Minutes from February 23, 2017 Meeting

Todd Walters, Board Chair, called the meeting of the Lodgers’ Tax Advisory Board session to order at 4:04 p.m. February 23, 2017 at the Albuquerque Convention Center, Kiva Board Room.

In attendance:

**Board Members**
- Todd Walters
- Harry Tipton
- Damen Kompanowski
- Jesse Herron

**City of Albuquerque**
- Dora Dominguez, EDD
- Gladys Norton, City Budget Office

**Contractors**
- Jose Garcia, SMG
- Tania Armenta, Visit ABQ
- Valerie Lind, Visit ABQ
- Connie Lee, AHCC
- Cecilia Marquez

**Board Members**: Brenda Moore and Debi Owen were not able to attend

**Presenters**: Jen Schroer, Pres/CEO, NM Hospitality Association; Amanda Powers, Consultant, Kinship Consulting

**Guest**: Charlie Gray, Executive Director Greater Albuquerque Innkeepers Association, Ron Patel, Albuquerque Sol; Larry Espinoza, Albuquerque Sol; Rachel Miller, Council Services; Tom Menicucci, Council Services

**WELCOME AND INTRODUCTIONS** -

I. **Approval of Agenda**: The approval of the agenda was moved to later agenda item until full quorum was present. Items III and Item IV were moved to further in the Agenda after Item V – Downtown Soccer Stadium feasibility Study.

II. **Approval of Minutes**: Approval of December 8, 2016 Minutes was moved to later in the agenda until full quorum was present. The minutes completed with quorum present
- MOTION by: Harry Tipton, Board Member
- SECOND: Brenda Moore, Board Member
- MOTION PASSED: Unanimously

III. **Presentation** - Downtown Soccer Stadium Feasibility Study Update – Amanda Powers, Kinship Consulting

a. Project Background provided included a 30-year summary of Amateur Soccer in New Mexico. The project will feature the construction of a 120 X 80 yard grass pitch, electronic scoreboards, corporate offices, concession areas, player locker rooms, 15 luxury suites, premium club seating for season ticket holders...
holders, ticketing booths and a 2,500 space paved parking lot. The new stadium would meet the USL requirements for fan amenities and capacity seating. The feasibility study is to assess:

- Advancement into the USL by 2018
- Escalating franchise fees—currently $5M
- USL will require a 10,000 seat stadium by 2020
- No existing facilities in ABQ meet USL requirements
- The USL is a strategic partner of the MLS
- Seeking large TV market areas
- Filling geographical gaps for travel schedule in the Southwest

Study Components

- Economic impact region
- Market analysis
- Projected operational costs and net operating income available for debt service
- Funding potential with the use of facility fees and/or stadium surcharge
- Economic impacts of stadium construction and operations
- Economic impact of ancillary community spending
- Fiscal impact analysis of in-stadium and team spending
- Qualitative benefits

Sites being considered:
- Sawmill District
- Railyards
- Lomas & Broadway

IV. Presentation NM Hospitality Association – Short Term Rental Market – Jen Schroer, Pres/CEO

a. New Mexico short-term rental market is no longer an afterthought: The Findings: With recent technology disruptions and online booking agents, the short-term rental market is now a major global tourism player. Airbnb, one of these online platforms, has surpassed Marriott International (the leading hotel chain in the world according to Smith Travel Research) in the number of rentable rooms across the globe. These properties largely operate in the dark without collecting tax (Gross Receipts Tax and Lodgers’ Tax) or complying with public safety regulations and licensing.

b. In January 2017, New Mexico Hospitality Association commissioned an independent census of the short-term rental market in New Mexico. This includes rental properties that are intended to be rented to consumers for less than 30 days.

Statewide Initial Findings:
- 4,076 number of short term rental properties
- 9,296 number of short term rental rooms
- $2.6 million of potential revenue from Lodgers’ Tax*
- $4.3 million of potential revenue from Gross Receipts Tax*
- 76% of the properties were identified as multiple properties OWNED BY ONE OWNER

What does this mean for New Mexico? The need for parity; Need for Unified Enforcement Definition; Need for a Statewide Solution

Moving forward the action items identified were:
- Removing Exemption G from the “Exemptions” section of The Lodgers’ Tax Statute (3-38-16) will formalize all short-term rental properties, streamline local enforcement efforts, and create a level playing field for the entire lodging community.

V. Reports - City Treasurer’s Lodgers’ Tax Report
The current revenues reported for FY’17 report provided by Dora Domingues. Lodger’s Tax Revenue $6,123,284.54 The current revenues reported for FY’17 of Hospitality Tax Revenue was $1,224,655.00. Both fund
amounts report a 4.97% 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 thru Dec 2016 was $135,283.48. Additionally the Lodger’s Board was informed of the receipt of one delinquent account of $18,362 from one of the delinquent establishment. The number of Lodging Establishments on the Delinquent Report fell from six to five form July to December 2016.

City maintains one-month reserve in each fund just in case.

No further questions from the Board.

VI. Approval of Agenda - Was administered after the Treasurers Report
   a. MOTION by: Harry Tipton, Board Member
      SECOND: Jesse Herron, Board Member
      MOTION PASSED: Unanimously

VII. Approval of Minutes: Approval of December 8, 2016 Minutes was administered after the Treasurers Report
   a. MOTION by: Harry Tipton, Board Member
      SECOND: Damen Kompanowski, Board Member
      MOTION PASSED: Unanimously

VIII. Albuquerque Convention Center (SMG)

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

- December – SMG hosted 38 events within the month of December, with a total attendance of 34,532.
- Occupancy was at 56% for the month of December, with 7,966,611 sq. ft. of event space sold.
- Of the 38 events occurring in the month of December, thirteenn (13) were repeat customers.
  o SMG/ACC also booked 14 future events during the month of December.
- In December 2016, SMG booked a total 11 future events.

Booked Events:
- Land Trust Alliance Rally 2019: The National Land Conservation Conference
- 2018 Joint Conference of Librarians of Color
- 2017 Native American Conference on Special Education
- Self-Governance Communication & Education 2018 Symposium
- National Indian Education Association 2020 Annual Meeting
- USA Archery US National Indoor Championships
- January - SMG booked a total of 25 non-city wide events and zero city-wide conventions.
  o The SMG hosted 28 events within the month of January, with a total attendance of 5,446.
  o Occupancy was at 44% for the month of January, with 6,205,535 sq. ft. of event space sold.
    o Occupancy for January of 2016 was 53%
  o Of the 28 events occurring in the month of January, seven (7) were repeat customers.
  o SMG also booked 30 future events during the month of January.
  o In January 2016, SMG booked a total 11 future events.

Question: What is the status of the City’s efforts to book the National Outdoor Industry Association national conference?
**Answer:** The event has a minimum requirement of space that would be three times the total indoor space at the Convention Center. VisitABQ appreciates the challenge and will make its best attempt in partnership with SMG to respond to the event RFP once released.

**IV. Albuquerque Hispano Chamber of Commerce**

Cecilia Marquez, and Tourism, Hispano Chamber of Commerce made the presentation.

Highlighted Activities Reported:
- AHCC reported seven non-center bookings for December for 1,161 non-center room nights and 22,332 center room nights. The total room nights for December
- The current direct spending for visitors the month of December reported for non-center is $104,490 and for center was $360,500. The total direct spending for December was $81,782
- Second Quarter (Oct., Nov. Dec) submitted as part of the report:
- 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.

**Announcements:** City Contract Approval Process completed recommendation of a sole source contract to be implemented FY’18 as a three-year contract with the option two one-year renewals awarded to the Hispano Chamber of Commerce.

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

Report Highlights
- City booked business for sports tourism continues a faster pace than this time last year. National Archery, Volleyball, Gymnastics and the Harley Owners Group all booked with scheduled dates between now and April 2017.
- Convention Center bookings increasing opportunities are credited to new marketing strategies implemented.
- Native American press tour booked to take place during Gathering of Nations PowWow
- A total of 9 city-wide bookings. Average daily rate up 2.5% for November
- Albuquerque Sunport traveler days continues to increase compared to this time last year
- 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 now out and available
- 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
- Based on current bookings the sports market will see an increase in 2017 according to Visit Albuquerque.
- Visit Albuquerque staff to attend ACE conference for professional development/training
- Full review of Visit Albuquerque reports

No Questions from the Board

**New Business:**
No further questions from the Board.

Motion to Adjourn: Harry Tipton, Board Member
    SECOND: Damen Kompanowski, Board Member
    MOTION PASSED: Unanimously

Meeting adjourned 5:42 pm

Minutes submitted by: Dora Dominguez __________   Date: ___3/23/17_________
Dora Dominguez, City Staff

Minutes approved by: Damen Kompanowski __________   Date: ___3/23/17_________
Todd Walters, Chair      in T. Walters absence minutes were signed by
Damen Kompanowski, Board Member -