

City of Albuquerque

Lodgers' Tax Advisory Board



Chairman: Todd Walters
Co-Chairman: Harry Tipton

Board Members:
Brenda Moore
Debi Owen
Damen Kompanowski
Jesse Herron

Minutes from June 22, 2017 Meeting

Todd Walters, Chairman, called the meeting of the Lodgers' Tax Advisory Board session to order at 4:03 p.m. June 22, 2017 at the Albuquerque Convention Center, Kiva Board Room.

In attendance:

Board Members

Harry Tipton
Damen Kompanowski
Debi Owen
Brenda Moore
Jesse Herron

City of Albuquerque

Dora Dominguez, EDD
Sara Werner, EDD
Cilia E. Aglialoro, City Treasurer

Contractors

Brian Hatchitt, SMG
Tania Armenta, Visit ABQ
Valerie Lind, Visit ABQ
Cecilia Marquez, AHCC
Kinsey Cooper, NHCC

Special Presentation: 2019 National Senior Olympics - Jorja Armijo-Brasher, Director, Department of Senior Affairs, Rhonda Methvin, Department of Senior Affairs and Karen Lopez, Fiscal Manager, Department of Senior Affairs

WELCOME AND INTRODUCTIONS

- I. **Approval of Agenda:** Todd Walters Board Chair, chaired the meeting. There were no additions/deletion to the Agenda
MOTION by: Debi Owen, Board Member
SECOND: Damen Kompanowski, Board Member
MOTION PASSED: Unanimously
- II. **Approval of Minutes:** Approval of minutes April 27, 2017. There was no meeting in May. There were no additions/deletion to the Minutes
MOTION by: Debi Owen, Board Member
SECOND: Damen Kompanowski, Board Member
MOTION PASSED: Unanimously
- III. **Reports**
City Treasury Report(s) & Presentation – Cilia E. Aglialoro, City Treasurer, provided the Lodgers' Tax and Hospitality Tax Revenue Summary Reports to the Board and the Lodgers' Delinquency Report. Lodgers and Hospitality Revenues continue to track month to month at about 3% growth. Year to date the revenue increases over last year are at \$360,000.

- The current revenues reported for Lodger's Tax Revenue \$9,911,908.81 represents a 3.06% year to date increase over last year. The current revenues reported for FY'17 of Hospitality Tax Revenue was \$1,946,159.23. Both fund amounts report a 3.58% increase over prior year comparison. FY'17 highlights included a pay down in the amount of delinquent revenue. For FY'17 the amount of delinquent revenues collected for Lodgers Tax as of April 2017 was \$36,221.34.
 - The number of Lodging Establishments on the Delinquent Report fell from six to three for April 2017. Concerned expressed from lodgers located on Central as the reason they have not been able to make negotiated payment on delinquent amounts owed. City Finance is scheduled to meet with those lodging establishments next week to renegotiate terms and to work with the business owners.
 - Board Q&A: *No questions from the Board regarding the Treasury Report*

IV. AirBnB Update –Dora Dominguez, ED Staff Report: City staff is proceeding with a plan to negotiate a Voluntary Collections Agreement (VCA) with AirBnb has been initiated. The City's requests for revising the agreement are currently under review by AirBnB. The estimated amount of new revenues expected to be generated by the agreement is approximately \$170,000. One half of the amount is to dedicate to the same lodgers' tax uses currently in effect. Half of the revenues would be dedicated to debt services of Convention Center and Civic Plaza renovations/improvements.

V. Presentation - 2019 National Senior Olympics presentation was made by Jorja Armijo-Brasher, Director, Department of Senior Affairs and Karen Lopez, Dept of Senior Affairs.

Report Highlights – It was through a highly competitive process Albuquerque was chosen as the host city for the 2019 National Senior Games. This event will attract tens of thousands of competitors and spectators from around the country and the world. The Senior Games are played every two years and began in St. Louis in 1987. The National Senior Games includes 19 sports for women and men. Individuals 50 years old and better compete in sports like archery, basketball, bowling, golf, pickle ball, softball, and swimming.

The bidding process to have Albuquerque selected for this prestigious honor took several months. In 2015, the City of Albuquerque partnered with Visit Albuquerque and the University of New Mexico to create and submit a proposal to host the games. As a result of the proposal, the National Senior Games Association (NSGA) visited the Albuquerque area and toured a variety of venues including university sports complexes and city facilities. After the site visit, representatives from the City of Albuquerque were invited to Birmingham, Alabama to make a final presentation to the NSGA Board of Directors. This national event will produce a great public-private partnership. The title sponsor of the Senior Olympic Games is Humana Health. Total sponsorship required to support the games in 2019 is estimated at \$3 Million. Total cost to host the games in 2019 estimated as \$5 million. The National Senior Games, which has been held every two years since 1987, is the largest multi-sport event in the world for people 50 and over to qualify. The economic impact of the event to the City and the State is \$34.4 million with an estimated

16,000 in booked rooms expected. The total event budget is \$5,250,767.77 with \$2.5 million already allocated by the City to support the event.

The Department of Senior Affairs committed to provide ongoing event updates to the Board on an ongoing basis for the next two-years. *(A copy of the presentation was submitted for Board record)*

Contractor Reports:

- VI. Visit Albuquerque (Albuquerque Convention and Tourism Department)** – Tania Armenta, Visit ABQ provided the report and provided an overview of report handouts. Hotel occupancy booked nights is up 35%, website activity up 1.3%. Advertising impressions were down for April. Twitter growth continues to increase with convention bookings at its highest rate since 2015.
- o Current group meeting in Albuquerque is the National Lutheran Women’s Conference. The direct spend for just this event calculated at \$2.6 million.
 - o New VP of Sales position has been hired. Kristin McGrath assumed her new role on June 12, 2017.
 - o The City along with a host of city and state destination organizations are finalizing a eight page Southwest Airlines insert for the August edition. The travel insert will include place to see in New Mexico and highlight both City and State as tourism, convention and conference destination.

Question: Board Chairman, Todd Walters asked what the contributing factors were to loss sports events and if it was truly about weather and climate?

Answer: To be research further and reported back at the next meeting and directly via email to the Board

Question: What was the reason for the decrease of marketing impressions?

Answer: VisitABQ is exploring other impact matrix to better track what they believe is better results given the greater investment spent on marketing and advertising.

- VisitABQ held its annual meeting on May 24, 2017
- Reasons given for current success included:
 - The significance of securing the National Speech and Debate Event in 2020 is significant
 - Stronger partnerships with Albuquerque Convention Center
 - Strong team at VisitABQ

Upcoming Tradeshows/Industry Meeting list taken from the report handouts included:

- Jun 3-7: IPW, Washington, DC (3 hotel slots open)
- Jun 6-8: SGMP National Education Conference, Ft Lauderdale, FL
- Jun 11-14: PCMA Education Conference, New York City, NY
- Jun 12-16: CVent CONNECT, Las Vegas, NV (2 hotel slots open)

No Additional questions from the Board

VII. SMG Report

- The Albuquerque Convention Center hosted 36 events within the month of May, with a total occupied space of 3,720,525 sq. ft.
- Occupancy was at 26% for the month of May
- Of the 36 events occurring in the month of May, fourteen (16) were repeat customers.

- SMG/ACC also booked a total of 26 future events during the month of March.
- In February 2016 SMG booked a total 25 future events up from 23 May 2016.

New Leads from HCC

- Society for Hispanic Professional Engineers

Question: Board Chair asked what drove the decrease in booked events in May but still reached a record number of attendees at events hosted at the Convention Center.

Answer: Given the size of the booked events Albuquerque saw an increase in attendees. Smaller number of booked events for May were actually larger attended events.

No other questions from the Board

VIII. Albuquerque Hispano Chamber of Commerce - Cecilia Marquez, AHCC, Hispano Chamber of Commerce made the presentation.

o Highlighted Activities Reported:

AHCC was able to secure the National Institute for Leadership Advancement (**NILA**) Conference for August 2017. The organization is the leadership planning arm of the Society of Hispanic Professional Engineers (SHPE). The hope is that by working these sub-networks of SHPE will increase Albuquerque's chances to land the 2020 National SHPE Conference.

o Marketing Activities Reported:

No Questions from the Board

IX. National Hispanic Cultural Center Contractor Report (*report not reflected on meeting agenda. Contractor report submitted. Lodgers City Staff Agenda did not get updated in time to distribute to the board or update the agenda*) – Kinsey Cooper, NHCC provided the Board Report.

- o From January to March 2017, the National Hispanic Cultural Center (NHCC) expended approximately \$25,206.65 of Lodger's Tax funding and welcomed another 3,932 visitors from 120-miles or farther away, with an overall, indirect economic impact of over \$1,147,998.48 dollars to the Albuquerque economy.
- o **On-Site Attendance Results:** Of the 57,720 individuals who visited the NHCC campus from January 1, 2017 through March 30, 2017 (a total of three months), 3,932 visitors traveled from more than 120 miles away for their visit.
- o **Economic Impact Results:** At an average of \$292 spent in Albuquerque per person who traveled 120-miles or father to the NHCC, the NHCC had a positive, indirect economic impact of \$1,147,998.48 on the Albuquerque economy in the third quarter of fiscal year 2017.

X. July Board Meeting Recommendation to Cancel July Meeting – Action Required. A motion to not meet in July was requested given the number of contractors and board members that will be attending the VisitABQ annual retreat the weekend of July 27, 2017. The added challenge of summer schedules was also discussed. The August board meeting date would be August 24, 2014

MOTION TO NOT MEET IN JULY WAS MADE BY: Brenda Moore, Board Member

MOTION SECOND BY: Debi Owen, Board Member

MOTION PASSED: Unanimously

VIII. New Business: No new business

IX. Motion to Adjourn:

MOTION BY: Debi Owen, Board Member

SECOND: Damon Kompanowski, Board Member

MOTION PASSED: Unanimously

Meeting adjourned 5:22 pm. Have a wonderful Summer!

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

Date: August 24, 2017

Minutes approved by: *Harry Tipton, Acting Chair*
Todd Walters, Chair

Date: August 24, 2017