

City of Albuquerque

Lodgers' Tax Advisory Board



Chairman: Fred Mondragon

Vice Chair: Tushar Patel

Board Members:

Jesse Herron

Kara Grant

Cathryn McGill

Sean Jariwala

Philip Snyder

Minutes from January 24, 2019 Meeting

The regular meeting of the City of Albuquerque Lodgers' Tax Advisory Board was held on Thursday, January 24, 2019 at 4 p.m., at the One Government Center (ED Department Conference Room). Fred Mondragon, Board Chair, called the meeting to order at 4:20 p.m. Meeting start delayed due to room assignment changed from Mayor's Conference Room to ED Conference Room.

In attendance:

Board Members

Fred Mondragon

Jesse Herron

Kara Grant

Sean Jariwala

Tushar Patel

Cathryn McGill

Philip Snyder

City of Albuquerque

Dora Dominguez, Staff

Cilia Agliodoro, City Treasurer

Alan Varela, City Legal

Rene Martinez, City Finance

Contractors

Jose Garcia, SMG

Tania Armenta, Visit ABQ

Valerie Lind, Visit ABQ

Jim Garcia, AHCC

Connie Lee, AHCC

John Lewis, AHCC

Yuri Morales 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. Change to the agenda was requested to move the final approval of Lodgers' Tax Board Quarterly Report for submission to Mayor and City Council requested by Chair and approved.
 - **Motion to Approve Agenda with changes as requested** by Tushar Patel
 - Second** by Jesse Herron
 - Motion Passed** - Approval of Agenda as Changed Carried Unanimously
- III. **Motion To Approve Meeting Minutes from both November 29, 2018 Minutes and Special Board Meeting, December 4, 2018 with changes noted were approved:** Change/addition requested by staff was the addition of Board question requesting information of how the public can support, help/participate as volunteers with upcoming National Senior Olympics – June 2019.
 - Motion to Approve** Agenda by Tushar Patel
 - Second** by Philip Snyder
 - Motion Passed** - Approval of Agenda Carried Unanimously
- IV. **Lodgers' Tax Board Quarterly Report Final Draft Review – Chair.** City of Albuquerque Lodgers' Tax Advisory Board second quarterly report (FY'20).are required by ordinance to provide ongoing review and issue quarterly reports advising the Mayor and City Council on the expenditure of funds authorized by Section 3-38-15 NMSA 1978 for advertising, publicizing and promoting tourist attractions and facilities in the city. The report was included in the board packets and distributed in advance of the

meeting for edit and review. The example of successful use of previous incentive funds decided to use for the report was the current bookseller's conference.

- Opportunity Fund (Incentive Fund) Update Report. The LTAB recommends, with hospitality industry support, the creation of an incentive fund. The fund also referred to as a **Contingency for Promotions or Opportunity Fund** represents a portion of a two year estimate of revenue from the voluntary agreement between the City and Airbnb. The contingency is a new reserve intended to offset rental space, shuttle, and other incentive costs necessary to secure large convention bookings (defined as more than 650 rooms on peak hotel room nights) and hosted at the Convention Center. The most recent American Booksellers Association convention that occurred January 21-25th is an example of the benefits of the FY17 Opportunity Fund. Visit Albuquerque had been working the account for over a decade and the availability of the funds to help with shuttling and other competitive obstacles finally secured the group. The Convention Center alone brought in a direct spending impact of over \$1.1 million (determined on booking data) and upon arrival the group produced room nights far greater than expected in FY18.

V. Chairman Reports

Treasury Report(s) - Cilia Agliadoro, City Treasurer, provided the Lodgers' Tax Advisory Board Reports. Lodgers' and Hospitality Tax Reports Reviewed with copies provided in the Board Packets. Additionally the Delinquent Report for Lodgers' and Hospitality Tax collection was also reviewed with a copy provided in the Board packets and distributed to meeting attendees with meeting agenda and previous board prior month's draft meeting minutes.

- AirBnB Updated - Budgeted revenue updated for FY'19 was provided.
- Revenue Report Highlight – Collection Revenues for Lodgers' & Hospitality Tax remain on track and reporting a \$500,000 to \$600,000 anticipated projected excess in budgeted reviews.
- FY20 Budget Hearings for the City begin February 2019 with final FY20 Budget approval scheduled for March 1, 2019.
- Welcome newest Lodgers' Tax Advisory Board member, Kara Grant. Ms. Grant's appointment to the Lodgers' Tax Advisory Board was confirmed by the Albuquerque City Council on Monday, January 7, 2019. Ms. Grant will serve as a Tourism Related Industry representative and her first term will expire August 1, 2021. She will replace Debi Owen, whose term expired – August 2018.

Contractor Reports

V. **SMG Monthly Report – Monthly Report November 2018** – Jose Garcia, SMG, provided the board report. Report also included copies provided to the board of the SMT Third Quarter Corporate Report.

- Board Question: regarding what if any changes to the capital improvement request to the facility would be optimal before the final Lodgers' Tax report/recommendation is submitted to Council?
- ANSWER: Jose Garcia – will submitted an updated project list in priority order to

Repeat Business – report provided

Future Business – report provided

Business Turned Away – report provided

NOTE: After November closure for winter the ARSC is now open and booking events

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

Highlights/News

- Reminder of the new procedure to secure hotel and convention center contracts – before business is booked as definite Visit ABQ now requires a signed agreement in place.
- New visitor center in Old Town is getting close to completion w/lease to be finalized.
- 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 11 of full Lodgers' Tax Report Submitted
- Tradeshows/Industry Meetings
 - Religious Conference Management Association, Greensboro, NC
 - Independent Planner Education Conference, San Antonio, TX
 - Destination Showcase, Washington, DC

VII. Albuquerque Hispano Chamber of Commerce 1st Quarter Report (July, Aug, Sept, Oct) Report –Jim Garcia AHCC, provided the Board Report. AHCC Report and handouts provided. Activity highlights for October report included:

- *Monthly Report*
 - No center bookings for November reported
 - New partnerships with Navajo Nation continue
 - SiABQ.com now features video promoting the Volaris direct flights between Guadalajara and Albuquerque.
 - AHCC - Non Center attendance reported 1,568
 - YTD Center attendance reported 1,350 (*same as reported July, October*)
 - *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

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

Highlighted Events/Media & Marketing:

- Lulac Hispanic Heritage Programs
- Continue to work leads with the Society of Hispanic Engineers
- 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
- Possible creation of a Johnny Tapia Museum
- International Trade Committee continue to meet

Other Highlights

- LULAC 2021
- Native American Music Festival scheduled for November 2019
- Trade Mission to Peru scheduled for November 26, 2018
- Volaris flights to Guadalajara – general discussion. Value tourism at \$250 roundtrip
- Gathering of Nations reporting a 14% increase in advance ticket sales as of January 24, 2019. Great news
- Fiesta Flamenco – attendance expected to increase from prior year due to added instructors and featured performances
- Annual AHCC Noche Encantada – scheduled for Saturday, February 9, 2019

VIII. New Business & Announcements

- **Coop Advertising Grant Fund Idea & Best Practices** – General discussion. No final action

- **Short Term Rental task Force Meeting Update** – Tushar Patel and Jesse Herron provided a brief update, which included summary of other city’s being researched of eight cities for best practice ideas.

No action required.

IX. Motion to Adjourn:

MOTION BY: Tushar Patel, Board Member

SECOND: Jesse Herron, Board Member

MOTION PASSED: Unanimously

Meeting adjourned 5:45 pm.

Minutes submitted by: *Dora Dominguez*
Dora Dominguez, City Staff

Date: _____

Minutes approved by: _____
Fred Mondragon
Board Chair

Date: _____

DRAFT