



Legislation Text

File #: RES. 2023-R048, **Version:** 1

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.

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 childhood learning experiences improve children's proficiency in reading and math; that such 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 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.