

**CITY OF PROSSER, WASHINGTON
RESOLUTION NO.12-1405**

A RESOLUTION OF THE CITY OF PROSSER, WASHINGTON, PROVIDING NOTICE OF INTENT TO ESTABLISH A TOURISM PROMOTION AREA (TPA) PURSUANT TO CHAPTER 35.101 OF THE REVISED CODE OF WASHINGTON (RCW); SETTING A PUBLIC HEARING ON THE PROPOSED TPA; IDENTIFYING THE BOUNDARIES OF THE TPA; IDENTIFYING THE PROPOSED USE OF REVENUES GENERATED BY THE TPA; AND SPECIFYING THE ESTIMATED LODGING CHARGE BY CLASSIFICATION; AND DIRECTING THAT NOTICE THEREOF BE GIVEN IN THE MANNER REQUIRED BY LAW.

WHEREAS, the State Legislature has recognized the importance of tourism in the State of Washington and locally and, as a result, has passed ESSB No. 6026, which is codified as the Tourism Promotion Area Act, RCW 35.101; and

WHEREAS, RCW 35.101 authorizes the establishment of a Tourism Promotion Area (TPA), which can levy special assessments to fund tourism promotion; and

WHEREAS, the lodging businesses within the City of Prosser have presented a Petition pursuant to the terms of RCW 35.101 to initiate the establishment of a City of Prosser, Washington TPA hereinafter referred to as the "Initiation Petition", a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the Initiation Petition contains all of the required elements pursuant to RCW 35.101.020, including:

1. A description of the boundaries of the proposed Prosser TPA;
2. The proposed uses to which the proposed revenue from the special assessments should be dedicated;
3. The estimated rate for the special assessments to be levied on lodging businesses with a proposed breakdown based on zones and by class of lodging business, if such classification is to be used;
4. The signatures of the persons representing those entities who operate lodging businesses in the proposed Prosser TPA who would pay sixty percent or more of the proposed special assessment;

AND WHEREAS, the Initiation Petition set initial rates as follows: The special assessment to be imposed on the operators of those Lodging Businesses with room revenues during the preceding calendar year will, initially, be set at either \$1.00 per room per day for a Type A lodging business or at \$0.75 per room per day for a Type B lodging business. A Type A lodging business is defined as lodging businesses that are located within the area of the City of

Prosser with annual average daily rates (calculated by dividing total annual revenue by the cumulative number of units sold annually) that equal or exceed \$50.00 per day. A Type B lodging business is defined as lodging businesses that are located within the area of the City of Prosser with annual average daily rates (calculated by dividing total annual revenue by the cumulative number of units sold annually) that are less than \$50.00 per day;

AND WHEREAS, the City Council, having received the Initiation Petition, is required under RCW 35.101.030 to adopt a resolution providing notice of the intention to establish a TPA, containing specific information regarding the proposed TPA, and setting a time and place for a public hearing to hear protests, if any, and to receive evidence for or against the proposed action; and

WHEREAS, the City Council finds that the rates and classifications set forth in the Initiation Petition would be difficult for the State Department of Revenue to enforce and audit, and the City Council further finds that setting a rate for all Lodging Businesses at \$0.75 per room per day is reasonable and in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PROSSER, WASHINGTON THAT:

Section 1. The City Council hereby provides Notice of the Intent to Establish a Prosser Tourism Promotion Area.

Section 2. The City Council hereby provides Notice that a Public Hearing will be conducted on December 4, 2012 at 7:00 p.m. or as soon as possible thereafter at the City of Prosser, City Council Chambers, 601 7th Street, Prosser, Washington. The purpose of the public hearing is to hear all protests and receive all evidence for or against the establishment of a Prosser TPA which, if established, shall have the legal authority to impose a charge on the provision of lodging by "Lodging Businesses" located within the Prosser TPA. The proceeds collected from the charge shall be used solely to fund tourism promotion. For purposes of the TPA, a Lodging Business means a person or entity that furnishes lodging taxable by the State of Washington under RCW 82.08 that has 40 or more lodging units.

Section 3. Consistent with the requirements of state law, the following information is being provided in conjunction with the public hearing:

A. The boundaries of the proposed Prosser TPA will include all properties lying within the corporate limits of the City of Prosser, Washington.

B. The revenues from the special assessment levied on the operators of Lodging Businesses situated within the Prosser TPA shall be used for the following purposes only:

- i. Advertising campaigns;
- ii. Public relations campaigns; and,
- iii. Group tour, leisure, and sports tourism sales and marketing.

C. The total estimated costs of the proposed uses will approximate and be based upon actual assessments collected which vary from year to year based upon fluctuating occupancy rates, the number of hotel rooms offered in the TPA and the amount charged per day by the Lodging Businesses.

D. The special assessment to be imposed on the operators of those Lodging Businesses with room revenues during the preceding calendar year will, initially, be set at \$0.75 per room per evening pursuant to RCW 35.101.050 with no distinction being made as to classification. Consistent with RCW 35.101 the special assessment imposed is not a tax on the "sale of lodging" for the purposes of RCW 82.14.410.

Section 4. Any person may appear at the public hearing and present testimony on the City of Prosser's intention to establish a Prosser Tourism Promotion Area as described above. The City of Prosser will withdraw its intention to establish the TPA if protests are made by Lodging Businesses in the proposed TPA which would pay the majority of the proposed charges. If sufficient protest is not made, the City of Prosser City Council may adopt an ordinance establishing the Prosser Tourism Promotion Area and other matters related to its establishment as provided by law.

ADOPTED by the City Council of the City of Prosser, Washington, at an open public meeting thereof on the 13th day of November, 2012.

CITY OF PROSSER, WASHINGTON

By: Paul Warden
Paul Warden, Mayor

ATTEST:

Rachel Shaw
Rachel Shaw, City Clerk

APPROVED AS TO FORM:

Howard Saxton
Howard Saxton, City Attorney

