

INTRODUCED: May 22, 2023

AN ORDINANCE No. 2023-164

To authorize the Chief Administrative Officer to accept funds in the amount of \$2,000,000.00 from the State Council of Higher Education for Virginia, to amend the Fiscal Year 2022-2023 Special Fund Budget by creating a new special fund for the Department of Budget and Strategic Planning called the Virginia Union University Innovation Center Special Fund, and to appropriate the increase to the Fiscal Year 2022-2023 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Budget and Strategic Planning’s Virginia Union University Innovation Center Special Fund by \$2,000,000.00, for the purpose of providing such funds to Virginia Union University for the development of an “Innovation Center.”

Patrons – Mayor Stoney and Ms. Lambert

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUN 12 2023 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer is authorized to accept funds in the amount of \$2,000,000.00 from the State Council of Higher Education for Virginia for the purpose of providing such funds to Virginia Union University for the development of an “Innovation Center.”

AYES: 9 NOES: 0 ABSTAIN: _____

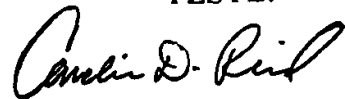
ADOPTED: JUN 12 2023 REJECTED: _____ STRICKEN: _____

§ 2. That Ordinance No. 2022-056, adopted May 9, 2022, which adopted a Special Fund Budget for the fiscal year commencing July 1, 2022, and ending June 30, 2023, and made appropriations pursuant thereto, be and is hereby amended by creating a new special fund for the Department of Budget and Strategic Planning called the Virginia Union University Innovation Center Special Fund, for the purpose of providing such funds to Virginia Union University for the development of an “Innovation Center.”

§ 3. That the funds received from the State Council of Higher Education for Virginia are hereby appropriated to the Special Fund Budget for the fiscal year commencing July 1, 2022, and ending June 30, 2023, by increasing estimated revenues by \$2,000,000.00, increasing the amount appropriated for expenditures by \$2,000,000.00, and allotting to the Department of Budget and Strategic Planning’s Virginia Union University Innovation Center Special Fund the sum of \$2,000,000.00, for the purpose of providing such funds to Virginia Union University for the development of an “Innovation Center.”

§ 4. This ordinance shall be in force and effect upon adoption.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Carlin D. Reed".

City Clerk



City of Richmond

Intracity Correspondence

O&R REQUEST

DATE: May 12, 2023 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer

THROUGH: Sheila D. White, Director of Finance

FROM: Jason P. May, Director of Budget & Strategic Planning

RE: To accept funds in the amount of \$2,000,000 from the State Council of Higher Education as pass-through funds to Virginia Union University for Historically Black Colleges and Universities (HBCU) creation and support of an Innovation Center State Appropriation.

ORD. OR RES. No. _____

PURPOSE: To authorize the Chief Administrative Officer to accept funds in the amount of \$2,000,000 from Commonwealth of Virginia, State Council of Higher Education; to amend Fiscal Year 2022-2023 Special Fund Budget by creating a new special fund called the Virginia Union University Innovation Center Special Fund; and to appropriate the increase to the Fiscal Year 2022-2023 Special Fund Budget by increasing estimated revenues and the amount appropriated to Virginia Union University Innovation Center Special Fund by \$2,000,000 for the purpose of providing such funds to VUU as prescribed by the State of Virginia's Appropriations Act.

REASON: An ordinance is necessary to authorize the acceptance of funds from State Council of Higher Education, and to appropriate such funds to a Special Fund in order to facilitate a two disbursement to Virginia Union University.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: On April 3, 2023, Hunton Andrews Kurth LLP notified the City of Richmond of the appropriated \$2,000,000 for Virginia Union University for the Virginia's Historically Black Colleges and Universities (HBCU) for creation and support of an Innovation Center.

The legislation directs the State Council of Higher Education for Virginia to disburse the funds allocated for Virginia Union University to the City of Richmond for distribution. The funds will be appropriated to the City, and subsequently transferred to Virginia Union University in two separate disbursements according to the attached transmittal letter. Upon Council adoption and execution of the transmittal letter the State Council of Higher Education will transfer \$1 million immediately and \$1 million on January 1, 2024. The City's sole responsibilities will be to (1) accept the funds from the Commonwealth and (2) distribute the funds to Virginia Union University upon receipt of written notification to release funds from the State Council of Higher Education for Virginia.

The funding will support the initiative to provide funding support to agencies and institutions within Virginia's Historically Black Colleges and Universities (HBCU) for creation and support towards a newly design Innovation Center.

FISCAL IMPACT/COST: No direct impact/ cost as the result will be a net neutral from a city fiscal perspective. The City will receive \$2,000,000 from the Commonwealth and then distribute such funds to the recipient when the State Council of Higher Education for Virginia directs the City to release funds.

FISCAL IMPLICATIONS: The result will be a net neutral from a city fiscal perspective.

BUDGET AMENDMENT NECESSARY: Yes, this O&R request an ordinance to amend the FY2022-2023 special fund budget in order to appropriate the funds received from the Commonwealth. Appropriating the funds into a special fund created solely for this purpose will facilitate both (1) the funds to be accepted/appropriated and (2) the funds being disbursed by the City.

REVENUE TO CITY: The City will receive \$2,000,000 in new revenue and those funds will be disbursed to the recipient so the result will be net neutral.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: May 22nd, 2023

CITY COUNCIL PUBLIC HEARING DATE: June 12th, 2023

REQUESTED AGENDA: Consent.

RECOMMENDED COUNCIL COMMITTEE: Request a waiver.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Budget and Strategic Planning, Finance, Chief Administrative Officer Office, City Attorney's Office.

RELATIONSHIP TO EXISTING ORD. OR RES.: 2022-056

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Virginia Union University Budget Request
Transmittal Letter to City of Richmond

STAFF: Terrence Banks, Principal Budget & Policy Analyst

VIRGINIA UNION UNIVERSITY

Budget Amendment Request - Expenditure Breakdown Virginia General Assembly 2022

Center For Technology & Innovation \$2M

The Center will work with local and national technology companies to research, analyze and develop new innovations and technologies designed to accelerate economic growth, strengthen Virginia's position as a leader in the science and technology space, as well as provide real-world, job-based training to strengthen the workforce.

Purpose of request: programmatic upgrades—to support the development of a state-of-the art Technology & Innovation center in the local area that will contribute to Virginia's growth in the science & technology space. Develop a diverse and prepared workforce pipeline to address skills shortage in STEM industries with individuals that have mastery of core competencies.

ROI will include 20 new graduates ready for professional careers in cybersecurity, and at least 20 internships.

1. CYBER SECURITY \$1M

FUNCTION	PURPOSE	COSTS
Staffing	Program Director/trainer/Program Instructors (2)	\$300K
Instrumentation/Equipment		\$590K
	Laboratory equipment, annual laboratory software licensing; technology refreshment of lab hardware to create smart labs, including—smart display boards; interactive overhead projectors; simulators; full array mics	
Facility Upgrades (labs)	Interior repair	\$110K
Total		\$1M

2. STEM \$1M

ROI will be new partnerships with at least two major US companies to do joint research

FUNCTION	PURPOSE	COSTS
Staffing	Staff Research Assistants (3)	\$150K
Instrumentation/Equipment	Inductively coupled plasma mass spectrometer; scanning electron microscopy; LIDAR system; Telescope Room Dome; GPU Visual supercomputers; computers for labs; and refrigeration/freezer	\$850K
Total	STEM research/development	\$1M





COMMONWEALTH of VIRGINIA
STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA
James Monroe Building, 101 North Fourteenth Street, Richmond, VA 23219

Peter Blake
Director

(804) 225-2600
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May 16, 2023

TO: Mr. Lincoln Saunders, Chief Administrative Officer, City of Richmond
Dr. Hakim J. Lucas, President, Virginia Union University

FROM: Peter Blake *Peter Blake*

SUBJECT: Funding for a Center for Technology and Innovation

The 2022 General Assembly approved a one-time appropriation to support an initiative in the City of Richmond. Chapter 2 of the 2022 Special Session I, Virginia Acts of Assembly, including the following language in Item 144.

V. Out of this appropriation, \$2,000,000 the first year from the general fund is designated for the creation and support of an Innovation Center at a Historically Black College or University in the City of Richmond. The Director, State Council of Higher Education for Virginia, shall transfer this funding to the City of Richmond for costs associated with the Innovation Center.

Accordingly, the purpose of this memorandum is to authorize the transfer of \$2 million from the budget of the State Council of Higher Education for Virginia to the City of Richmond, upon agreement and acknowledgement of the terms and conditions by Virginia Union University, which is a Historically Black College or University in the City of Richmond.

The funding is contingent on Virginia Union University using the money in the approximate categories of spending outlined in the attached budget summary. A deviation in any category by more than 20 percent must be reported to the Director, State Council of Higher Education, at least 10 days prior to the expenditure. Any funding remaining unused by June 30, 2026, shall be returned to the Commonwealth.

No later than June 30, 2024, and each year thereafter through June 30, 2026, Virginia Union University will prepare and deliver a report to the Director, State Council of Higher Education for Virginia, on the expenditure of funds to date and on the following four outcomes:

1. The number of new graduates ready for professional careers in cybersecurity
2. The number and a description (company, wages, academic credit, etc.) of student internships in the fields of Science, Technology, Engineering and Math (STEM)
3. Description of outcomes related to preparing a diverse and prepared workforce to address skills shortages

Mr. Lincoln Saunders
Dr. Hakim J. Lucas
May 16, 2023

4. Specific laboratory instrumentation and equipment and its use in accelerating economic growth

Upon a written agreement of these terms and conditions by Virginia Union University, and acknowledgement by the City of Richmond, through the office of the Mayor (see signature lines below), the State Council of Higher Education will transfer \$2 million to the City of Richmond.

Thank you for your work to contribute to the economic prosperity of the greater Richmond region and for ensuring a diverse and prepared workforce.

I acknowledge the terms and conditions contained within this letter:

Mr. Lincoln Saunders

Date

I agree to the terms and conditions contained within this letter:

Dr. Hakim J. Lucas

Date

cc: The Honorable Aimee Guidera, Secretary of Education