

# HdL<sup>+</sup> Companies

August 1, 2023

Mr. Eric Foerster, MPA, CPM  
City Manager  
City of Richwood  
[EFoerster@RichwoodTX.gov](mailto:EFoerster@RichwoodTX.gov)

Re: Proposal for Professional Services

Dear Mr. Foerster:

It was a pleasure to engage with you and your Finance Director, Ms. Ditto, over the last few days. Thank you for the opportunity to meet with you to discuss our services. Additionally, we appreciate the opportunity to present a proposal for our Professional Services. The enclosed scope outlines the specifics regarding the services that we are offering the City. We have included, for the City's consideration, 1) full sales tax administration, which encompasses monthly data analytics reports and unlimited consultation with our Client Services Team, along with research, audit and recovery for the City and the Crime Control District and 2) economic development solutions, which include Retail Market Analytics Reports and a Community Profile for retail attraction. Please keep in mind for the City's future potential needs, we provide an array of other services that relate to economic development including strategic plans, actions plans, business attraction, and various sales tax and econ analysis.

We are grateful for the opportunity to propose this information to the City, and we look forward to potentially working with you and the City Staff.

Please do not hesitate to contact me if you have any questions or require any additional information.

Kind Regards,



Katie Biggers  
Business Development Manager





# Proposal for Professional Services

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August 1, 2023

City of Richwood



Austin Office  
8700 Manchaca Rd, Suite 106  
Austin, TX 78748  
512.906.0429

Houston Office  
9821 Katy Fwy, Suite 440  
Houston, TX 77024  
713.481.6975

# Scope of Services

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## **Option 1: Full-Service Sales Tax Administration**

### **A.**

#### **1. Sales Tax Report & Consultation Fee**

Report and consultation fee includes monthly access to Sales Tax Analysis Report Service (STAR- Summary & STAR-Detail) through online portal access, unlimited consultation on taxpayers or general sales tax matters, as well as assistance with budget and forecast as needed.

#### **2. Sales Tax Audit & Recovery Fee**

An audit and recovery fee of **30%** will be billed in those situations where our work results in sales tax revenue improvements to the City and/or Crime Control District (CCD) from recovered, future, or increased taxes. Recovered taxes are taxes incorrectly paid to another jurisdiction which are subsequently re-allocated to the City/CCD as a result of HdL recommendations or work. Future taxes are taxes received by the City/CCD as a result of HdL finding and fixing errors which result in taxes received going forward from the error correction. Increased taxes are taxes received by the City/CCD as a result of HdL finding and fixing errors which result in an increase in tax received above historic levels from the point of error correction. Audit and recovery fees for future or increased taxes are limited to a 24- month billing period from the date the City and/or CCD first realizes the sales tax improvement.

### **B. Sales/Use Tax Compliance Consulting Services**

In providing CLIENT comprehensive sales/use tax review, compliance and recovery services HDL will:

Serve as the primary contact point for CLIENT with the TCPA and businesses collecting sales/use tax for benefit of CLIENT,

1. Provide coordination and information as appropriate with and to the TCPA and businesses in order for CLIENT to receive its correct sales/use tax payments,
2. Research and review businesses reporting sales tax to CLIENT to assure they should be and are collecting and paying sales tax appropriately to CLIENT,
3. Research new businesses established in CLIENT's locale and fix any not registered appropriately to collect sales tax for the City,
4. Develop the requisite information and work with certain out-of-jurisdiction services and sales providers to assure the appropriate tax is collected and reported for CLIENT,
5. Review monthly details of CLIENT's sales tax receipts and research any anomalies which could result in missing tax,

6. Provide CLIENT monthly a series of reports, individually or aggregated in a package, as listed below. HDL may from time-to-time include additional reports, modify reports, or eliminate reports.
  - a. Monthly Sales Tax Graphic (MSTG)
  - b. Sales Tax Payment Detail (STPD)
  - c. Sales Tax Snapshot (STS)
  - d. Top 100 Taxpayers (TOP100)
  - e. Top 30 Taxpayers (TOP 30)
  - f. Monthly Variance (MVAR)
  - g. Fiscal Year-to-Date Variance (FYTDVAR)
  - h. Industry Segment Rank and Distribution (ISRD)
  - i. Industry Segment Rank and Change (ISRC)
  - j. Industry Segment Trend (IST)
  - k. STAR Summary Package (all reports above in a pdf file)
  - l. Taxpayer Payment History (TPH)
  - m. NAICS Range Report (NRR)
  - n. Business Group Sales Tax Forecast
  - o. STAR Detail (all reports below in an Excel workbook)
    - i. Major Taxpayers Historic Rank
    - ii. Major Jurisdiction Taxpayers Rank
    - iii. Jurisdictional Large Company Location Cross Reference
    - iv. Top 100 Taxpayers Rank
    - v. NAICS Major Taxpayers Rank
    - vi. NAICS Segments Analysis
7. Provide special reports and analyses of issues not included in the above reports but are within the scope of the Agreement,
8. Provide CLIENT’s governing officials and management consultations as appropriate.

**Option 2: Economic Development Solutions**

**A.**

**1. RETAIL MARKET ANALYTICS REPORTS AND CONSULTATION**

- a. Consumer Demographic Profile – An HdL profile uses Synergos Technologies, Inc. (STI) PopStats database with over 1,200 variables with a bottom-up methodology to deliver the highest accuracy level and dependable demographic data. The side-by-side comparison helps users visualize consumer changes as the market size differs.
- b. Household Segmentation Profile – An HdL profile provides a deep understanding of consumer preferences, behaviors, and habits. Utilizing Personix Lifestage database the report segments 70 household clusters into one of 21 Lifestage Groups and ranks the top 10 individual clusters allowing the user to identify the most concentrated groups with ease. The document includes links to the Personix Online Guide, which provides an in-depth summary of each group and cluster.

- c. Employment Profile – An HdL profile provides insight on the employment market located within a specific trade area. The profile breaks down industry groups, as well as Occupational sectors, to allow an accurate evaluation of the daytime population and workforce for the defined region. Understanding the types of businesses and the types of workers that are positioned near key areas of interest can greatly influence decisions.
- d. Consumer Demand and Market Profile (GAP Analysis) – An HdL profile examines opportunity-surplus gaps across 31 retail segments and 40 major product and service lines to provide insight on potential opportunities within a defined market. The assessment evaluates the overall trade area, not just jurisdictional boundaries, making it a more useful tool to assist in development planning, recruitment strategies, and overall market analysis.
- e. Void Analysis (Solutions Set with Match Scores) – An HdL analysis provides trade area supply and demand (surplus and leakage) data for nearly 60 retail store and product categories to identify which goods and services are in demand in your trade area. Unlike traditional approaches that only look at which tenants are missing from the trade area, an HdL void analysis also scores your site against the typical location profile of thousands of potential brands. The tool enables quick evaluation opportunities to show prospects that a site presents a strong business opportunity. The void analysis also determines which co-tenants they co-locate with and whether your location is a logical fit for their network, which leads to more vibrant retail trade areas and an optimized sales tax base.

## 2. COMMUNITY PROFILE—Updated annually.

### Option 3: Bundled Package of Services (Includes Both Options 1 & 2)

# Price Proposal

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### Option 1: Full Sales Tax Administration Services

1. Monthly Sales Tax Reports via HdL Portal
2. Administrative Review
3. *Unlimited* Consultation—full access to our Client Services Team for any questions regarding the City’s sales taxpayers or general sales tax inquiries.
4. HdL Consensus Texas Forecast and Forecast Tool—updated 2-4 times per year
5. Audit
6. Research and Recovery

**\$2,500 annually (+30% recovery component for any sales tax improvements recovered by HdL on behalf of City and/or CCD – only on improvements.)**

**Option 2: Economic Development Services**

1. Retail Market Analytic Reports—Updated 1-2 times per year
  - a. Consumer Demographic Profile
  - b. Household Segmentation
  - c. Employment Profile
  - d. GAP Report (Leakage Report)
  - e. VOID Analysis (Solutions Set with Match Scores)
2. Community Profile (updated annually)
3. Consultation with our Economic Development Team

**\$3,500 annually**

**Option 3: Bundled Package of Services (All of the Above)**

1. Monthly Sales Tax Reports via HdL Portal
2. Administrative Review
3. *Unlimited* Consultation—full access to our Client Services Team for sales tax questions
4. HdL Consensus Texas Forecast and Forecast Tool—updated 2-4 times per year
5. Audit
6. Research and Recovery
7. Retail Market Analytic Reports—Updated 1-2 times per year
  - a. Consumer Demographic Profile
  - b. Household Segmentation
  - c. Employment Profile
  - d. GAP Report (Leakage Report)
  - e. VOID Analysis (Solutions Set with Match Scores)
8. Community Profile (updated annually)
9. Economic Development Consultation with our Economic Development Team

**\$5,000 annually (+30% recovery component for any sales tax improvements recovered by HdL on behalf of City and/or CCD – only on improvements.)**

## References

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- City of Missouri City  
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