

INTRODUCED: May 22, 2023

AN ORDINANCE No. 2023-159

To amend ch. 12, of the City Code by adding therein a new art. VI, consisting of §§ 12-266—12-277, for the purpose of establishing a tourism improvement district.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

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

WHEREAS, the Council determines that the public notice for all hearings required to be held for the creation of a tourism improvement district was published and mailed as required by law and is otherwise sufficient; and

WHEREAS, the Council determines that the requisite number of owners have not filed objections to the establishment of a tourism improvement district as provided in subsection B of § 15.2-2413.4 of the Code of Virginia (1950), as amended; and

WHEREAS, the Council determines that all of the businesses that will be charged a fee will benefit from the establishment of a tourism improvement district; and

WHEREAS, the Council determines that the establishment of a tourism improvement district is in the public interest;

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 12 2023 REJECTED: _____ STRICKEN: _____

NOW THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 12 of the Code of the City of Richmond (2020) be and hereby is amended and reordained by **adding therein a new article** numbered VI, consisting of sections numbered 12-266 through 12-277 as follows:

ARTICLE VI

TOURISM IMPROVEMENT DISTRICT FEE

Sec. 12-266. Definitions.

For the purposes of this article, the following words and phrases shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Accommodations means any room or space for which a fee is imposed on the retail sale pursuant to this article and includes but is not limited to, any public or private hotel, inn, apartment, hostelry, tourist home or house, motel, rooming house, or other lodging place within the city of Richmond offering lodging, and the owner and operator thereof, who for compensation, furnishes lodging to any transients as defined in this article.

Accommodations intermediary means any person, other than an accommodations provider, that (i) facilitates the sale of accommodations and (ii) either (a) charges to or collects from the transient a room charge or (b) charges a fee to the customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition, “facilitates the sale” includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a transient and an accommodations provider. Accommodations intermediary does not include a person:

1. If the accommodations are provided by an accommodations provider operating under a trademark, trade name, or service mark belonging to such person;

2. Who facilitates the sale of accommodations if (i) the price paid by the customer to such person is equal to the price paid by such person to the accommodations provider for the use of the accommodations and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a commission paid from the accommodations provider to such person; or

3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia (1950), as amended, when acting within the scope of such license.

Accommodations provider means any person that furnishes accommodations to the general public for compensation. The term “furnishes” includes the sale of use or possession or the sale of the right to use or possess.

Collector means the Director of Finance or the designee thereof.

Person means, but is not limited to, individuals, firms, partnerships, associations, corporations, persons acting in representative capacity, and combinations of individuals of whatever form and character.

Plan means the tourism improvement district plan adopted by the Council in Resolution No. 2023-R____, adopted _____, _____.

Retail Sale means the sale or charges for any room or rooms, lodgings, or accommodations furnished to transients for less than 30 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration.

Room charge means the full retail price charged to the transient for the use of the accommodations before taxes. Room charge includes any fee charged to the transient and retained as compensation for facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. Any additional charges made in connection with the rental of accommodations are deemed to be a part of the charge for the room and are subject to the fee. For example, additional charges for movies, local telephone calls and similar services are subject to the fee.

Transient means any person who, for any period of fewer than 30 consecutive days, either at his own expense or at the expense of another, obtains the use or possession of a room or space occupied for lodging in any accommodations as defined in this article, for which lodging or use of space a price is charged.

Sec. 12-267. Tourism Improvement District and fee.

(a) There is hereby established a Tourism Improvement District. The boundaries of the Tourism Improvement District shall be coextensive with the corporate boundaries of the City.

(b) There is hereby levied on each retail sale in the Tourism Improvement District a fee of two percent of the room charge.

Sec. 12-268. Exceptions.

The fee levied pursuant to section 12-267 shall not apply to retail sales paid for by the United States or to transients who are officers or employees of the United States and are incurring the retail sale on the official business of the United States, shall not be imposed upon a retail sale that is not subject to the tax levied pursuant to Article X of Chapter 26, shall not be imposed upon a retail sale made at a facility with fewer than 41 units used as accommodations, and shall not be

imposed upon a retail sale made by an accommodations intermediary which is facilitating the sale of accommodations at a facility with fewer than 41 units used as accommodations.

Sec. 12-269. Remittance.

(a) For any retail sale of accommodations not facilitated by an accommodations intermediary, the accommodations provider shall remit the fee to the collector and shall be liable for the same.

(b) For any retail sale of accommodations facilitated by an accommodations intermediary, the accommodations intermediary shall be deemed under this article as a facility making a retail sale of an accommodation. The accommodations intermediary shall remit the fee to the collector and shall be liable for the same.

(c) The fee shall be the personal obligation of the accommodations provider or the accommodations intermediary, as the case may be. An accommodations provider or accommodations intermediary may recoup the fee from a transient, but if an accommodations provider or accommodations intermediary does so, they shall separately state the fee from the room charge and from all other charges on the bill, invoice, or similar documentation provided to the transient. The failure of a transient to pay the fee to the accommodations provider or to the accommodations intermediary shall not relieve the accommodations provider or the accommodations intermediary of its duty to remit the fee to the collector or its liability for the same.

Sec. 12-270. Reports and remittances.

(a) The person incurring the fee shall make out a report upon such forms and setting forth such information as the collector may prescribe and require, showing the total room charge

paid by a transient for the use or possession of accommodations occupied by or for a transient and the fee incurred. The report shall be submitted to the collector.

(b) The collector shall determine whether the report is in proper form.

(c) The person incurring the fee shall remit the fee to the collector.

(d) The reports and remittances required by this section shall be made on or before the 20th day of the month following each month and shall cover the amount of the fee incurred during the preceding month.

Sec. 12-271. Interest and late fees.

If any person shall fail, refuse, or neglect to remit to the collector the fee incurred under this article within the time and in the amount specified in this chapter, there shall be added to such fee interest at the rate of ten percent per annum from the first day following the day such fee is due upon the amount of the fee for each year or portion thereof from the date upon which the fee is due as provided in this chapter.

If any person shall fail, refuse, or neglect to remit to the collector any fees required to be paid under this article within the time and amount specified, there shall be added to such fee a late fee of 10 percent or \$10.00, whichever is greater. In no case shall the late fee exceed the amount of the fee.

Sec. 12-272. Determination of fee due by the collector.

If any person required to remit the fee imposed by this article fails to file a report, or if the collector has reasonable cause to believe that an erroneous report has been filed, the collector may proceed to determine the amount due to the City and, in connection therewith, shall make such investigations and take such testimony and other evidence as may be necessary; provided,

however, that notice and opportunity to be heard shall be given any person who may become liable for the amount owing prior to any determination by the collector.

Sec. 12-273. Cessation of business; report and fee due immediately.

Whenever any person incurring a fee under this article shall quit or otherwise dispose of their business, any fee under the provisions of this article shall become immediately due, and such person shall immediately make a report and pay the fee due.

Sec. 12-274. Collector; other powers and duties.

It shall be the duty of the collector to ascertain the name of every person (i) operating a hotel in the city and (ii) liable for the fee levied in accordance with this article. The collector shall have the power to adopt rules and regulations not inconsistent with the provisions of this article for the purpose of determining the amount due to the City under this article. A copy of such rules and regulations shall be on file and available for public examination in the collector's office.

Sec. 12-275. Enforcement.

If any person fails to pay any fee, late fee, or interest provided in this article, including a fee, late fee, or interest determined by the collector pursuant to Section 12-272, then the collector may bring suit in a court of competent jurisdiction to obtain judgment against such person for the amount due. When obtained, the collector may enforce such judgment by any means provided by applicable law for the collection of judgments.

Sec. 12-276. Disposition of fee revenues.

The revenues collected from the fee, late fee, and interest provided in this article shall be appropriated to the administering nonprofit identified in the plan. The administering nonprofit shall use the revenues for the purposes identified in the plan.

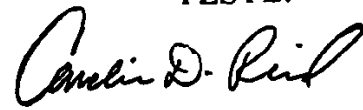
Sec. 12-277. Expiration.

The provisions of this ordinance shall expire on June 30, 2033.

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

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Amber D. Reed". The signature is written in a cursive, flowing style.

City Clerk



City of Richmond

Intracity Correspondence

O&R REQUEST

DATE: April 19, 2023

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

Levar M. Stoney

on Behalf of Lincoln Saunders

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

J.E. Lincoln Saunders

THROUGH: Sabrina Joy-Hogg, DCAO for Finance and Administration

Sabrina Joy-Hogg

THROUGH: Jason May, Director of Budget & Strategic Planning

Jason May

THROUGH: Sheila White, Director of Finance

Sheila D. White

THROUGH: Sharon Ebert, DCAO for Economic and Community Development

Sharon Ebert

THROUGH: Leonard Sledge, Director of Economic Development

Leonard Sledge

FROM: Tara Worden, Business Services Manager DED

RE: An ordinance request to establish the Tourism Improvement District (TID).

ORD. OR RES. No. _____

PURPOSE: To establish the Tourism Improvement District (TID).

REASON: In accordance with the requirements of the Tourism Improvement Districts Law, Code of Virginia Section 15.2-2413.5, the City may enact an ordinance to establish the Tourism Improvement District.

RECOMMENDATION: The Administration recommends adoption of this ordinance.

BACKGROUND: This O&R request is being submitted as a companion paper to the O&R request regarding the resolution to formally adopt the TID Plan. This document is specific to the need for the City to formally establish by ordinance the TID and associated TID fee.

Tourism Improvement Districts (TIDs) are business districts created to generate funds for destination marketing and capital investment. Tourism businesses collect new visitor fees to fund local tourism marketing and development.

TIDs use special benefit assessments, rather than general taxes, to raise revenue for destination marketing and tourism promotion. Funds raised through these assessments cannot be diverted into other government programs and can only be spent on programs that benefit those who pay into the district.

In 2021, the Code of Virginia was amended by adding sections 15.2-2413.1 through 15.2-2413.11. This authorized any locality to:

- Create a local tourism improvement district plan
- Contract with a nonprofit entity to administer the activities and improvements
- Establish fees charged to businesses
- Fund tourism promotion activities

Developed by Richmond region lodging business owners and Richmond Region Tourism (RRT), the Tourism Improvement District (TID) is a special district proposed to provide specific benefits to payors by funding tourism promotion efforts for lodging businesses paying the TID business fee.

The City is in the process of establishing the TID. On March 13, 2023, City Council introduced a Resolution to set a public hearing on the proposed TID Plan (1). The resolution was recommended to the Finance and Economic Development Committee and was reviewed on March 16, 2023. The resolution was adopted by City Council on March 27, 2023, which set the public hearing for the proposed TID Plan for April 10, 2023 (2). The TID Plan was available for review in the City Clerk's Office and objection forms were made available to the public, in accordance with the Code of Virginia Title 15.2, Chapter 24, Article 3 (TID Law).

On April 10, 2023, City Council held a public hearing on the proposed TID Plan. The notice of the public hearing was published in the Richmond Times-Dispatch on March 30, 2023 and letters to affected hotel owners were mailed on March 31, 2023, meeting the 10 day minimum legal requirement for noticing (3).

TID law requires the locality to determine if the lodging businesses will benefit from the TID, and to determine if the establishment of the TID is in the public interest. The proposed TID fee will fund a comprehensive and integrated sales and marketing program aimed at promoting Richmond tourism and maximizing overnight stays in lodging businesses paying the TID fee, directly benefiting the hotels affected. Increased tourism visits directly impact the local economy, with increased visitor spending at hotels, restaurants, retail stores, etc.

Staff has determined that the noticing requirements for the public hearing were sufficiently met, the lodging businesses charged a fee will benefit from the establishment of the TID, and the establishment of the TID is in the interest of the public. Accordingly, the ordinance to establish the TID is requested.

FISCAL IMPACT / COST: City of Richmond will collect the fee on a monthly basis from all lodging businesses paying the business fee and remit the collected funds to RRT on a monthly basis. It is intended that the business fee will be reported and collected in the same manner as transient occupancy taxes in the City of Richmond.

FISCAL IMPLICATIONS: None

BUDGET AMENDMENT NECESSARY: NA

REVENUE TO CITY: NA

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: May 22, 2023

CITY COUNCIL PUBLIC HEARING DATE: June 12, 2023

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Committee Referral Waiver Requested. The Finance and Economic Development Committee reviewed the Tourism Improvement District Plan on March 16, 2023.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: The Richmond Region Tourism Improvement District is a regional initiative being considered in five additional localities including Chesterfield, Hanover and Henrico Counties, the City of Colonial Heights and the Town of Ashland. If adopted by all these localities, the TID will be funded by a 2% fee levied on lodging businesses with 41+ rooms. The revenue generated will drive visitation and hotel occupancy in the Richmond Region.

AFFECTED AGENCIES: Department of Budget and Strategic Planning and the Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: Resolution No. 2023-R018

REQUIRED CHANGES TO WORK PROGRAM(S): NA

ATTACHMENTS: (1) TID Plan, (2) Resolution No. 2023-R018, (3) Public Notice posted in Richmond Times-Dispatch, (4) TID Legislation, (5) Finance Review Bullet Points

STAFF: Leonard Sledge, Director of Economic Development, Tara Worden, Business Services Manager

TOURISM IMPROVEMENT DISTRICT PLAN

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I. OVERVIEW

Developed by Richmond region lodging business owners within the proposed Service Area and Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism (RRT), the Tourism Improvement District (TID) is a special district proposed to provide specific benefits to payors by funding tourism promotion efforts for lodging businesses paying the TID business fee. In accordance with the requirements of the Tourism Improvement Districts Law (TID Law), Code of Virginia Title 15.2, Chapter 24, Article 3, the nonprofit corporation RRT is to be designated as the administering nonprofit to manage the TID. RRT and Richmond Region lodging businesses hereby request the formation of the TID for a ten (10) year term.

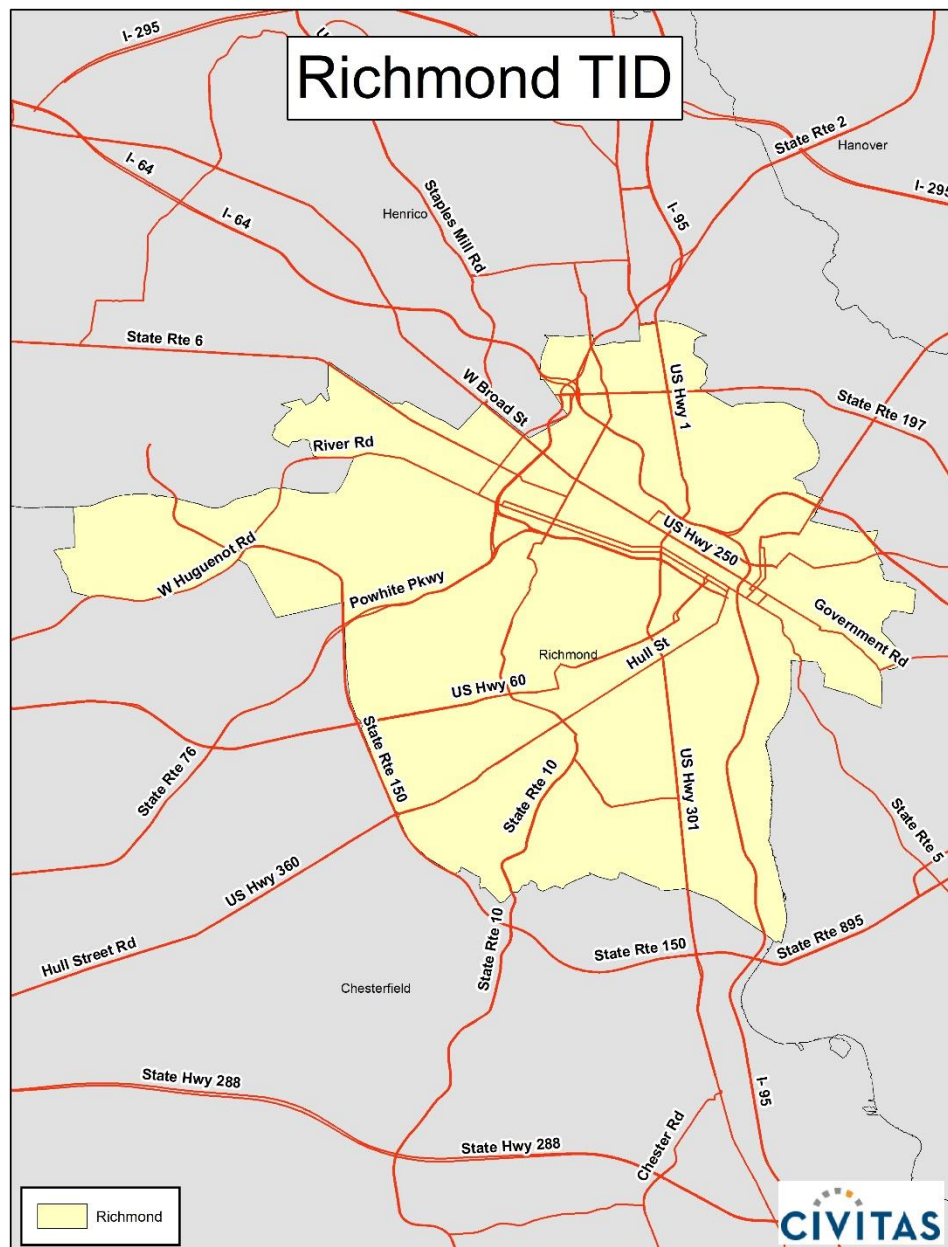
- Location: The TID shall include all lodging businesses, existing and in the future, with forty-one (41) rooms or more located within the boundaries of the City of Richmond, as shown on the map in Section III.
- Services: The TID is designed to provide specific benefits directly to payors by increasing awareness and demand for room night sales. Sales, marketing, promotions, and special events programs will increase demand for overnight tourism and market payors as visitor, meeting and event destinations, thereby increasing demand for room night sales. TID funds shall not be used for capital or infrastructure improvements.
- Budget: The total TID annual fee budget for the initial year of its ten (10) year operation is anticipated to be approximately \$1,929,779. A similar budget is expected to apply to subsequent years, but this budget is expected to fluctuate as room sales do.
- Cost: The annual fee rate is two percent (2%) of gross short-term room rental revenue to be paid monthly. Fees will not be collected on stays of more than thirty (30) consecutive days. Additionally, charges made directly to, and paid directly by, the federal government, are exempt from the fee.
- Collection: The City of Richmond will collect the fee on a monthly basis from all lodging businesses paying the business fee and remit the collected funds to RRT on a monthly basis. It is intended that the business fee will be reported and collected in the same manner as transient occupancy taxes in the City of Richmond.
- Duration: The TID shall have a term of ten (10) years, beginning July 1, 2023 through June 30, 2033.
- Management: The City Council has the right pursuant to Section 15.2-2413.10 of the TID Law to identify and contract with an administering nonprofit for the purpose of carrying out such activities as prescribed in the Plan. The City Council has determined that Richmond Region Tourism (RRT) shall be the administering nonprofit of the TID. RRT shall create a subcommittee (Governance Committee) tasked with overseeing programs and services of all TIDs in the region for which RRT is the administering non-profit.

II. SERVICE AREA

The service area of the TID, depicted in the map below, includes all lodging businesses, existing and in the future, with forty-one (41) rooms or more located within the boundaries of the City of Richmond.

Lodging business means: all businesses providing accommodations subject to transient occupancy taxes in the City of Richmond.

The boundary, as shown in the map below includes businesses paying the TID business fee.



III. TID PROGRAMS & SERVICES

The funds generated by the TID fee will be strategically deployed via a comprehensive and integrated sales and marketing program aimed at promoting the entire destination and maximizing overnight stays in lodging businesses paying the TID business fee. There will be a dedicated focus on securing single property meeting bookings, sports tourism, leisure tourism, luring large-scale signature events, and increasing visitor spend at lodging establishments. TID funds shall not be used for capital or infrastructure improvements. Specific programs and initiatives will include the following:

Sales, Marketing, Promotions, & Special Events

A strategic sales, marketing, promotions, and special events program will promote lodging businesses paying the TID business fee in the TID as a preferred leisure, meetings, visitor, sports and event destination with an overarching goal of driving increased overnight visitation to the benefit of the benefited businesses. The programming may include:

- Regional and national leisure, convention trade and sports tourism marketing programs inclusive of broadcast, digital, print and out-of-home channels, designed to increase awareness of and drive overnight traffic to the destination – in turn, benefitting the businesses paying the TID business fee through increased consumer demand.
- Public Relations programs that enhance the profile of the Richmond Region as a visitor, sports, meetings and events destination – in turn, benefitting the businesses paying the TID business fee through increased consumer demand.
- Sales, marketing and PR initiatives driving in-bound meetings, sports tournaments and leisure travel to the Richmond Region – in turn, benefitting the businesses paying the TID business fee through increased consumer demand and increased room night bookings.
- Dedicated funds to support incentives, hosting fees and other offsetting costs associated with securing strategic industry events, incremental group and convention business, high-profile sports tournaments and/or large-scale events for the destination that generate room nights for the businesses paying the TID business fee.
- Strategic partnerships, sponsorships, or other alliances that reinforce the Richmond Region as a destination of choice within the travel marketplace for meetings, events, sports tournaments and leisure travel – in turn, generating greater room night sales to the businesses paying the TID business fee.
- Associated costs for attendance at tradeshow, conferences, and professional industry/partner events to promote the destination and the businesses paying the TID business fee.
- Sales missions, site inspections and familiarization tours showcasing the destination and the lodging businesses paying the TID business fee.
- Preparation, production, mailing, and distribution of collateral promotional materials such as brochures, flyers, maps, and videos featuring businesses paying the TID business fee.
- Research on current and new markets that would result in additional room night sales to businesses paying the TID business fee and research efforts to measure and quantify the effectiveness of TID efforts.
- Development and maintenance of the equipment, website, digital design, and technology designed to promote the Richmond Region.

- Understanding that the proposed sales, marketing, promotions, and special events services are based on delivering enhanced and/or new programs and businesses opportunities, the sales and marketing portion of the budget may be used for new staffing costs.
- Dues for membership of the Virginia Restaurant Lodging Travel Association (VRLTA), which provides services, support, and content that will assist with destination brand awareness for lodging businesses paying the TID business fee.
- Provide consolidated business advocacy and programs for workforce development and training initiatives in the Richmond Region.

Administration

The administration portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees. Any unspent funds allocated to the administration budget shall be reallocated to the Contingency/Reserve budget at the end of the fiscal year.

Contingency/Reserves

The budget includes a contingency line item to account for uncollected business fees, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program or renewal costs at the discretion of RRT and the TID Governance Committee. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the RRT Board of Directors with a recommendation of the Governance Committee. Contingency/reserve funds may be spent on TID programs or renewal costs in such proportions as determined by RRT. The reserve fund may be used for the costs of renewing the TID.

Each budget category includes all costs related to providing that service. For example, the sales, marketing, promotions, and special events program budget includes the cost of staff time dedicated to overseeing and implementing the sales, marketing, promotions, and special events program. Staff time dedicated purely to administrative tasks is allocated to the personnel and administrative portion of the budget.

IV. TID BUDGET

The TID is expected to have a first year budget of approximately **\$1,929,779**, based on the cost of programs detailed in Section III and the fee rate presented below. The cost of programs and services is the amount needed to make the City of Richmond competitive with other municipalities by driving overnight visitation and room night sales to lodging businesses paying the TID business fee. The costs of forming the TID shall be repaid to RRT from TID fee revenues. The proposed budget for the first fiscal year is shown in the chart below. Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the RRT Board of Directors, with recommendations from the Governance Committee, shall have the authority to adjust budget allocations between the categories by no more than twenty percent (20%) of the total budget per year, except that Administration may not exceed 10% of the total budget.

Budget Category	Budget Percentage	Budget Amount
Sales, Marketing, Promotions, & Special Events	60%	\$1,157,867
Administration	10%	\$192,978
Contingency/Reserves	30%	\$578,934

Total TID Budget	100%	\$1,929,779
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V. SOURCE OF FUNDS

It is anticipated that all of the activities identified in this Plan will be paid for via the TID business fee placed on eligible lodging businesses within the service area of the TID, as set by the RRT Board of Directors with recommendations from the Governance Committee. The initial annual fee rate is two percent (2%) of gross short-term room rental revenue to be paid monthly. The TID fee rate may be adjusted as detailed in Section VI.

VI. COST-SHARING FORMULA

A. BUSINESSES SUBJECT TO THE FEE

The initial fee rate is two percent (2%) of gross short-term room rental revenue to be paid monthly.

In the event of unforeseeable and unavoidable catastrophes that interrupt the expected course of events, and thus significantly prevents RRT and the Governance Committee from fulfilling the obligations set forth in this Plan, the fee rate may be decreased to zero percent (0%). Catastrophe may include, but is not limited to, pandemic, natural disasters, fires, floods, and other crises.

Fees will not be collected on stays of more than thirty (30) consecutive days, or any other transactions that are not subject to transient occupancy in the City of Richmond. Additionally, charges made directly to, and paid directly by, the federal government, are exempt from the fee.

All fees shall be remitted to RRT monthly by the City of Richmond as provided in the ordinance forming the TID. The fee is levied upon and is a direct obligation of the business paying the fee. However, the business may, at its discretion, pass the fee on to guests. The amount of the fee, if passed on to each guest, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each guest shall receive a receipt for payment from the business paying the TID business fee. The fee shall be disclosed as the "TID Fee".

B. METHOD OF CALCULATING A MAJORITY SHARE

The weighting methodology for calculating a majority share of benefited businesses for the district is based on a cumulation of room count, occupancy rate, and Average Daily Rate. This methodology can be supplemented by referencing historical transient lodging tax data to ensure accuracy in determining a majority share of benefitting businesses.

C. ROLLOVER FUNDS

Any and all unused fee funds collected during a year may be rolled over to the subsequent year to be used for programs detailed in Section III. All funds not expended for programs during the TID's ten (10) year term shall be refunded to the owners of businesses paying the TID business fee by applying the same method and basis that was used to calculate the fee. If the TID is renewed, any remaining funds from the TID shall be transferred to the renewed TID. In the event of dissolution of the TID, any remaining revenues, after all outstanding debts are paid, derived from the charge of fees, or derived from the sale of assets acquired with the revenues, shall be appropriated for the purposes of this Plan, or shall be refunded to the businesses that are charged a fee by applying the same method and basis that was used to determine the TID fees that were charged, pursuant to all provisions of Section 15.2-

2413.11 of the TID Law.

D. COLLECTIONS/PENALTIES

Each fee authorized pursuant to the ordinance establishing the TID is collectable in the same manner as the transient occupancy tax in the City of Richmond. The City of Richmond will collect the fee on a monthly basis from each lodging business paying the TID business fee located in the boundaries of the TID and will pursue collections of all delinquencies, including all applicable penalties and interests on any delinquency. Penalties and interest will be applied in the same manner as provided for transient occupancy taxes in the City of Richmond.

VII. TIME FOR COMPLETION OF ALL PROPOSED PROGRAMS AND SERVICES

All programs and services identified in this Plan will commence during the first year of TID activity and continue on an ongoing basis for the ten (10) year term of the TID.

VIII. TID MANAGEMENT

The City Council, through adoption of an ordinance establishing a TID, has the right pursuant to Section 15.2-2413.10 of the TID Law, to identify and contract with an administering nonprofit for the purpose of carrying out such activities as prescribed in the Plan. The administering nonprofit may make recommendations to the locality with respect to any matter involving or relating to TID. Richmond Region Tourism (RRT) has been identified as the administering nonprofit of the TID. RRT shall create a Governance Committee, a subcommittee of the RRT Board, to oversee the TID programs. The Governance Committee shall be responsible for determining the management of TID funds and expenditures. RRT is responsible for submitting a financial and marketing plan for TID services and expenditures, which will be submitted to the Governance Committee for approval. Once approved by the Governance Committee, the financial and marketing plan shall be submitted to the RRT Board for final approval and executed by RRT staff.

RRT will submit audited annual financial reports to the City Council no later than 180 days after the end of the RRT fiscal year. Additionally, the RRT will submit a quarterly report to the City Council on the uses of TID revenue within the Richmond region. RRT will make both reports available for inspection upon request by lodging businesses charged with the business fee.

IX. EXISTING SERVICES

Pursuant to Section 15.2-2413.6(B) of the TID Law, no funds generated by the TID shall be used by the City of Richmond for any purposes other than funding the expenses of the TID. The City of Richmond will be responsible for maintaining the same level of publicly funded tourism promotion services within the TID during its duration as a tourism improvement district as before its establishment as a tourism improvement district. RRT currently provides such programs from funding provided by the City of Richmond. The rate of funding for these programs will not be reduced during the term of TID, subject to appropriation by the City Council.

X. AGREEMENT BETWEEN THE CITY OF RICHMOND AND RRT WITH RESPECT TO THE TID

Pursuant to Section 15.2-2413.10 of the TID Law, the City of Richmond may contract with an administering nonprofit for the purposes of carrying out activities described in the Plan. The administering nonprofit may make recommendations to the City of Richmond with respect to any matter involving or relating to the TID.

XI. AMENDMENT TO PLAN

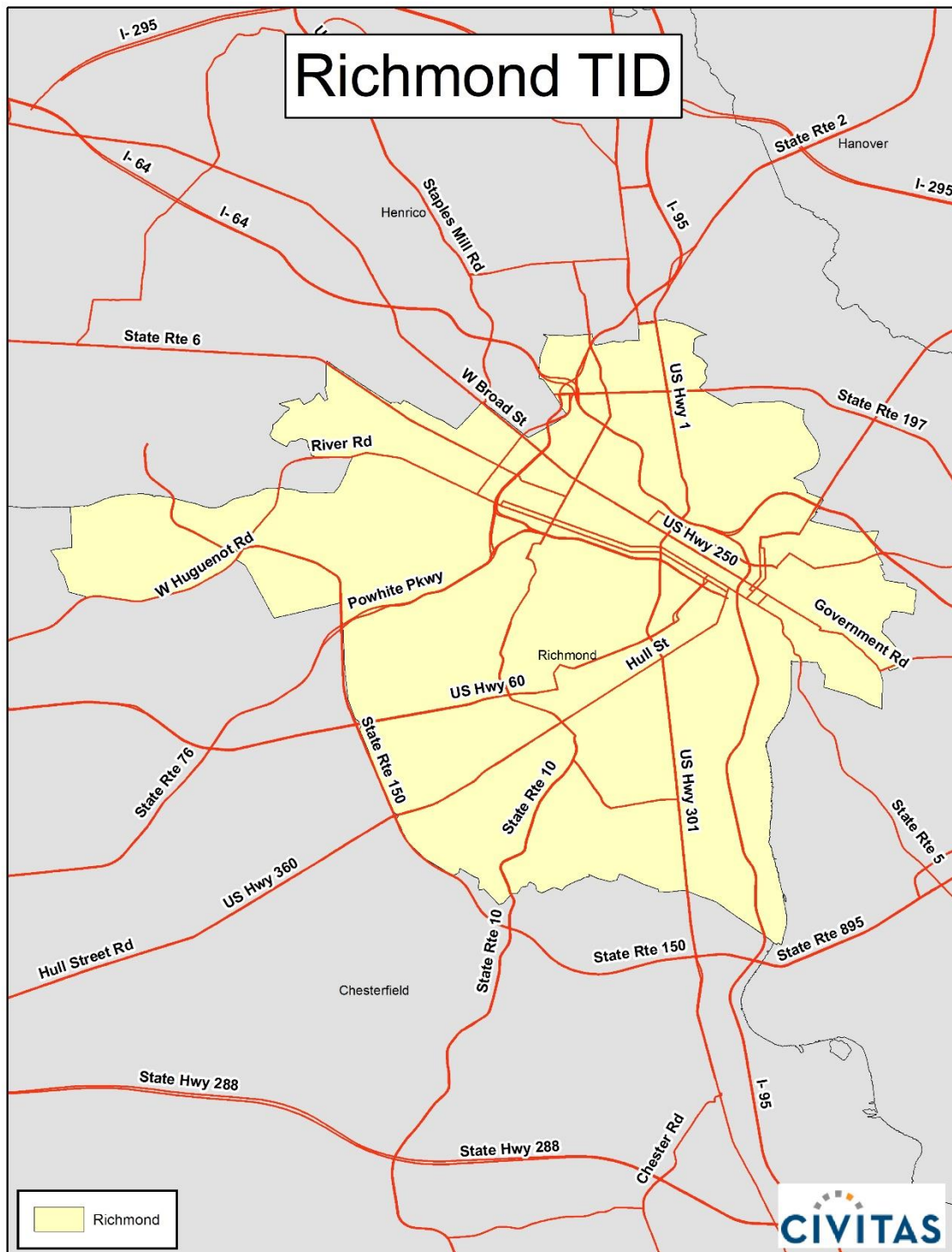
At any time after the establishment of the TID, the Plan upon which the establishment based, may, upon the recommendation of the administering nonprofit in coordination with participating jurisdiction staff, be amended by the City of Richmond after compliance with the procedures set forth in Section 15.2-2413.7 of the TID Law.

XII. TERMINATION OF THE TID

Pursuant to Section 15.2-2413.11 of the TID Law, the TID may be dissolved by a majority vote of the **City Council**. The TID may be dissolved if the locality determines there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the TID. In the event of dissolution of the TID, any remaining revenues, after all outstanding debts are paid shall be appropriated or refunded according to the procedures outlined in Section VI (C) of this Plan, pursuant to Section 15.2-2413.11 of the TID Law.

During the operation of the TID, there shall be a 30-day period each year in which owners of benefited businesses may request dissolution of the TID. The first such period shall begin one year after the date of establishment of the TID and shall continue for 30 days. The next such 30-day period shall begin two (2) years after the date of the establishment of the TID. Each successive year of operation of the TID shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of businesses in the TID who pay 50 percent (50%) or more of the fees charged, the **City of Richmond** may by majority vote of the **City Council** dissolve the TID.

Exhibit 1: TID Boundary Map



INTRODUCED: March 13, 2023

A RESOLUTION No. 2023-R018

To set a public hearing on a proposed Tourism Improvement District Plan.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 27 2023 AT 6 P.M.

WHEREAS, upon information and belief of the Council, “benefited businesses,” as the term “benefited business” is defined by section 15.2-2413.1 of the Code of Virginia (1950), as amended, have filed with the Office of the City Clerk a tourism improvement district plan entitled “Tourism Improvement District Plan” pursuant to section 15.2-2413.2 of the Code of Virginia (1950), as amended (hereinafter referred to as the “Plan”), a copy of which is attached to this resolution, and written petitions signed by business owners in the proposed tourism improvement district who will pay more than 50 percent of the fees proposed to be charged in the proposed tourism improvement district pursuant to section 15.2-3413.3 of the Code of Virginia (1950), as amended; and

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 27 2023 REJECTED: _____ STRICKEN: _____

WHEREAS, the Council believes that it is in the best interest of the citizens of the city of Richmond that the City hold a public hearing on the Plan pursuant to section 15.2-2413.4(A)(3) of the Code of Virginia (1950), as amended, to hear all persons interested in the subject of the Plan on April 10, 2023, at 6:00 p.m. in the Council Chambers on the second floor of City Hall located at 900 East Broad Street, in Richmond, Virginia;

NOW, THEREFORE,

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

That, in accordance with section 15.2-2413.4 of the Code of Virginia (1950), as amended, the Council hereby sets a public hearing on the Plan on April 10, 2023, at 6:00 p.m. in the Council Chambers on the second floor of City Hall located at 900 East Broad Street, in Richmond, Virginia.

BE IT FURTHER RESOLVED:

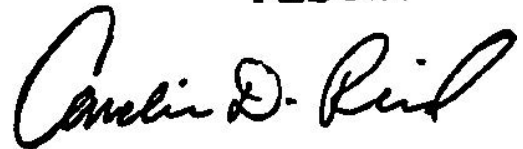
That, in accordance with section 15.2-2413.4 of the Code of Virginia (1950), as amended, the Council hereby states the following:

1. The Plan is incorporated into this resolution by reference as though it were fully stated herein.
2. The Plan is on file in the Office of the City Clerk for public inspection and may be accessed at 900 East Broad Street, Suite 200, in Richmond, Virginia, during the regular office hours of the Office of the City Clerk.
3. The Council will hold a public hearing on the Plan on April 10, 2023, at 6:00 p.m. in Council Chambers on the second floor of City Hall located at 900 East Broad Street, in Richmond, Virginia.

4. Any business owner who is to be charged a fee under the Plan who objects to the Plan must file an objection with the Office of the City Clerk within 30 days of the conclusion of the hearing on the Plan on forms made available by the City Clerk.

5. No additional place where the Plan may be inspected in advance of the hearing has been designated as authorized by section 15.2-2413.4(A)(5) of the Code of Virginia (1950), as amended.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Carolin D. Reil". The signature is fluid and cursive, with a large initial 'C' and 'R'.

City Clerk

3014089

300 E. Franklin Street
Richmond, Virginia 23219
(804) 649-6208

Date

March 30, 2023

CORD CITY CLERK-CITY HALL
Attn LISA BRAXTON
900 E BROAD STREET
SUITE 200
RICHMOND, VA 23219-1907

Date	Category	Description	Ad Size	Total Cost
04/08/2023	Meetings and Events	City of Richmond, Virginia CITY COUNCIL PUBLIC NOTICE	2 x 51 L	459.00

City of Richmond, Virginia

CITY COUNCIL

PUBLIC NOTICE

Notice is hereby given that the Council of the City of Richmond has scheduled a public hearing, open to all interested citizens, on Monday, April 10, 2023 at 6:00 p.m. in the Council Chamber on the Second Floor of City Hall, located at 900 East Broad Street, Richmond, Virginia, to consider the proposed Tourism Improvement District Plan in accordance with Va. Code § 15.2-2413.4. The proposed activities of the Tourism Improvement District are to increase awareness and demand for room night sales. Sales, marketing, promotions, and special events programs will increase demand for overnight tourism and market payors as visitor, meeting and event destinations, thereby increasing demand for room night sales. TID funds shall not be used for capital or infrastructure improvements. The total estimated annual amount proposed to be expended for activities is \$1,929,779.

Interested citizens who wish to speak will be given an opportunity to do so by following the instructions referenced in the April 10, 2023 Richmond City Council Formal meeting agenda. Any business owner who is to be charged a fee under the Tourism Improvement District plan who objects to the plan must file an objection with the Office of the City Clerk. Written objections should be filed with the Office of the City Clerk at or before the time fixed for the public hearing and filed on objection forms available from the Office of the City Clerk. A written objection may be withdrawn until the time and date of the public hearing. If written objections are received from the owners or authorized representatives of businesses in the proposed tourism improvement district that will pay 50 percent or more of the fees proposed to be charged and objections are not withdrawn so as to reduce the objections to less than 50 percent, no further proceedings to charge the proposed fee against such businesses, as contained in the tourism improvement district plan, shall be taken for a period of one year from the date of the finding by the locality of such majority objection.

Copies of the full text of Res. No. 2023-R018, which includes the proposed Tourism Improvement District Plan, are available free of charge to the public by visiting the City Clerk's page on the City's Website at <https://www.rva.gov/office-city-clerk>, and in the Office of the City Clerk. The address and office hours of the Office of the City Clerk is City Hall, 900 East Broad Street, Suite 200, Richmond, VA 23219, from 8:00 a.m. to 5:00 p.m. Monday through Friday.

Candice D. Reid
City Clerk

Publisher of the
Richmond Times-Dispatch

This is to certify that the attached City of Richmond, Virginia was published by the Richmond Times-Dispatch, Inc. in the City of Richmond, State of Virginia, on the following dates:

03/30/2023

The First insertion being given ... 03/30/2023

Newspaper reference: 0001411920

Sworn to and subscribed before me this Thursday, March 30, 2023

Notary Public

Billing Representative

State of Virginia
County of Hanover
My Commission expires



THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU

WHEREAS the Council of the City of Richmond, Virginia (the "Council"), finds that the public notice for all hearings required to be held for the creation of a Tourism Improvement District was published and mailed as required by law and is otherwise sufficient, and

WHEREAS the Council finds that the requisite number of owners have not filed objections to the establishment of a Tourism Improvement District as provided in Subsection B of § 15.2-2413.4 of the *Code of Virginia*, and

WHEREAS the Council finds that all of the businesses that will be charged a fee will benefit from the establishment of a Tourism Improvement District, and

WHEREAS the Council finds that the establishment of a Tourism Improvement District is in the public interest,

NOW THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

1. That the Code of the City of Richmond is amended as follows:

NOTE: ADD A NEW ARTICLE VI TO CHAPTER 12 of the CITY CODE

ARTICLE VI – TOURISM IMPROVEMENT DISTRICT FEE

Sec. 12-266 – Definitions

"Accommodations" shall mean any room or space for which a fee is imposed on the Retail Sale pursuant to this article and includes but is not limited to, any public or private hotel, inn, apartment, hostelry, tourist home or house, motel, rooming house, or other lodging place within the City of Richmond offering lodging, and the owner and operator thereof, who for compensation, furnishes lodging to any Transients as hereinafter defined.

"Accommodations Intermediary" shall mean any person other than an Accommodations Provider that (i) facilitates the sale of Accommodations and (ii) either (a) charges to or collects from the Transient a Room Charge or (b) charges a fee to the customer, which fee it retains as compensation for facilitating the sale. For purposes of this definition, "facilitates the sale" includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a Transient and an Accommodations Provider.

"Accommodations intermediary" does not include a person:

1. If the Accommodations are provided by an Accommodations Provider operating under a trademark, trade name, or service mark belonging to such person;
2. Who facilitates the sale of Accommodations if (i) the price paid by the customer to such person is equal to the price paid by such person to the accommodations provider for the use of the accommodations and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a commission paid from the accommodations provider to such person; or
3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of Title 54.1 of the *Code of Virginia*, when acting within the scope of such license.

"Accommodations Provider" shall mean any person that furnishes Accommodations to the general public for compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or possess.

"Collector" means the Director of Finance or designee.

"Person" shall mean, but is not limited to, individuals, firms, partnerships, associations, corporations, persons acting in representative capacity, and combinations of individuals of whatever form and character.

"Plan" means the tourism improvement district plan adopted by the City Council in Resolution 2023-R ____ .

"Retail Sale" shall mean the sale or charges for any room or rooms, lodgings, or accommodations furnished to Transients for less than 30 continuous days by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club, or any other place in which rooms, lodging, space, or accommodations are regularly furnished to transients for a consideration.

"Room Charge" shall mean the full retail price charged to the Transient for the use of the Accommodations before taxes. "Room Charge" includes any fee charged to the Transient and retained as compensation for facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. Any additional charges made in connection with the rental of accommodations are deemed to be a part of the charge for the room and are subject to the fee. For example, additional charges for movies, local telephone calls and similar services are subject to the fee.

"Transient" shall mean any person who, for any period of fewer than 30 consecutive days, either at his own expense or at the expense of another, obtains the use or possession of a room or space occupied for lodging in any Accommodations as herein above defined, for which lodging or use of space a price is charged.

Sec. 12-267 – Tourism Improvement District and Fee.

- A. There is hereby established a Tourism Improvement District. The boundaries of the Tourism Improvement District are co-extensive with the boundaries of the City of Richmond, Virginia.
- B. There is levied on each Retail Sale in the Tourism Improvement District a Tourism Improvement District Fee of 2% of the Room Charge.

Sec. 12-268 – Exceptions.

The fee levied pursuant to Section 12-267 shall not apply to Retail Sales paid for by the United States or to Transients who are officers or employees of the United States and are incurring the Retail Sale on the official business of the United States, nor shall it be imposed upon a Retail Sale that is not subject to the tax levied in Article X of Chapter 26, nor upon a Retail Sale made at a facility with fewer than 41 units that are used as Accommodations.

Sec. 12-269 – Remittance.

- (1) For any Retail Sale of Accommodations not facilitated by an Accommodations Intermediary, the Accommodations Provider shall remit the fee to the Collector and shall be liable for the same.
- (2) For any Retail Sale of Accommodations facilitated by an Accommodations Intermediary, the Accommodations Intermediary shall be deemed under this article as a facility making a Retail Sale of an Accommodation. The Accommodations Intermediary shall remit the fee to the Collector and shall be liable for the same.
- (3) The fee is the personal obligation of the Accommodations Provider or the Accommodations Intermediary, as the case may be. An Accommodations Provider or Accommodations Intermediary may optionally recoup the fee from a Transient, but if an Accommodations Provider or Accommodations Intermediary does so they shall separately state the fee from the Room Charge and from all other charges on the bill, invoice, or similar documentation provided to the Transient. The failure of a Transient to pay the fee to the Accommodations Provider or to the Accommodations Intermediary shall not relieve the Accommodations Provider or the Accommodations Intermediary of its duty to remit the fee to the Collector or its liability for the same.

Sec. 12-270. – Reports and Remittances.

- (1) The person incurring the fee shall make out a report upon such forms and setting forth such information as the Collector may prescribe and require, showing the total Room Charge paid by a Transient for the use or possession of Accommodations occupied by or for a Transient and the fee incurred. The report shall be submitted to the Collector.
- (2) The Collector shall determine whether the report is in proper form.
- (3) The person incurring the fee shall remit the fee to the Collector.
- (4) The reports and remittances required by this section shall be made on or before the twentieth day of the month following each month and shall cover the amount of the fee incurred during the preceding month.

Sec. 12-271. – Interest and Penalties.

If any person shall fail or refuse to remit to the Collector the fee incurred under this article within the time and in the amount specified in this chapter, there shall be added to such fee by Collector at the rate of ten percent per annum from the first day following the day such fee is due upon the amount of the fee for each year or portion thereof from the date upon which the fee is due as provided in this chapter.

If any person shall fail, refuse or neglect to remit to the Collector any fees required to be paid under this article within the time and amount specified, there shall be added to such fee a penalty of ten percent or \$10.00, whichever is greater. In no case shall the penalty exceed the amount of the fee.

Sec. 12-272. – Determination of fee due by the Collector.

If any person required to remit the fee imposed by this article fails to file a report, or if the Collector has reasonable cause to believe that an erroneous report has been filed, the Collector may proceed to determine the amount due to the city and in connection therewith shall make such investigations and take such testimony and other evidence as may be necessary and they shall report their determination; provided, however, that notice and opportunity to be heard be given any person who may become liable for the amount owing prior to any determination by the Collector.

Sec. 12-273. – Cessation of business – Report and fee due immediately.

Whenever any person incurring a fee under this article shall quit or otherwise dispose of their business, any fee under the provisions of this article shall become immediately due, and such person shall immediately make a report and pay the fee due.

Sec. 12-274. – Collector – Other powers and duties.

It shall be the duty of the Collector to ascertain the name of every person operating a hotel in the city, liable for the fee levied by this article. The Collector shall have the power to adopt rules and regulations not inconsistent with the provisions of this article for the purpose of determining the amount due to the city under this article; and a copy of such rules and regulations shall be on file and available for public examination in the Collector's office. Failure or refusal to comply with any rules and regulations promulgated under this section shall be deemed a violation of this article.

Sec. 12-275. – Penalty.

Any person intentionally failing to file a report required by this article shall be guilty of a misdemeanor, and upon conviction thereof, punishment shall not exceed that prescribed for a Class 3 misdemeanor as provided in Section 18.2-11 of the *Code of Virginia*, as amended. Each such failure shall constitute a separate offense. Such conviction shall not relieve any such person from the payment or remittance of such fee, penalties and interest, as provided in this article.

Sec. 12-276 – Disposition of Fee Revenues

The revenues collected from any fee provided in this article shall be appropriated to the Administering Nonprofit identified in the Plan. The Administering Nonprofit shall use the revenues for the purposes identified in the Plan.

2. The provisions of this ordinance shall expire on June 30, 2033.