

VIRGINIA'S NEWS LEADER

Richmond Times-Dispatch

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RICHMOND RESTAURANTS

TAX TROUBLE



MARGO WAGNER, TIMES-DISPATCH

Kevin Grubbs, owner of Latitude Seafood Co., is battling the city of Richmond over a high, confusing meals tax bill. Grubbs said he decided to share his experience in hopes of creating change. More restaurants have come forward with similar experiences.

Owner says late payment ballooning to \$68,000 bill is proof system is broken

COLLEEN CURRAN
Richmond Times-Dispatch

Richmond restaurant Latitude Seafood Co. missed one meals tax payment in 2020. Now, the city of Richmond says the restaurant owes \$68,000.

It's a painful example of a broken system, restaurant owners say, that needs to be fixed.

Richmond's dining scene has exploded in recent years, garnering national attention. During the pandemic, restaurants were battered by COVID-19, restrictions and closures. Somehow, Richmond restaurants continued to survive, and there are currently more than 1,100 food establishments in the city.

Richmond restaurants are required to pay a meals tax, which carries a 7.5% tax on every diner's bill. These funds go to fund various services, with 1.5% of the total going directly to school improvements.

The city collected roughly \$45.8 million in meals tax in 2022, according to the most recent audit.

In 2020, Mayor Levar Stoney introduced a tax amnesty program where Richmond restaurants did not have to pay a meals tax between March 21 and June 23, 2020, when many

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VIEW: Watch an interview with Kevin Grubbs by pointing your smartphone camera at the QR code, then clicking the link. **NEWSVU**

By the numbers

7.5%

Charged on every diner's bill in Richmond as meals tax

\$8,100

Approximate amount of Latitude Seafood Co.'s one late meals tax payment

\$860

Approximate amount for Latitude Seafood's one late fee

10%

Penalty charged monthly for late payment

10%

Additional penalty applied annually for each day late

\$68,000

Approximate amount of Latitude's final bill from one late payment

1,100

Food establishments in the city of Richmond

\$45.8M

Amount the city collected in meals tax in 2022

City prioritizes ballpark, delays buying stadium

ERIC KOLENICH
Richmond Times-Dispatch

The city of Richmond intends to delay buying Sports Backers Stadium as city leaders and developers prioritize building a minor-league ballpark within the Diamond District redevelopment, four people familiar with the matter said.

In an effort to lower costs, the city will defer \$25 million owed to Virginia Commonwealth University. The move is designed to get the baseball stadium across the finish line, as the city quickly approaches a 2026 deadline. But the delay freezes VCU's ability to build an athletics village on the other side of Hermitage Road.

The changes have no effect on the baseball stadium's location or its construction schedule. Getting the stadium built on time has become increasingly difficult because of high interest rates and inflation.

"The budget for the ballpark has ballooned," one person said. "The money has to come from somewhere."

VCU owns Sports Backers Stadium and is counting on the \$25 million to build a new track and field facility, which is the first phase of the athletics village. The school was supposed to break ground last year but has paused its planning.

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