

INTRODUCED: September 5, 2023

A RESOLUTION No. 2023-R048

To express the Mayor's and City Council's support, should the voters of Richmond approve a referendum for the development and operation of a destination resort and casino in the city of Richmond, for the dedication of gaming tax revenue received from such destination resort and casino to the establishment and funding of a Child Care and Education Trust Fund, and to appropriate funding of approximately \$14,000,000.00 for the construction of new early childhood care centers at T. B. Smith Community Center and Southside Community Center, \$8,000,000.00 for Department of Parks, Recreation, and Community Facilities projects across the city, and an immediate investment of \$4,500,000.00 into the Child Care and Education Trust Fund to expand access to affordable early childhood care and education programs across the City, totaling \$26,000,000.00, as soon as Fall, 2024.

Patrons – Mayor Stoney, Ms. Trammell, Mrs. Newbille, President Jones, Vice President Nye, Ms. Lambert, and Ms. Robertson

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEPT 25 2023 AT 6 P.M.

WHEREAS, the Mayor and the Council are of the opinion that there is no more important way to invest in the city of Richmond's future than to invest in its children; and

WHEREAS, decades of research show that the first five years of a child's life, when 90 percent of brain development occurs, are particularly imperative for success and high-quality early

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: SEP 25 2023 REJECTED: _____ STRICKEN: _____

development increases the likelihood of graduating high school on time, completing postsecondary education, and gaining employment; that such development decreases the odds of substance use disorder and criminal activity; and that such development supports physical and mental health throughout life; and

WHEREAS, approximately 74 percent of Virginia’s child care centers are experiencing staffing shortages and the lack of access to affordable child care keeps 68 percent of parents from working;

WHEREAS, 42 percent of Virginia’s kindergarteners started the 2021 school year without foundational skills; and

WHEREAS, in central Virginia, for families with incomes under 200 percent of the federal poverty level, there is just one publicly funded early child care and education (hereinafter referred to as “ECCE”) slot for every eight infants and toddlers; and

WHEREAS, beginning on September 30, 2023, it is estimated that Virginia will face a dramatic decrease in federal child care investment and that without Congressional or Virginia General Assembly intervention to stabilize the Virginia Child Care Subsidy program, approximately 88,265 Virginia children are expected to lose their child care, 1,383 child care programs are projected to close, and parents will lose \$280 million in earnings as a result of being forced to cut work hours or leave the workforce; and

WHEREAS, in addition to the lack of action in Virginia and on the federal level to address this looming crisis, Richmond’s families are currently struggling to access early childhood care and education for many reasons, including prohibitively expensive tuition, a shortage of qualified teachers and caregivers, inadequate facilities, and a lack of options that fit diverse work schedules and family choice; and

WHEREAS, as a result, 58.8 percent of children beginning kindergarten in the school division administered by the School Board of the City of Richmond in 2019 lacked the skills needed to thrive, and all indicators point to even lower levels of kindergarten readiness as a result of the COVID-19 pandemic; and

WHEREAS, demand for early childhood care and education slots has returned to pre-pandemic levels, but providers are unable to fill their slots due to a workforce crisis; and

WHEREAS, in October, 2019, the Richmond Children's Cabinet presented recommendations to the Mayor, City Council, and the School Board of the City of Richmond, which included recommendations to strengthen early childhood care by improving accessibility, affordability, and quality of child care and preschool for children under the age of 5 years; and

WHEREAS, the City of Richmond created the Office of Children and Families in 2021, which aims to ensure that Richmond is the best place to grow up and raise a family, and

WHEREAS, the City of Richmond has elevated universal preschool as a priority of the Office of Children and Families and the City of Richmond's Equity Agenda, as set forth in Resolution No. 2021-R032, adopted June 14, 2021, and promoted post-pandemic stabilization of the early childhood care and education sector and expanded access to early care and education programs for Richmond families by investing \$2,000,000.00 of American Rescue Plan Act (hereinafter referred to as "ARPA") funds in Child Care and Parenting Supports; and

WHEREAS, the City of Richmond leveraged ARPA funds to support the opening of three new child day centers and create over 250 new slots in early care and education programs citywide; and

WHEREAS, the City of Richmond's Office of Children and Families has articulated a vision for universal preschool that includes the following goals:

1. The provision of quality, full-day, full-year, affordable, and accessible early childhood care and education programs for every child in Richmond;
2. The development of robust mixed-delivery network of community providers working alongside Richmond Public Schools to meet the needs of all Richmond families and ensure all incoming kindergarteners are ready for school;
3. The establishment of a strong, thriving, and stable early care and education workforce; and

WHEREAS, the Richmond Universal Preschool Cost Analysis conducted by the Children's Funding Project for the City of Richmond indicated that the true cost of early childhood care and education programs that improved compensation for the ECCE workforce ranged from \$16,070.00 for 3- and 4-year-olds to \$22,945.00 for infants; and

WHEREAS, the City of Richmond's Office of Children and Families estimates that roughly 4,000 to 6,000 infants, toddlers and preschoolers would access publicly-funded early childhood care and education programs, if such programs were available and accessible to all; and

WHEREAS, current state and federal funding streams support early childhood care and education for certain families in Richmond based on income and other criteria, but existing systems do not meet the needs of Richmond families resulting in the underutilization of these investments; and

WHEREAS, the Richmond Prenatal to 5 Fiscal Analysis is currently underway and will provide a multi-year systems model to project annual ECCE costs as well as recommendations to ensure that Richmond leverages all current public revenue streams to support ECCE – including

Virginia Child Care Subsidy, Head Start, Early Head Start, Mixed Delivery, and Virginia Preschool Initiative – before investing additional local dollars; and

WHEREAS the Mayor and the Council are of the opinion that the lack of access to early childhood care and education not only creates barriers for our children, it harms the City's economy by forcing some parents to stay out of the workforce, increasing absenteeism, and, ultimately, reducing the City's talent pool and increasing the unemployment rate; and

WHEREAS, the Mayor and the Council are of the opinion that, should a referendum be approved for the development and operation of a destination resort and casino in the city of Richmond, such a project would provide an urgently needed source of revenue to address Richmond's child care crisis; and

WHEREAS, a destination resort and casino in the city of Richmond is estimated to create \$30,000,000.00 in annual revenue, which includes real estate, meals, admissions, and gaming taxes; and

WHEREAS, the Mayor and the Council are of the opinion that the gaming tax revenue collected from the destination resort and casino (estimated at approximately \$19,000,000.00 annually), should be dedicated to a newly established Child Care and Education Trust Fund which would:

1. Make early childcare and education more affordable by providing tuition assistance to Richmond families with infants, toddlers and preschoolers;
2. Increase the availability of high-quality care and education by providing grants to certain community-based providers to improve facilities and make other investments necessary to increase their capacity and ensure their eligibility for other sources of public funding, prioritizing those providers in communities where school readiness data indicates greatest need;

3. Support the teachers and caregivers of our youngest children by providing aid and technical assistance to obtain credentials that will allow them to increase their earnings; and

WHEREAS, the Mayor and the Council are of the opinion that, should a referendum be approved for the development and operation of a destination resort and casino in the city of Richmond, the state-mandated lead agency for Ready Region Central, Thrive Birth to Five—an expert in early childhood care and education in the Richmond region—should, to the extent permitted by law, be appointed by the Council to administer the Child Care and Education Trust Fund; and

WHEREAS, upon the information and belief of the Mayor and the Council, today, as Ready Region Central’s lead agency, Thrive Birth to Five is implementing the state’s mandate to measure and improve the quality of all publicly-funded birth-to-five classrooms; to increase access for families, including helping families identify programs that fit their needs; and to expand the number of slots available for infants, toddlers, and preschoolers in the Richmond area; and

WHEREAS, the Mayor and the Council are of the opinion that connecting Richmond’s Child Care and Education Trust Fund to Virginia’s Ready Region Network, to the extent permitted by law, would maximize the impact of the Trust by utilizing the system’s existing expertise in ECCE, technical capacity, and network of public and private providers; and

WHEREAS, the Mayor and the Council are of the opinion that Virginia’s Ready Region Network should appoint an advisory board, which will report to the Council and be comprised of experts, educators, and community members who will guide the work of the Child Care and Education Trust Fund, provide expertise in best-practices in the field of early childhood care and education, and ensure a predictable, equitable, and transparent process for the distribution of funds; and

WHEREAS, the Mayor and the Council are of the opinion that by specifically dedicating just the gaming taxes, estimated currently at approximately \$19,000,000.00 annually, collected from the destination resort and casino to the Child Care and Education Trust Fund, Richmond will make lasting improvements for children aged 0 to 5 years of age; and

WHEREAS, the development of the destination resort and casino would bring the City a one-time, up-front payment of \$26,500,000.00, for which the City will:

a) Build new childhood care and education centers at T. B. Smith Community Center and Southside Community Center (currently estimated at \$7,000,000.00 each);

b) Dedicate \$8,000,000.00 to Department of Parks, Recreation, and Community Facilities projects across the city, including Humphrey Calder Community Center, Battery Park, Pine Camp Cultural Arts Center, Forest Hill Playground, Pony Pasture, James River Park System, Westover Hills Community Center, Annie Giles Community Center, Hotchkiss Pool, and Montrose Heights Playground; and

c) Allocate \$4,500,000.00 into the Child Care and Education Trust Fund, which would allow the City to expand access to affordable child care and education programs as soon as the fall of 2024; and

WHEREAS, upon the information and belief of the Mayor and the Council, in addition to supporting the Child Care and Education Trust Fund and investments in the southern part of the City, the destination resort and casino would contribute to the success of the City by:

1. Creating an estimated 1,300 jobs with an average annual compensation package of \$55,000.00 and a minimum wage of at least \$15.00 per hour;
2. Attracting more visitors to Richmond;

3. Opening a world-class entertainment venue, public green space, and numerous restaurants; and

4. Providing the City with additional recurring revenue that would go into the City's General Fund, including in the form of property, lodging, meals, sales, and business licensing taxes; and

WHEREAS, the Mayor and the Council believe that it is in the best interest of the citizens of the city of Richmond that the Council support the development of a destination resort and casino as a means of accomplishing strategic goals established by the City's Strategic Plan for Equitable Economic Development, as set forth in Resolution No. 2022-R032, adopted June 27, 2022, Richmond 300, as set forth in Ordinance No. 2020-236, adopted December 14, 2020, as amendments thereto, and the City of Richmond's Equity Agenda, as set forth in Resolution No. 2021-R032, adopted June 14, 2021;

NOW, THEREFORE,

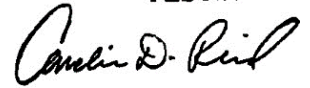
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That should the voters approve a referendum of the development and operation of a destination resort and casino in the city of Richmond, the Mayor and the Council, in accordance with and to the extent permitted by law, hereby commit to dedicating (i) the entirety of the gaming tax revenue received from such destination resort and casino to the establishment, funding, and operation of a Child Care and Education Trust Fund, and (ii) to appropriating funding of approximately \$14,000,000.00 for the construction of new early childhood care centers at T. B. Smith Community Center and Southside Community Center, \$8,000,000.00 for Department of Parks, Recreation, and Community Facilities projects across the city, and an immediate investment

Smith Community Center and Southside Community Center, \$8,000,000.00 for Department of Parks, Recreation, and Community Facilities projects across the city, and an immediate investment of \$4,500,000.00 into the Child Care and Education Trust Fund to expand access to affordable ECCE programs across the City, totaling \$26,000,000.00, as soon as Fall, 2024.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Carolyn D. Reed". The signature is fluid and cursive, written over the printed name.

City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2023-1318

File ID: Admin-2023-1318

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 2

Reference:

In Control: Administration

Department:

Cost:

File Created: 08/21/2023

Subject:

Final Action:

Title: Resolution to express the commitment of the Mayor and City Council to the dedication of revenues from the Richmond Destination Resort and Casino Project.

Internal Notes:

Code Sections:

Agenda Date: 09/05/2023

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Agenda Number:

Patron(s):

Enactment Date:

Attachments: 8.29.23 version_Gaming Revenue Resolution_FINAL

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Contact:

Introduction Date:

Drafter:

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
2	1	8/29/2023	Jeff Gray - FYI	Notified - FYI	
2	2	8/29/2023	Caitlin Sedano - FYI	Notified - FYI	
2	3	8/29/2023	Lincoln Saunders	Approve	8/30/2023
2	4	8/29/2023	Cordell Hayes - FYI	Notified - FYI	
2	5	8/29/2023	Maggie Anderson - FYI	Notified - FYI	
2	6	8/29/2023	Mayor Stoney	Approve	8/30/2023

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2023-1318

Title

Resolution to express the commitment of the Mayor and City Council to the dedication of revenues from the Richmond Destination Resort and Casino Project.

Body

DATE: August 29, 2023

EDITION: 2

TO: The Honorable Members of City Council

FROM: The Honorable Levar M. Stoney, Mayor

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

RE: Resolution to express the commitment of the Mayor and City Council to the dedication of revenues from the Richmond Destination Resort and Casino Project.

ORD. OR RES. No.

PURPOSE: To express the Mayor and Council's support, should the citizens of Richmond approve a referendum for the development and operation of a destination resort and casino, for dedicating gaming revenue received from the such a resort to the creation and continual operation of a Child Care and Education Trust Fund, and for dedication of up-front payments to investments in the southern part of the City of Richmond, including the construction of new early childhood care centers at T.B. Smith Community and Southside Community Centers, and the immediate infusion of funds to the Trust Fund.

REASON: To support Richmond's families by expanding access to high-quality early childhood care and education within the City, and to invest in the historically under-resourced southern portion of the City.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: High-quality early childhood care and education (ECCE) is critical for the well-being of individuals, families, communities, and economies. When children are healthy, safe, and learning in their early years, they enter kindergarten prepared for school and on a path to reach their full potential as adults (civically, socially, and economically). When parents and caregivers have access to reliable, affordable child care, they are better able to maintain employment. When a workforce is unhindered by disruptions caused by inconsistent child care, economic productivity increases.

Unfortunately, Richmond is currently experiencing the same dire shortage of early childhood opportunities that communities across Virginia face. 68% of Virginia parents report that their ability to work has been impacted by a lack of child care, including having to reduce hours, take time off, or leave the workforce entirely. The Richmond Universal Preschool Cost Analysis,

presented at the July meeting of City Council's Education and Human Services Standing Committee, indicates that the true cost of high-quality, full-day, full-year ECCE programs ranges from \$16,070 for 3- and 4-year-olds to \$22,945 for infants. This cost analysis reflects a \$50,000/year lead teacher salary and \$17/hour minimum wage for other staff; this level of compensation will help address the workforce crisis facing ECCE providers, who report that demand has returned to or exceeded pre-pandemic levels but staffing shortages prevent them from maximizing their capacity and meeting demand. Additionally, research commissioned by the Virginia Early Childhood Foundation and released in July 2023 indicates that there is just one publicly-funded ECCE slot for every eight infants and toddlers in families with incomes under 200 percent of the federal poverty level in Central Virginia. Families across Richmond need help finding high-quality care and education for their children in the years before elementary school.

Should Richmond's voters approve a referendum authorizing the development of a destination resort and casino on November 7, 2023, the project will create critically needed resources to address Richmond's child care crisis. First, the City has the opportunity to construct two new facilities for the care and education of children ages 0-5 by using approximately \$14 million of the \$26.5 million up-front payment that would be received if the destination resort and casino is approved. The opening of child care facilities at two community centers located in the southern part of the City-T.B. Smith and Southside-will expeditiously expand access to high-quality child care and preschool for infants, toddlers and preschoolers in one of the Richmond's most disadvantaged neighborhoods that also lacks sufficient supply of quality ECCE programs. Additionally, the City will invest \$8 million into the following Parks and Recreation improvement projects across the city: Humphrey Calder Community Center, Battery Park, Pine Camp Cultural Arts Center, Forest Hill Playground, Pony Pasture and James River Park System, Westover Hills Community Center, Annie Giles Community Center, Hotchkiss Pool, and Montross Heights Playground. The remaining approximately \$4.5 million will go directly into the establishment and implementation of the Child Care and Education Trust Fund and immediately expand capacity for and access to affordable ECCE programs as soon as fall 2024.

The annual casino gaming tax revenue, estimated to be approximately \$19 million, received from the destination resort and casino would enable the City to create and continually fund a Child Care and Education Trust Fund. The Trust Fund will provide tuition assistance for Richmond children 0-5 in quality ECCE programs operated by qualified community providers, support quality monitoring of participating providers, and administer an annual grant opportunity to award funds to community providers for investments in facility and human capital.

The City will entrust the operation of the Trust Fund to our area's leading experts in early childhood care and education: Ready Region Central's lead agency, Thrive Birth to Five. Virginia's "Ready Regions" are a system of regional networks that bring public and private partners together to ensure the Commonwealth's early childhood system prepares children for success. Each "Ready Region" is led by a competitively-selected organization that proactively coordinates with parents, childcare and preschool providers, school systems, social services departments, businesses, and other stakeholders. Today, as Ready Region Central's lead agency, Thrive Birth to Five is implementing the state's mandate to measure and improve the quality of all publicly-funded birth-to-five classrooms; to increase access for families, including helping

families identify programs that fit their needs; and to expand the number of slots available for infants, toddlers, and preschools in the Richmond area. Connecting Richmond's Child Care and Education Trust Fund to Virginia's Ready Region Network maximizes the impact of the Trust by utilizing the system's existing expertise in ECCE, technical capacity, and network.

An Advisory Board comprised of early childhood experts, educators, and community members will be created to guide the work of the Trust Fund and to provide updates to City Council on the Trust Fund's work. The Trust Fund would be created via ordinance and grant contract, which would specify the qualifications for the composition of the Advisory Board, parameters for annual grant-making, reporting requirements, and other mechanisms for oversight.

FISCAL IMPACT / COST: N/A

FISCAL IMPLICATIONS: Per a study completed by Convergence Strategy Group in 2021, a destination resort and casino located in the southern part of the City of Richmond will generate approximately \$30 million annually in total revenue upon the project opening. It is estimated that approximately \$19 million of that \$30 million will be generated specifically from the gaming taxes - which will be dedicated to the Child Care and Education Trust Fund. The remaining approximately \$11 million will go into the City's General Fund. RVA Entertainment Holdings, LLC is solely responsible to pay costs for both public and private infrastructure required for the destination resort and casino project. The Host Community Agreement codifies RVA Entertainment Holdings, LLC and the City equally sharing costs on mutually agreed upon improvements to improve the physical appearance of public-right-of-way for a defined area in immediate proximity to the proposed resort casino project.

BUDGET AMENDMENT NECESSARY: No.

REVENUE TO CITY: The proposed Resolution will not have implications on the City's budget unless citizens pass a referendum approving a destination resort and casino. After passage and certification of the voter referendum to allow casino gaming in the city, the City will receive a one-time \$25,500,000.00 payment from RVA Entertainment Holdings. The City will also receive an additional one-time \$1,000,000.00 payment from RVA Entertainment Holdings, LLC upon closing on the financing for the project, which will be combined with the \$25.5 million for the beforementioned projects. In addition to the one-time payments, the City will receive ongoing revenue over the life of the project as a percentage of the destination resort and casino's adjusted gross receipts according the "Virginia Casino Act" ("gaming taxes"). The City will also receive revenue from real estate tax, meals tax, sales tax, lodging tax, business license tax, business personal property tax, and other taxes and fees generated by the \$562 million project. A recent study completed by Convergence Strategy Group estimates that a destination resort and casino project in the southern part of the City of Richmond will generate approximately \$30 million annually in revenue. It is estimated that approximately \$19 million of that \$30 million will be generated specifically from the gaming taxes- which will be dedicated to the Child Care and Education Trust Fund. The remaining approximately \$11 million will go into the City's General Fund.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: September 5, 2023

CITY COUNCIL PUBLIC HEARING DATE: September 25, 2023

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Education and Human Services
September 14, 2023

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Office of Children and Families, Economic Development, Budget and Strategic Planning, Finance, Office of Community Wealth Building

RELATIONSHIP TO EXISTING ORD. OR RES.: ORD. 2023-170, 2023-171

REQUIRED CHANGES TO WORK PROGRAM(S): N/A

ATTACHMENTS: N/A

STAFF: Maggie Anderson, Chief of Staff, Office of the Mayor
Eva Colen, Senior Policy Advisor and Manager, Office of Children and Families