

City of Albuquerque

Lodgers' Tax Advisory Board



Chairman: Damen Kompanowski

Board Members:

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

Minutes from June 28, 2018 Meeting

The regular meeting of the City of Albuquerque Lodgers' Tax Advisory Board was held on Thursday, June 28, 2018 at 4 p.m., in the Kiva Boardroom at the Albuquerque Convention Center, board chair, Damen Kompanowski, Chairman called the meeting to order at 4:09 p.m.

In attendance:

Board Members

Fred Mondragon
Jesse Herron
Cathryn McGill
Sean Jariwala
Tushar Patel
Synthia Jaramillo

City of Albuquerque

Dora Dominguez, Staff
Cilia Aglioloro, City Treasurer
Marsha Sanchez, Treasury
Kerry Foster, Treasury IT

Contractors

Bernie Herrera, SMG
Valerie Lind, Visit ABQ
Kristin McGraff, Visit ABQ
Jim Garcia, AHCC
Connie Lee, AHCC
Jordan Guether, IPCC

Guest:

Charlie Gray, Greater Albuquerque Innkeepers Association (GAIA), Coralee Quintana, eXp Realty LLC; Todd Walters, Legacy Hospitality Inc.; Sandra Sue Mead, USSR, USO King/Queen World

I. WELCOME AND INTRODUCTIONS –Approval of Agenda: Damen Kompanowski, Board Chair chaired the meeting.

MOTION by: Fred Mondragon, Board Member

SECOND: Jesse Herron, Board Member

MOTION PASSED: Unanimously

II. Adoption of Agenda – Additions/Deletions to Agenda – Chair

MOTION by: Fred Mondragon, Board Member

SECOND: Jesse Herron, Board Member

MOTION PASSED: Unanimously

III. Call to Approve Minutes: Approval of minutes May 24, 2018.

MOTION by: Tushar Patel, Board Member

SECOND: Fred Mondragon, Board Member

MOTION PASSED: Unanimously

IV. Chairman Reports

- City Treasury Report(s) & Presentation – Cilia Aglialoro, City Treasurer, provided the Lodgers’ Tax Advisory Board Reports. Included in the report was the timeline for automating the payment process of Lodgers’ and Hospitality Tax. The CABQ Tax payer Online Payment System (CABQ TOPS) Project Update. The purpose of TOPS is to save time and reduce paper usage by moving Lodgers tax & Hospitality Fees paid by the 25th of each month. Also included in the move to automated payment system are Liquor Permits (paid annually) and Pawn Broker Permits (paid annually).
 - Questions asked by the Board are how strict would the City be on the payment by the 25th of each month and how much of grace period for smaller lodgers would be provided.
 - ANSWER: Yes, the City collections system is working with the manageable number of lodgers to insure everyone complies with online payment.
- Comparing FY’17 and current FY’18 revenues. Lodgers and Hospitality Revenues track month to month thru April is up by 7.18% growth. Year to date, the revenue increase for FY’18 Lodgers’ Tax (July – April) was \$10,590,215.29, compared to FY’17 (July-April), which was \$9,880,681.56. The current revenues reported for FY’18 for Hospitality Tax Revenue (July–April) was \$2,118,044.37, compared to FY’17 (July – April) revenues of \$1,976,135.12. Both fund amounts report 7.18% increase over prior year with AirBnb funds included and a 5.43% increase w/o AirBnB funds reflected.

NOTE: The difference of Revenue for January to February was again discussed. Due to late payment received in February (the Albuquerque Marriott payments was received 04/18/18) of approximately \$44,000. Given the payment was not posted in February the revenue receipts reflect a decreased amount from January to February. Board preference remains for the City to be able to note that adjustment.
- Lodgers’ Tax Delinquent Summary Report FY’18 – Cilia Aglialoro, City Treasurer
 - Highlighted items: The collections amounts for revenue months March thru June for 165 lodging entities includes seven delinquent accounts and five liens in placed for a total amount of lodgers’ tax owed of \$128,093.93 down from \$134,136.81 in May.
 - City currently audits five hotels/lodgers per year.
 - AirBnB reported lodgers’ and hospitality tax collected YTD (November thru April) is \$173,450.64 up from \$105,085.41 reported in April.
 - Noted Booking.com now exceeds Airbnb in short term rental industry
 - Route 66 Hostel and delinquent account amount of \$78,270.61 remains active and potential close to resolution.
 - City Lodgers’ Tax will have new City legal representation. Eric Locher former attorney that oversaw Lodgers’ Tax is no longer with the City.
 - City Budget Update –FY’19 Budget passed by City Council. Lodgers’ Tax appropriations remained unchanged as proposed with a budget projects estimate of \$13.5 million for FY19 budgeted which reflects about 3.3% growth over prior year.
 - The Lodgers’ Tax Advisory Board Remains interested in its continued input towards the large events and the City’s in advance of decisions made to commit lodger’s tax.

- Suggestions for the Board to submit recommendations early on during the budget decision making process.
- Board Q & A
 - **QUESTION:** Board question regarding the delinquency status of lodging establishment and the process for legal action.
 - **ANSWER:** City Treasure response was that delinquent amounts increase monthly with City Treasury tasked with keeping the balances owed current. More information to be researched with respect to how long an operation can operate and not collect and remit lodgers' and hospitality tax remains pending.

Presentations:

- Indian Pueblo Cultural Center Q3 & Q4 Lodgers' Tax Presentation – Jordan Guether
 - Social Targeting of users 75 plus miles away with heavy emphasis in CA, TX and Southern NM
 - Expanding to states in the east and Mexico
 - Focus on visitors looking to travel with interest Native American culture excluding people that already “like” IPCC page.
 - Overall performance statistics for Facebook and IPCC RootsRatedMedia by monthly reporting.
(A complete presentation handout provided to Board to be filed with meeting attachments)
- Attendance numbers year today in April during Gathering of Nations was down compared to prior year. (April 23/2018 thru April 29, 2018) by 7%.
- Question whether the concierge referral services remains in place at IPCC to insure hotels are kept up to date on the happening at IPCC
- Question: Cathryn McGill, Board Member regarding the possibility of IPCC new hotel property in combination with the exiting hotel property would be receptive to a voluntary collection of lodgers' tax being collected to support the City's overall tourism/promotion activity?
 - Board discussion with a call for motion requesting the "ask" be made to IPCC Management addressed to Mike Canfield requesting consideration of a voluntary collection of hospitality tax.
 - MOTION by Cathryn McGill, Board Member
 - SECOND By Fred Mondragon, Board Member
 - MOTION PASSED: Unanimously

Contractor Reports

Primary Contractor Reports

- V. **SMG Monthly Report – Monthly Report May** – Bernie Herrera, SMG, provided the board report.
- The ACC hosted 46 total events within the month of May for a total occupancy of 32%, with a total attendance of 31,970 at the Convention Center alone. ACC and Civic Plaza held 33 events. Occupancy for ARSC was at 49% for the month of May.
 - In May of 2017 SMG/ACC held 36 Events
 - Occupancy was at 32% for the month of May, with 2,819,186 sq. ft. of event space sold.
 - Occupancy for May, 2017 was at 34%.

Leads:

- No longer reported/leads from AHCC to be reported. AHCC to report leads within its respective report.

Repeat Business

- Of the 46 Events that occurred in the month of March, thirteen (23) were repeat customers.

Future Business

- SMG/ACC also booked a total of twenty-six (23) future events during the month of May, 2018. In May, 2017 we booked a total 16 future events.

Business Turned Away

- Seven (7)

Question from the Board

- Questions regarding Civic Plaza and whether improvements on the Plaza are contributing more use by visitor and conference attendees.
 - Specifically how is the Prado Exhibit on Civic Plaza working to support visitor and convention traffic at the Convention Center? The Prado requires the exhibit to be provided to the public for free and it to be outdoors. The ability to feature the exhibit on Civic Plaza was referenced as a success and added visitor attraction. The 92 masterpieces from the collection of Spain's Museo Nacional del Prado remains on display on Civic Plaza. The traveling exhibit was on display at Cathedral Park in Santa Fe from May to Oct. 29, 2017.
- Update on the final five-year contract awarded to SMG to management Convention Center, Civic Plaza and ARSC.
- What are the other events planned for the Sportsplex?
- How 40% compares to other cities and the highest occupancy to date. That would be December 2017 with HB utilizing the entire facility.
- General discussion regarding strategies for attracting more events to the Convention Center.

VI. Visit Albuquerque - Monthly Report June – Kristin McGraff, Visit ABQ, provided Board Report

- Report and overview of Board Report and handouts provided included following highlights:
- Hotel occupancy up 2.3% calendar-year-to-date. Occupancy tracking up and ahead of the industry comp-sets. Booked direct spend was up in April. Booked room nights reported up 2% for May. Advertising impressions continue to increase from last month through December and May year to date. Twitter growth continues to increase and reported up by 22%. Number of booked tours down 0.8% for May and remains the same as prior month compared to prior year. Booked events are up May compared to last year. Last year May was 20 this year May the number was up to 47. Meeting planner tours going well.
- New website launched with website visitation down overall by 9.6%. The overall decrease in activity was anticipated as part of the new website launch due to the time it takes for Search Engine Optimization.
- City-wide's reported as 18 new booked for a total of 50 booked.
- Sporting event bookings as of May reported an increase at 114.
- Earned media coverage January 2018 YTD remains strong (Barcelona Rating 100%)
- Visitor Guide fulfillments down and reported as an industry overall trend.
- Old Town Visitor Center update on the selection of the new location. Final announcement pending. Location to offer enhanced visitor services and public bathroom facilities

Travel

- Team just hosted Artisanal ABQ Press Trip with five journalists; plus one site visit with German Journalist Ralf Johnen.

- Attended Military Reunion Planners
- IPW- Travel USA Tradeshow
- World Educations Conference - attended with SMG partnered on this Conference
- The Board packet was referenced for added detail and more metrics on activities tracked and reported.

Questions from the Board

- QUESTION: How room night pickups are confirmed and how the “room night pickup report” is calculated
- QUESTION: General question and discussions about city-wides and how booked room nights are calculated. Also, Visit ABQ provide overview on how meeting planners are great resources for providing very specific information with respect to knowing how many room nights a meeting requires.
- Added clarification included current practices by VisitABQ board to audit meeting planners and the room nights confirmed once an event takes place.

VII. Albuquerque Hispano Chamber of Commerce Monthly Report – March –Jim Garcia AHCC, provided the Board Report. AHCC Report and handouts provided. Activity highlights for February-March report included:

- *Monthly Report – May Report*
 - No center bookings for May reported with 3,307 Non Center attendance reported
 - *YTD Center attendance reported as 24,382 and Non Center attendance at 71,042 and 2,370 Sports bookings reported*
- Economic Impact and Event Reach – Out of State Visitors
- Economic Impact of 31st International Flamenco Festival provided
 - \$1.3 Economic Impact in 2017 (Fiscal Impact Analysis contracted by AHCC and provided by UNM.
 - NOTE: it is an updated fiscal impact analysis for Gathering of Nations that has been requested of AHCC by the Lodgers’ Tax Advisory Board.
- General discussion about how room nights are calculated with general feedback on how numbers reported for GON merit revision. At 60,000 room nights not possible given there are only 20,000 total rooms available in the city both full-service and non-full services lodging.
- International PowWow Gathering of Nations – General discussion followed
- Mariachi Isotope Game May 5, 2018 and June 26. Very successful. Merchandise is flying off the shelves.
- Medical Tourism discussed and opportunity with general board discussion
- International Trade/Tourism with lessons learned and model to follow being utilized includes Tucson, AR, which does billions in trade/tourism with Mexico

Media & Marketing

International Trade Committee

Seven out of nine conference hosted in Albuquerque for May were Native American related.

Attended Unidad Conference

Current Leads

- LULAC 2021

Questions from the Board

- As of May 24, 2018 AHCC is still working on the three weeks out and three weeks after economic impact required reporting for GON.

VIII. City Update – Synthia Jaramillo, ED Director

Update provided of the new administration's "One Albuquerque" messaging and economic development priority/framework

IX. New Business & Announcements:

Decision to host July meeting at the Regional Sportsplex Facility was approved – no motion required. City staff will coordinate the details related to hosting the July meeting at ARSC on July 26, 2018. Our thanks to the SMG Team for their assistance in advance.

X. Motion to Adjourn:

MOTION BY: Tushar Patel, Board Member


SECOND: Fred Mondragon

MOTION PASSED: Unanimously

Meeting adjourned 5:22 pm.

Minutes submitted by: Dora Dominguez
Dora Dominguez, City Staff

Date: July 26, 2018

Minutes approved by: 
Damen Kompanowski, Chair

Date: 7/26/18