

THE CITY OF NEWPORT

RESOLUTION

OF THE

COUNCIL

No.

WHEREAS, the City Clerk did receive a written petition for lodging businesses to create the Newport Tourism Marketing District (NTMD) pursuant to the Tourism Improvement Districts Act, Chapter 45-59.1, G.L.R.I. (TID Act); and

WHEREAS, by Resolution No. 2024-57 adopted by the Council at its meeting on June 12, 2024, the Council did express its intent to form the NTMD and scheduled a public hearing on the petition to establish the NTMD for July 24, 2024; and

WHEREAS, the public hearing to consider the establishment of the NTMD has been properly noticed in accordance with TID Act §45-59.1-7; and

WHEREAS, on July 24, 2024 at the Council Chambers located at 43 Broadway, 2nd Floor, Newport, RI 02840, the City Council held a public hearing regarding the establishment of the NTMD, and the City Council heard and received all protests, if any, to the establishment of the NTMD and the levy of the proposed assessment; and

WHEREAS, the City Clerk has determined that there was no majority protest received as described in TID Act §45-59.1-7(c); and

WHEREAS, the City Council finds that the businesses within the proposed tourism improvement district will benefit from the activities and improvements funded by the tourism improvement district assessments.

NOW, THEREFORE, BE IT

RESOLVED: that the NTMD is hereby established in accordance with the tourism district plan submitted (District Plan) for a ten (10) year term, beginning July 25, 2024, and ending ten (10) years from its start date; and

RESOLVED: that the activities to be provided to benefit businesses in the NTMD will be funded by the proceeds of assessments. The revenue from the assessments within the NTMD shall not be used for any purpose other than the purposes specified in the District Plan, as authorized or modified by the City Council at the hearing concerning establishment of the NTMD; and

RESOLVED: that the assessments levied for the NTMD shall be applied towards sales, marketing & advertising, and destination development activities and improvements to market Newport lodging businesses as tourist, meeting and event destinations, and other improvements and activities as set forth in the District Plan; and

RESOLVED: that the assessments for the entire NTMD will total approximately \$494,950 in year one (1). A similar assessment budget is expected to apply to subsequent years, but this assessment budget is expected to fluctuate as room sales do, as businesses open and close, and if the assessment is increased pursuant to the District Plan; and

RESOLVED: that Discover Newport (DN) may increase the assessment rate based on per room stay per night incrementally, up to the maximum allowable rates as follows: the initial assessment rate will be \$1.50, the assessment rate in year two (2) shall not exceed \$2.00; the assessment rate in years three (3) and four (4) shall not exceed \$4.00; the assessment rate in years five (5) through ten (10) shall not exceed \$5.00. Based on the benefit received, assessments will not be collected on: stays of more than thirty (30) consecutive days; and any stays exempted pursuant to State of Rhode Island – Division of Taxation Hotels and Other Accommodations Sales and Use Tax & Hotel

Regulation 280-RICR-20-70-51 & R.I.G.L. Chapter 44-18 Sales and Use Taxes-Liability and Computation; and

RESOLVED: that the NTMD shall include all lodging businesses, now existing and in the future, with eighteen (18) rooms or more available for public occupancy located within the boundaries of the City of Newport. A lodging business shall not be combined with other properties under the same ownership to meet the room count threshold. A boundary map is attached hereto and incorporated herein by reference; and

RESOLVED: that the City of Newport will be responsible for collecting the assessment on a monthly basis (including any delinquencies, interest, and overdue charges) from each assessed lodging business located in the boundaries of the NTMD. The City shall make all reasonable efforts to collect the assessments from each assessed lodging business and shall retain three (3%) percent of all NTMD assessment revenue to cover the cost of collections, administration and costs incurred pursuing payment of delinquent assessments; and

RESOLVED: that Discover Newport shall serve as the NTMD's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with the District Plan, and must provide annual reports to the City Council. Discover Newport shall create a District Management Committee composed of a majority of assessed business owners, or their authorized representatives, who shall be charged with managing the funds raised by the NTMD and fulfilling the obligations of the District Plan; and

RESOLVED: that the businesses in the NTMD established by this resolution shall be subject to any amendments to the TID Act; and

RESOLVED: that this Resolution shall take effect immediately upon its adoption by the City Council.

IN COUNCIL
READ AND PASSED

LAURA C. SWISTAK, CMC
CITY CLERK