**City of Albuquerque**

**Lodgers’ Tax Advisory Board**

**Chairman:** Todd Walters **Board Members:**

**Co-Chairman:**  Brenda Moore

 Debi Owen

 Damen Kompanowski

 Harry Tipton

 Jesse Herron

**Minutes from December 8, 2016 Meeting**

Todd Walters, Board Chair, called the meeting of the Lodgers’ Tax Advisory Board session to order at 4:04 p.m. December 8, 2016 at the Albuquerque Convention Center, Kiva Board Room.

In attendance:

**Board Members City of Albuquerque Contractors**  Todd Walters Dora Dominguez, EDD Jose Garcia, SMG

Harry Tipton Gerald Romero, City Budget Office Brian Hatchitt, SMG

Harry Tipton Gladys Norton, City Budget Office Ernie C’DeBaca, AHCC

Damen Kompanowski Keith Reed, City Municipal Dvlp Connie Lee, AHCC

Debi Owen Chris Muirhead, City Bond Council Cecilia Marquez, AHCC

Brenda Moore Tania Armenta, Visit Albuquerque

 Valerie Lind, Visit Albuquerque

 Lindsay, Lancaster, IPCC

 Russell Pedro, AICCNM

 Ted Pedro, AICCNM

 Ana Sanchez, NHCC

 Kinsey Cooper, NHCC

Board Member; Jesse Herron, was not able to attend.

Guest: Charlie Gray, Executive Director Greater Albuquerque Innkeepers Association, (GAIA), John O’Hara, GAIA Member, Rebecca Plutino GAIA Member, Edward Lujan, NHCC, Sherman McCorkle, AHCC

 **WELCOME AND INTRODUCTIONS -**

1. **Approval of Agenda**: There were no additions /deletions to the agenda

 MOTION by: Harry Tipton, Board Member

 SECOND: Brenda Moore, Board Member

 MOTION PASSED: Unanimously

1. **Approval of Minutes**: Approval of October 27, 2016 Minutes

 The minutes completed with quorum present

 MOTION by: Harry Tipton, Board Member

 SECOND: Brenda Moore, Board Member

 MOTION PASSED: Unanimously

IN ADVANCE OF THE FORMAL AGENDA - Todd Walters, Board Chair, reminded the Board there would be a presentation by the City regarding the question submitted by the Greater Albuquerque Innkeepers Association (GAIA) at the October meeting. The question was for clarification of the City’s use of Hospitality Tax and the 2011 Convention Center Bonds for Improvement. City staff, as directed by the Board researched the issue and is here prepared to present the answer to the questions as submitted. The presentation and time for questions will be limited to ten minutes. For individuals interested in more detailed specifics related to the brick and mortar improvements funded through the use of municipal bonds; the City resources represented have agreed to meet separately as requested. Lodgers Tax Advisory Board is tasked with oversight of the tourism-marketing portion of funds generated from Lodgers and Hospitality Tax revenue sources.

1. **City Presentation** - The Lodgers Tax Advisory Board received a request for information from the Greater Albuquerque Innkeepers Association (GAIA) during its regular monthly meeting on September 22, 2016. How much money out of the two separate revenue funds ‘City’s Lodgers’ and ‘City Hospitality Tax’ were used to leverage for City bond improvements that were not specifically for Convention Center upgrades?

Dora Dominguez, City Staff, detailed the allowable uses of the separate funds. Bonds referenced are the 2011 Series Bonds. The Bond Ordinance authorized the issuance of sales of approximately $32 million of which $23 million was for Convention Center improvements.The Hospitality Fee portion ($14 million) of the revenue used to finance the 2011 bonds went to pay existing debt for improvement made on the convention center and convention center improvements only. The total cost of improvements was more than $23 million in Convention Center specific improvements and renovation. In addition, anything left after the annual debt payment remains available for Convention Center capital needs. The funding sources are often referred to as Lodgers Tax when in fact, there are two separate funds, and allowable uses of each that are different.

Gerald Romero, City Budget Office, provided handouts to the Board in advance of the meeting that detailed all the revenue sources leveraged for purposes of the large improvements financed. The opportunity to provide clarification on the allowable uses of the funding sources was acknowledged, as an appreciated opportunity.

* Of the 50% of Lodgers Tax Fee Revenue, it is important to note that neither the state statute nor city ordinance requires a portion must go exclusively to the Convention Center. Instead, municipalities must use a minimum of 50% for advertising and promotion but can also use funds for tourist related costs as detailed State Statute.
* The City of Albuquerque has chosen to use the remaining 50% of Lodgers Tax Revenue to pay debt service on bonds sold to make improvements.
* The Hospitality Fee portion ($14 million) of the revenue used to finance the 2011 bonds went to pay existing debt for improvement made on the convention center and convention center improvements only.
* The total cost of improvements was more than $23 million in Convention Center specific improvements and renovation. Finally, a reminder that after department services payments made each year anything left after remains available for Convention Center capital needs.
* City staff stood for questions. Hearing none, the meeting moved on to other items of business.
1. **Reports** - **City Treasurer’s Lodgers’ Tax Report**

Jerry Romero, City Budget Office, provided the City Lodger’s Tax Revenue & Hospitality Fee reports. The report forms are a new format first presented at the October Board meeting. The current revenues reported for FY’17 of Lodger’s Tax Revenue $3,211,974.91 The current revenues reported for FY’17 of Hospitality Tax Revenue was $2,402,000.00. Both fund amounts report a 5.56% increased on a prior year comparison. FY’17 highlights included a pay down the amount of delinquent taxes. For Fy’17 the amount of delinquent revenues collected for Lodgers Tax was $53,942.93 and for Hospitality Tax $10,788.58. September accrual was up 9.72% from prior year and cumulatively up 5.5% per quarter. The increase was identical in Hospitality Tax Revenue growth. City maintains one-month reserve in each fund just in case.

No further questions from the Board.

**Albuquerque Convention Center (SMG)**

Jose Garcia, Manager of the Albuquerque Convention Center, provided the SMG Report

* The ACC hosted 48 events within the month of October, with a total attendance of 24,096.
* Occupancy was at 56% for the month of October, with 4,762,836 sq. ft. of event space sold.
* Of the 48 events occurring in the month of October, ten (10) were repeat customers.
	+ SMG/ACC also booked 17 future events during the month of October.
* In October 2016, SMG booked a total 34 future events.

Booked Events:

* Christian Congregation of Jehovah’s Witnesses 1A
* Christian Congregation of Jehovah’s Witnesses 2A
* United States District Court-Naturalization Ceremony
* Miss New Mexico Indian Pageant
* Landry & Ludewig L.L.P. Mediation
* National Council Examiners for Engineering and Surveying
* Cotton Club Gala
* La Mesa RV Show
* Day of the Tread 2016
* Duke City Marathon
* NHS Global Events 2018 Annual Conference
* UNM School of Medicine School of Medicine-2017 NM HV Conference
* NM Aging and Long Term Services Department-2017
* Land Trust Alliance Rally 2019
* American Philatelic Society Stamp Show
* In the month of November, we anticipate a total of (24) non-city wide events and (0) citywide convention.

Other Highlighted Bookings:

* AHCC – Leads - Navajo Nation Motivational Meeting 2016
* AHCC – Leads – Navajo National Governance Conference 2017

Question: Board member Harry Tipton asked if he was correct in noting the number new business as groups he had not previously seen come to Albuquerque.

Answer: Jose said, there continues to be new business. For October, there were five new business bookings reported. Harry added it was very encouraging to see you all reaching out to get new business.

SMG introduced new sales manager, Brian Hatchett, who provided the Board with a brief overview of his career and industry background. Brian Hatchett was formally with **Kesselman Jones event management.**

**Albuquerque Hispano Chamber of Commerce**

Ernie CdeBaca, Vice President, Convention, and Tourism, Hispano Chamber of Commerce made the presentation.

Highlighted Activities Reported:

* AHCC completed its annual audit
* City Contract Approval Process Moving forward with the recommendation of a sole source contract to be implemented FY’18 as a three-year contract with the option two one-year renewals.
* For October, AHCC reported 1,135 non-center room nights and 3,605 center room nights. The total room nights for October was 5,188
* The current direct spending for visitors the month of November reported for non-center is $102,150 and for center was $360,500. The total direct spending for October was $485,050
* Outreach with Navajo Nation reported :
	+ Navajo National Governance Conference in 2017
	+ American Indian Chamber partnered event hosting
	+ Young Leaders for America Initiative scheduled for October and November 2016
* Hispanic Outreach Highlights:
	+ International Mentoring Institute
	+ Native American Outreach

Marketing;

* Kohanic Broadcast
* Clear Channel Airports
* Weller Communications – ABQ as a destination
* A summary of the AHCC tourism and conference staff has traveled was included in the presentation.

**Visit Albuquerque (Albuquerque Convention and Visitors Center)**

Report Highlights

* City slated to host a Citywide every month with the exception of one in 2017 with multiple pieces of business each month.
* December highlight is NM Gildan bowl. Visit Albuquerque is working with ESPN to broadcast event
* A total of 15 city-wide bookings up 66% up direct spend. Direct spend percent up primarily due to the national senior games booking in 2018
* Albuquerque Sunport reported several 10,000 traveler days this past year and expect more
* Reminder that numbers from last year and two years ago are lower than what the Board will see next year, which is predicted to be a great increase in numbers
* New Visitor’s Guide is at the printer and out soon
* Albuquerque tied with Orlando for best city for conventions designation

New revamp of the Visit Albuquerque website in 2017 that will allow the website to be viewable on multiple platforms including handheld-phone devices

* Visit Albuquerque staff to attend ACE conference for professional development/training
* Full review of Visit Albuquerque reports

Questions from the Board:

* Todd Walters; Asked what is the contributing factor to the lower travelers/visitor numbers in 2016

Answer: Tania Armenta stated several contributing factors the lack of flight options within a six-hour distance of Albuquerque was one reason cited as well as an overall down in tourism travel within the region.

Based on current bookings the sports market will see an increase in 2017 according to Visit Albuquerque.

**American Indian Chamber of Commerce**

Highlighted Activities Reported:

Report provided by Russell Pedro, Executive Director

* Attended Tesuque Travel Council to showcase the business and community resources and reasons for hosting meetings and conventions
* Minority Business Development Agency with the Department of Commerce out of Washington DC to discuss opportunities for a conference and match making with Native Americans, Native Alaskans, and Canadian Aboriginal entities
* Working with the American Indian Alaskan Native Tourism Association on hosting several events.
* Met with Mr. David Gaurkclick to discuss conference facilities for the upcoming Indian Land conference to be held in Albuquerque.
* Attended the Minority Business Development Agency Nat’l training in Denver Colorado
* Work closely with the small business administration and hosting the Leaders 200 program held at the Indian Pueblo Cultural Center and will be continuing on an ongoing basis.
* AICCNM continues its ongoing partnership with AIANTA to on the “International Tourism Market Place” Conference
* AICCNM assisted the Native American Training Institute (NATI) with booking the 7th Annual Native American Professional Education Program for Behavior Health Professionals (National Program) at the Hyatt Regency Albuquerque on June 24-30, 2017.
* AICCNM issued an invitation and reminder the annual Holiday Party is scheduled for December 15 2016.

Questions from the Board

* None received

**Indian Pueblo Cultural Center**

Report provided by Lindsay Lancaster, Marketing Director

Highlighted Activities

* IPCC reported they posted four advertisements on social media and have at least 15 more planned. Focus of advertising remains on Social Media with great results.
* Upcoming events: Resilience Run, August 2016, Balloon Fiesta and American Indian Arts Festival September and October
* November Veterans Day Celebration, Pueblo Film Fest, Robert Mirabal Concert Campaign, Pueblo Shop & Stroll & Holiday Events during November and December
* IPCC received a New Mexico Top Hat award from the NM Hospitality Association Award \*\*2016 Best Digital Campaign for its Face Book Badge campaign

Market Target:

* Geographic Targeting: Every ad targeted audiences in Arizona, Texas, Colorado, New York,

Florida and California. Some focused on specific cities like El Paso, Dallas, Phoenix, Tucson, and Denver, but saw more success with ads that targeted the whole state.

* Interest and Behavioral Targeting: In addition to geographic targeting, IPCC targeted audiences that have an interest in Native American culture, family experiences, and audiences most likely to travel. We have narrowed our audience drastically more from last year and have seen a growth in out-of-state visitors this year.

Results:

* Added fans for as little as $0.03 per fan
* Growth in number of fans on IPCC Facebook Page
* July 2016: 86,654
* December 2016: 96,189 ~60% are now out-of-state fans

**National Hispanic Cultural Center**

Report provided by Anna Sanchez, Foundation Director

Highlighted Activities

* Introduction of Kinsey Cooper, Marketing, & Public Information Officer. Kinsey is a new hire with NHCC.
* From July through September 2016, the National Hispanic Cultural Center (NHCC) expended approximately $6,189.25 of Lodger’s Tax funding and welcomed another 5,372 visitors from 120-miles or farther away, with an overall, indirect economic impact of over $1,568,566 dollars to the Albuquerque economy.
* Board was told next quarterly report would include a more detailed future outlook report component to be made by Rebecca

**New Business;**

* Dora Dominguez provided reminder the Marble Street Studio library launch of a free media library of both still photos and video clips of iconic Albuquerque area images. The library web site link is [www.freeABQimages.com](http://www.freeABQimages.com)

No further questions from the Board.

Motion to Adjourn: Harry Tipton, Board Member

 SECOND: Debi Owen, Board Member

 MOTION PASSED: Unanimously

Meeting adjourned 5:42 pm

Minutes submitted by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_\_\_

 Dora Dominguez, City Staff

Minutes approved by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_\_\_

 Todd Walters, Chair