



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Shawn Cox, Interim Deputy City Administrator

Council Meeting Date: Tuesday, June 6, 2023

Agenda Item Wording: **Discuss and consider approval of a Master Professional Services Agreement between the City of Dripping Springs and Deckard Technologies, Inc. for the Rentalscape Platform.** *Sponsor: Council Member Sherrie Parks.*

Agenda Item Requestor: Michelle Fischer, City Administrator

Summary/Background:

Historically, the City of Dripping Springs has utilized numerous avenues to identify and bring into compliance Short Term Rentals (STRs) operating in the City Limits and Extraterritorial Jurisdiction (ETJ). STRs, like any hotel, motel, or inn, are required to pay a seven percent (7%) Hotel Occupancy Tax to the City. The identification of these STRs has primarily been done through monitoring of online reservations sites. Currently, this is being done by a City employee who reviews these sites and ensures the owners/operators of the STR are aware of the Hotel Occupancy Tax reporting requirements, tracks the filing of reports, and assists in code enforcement for violations. While the larger, more popular sites (such as VRBO or Air B&B) are known, it is estimated that there may be over 10,000 of the sites available for STRs to utilize for bookings. The sheer number makes it extremely difficult for one employee to monitor it all.

Administration recently began discussing solutions with other entities in the area to see how they address these issues. From these discussions the City was introduced to Deckland Technologies which offers STR inventory, compliance, and analytic services through its Rentalscape software. Currently, the City estimates there are 130+ STRs operating within the City Limits and ETJ. After a quick review, Deckland Technologies was able to identify an estimated 220 properties operating.

Utilizing Rentalscape, the City would be able to identify these and any newly operating properties, provide outreach, and ensure compliance with the City's ordinances. Compliance is the City's primary goal. STRs are required to pay hotel occupancy taxes to the city. Funds collected are utilized by the City for numerous reasons including tourism promotion, operation of the Visitors Center, and partial funding of the Ranch Park event center. These funds go a long way in promoting the City and ensuring it is a place people want to visit.

City Administrator Michelle Fischer, Interim Deputy City Administrator Shawn Cox, People & Communications Director Lisa Sullivan, and Utility Billing Clerk/Administrative Assistant Amy Kappler participated in a demonstration of the Rentalscape platform. Amy Kappler also spoke with several cities using the platform and received enthusiastic recommendations for using it.

The proposed Professional Services Agreement (PSA) is for one year initially but can be automatically renewed if the City is satisfied with the provided services. The annual cost for the services is \$8,000.00 and includes identification, monitoring, reporting and outreach. Funding for this is provided through the Hotel Occupancy Tax Fund. It is expected to take a month to get the platform operational for the City.

Commission N/A
Recommendations:

Recommended Staff recommends approval of this PSA
Council Actions:

Attachments:

- PSA Deckland Technologies

Next Steps/Schedule: If approved execute PSA.