026A	Cumulative Available Balance For Future Debt Service after 50% of George Wythe GO2026A
		A	B	C = A X B	D	E = C - D	F	
2025	2.2%	58,726,635	20.30%	$ 11,921,507	$ 9,048,340	$ 2,873,167	$ -	$ 9,762,339
2026	1.7%	59,710,000	20.30%	$ 12,121,130	$ 9,048,465	$ 3,072,665	$ -	$ 12,835,004
2027	3.1%	61,561,000	20.30%	$ 12,496,883	$ 9,050,465	$ 3,446,418	$ 7,615,240	$ 8,666,181
2028	3.1%	63,469,401	20.30%	$ 12,884,288	$ 9,048,715	$ 3,835,573	$ 7,615,616	$ 4,886,139
2029	3.1%	65,436,953	20.30%	$ 13,283,701	$ 9,052,465	$ 4,231,236	$ 7,615,737	$ 1,501,639
2030	3.1%	67,465,498	20.30%	$ 13,695,496	$ 9,050,965	$ 4,644,531	$ 7,615,373	$ (1,469,203)
2031	3.1%	69,556,929	20.30%	$ 14,120,057	$ 9,053,465	$ 5,066,592	$ 7,616,586	$ (4,019,197)
2032	3.1%	71,713,194	20.30%	$ 14,557,778	$ 9,051,065	$ 5,506,713	$ 7,616,464	$ (6,128,948)
2033	3.1%	73,936,303	20.30%	$ 15,009,069	$ 9,049,515	$ 5,959,554	$ 7,614,646	$ (7,784,039)
2034	3.1%	76,228,328	20.30%	$ 15,474,351	$ 9,050,515	$ 6,423,836	$ 7,615,616	$ (8,975,819)
2035	3.1%	78,591,406	20.30%	$ 15,954,055	$ 9,051,290	$ 6,902,765	$ 7,616,343	$ (9,689,396)
2036	3.1%	81,027,740	20.30%	$ 16,448,631	$ 9,049,015	$ 7,399,616	$ 7,616,343	$ (9,906,123)
2037	3.1%	83,539,600	20.30%	$ 16,958,539	$ 9,051,040	$ 7,907,499	$ 7,615,131	$ (9,613,755)
2038	3.1%	86,129,327	20.30%	$ 17,484,253	$ 9,047,850	$ 8,436,403	$ 7,614,646	$ (8,791,997)
2039	3.1%	88,799,336	20.30%	$ 18,026,265	$ 9,048,557	$ 8,977,708	$ 7,614,282	$ (7,428,570)
2040	3.1%	91,552,116	20.30%	$ 18,585,079	$ 9,046,502	$ 9,538,577	$ 7,615,858	$ (5,505,851)
2041	3.1%	94,390,231	20.30%	$ 19,161,217	$ 3,459,250	$ 15,701,967	$ 7,616,222	$ 2,579,894
2042	3.1%	97,316,328	20.30%	$ 19,755,215	$ -	$ 19,755,215	$ 7,614,767	$ 14,720,342
2043	3.1%	100,333,135	20.30%	$ 20,367,626	$ -	$ 20,367,626	$ 7,615,737	$ 27,472,232
2044	3.1%	103,443,462	20.30%	$ 20,999,023	$ -	$ 20,999,023	$ 7,615,858	$ 40,855,397
2045	3.1%	106,650,209	20.30%	$ 21,649,992	$ -	$ 21,649,992	$ 7,614,209	$ 54,891,180
2046	3.1%	109,956,366	20.30%	$ 22,321,142	$ -	$ 22,321,142	$ 7,613,918	$ 69,598,404
				$ 363,275,300	$ 148,257,479	$ 215,017,821	$ 152,308,588	

PROJECTION AT REDUCED RATE (6.5%)

Projected future meals tax funded special reserve dedicated for Richmond Public School Facilities Renovation and Replacements at 6.5% Tax Rate

FY	growth rate	Per Adopted Budget & Projection Starting 2028			20.30% Meal Tax Dedicated to RPS		Phase I Debt Service GO Bonds 2019A & 2020A		Annual Meals Tax Dedicated to RPS for Future Debt Service		50% of Phase II Debt Service GO Bonds 2026A		Cumulative Available Balance For Future Debt Service after 50% of George Wythe GO2026A
		A	B		C = A X B		D		E = C - D		F		
2025	2.2%	58,726,635	20.30%	$	11,921,507	$	9,048,340	$	2,873,167	$	-	$	9,762,339
2026	1.7%	59,710,000	20.30%	$	12,121,130	$	9,048,465	$	3,072,665	$	-	$	12,835,004
2027	3.1%	61,561,000	20.30%	$	12,496,883	$	9,050,465	$	3,446,418	$	7,615,240	$	8,666,181
2028	-10.6%	55,027,971	20.30%	$	11,170,678	$	9,048,715	$	2,121,963	$	7,615,616	$	3,172,529
2029	3.1%	56,733,838	20.30%	$	11,516,969	$	9,052,465	$	2,464,504	$	7,615,737	$	(1,978,704)
2030	3.1%	58,492,587	20.30%	$	11,873,995	$	9,050,965	$	2,823,030	$	7,615,373	$	(6,771,046)
2031	3.1%	60,305,857	20.30%	$	12,242,089	$	9,053,465	$	3,188,624	$	7,616,586	$	(11,199,008)
2032	3.1%	62,175,339	20.30%	$	12,621,594	$	9,051,065	$	3,570,529	$	7,616,464	$	(15,244,943)
2033	3.1%	64,102,774	20.30%	$	13,012,863	$	9,049,515	$	3,963,348	$	7,614,646	$	(18,896,241)
2034	3.1%	66,089,960	20.30%	$	13,416,262	$	9,050,515	$	4,365,747	$	7,615,616	$	(22,146,109)
2035	3.1%	68,138,749	20.30%	$	13,832,166	$	9,051,290	$	4,780,876	$	7,616,343	$	(24,981,576)
2036	3.1%	70,251,050	20.30%	$	14,260,963	$	9,049,015	$	5,211,948	$	7,616,343	$	(27,385,971)
2037	3.1%	72,428,833	20.30%	$	14,703,053	$	9,051,040	$	5,652,013	$	7,615,131	$	(29,349,088)
2038	3.1%	74,674,127	20.30%	$	15,158,848	$	9,047,850	$	6,110,998	$	7,614,646	$	(30,852,736)
2039	3.1%	76,989,025	20.30%	$	15,628,772	$	9,048,557	$	6,580,215	$	7,614,282	$	(31,886,803)
2040	3.1%	79,375,684	20.30%	$	16,113,264	$	9,046,502	$	7,066,762	$	7,615,858	$	(32,435,899)
2041	3.1%	81,836,331	20.30%	$	16,612,775	$	3,459,250	$	13,153,525	$	7,616,222	$	(26,898,596)
2042	3.1%	84,373,257	20.30%	$	17,127,771	$	-	$	17,127,771	$	7,614,767	$	(17,385,591)
2043	3.1%	86,988,828	20.30%	$	17,658,732	$	-	$	17,658,732	$	7,615,737	$	(7,342,596)
2044	3.1%	89,685,481	20.30%	$	18,206,153	$	-	$	18,206,153	$	7,615,858	$	3,247,699
2045	3.1%	92,465,731	20.30%	$	18,770,543	$	-	$	18,770,543	$	7,614,209	$	14,404,033
2046	3.1%	95,332,169	20.30%	$	19,352,430	$	-	$	19,352,430	$	7,613,918	$	26,142,546
				$	319,819,441	$	148,257,479	$	171,561,962	$	152,308,588		

Questions?