

## Exhibit A

**TRANSIENT LODGING TAX AUDIT INTERGOVERNMENTAL AGREEMENT**

THIS AGREEMENT entered into by and between the City of Gresham, Oregon (Gresham) and the City of Portland, Oregon (Portland), is pursuant to authority of Oregon Revised Statute Chapter 190 for the purpose of Portland providing audit services related to Gresham's transient lodging tax code.

**FINDINGS**

- a. Each party has legislated a tax upon persons renting transient accommodations (i.e., hotels) within its boundaries. The Gresham Transient Lodging Tax Ordinance is found in Article 9.60 of Gresham Revised Code. The structure and administration of each city's tax is substantially identical.
- b. Portland has a full-time position dedicated to auditing the transient lodging tax returns submitted by Portland hotels and similar establishments. The efforts of this position ensure that hotels are compliant with the applicable transient lodging tax laws.
- c. Gresham has identified a need for audit services, but at this time there is not enough workload to justify adding a dedicated position. It has been determined that these services could be performed more efficiently by individuals who conduct these audits as a regular part of their job.
- d. The parties recognize a mutual benefit in establishing an agreement for Portland to provide these services on behalf of Gresham.

**AGREEMENT**

1. Portland will perform transient lodging tax audit services on behalf of Gresham during the period from July 1, 2016 to June 30, 2017 for an amount not to exceed \$5,000. It is expected that Portland will be able to complete the audits of five (5) hotels.
2. Portland will bill Gresham for the provision of these services at the conclusion of each audit, and this billing will be based on the actual costs incurred by Portland. This will include the hourly cost of a Senior Revenue Auditor, including benefits and overhead, and the cost of any related materials or services, including local travel reimbursement. The City will track these costs and provide an accounting of the costs along with the billing.
3. Gresham will determine which hotels will be audited. Gresham will contact each hotel in advance of any audit to provide notification that Portland will be conducting an audit on behalf of Gresham. After that notification, Portland will work with the hotel directly when opening and conducting the audit.

4. Upon completion of the audit, Portland will send an audit determination to the hotel with a copy to Gresham. This determination will explain any audit adjustments and notify the hotel if a payment is due or if an overpayment exists. Any payment due will be sent directly to Gresham. The hotel operator will be directed to contact Portland with copy to Gresham if they have questions regarding the determination.
5. If a hotel operator does not agree with the determination, they will be subject to Gresham's existing appeal process. Portland's only involvement with this process would be on an advisory basis to Gresham, including the presentation of evidence at an appeal hearing, if necessary.
6. The term of this agreement shall be from the last date of signing hereof through June 30, 2017, but not to begin before July 1, 2016. It shall be valid until terminated by either party upon three months written notice. Upon termination, Portland will provide Gresham with the records that are related to the audits, including hotel records, workpapers and correspondence.
7. If there is mutual agreement, the parties may extend the term of this Agreement in writing by additional one-year increments.
8. The parties agree to maintain insurance levels, or self-insurance in accordance with ORS 30.282, for the duration of this Agreement to levels necessary to protect against public body liability as specified in ORS 30.272. The parties also agree to maintain for the duration of this Agreement, Workers' Compensation Insurance for all their employees.
9. Subject to the provisions of the Oregon Constitution and the Oregon Tort Claims Act, the parties agree to indemnify, defend, and hold each party's agents, officers and employees harmless from any and all claims, demands, damages, actions, losses and expenses arising out of or in any way connected with each party's performance under this Agreement.
10. Portland agrees to abide by the provisions of ORS 192.502(18) and treat any information provided by Gresham relating to a hotel operator's Transient Lodging Tax records as confidential and not subject to public disclosure. However, Gresham shall not be prohibited from publishing in the City annual budget or annual financial statements the amount of Transient Lodging Tax received in any fiscal year.

CITY OF GRESHAM, OREGON

CITY OF PORTLAND, OREGON

By

Erik Kvarsten, City Manager

By

Charlie Hales, Mayor

Date:

Date:

Approved as to form:

Approved as to form:

City Attorney

For the City of Gresham, Oregon

For the City of Portland, Oregon

By

David Ross, Senior Assistant City Attorney, Gresham

Ken McGair, Deputy City Attorney, Portland