

ORDINANCE

2022-12-15-0978

APPROVING A SIX-MONTH EXTENSION TO THE PROFESSIONAL SERVICES AGREEMENT WITH HOST COMPLIANCE, LLC IN AN AMOUNT NOT TO EXCEED \$100,000.00 TO PROVIDE SHORT-TERM RENTAL REGISTRATION, PERMITTING, COMPLIANCE AND COLLECTION SERVICES. FUNDING IN THE AMOUNT OF \$100,000.00 IS AVAILABLE FROM THE HOTEL OCCUPANCY TAX FUND BUDGET.

* * * * *

WHEREAS, on November 1, 2018, the City Council approved an ordinance for the regulation of Short Term Rental (“STR”) properties in the City: and

WHEREAS, the City issued a Request for Proposals for Short Term Rental Monitoring and Compliance Services on December 13, 2017 and Host Compliance LLC was selected to provide the services. On November 15, 2018, the City Council approved an ordinance selecting Host Compliance LLC to provide Short Term Rental Permitting, Collection and Compliance Services for a term beginning December 21, 2018 and ending December 20, 2019, with two, one year options to extend the agreement; and

WHEREAS, the agreement was renewed for its first one-year renewal term beginning December 21, 2019 and ending December 20, 2020, upon the same terms and conditions. The agreement was renewed upon the same terms and conditions for its second one-year renewal term beginning December 21, 2020 and ending December 20, 2021. The agreement was amended upon the same terms and conditions for its third one-year renewal term beginning December 21, 2021 and ends December 20, 2022; and

WHEREAS, the Development Services Department is in the process of converting their use of Host Compliance, LLC for STR permitting to Accela. As such, the Finance Department developed a Request for Proposals (“RFP”) specifically for the collection of Hotel Occupancy Tax (“HOT”) with components related to compliance and monitoring. This RFP was broadened from the City’s current contract to incorporate the collection of HOT for STRs and Hotels including the collection of the Tourism Public Improvement District (“TPID”) assessment fees. On October 4, 2021, the City issued a RFP for Short Term Rental Monitoring and Compliance Services and selected Avenu Insights & Analytics, LLC to provide these services for both STRs and Hotels; and

WHEREAS, to provide an orderly transition of services to Avenu Insights & Analytics, LLC, City proposes to enter into the *Second Amendment To And Fourth Extension Of Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services* with Host Compliance LLC, which will extend the term of the agreement for a six-month term, to commence December 21, 2022 and end June 20, 2023 upon the same terms and conditions; and

WHEREAS, this extension with Host Compliance LLC of the current contract will allow for proper conversion from one system to another and provide seamless services to STR owners paying the HOT; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The terms and conditions of the *Second Amendment To And Fourth Extension Of Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services*, a copy of which is attached hereto as **Exhibit A**, by and between the City and Host Compliance LLC are hereby approved.

SECTION 2. The City Manager or his designee is authorized to execute the *Second Amendment To And Fourth Extension Of Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services*, which has been incorporated into this Ordinance for all purposes.


SECTION 3. Funding in the amount of \$100,000.00 for this Ordinance is available in Fund 29006000, Cost Center 8002120002 and General Ledger 5201040 as part of the Fiscal Year 2023 Adopted Budget approved by City Council.

SECTION 4. Payment is authorized to Host Compliance, LLC and should be encumbered with a purchase order.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

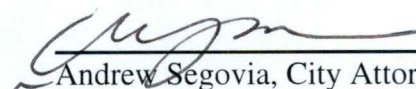
PASSED and APPROVED this 15th day of December, 2022.


M A Y O R
Ron Nirenberg

ATTEST:


Debbie Racca-Sittre, City Clerk

APPROVED AS TO FORM:


Andrew Segovia, City Attorney



City of San Antonio

City Council Meeting December 15, 2022

38.

2022-12-15-0978

Ordinance approving a six month extension of the Professional Services Agreement with Host Compliance, LLC in an amount not to exceed \$100,000 to provide Short-Term Rental registration, permitting, compliance and collection services consistent with the City's Short Term Rental ordinance. [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer].

Councilmember Rocha Garcia moved to Approve on the Consent Agenda. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Sandoval, Pelaez, Courage, Gallagher

EXHIBIT A

**SECOND AMENDMENT TO AND FOURTH EXTENSION OF
PROFESSIONAL SERVICES AGREEMENT FOR
SHORT TERM RENTAL PERMITTING, COLLECTIONS
AND COMPLIANCE SERVICES**

THE STATE OF TEXAS §
 §
THE COUNTY OF BEXAR §

This *Second Amendment To And Fourth Extension Of Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services* ("Second Amendment and Fourth Extension") is made and entered into by and between the **CITY OF SAN ANTONIO** (hereinafter referred to as "City"), a Texas Municipal Corporation, acting by and through its Deputy Chief Financial Officer, and **HOST COMPLIANCE, LLC, a wholly owned subsidiary of Granicus, LLC**, acting by and through its duly authorized officials (hereinafter referred to as "Consultant"). City and Consultant are sometimes hereinafter referred to as the "Parties".

WHEREAS, pursuant to Ordinance No. 2018-11-15-0915, passed and approved November 15, 2018, the City and Consultant entered into that one certain *Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services* ("Agreement"), providing for Consultant to provide the services described therein for a one (1) year period beginning December 21, 2018 and ending December 20, 2019, with two (2), one (1) year options to extend the Agreement; and

WHEREAS, the Agreement was renewed by the Parties for its first one (1) year renewal term beginning December 21, 2019 and ending December 20, 2020, upon the same terms and conditions, pursuant to that certain *First Extension Of Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services* ("First Extension"); and

WHEREAS, the Agreement was renewed by the Parties for its second one (1) year renewal term beginning December 21, 2020 and ending December 20, 2021, upon the same terms and conditions, pursuant to that certain *Second Extension Of Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services* ("First Extension"); and

WHEREAS, the Agreement was renewed by the Parties for its third one (1) year renewal term beginning December 21, 2021 and ending December 20, 2022, upon the same terms and conditions, pursuant to that certain *First Amendment and Third Extension Of Professional Services Agreement For Short Term Rental Permitting, Collections And Compliance Services* ("Third Extension"); and

WHEREAS, the Parties desire to amend **ARTICLE II. TERM**, Section 2.2 of the Agreement to provide for one additional six (6) month term, to commence December 21, 2022 and end June 20, 2023; **NOW, THEREFORE:**

FOR THE GOOD AND VALUABLE CONSIDERATION OF THE OBLIGATIONS AND UNDERTAKINGS OF EACH OF THE PARTIES TO THE OTHER, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

I. AMENDMENT OF AGREEMENT

- 1.1 **ARTICLE II. TERM**, Section 2.2 of the Agreement is hereby amended so that it shall hereafter read as follows:

“2.2 City shall have the right to extend the Agreement under the same terms and conditions for one (1) additional six (6) month term pursuant to a written agreement signed by the Parties. The additional term shall commence December 21, 2022 and end June 20, 2023. City shall have the right to terminate the Agreement after three (3) months by providing written notice to Consultant. The consent of City's City Council for such extension shall not be required.”

- 1.2 **ARTICLE III. SCOPE OF SERVICES**, Section 3.1 of the Agreement is hereby amended so that it shall hereafter read as follows:

3.1 Basic/Core Services

3.1.1 Short Term Rental (“STR”) Discovery and Address Identification

- 3.1.1.a Identify all identifiable STR properties operating in the City of San Antonio and/or Bexar County, subject to the City providing the Consultant with its property owner and assessor data.
- 3.1.1.b Provide detailed lists to the City of these accounts, to include identifying information and owner contact data. The information requested includes but is not limited to:
1. Owner Name and Contact Information
 2. Bexar Appraisal District Parcel Number
 3. Address of Property
 4. Listing Platform and ID
 5. Booking Frequency
 6. Price of Nightly Rental
 7. Location within the boundaries of the City of San Antonio and/or Bexar County.
- 3.1.1.c Perform data-informed outreach to STR operators regarding their tax remittance obligations.
- 3.1.1.d Provide updated lists of STR owners in non-compliance.

3.1.1.e Determine estimated revenues for each STR.

3.1.1.f Provide periodic reports and analysis to the City to support Hotel Occupancy Tax ("HOT") audits and other enforcement investigations.

3.1.1.g Provide a description of resources available to address issues of incomplete or incorrect data.

3.1.1.h Develop and implement mobile and web enabled forms and processes for payment of HOT and capturing of signatures, payments and required documentation, as set forth on Exhibit A.

3.1.1.i Initiate and diligently pursue and complete without interruption or delay all actions necessary to (x) integrate Consultant's online/mobile application with the City's SAP system; (y) integrate Consultants' online/mobile application with the City's Accela system; and (z) integrate Consultants' application with the City's GIS system.

3.1.1.j Provide technical support for all of the services above.

3.1.2 STR Permitting

3.1.2.a Develop and implement mobile and web enabled forms and processes for streamlining Code Compliance permitting and capturing of signatures, payments and required documentation as set forth on Exhibit A.

3.1.3 Compliance Monitoring

3.1.3.a Ongoing monitoring of STRs for compliance including updated lists of owners in non-compliance, estimated revenues for each STR, and periodic reports and analysis to support HOT audits and other enforcement investigations.

3.1.4 Daily Remittance of Permit Fee Proceeds and HOT Collections

3.1.4.a Until such time that Consultant's merchant banking processing activities are integrated into Chase Paymentech's merchant banking processing activities (at which time, remittances will be handled by Chase Paymentech), Consultant shall remit to City on the next succeeding business day all permit fee proceeds and HOT collections received by Consultant on the immediately preceding business day. Each daily remittance to City shall be in accordance with written payment instructions provided by City.

3.1.5 Monthly Service Cost

3.1.5.a The above services are being provided for a monthly cost of \$16,666.18.

II. INCORPORATION OF TERMS AND CONDITIONS OF CONTRACT BY REFERENCE

- 2.1 Except as revised by this Second Amendment and Fourth Extension, all terms and conditions of the Agreement are incorporated into this Second Amendment and Fourth Extension, are made a part hereof for all purposes, and shall remain in full force and effect.

III. RENEWAL AND EXTENSION OF AGREEMENT

- 3.1 As amended pursuant to ARTICLE I, Section 1.1 above, the Agreement is hereby renewed and extended under the same terms and conditions for the fourth six (6) month renewal term beginning December 21, 2022 and ending June 20, 2023.

IV. CONFLICT PROVISIONS

- 4.1 Any conflict between the provisions of this Second Amendment and Fourth Extension and the provisions of the Agreement shall be resolved in favor of this Second Amendment and Fourth Extension.

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IV. ENTIRE AGREEMENT

The Agreement, as amended and extended as set forth above, embodies the complete agreement of the parties hereto with regard to the subject matter contained herein, superseding all oral or written previous and contemporary agreements between the parties relating to matters herein.

EXECUTED and AGREED TO this the ____ day of _____, 2022, to be effective from and after December 21, 2022.

CITY:

CITY OF SAN ANTONIO

LICENSEE:

HOST COMPLIANCE, LLC
a Granicus Company

Troy Elliott, CPA
Deputy Chief Financial Officer

BY:

DocuSigned by:


6EE5249C1B604CA
Jessica Yang
Manager of Business and Contracts
Granicus LLC

Approved as to form:

Thomas Rice
Assistant City Attorney

DocuSigned by:


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Brendan Stierman
Contracts Manager
Granicus LLC