

City of Albuquerque

Lodgers' Tax Advisory Board



Chairman: Fred Mondragon
Vice Chair: Tushar Patel

Board Members:
Jesse Herron
Debi Owen
Cathryn McGill
Sean Jariwala

Minutes from October 25, 2018 Meeting

The regular meeting of the City of Albuquerque Lodgers' Tax Advisory Board was held on Thursday, October 25, 2018 at 4 p.m., at the Albuquerque Convention Center, Anasazi Room. Anasazi Room is located on the lower level of the Convention Center West Complex. Fred Mondragon, Board Chair, called the meeting to order at 4:05 p.m.

In attendance:

Board Members

Fred Mondragon
Jesse Herron
Debi Owen
Sean Jariwala
Tushar Patel
Cathryn McGill

City of Albuquerque

Dora Dominguez, Staff
Cilia Aglialoro, City Treasurer

Contractors

Jose Garcia, SMG
Tania Armenta, Visit ABQ
Valerie Lind, Visit ABQ
Yuri Morales, AHCC
Connie Lee, AHCC
John Lewis, AHCC
Jim Garcia, AHCC

Guest:

Charlie Gray, Greater Albuquerque Innkeepers Association (GAIA), Cora Lee Quintana, EXP Realty, LLC

- I. WELCOME AND INTRODUCTIONS** – Fred Mondragon, Board Chair.
- II. Adoption of Agenda – Addition/Deletion to Agenda**
 - **Motion to Approve** by Tushar Patel
Second by Jess Herron
Motion Passed - Approval of Agenda as Changed Carried Unanimously
- III. Motion To Approve September 27, 2018 Minutes with changes as noted were approved:**
 - Motion to Approve** Agenda by Debi Owen
Second by Tushar Patel
Motion Passed - Approval of Agenda Carried Unanimously
- IV. Chairman Reports**

Treasury Report(s) - Cilia Aglialoro, City Treasurer, provided the Lodgers' Tax Advisory Board Reports.

 - Update on fees and revenues now collected and reported through the Cities new online collections system.
 - Report included. FY'18 and current FY'19 revenues - Lodgers and Hospitality Revenues.
 - Lodgers Tax Revenue - Comparing FY'18 and current FY'19 revenues. Lodgers and Hospitality Revenues track month to month thru August 2018 is up by 4.12% (w/o Airbnb reporting) and up 5.91% with Airbnb reporting. The total Lodgers' Tax revenues FY'19 revenue (August 2018) reported was \$1,141,284.91. The total increase

comparison difference increase for FY'19 Lodgers' Tax (August 2017 – August 2018) was \$131,872.76.

- Hospitality Tax Revenue - The current revenues reported for FY'19 for Hospitality Tax Revenue (August 2018) was \$228,256.98 compared to FY'17 (August 2017) revenues of \$219,230.08 (no Airbnb reported/in place). Both fund amounts report 4.12% increase over prior year with AirBnB funds included.
- Lodgers' Tax Delinquent Summary Report FY'19 – Cilia Agliodoro, City Treasurer. Highlighted items: The collections amounts for revenue months August 2017 thru August 2018 for 167 lodging entities includes three accounts listed in a delinquent account status for a total amount of lodgers' tax owed of \$36,302.00. Note prior month amount of delinquent accounts was \$110,856.13. Noted Route 66 Hostel under new ownership is only leasing the property. Per state law it is only the owner of a lodging establishment that can be held liable for uncollected lodgers' tax. For this reason City Legal authorized Treasury to remove the \$80,000 shown as uncollectible from Route 66 Hostel from the Delinquent Report. The owners of the business are no longer in business – however, the individuals that now lease the property are not liable the lodgers and hospitality tax not collected.
- AirBnB budgeted revenue amount for FY'19 is \$40,304.00. Total amount received within FY'18 was \$241,125.96.
 - Brief discussion regarding plans by NM Hospitality Association to revisit/resubmit state-wide legislation that would remove the three rooms or less tax exception to collect Lodgers Tax. Additionally, the board discussed the City's Short-Term Rental Taskforce and opportunities for Lodgers' Tax Board to provide input. City staff will work to solicit board representation on the short term rental task force board and report to the board at the November 29, 2018 board meeting.
 - General discussion about general discussion of board recommendation of use of Airbnb funds to be used as an incentive fund and the city's use of an existing contract agreement for the deployment of an incentive fund.
 - Airbnb funds as an incentive fund are similar to use as incentive funds provided in the past.
- City GRT Dept Profile of Bonds Finance W/Lodgers' & Hospitality Revenues Series 2004,2005, 2008, 2009, 2011, 2013, 2005, 2016, 2017 and 2018. – Overview of current bonds and general discussion of items to be covered in greater detail at the mid-year board meeting scheduled for October 31, 2018.

Contractor Reports

- V. **SMG Monthly Report – Monthly Report September 2018** – Jose Garcia, SMG, provided the board report.
- The ACC hosted 28 total events within the month of September for a total attendance of 19,700 at the Convention Center alone. ACC and Civic Plaza held 38 events. ARSC held zero events. Occupancy was at 15% for the month of September, with 1,302,373 sq. ft. of event space sold.
 - Occupancy for September, 2017 was at 27%.
(In the month of September 2017 Albuquerque hosted one city-wide conventions; zero City-wide September 2018)
 - FY'17 average monthly occupancy: 39%
 - FY'18 average monthly occupancy: 29%
 - For September 2018 SMC anticipates a total of 39 total events
 - Convention Center and Civic Plaza – 34 events
 - ARSC – five events
 - Of the 39 total events – 39 are non-city wide events
 - Zero are city-wide events

Repeat Business

- Of the 39 events that occurred in the month of September, ten (10) were repeat customers.

Future Business

- SMG/ACC also booked a total of eighteen (18) future events during the month of September, 2018. In September, 2017 booked a total 31 future events.

Business Turned Away

- Twelve (12)

VI. Visit Albuquerque - Monthly Report September – Tania Armenta, Visit ABQ, provided Board Report.

- Report and overview of Board Report and handouts provided included following highlights:
- Hotel occupancy up 3.2% calendar-year-to-dates (Fiscal Year '19 - July 1 – June 30). Occupancy tracking up PYTD for July'18 by 7.7% and ahead of the industry comp-sets. Booked direct spend was down in September 26%. Booked room nights down compared to September 2017. Advertising impressions down from prior year (51%) September 2017. Twitter growth continues to increase. Number of booked tours up 2.4% for September (FY'18) up from prior month and year to date. Booked events reported down September 2018 by 16% compared to September 2017. Last year September FYTD was 88 this year September FYTD the number was 74.
- Website users is steadily increasing and closing the gap and up 24% PYTD
 - Sporting event bookings for September reported as 44 with 35,569 room nights and 80,698 attendees and a direct spend of \$14.6 million.
 - Earned media coverage 2018 YTD remains strong (Barcelona Rating 92%)
 - Visitor Guide fulfillments is making an improvement up 49% FYTD
 - ACE Training numbers down 12% FYTD.
 - Update on Visitor Guide fulfillment is increasing but remains as expected.

Highlights/News

- VisitABQ completed its annual audit and pleased to report a clean audit with no findings.

Board Questions

- General discussion about the new incentive fund now referred to as the “Opportunity Fund.” Visit ABQ provided the Board and attendees with an outline of the fund. The Board welcomed input and suggestion from AHCC.

Travel

- Upcoming trade missions and team travel listed in Page 30 of full Lodgers' Tax Report Submitted
- Tradeshows/Industry Meetings
 - Professional Fraternity Associations, Wichita, KS
 - DMA West Education Summit, Boise, ID
 - American Indian Tourism Conference, Albuquerque, NM
 - Destinations International Visitor Services Summit, Monterey, CA

VII. Albuquerque Hispano Chamber of Commerce 1st Quarter Report (July, Aug, Sept)

Report –Jim Garcia AHCC, provided the Board Report. AHCC Report and handouts provided. Activity highlights for September report included:

- *Monthly Report*
 - No center bookings for September reported
 - Non Center attendance reported 1,568
 - YTD Center attendance reported 1,350 (same as reported July, September)
 - YTD Center attendance reported as 1,350 and Non Center attendance at 3,078 and no Sports attendance reported
- Quarterly

- Center: 1,695
- Non Center: 4,945
- Sports: 0
- New Citywide 1st Qrt: 0
- New Non Citywide: 0

(Dash Board Report for the Months of: July-Aug-Sep 2018 Submitted)

- Gathering of Nations Starr Report Sub-committee meeting to be scheduled. to include VisitABQ along with STR staff to better understand how to interpret the report contracted by Visit ABQ.
 - VisitABQ referenced new STR data as specific to hotel data and impact related to the event.
 - Other input on GON and local hotel owners was solicited by Fred Mondragon, Board Chair of Todd Walters, Legacy Hospitality. The input and general discussion was to work to pinpoint how the event fills rooms and whether it is the actual event filling rooms or all the ancillary events that now occur during the same time as GON that are filling events. Reporting from downtown owners were they were not sold out in during 2018 GON nor were properties at Uptown or Sunport areas of the City. The importance of a more detail examination of the STR report completed for the 2018 GON event was highlighted.

MOTION: To convene a subcommittee of no more than three members of the Lodgers' Tax Advisory Board to also include Visit ABQ and AHCC and STR Report Staff to review GON STR report no later than the end of November was made by Sean Jariwala, Board Member

SECOND: Philip Snyder, Board Member

MOTION PASSED: Unanimously

Members of the Subcommittee included: Philip Snyder, Sean Jariwala, Tushar Patel, Tania Armenta, Valerie Lind, Jim Garcia, Connie Lee and Yuri Morales.

Highlighted Events/Media & Marketing:

- NM True Promotion Materials Translated into Spanish to support Aviation
- Artemis Lowrider Magazine Sanctioned Super Show
- International Mentoring Conference (Mentoring Institute)
- United Soccer League Update
- Navajo Nation Tours
- New direct Flight – Albuquerque to Guadalajara, Mexico – Volaris Airlines Updated
- Ski Promotion planned for marketing within the Guadalajara market similar to the Ski Colorado campaign
- OneAlb promotion video in production update
- SiABQ website to be re-designed
- Native American Appreciation Day
- TOURISM Magazine promotion
- LULAC 2021 Update (Hosted LULAC Officials during Fiesta)
- HNBA Bar Association
- SHIP 2018 Cleveland - SHIP Albuquerque in 2020???
- American Film Festival scheduled for April 2019
- Indigenous tourism campaign effort overview provided
- Upcoming Balloon Fiesta promotions and opportunities announced.

Media & Marketing

International Trade Committee continue to meet

Current Leads

- LULAC 2021
- Native American Music Festival scheduled for November 2019
- Trade Mission to Peru scheduled for November 26, 2018

QUESTION: Tushar Patel, Board Member asked how AHCC entered into event contracts and how referrals to AHCC were administered among contractors.

ANSWER: Jim Garcia, AHCC addressed the question with feedback and input from VISIT ABQ.

QUESTION: What if any problems or difficulties do international tourism events present with respect to issuance of tourist VISAS?

ANSWER: J. Garcia, AHCC said he would research the issue further to find out what if any impact the issue has on impeding tourism. VisitABQ added recently the issue did present a challenge with the current Global Engineering Summit Forum being hosted in Albuquerque being hosted in partnership with UNM and Kesselman Productions and some attendees either not granted travel VISAS or not granted passes to tour Kirtland AFB depending on the attendees' country of origin.

VIII. Lodgers' Board Open Seats City Update – Dora Dominguez, City Staff

- Kara Grant, Owner Downtown Bed & Breakfast, deferred to December 5, 2018.
- Action item to set the November meeting date from the November 29, 2018 to be hosted at the Albuquerque Hispano Chamber of Commerce Host Location

IX. New Business & Announcements

X. Motion to Adjourn:

MOTION BY: Tushar Patel, Board Member

SECOND: Jesse Herron, Board Member

MOTION PASSED: Unanimously

Meeting adjourned 5:22 pm.

Minutes submitted by: Dora Dominguez
Dora Dominguez, City Staff

Date: _____

Minutes approved by: Fred Mondragon
Board Chair

Date: _____