



HOT COLLECTIONS AND SHORT-TERM RENTAL COMPLIANCE SERVICES

RS-23-131

August 15, 2023

Background

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- ❑ On April 11, 2023, the City Council approved for the amendment of Chapter 31
 - ▣ Allowing for short-term rentals (STRs)
 - ▣ Estimated 400-800 STRs
- ❑ Currently an agreement for hotel occupancy taxes administrations for 42 properties

Background

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- ❑ On June 12, 2023, the City began advertising a Request for Proposals (RFP)
- ❑ We received a response from Avenu Insights & Analytics, LLC
- ❑ Staff reviewed the response
 - ▣ Experience - 33 years in providing hotel occupancy administration and auditing services

Proposal/Agreement

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- ❑ Services: tax administration, auditing, discovery and recovery, and short-term rental services
- ❑ Short-term rental services include monitoring and identification, registration and compliance, tax portal, payment processing, permitting, tax collection and remittance, discovery and recovery, community outreach, reporting, and compliance auditing
- ❑ Agreement: the initial term for a period of three years (3) with the option to renew for two (2) successive one (1) year terms

Fees

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Description		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues:						
HOT Revenue*		\$2,223,993	\$2,290,713	\$2,359,434	\$2,430,217	\$2,503,124
STR Revenue*		\$800,000	\$824,000	\$848,720	\$874,182	\$900,407
Revenues		\$3,023,993	\$3,114,713	\$3,208,154	\$3,304,399	\$3,403,531

*Forecasted to increase by 3%

Expenditures:

Administration	\$175 Per Property	\$7,350	\$7,350	\$7,350	\$7,350	\$7,350
Auditing	\$2,000 Minimum of 2	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Discovery & Recovery	45% Contingency Fee	\$6,400	\$6,400	\$6,400	\$6,400	\$6,400
STRs**	\$255 Per Property	\$117,250	\$123,113	\$129,268	\$135,732	\$142,518
Expenditures		\$135,000	\$140,863	\$147,018	\$153,482	\$160,268

**Services are adjusted annually at the beginning of each term of the agreement by five percent (5%)

Alternatives

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- ❑ Reject Avenu proposal and open a new RFP
- ❑ Authorize the award RFP 23-17 for Hotel Occupancy Tax Collection and Short-Term Rental Compliance Services to Avenu in the amount of \$135,000 annually

Recommendation

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- ❑ City Council authorize the award RFP 23-17 for Hotel Occupancy Tax Collection and Short-Term Rental Compliance Services to Avenu in the amount of \$135,000 annually and authorize the City Manager, or designee, to execute any and all contracts and change orders within the amounts set by State and Local Law