

# LODGER'S TAX ADVISORY BOARD MEETING

Thursday, December 8, 2016

4:00 p.m. – 5:30 p.m.

Albuquerque Convention Center

Kiva Board Room

## AGENDA

- I. Adoption of Agenda - Additions/Deletions to Agenda – Chairman*
- II. Call to approve October 27, 2016 Minutes – Chairman*
- III. Presentations*
  - *City Presentation - Lodgers and Hospitality Tax Use*
- IV. Reports*
  - *City Treasury Report(s)*
    - i. Lodger's Tax Revenue & Hospitality Fee Collected – September & October and Year to Date (FY 2017)*
    - ii. Lodger's Tax Revenue & Hospitality Fee Collected December Board Report*
    - iii. Board Q&A*
- V. SMG*
  - *Monthly Report – November*
  - *Board Q&A*
- VI. Albuquerque Hispano Chamber of Commerce*
  - *Monthly Report – November*
  - *Board Q&A*
- VII. Visit Albuquerque (Albuquerque Convention and Visitors Bureau)*
  - *Monthly Report (November)*
  - *Board Q&A*
- VIII. American Indian Chamber of Commerce Quarterly Report (October, November & December)*
- IX. Indian Pueblo Cultural Center Quarterly Report (October, November & December)*
- X. National Hispanic Cultural Center (October, November & December)*
- XI. New Business*
  - *Open Board Seat Update/Status*
  - *Other Business*
- XII. Adjourn*

# City of Albuquerque

## *Lodgers' Tax Advisory Board*



**Chairman:** Todd Walters  
**Co-Chairman:** Ted Shogry

**Board Members:**  
Jesse Herron  
Brenda Moore  
Damen Kompanowski  
Harry Tipton  
Debi Owen

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### *Minutes from October 27, 2016 Meeting*

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Todd Walters, Board Chair, called the meeting of the Lodgers' Tax Advisory Board session to order at 4:08 p.m. October 27, 2016 at the Albuquerque Convention Center, Kiva Board Room.

In attendance:

**Board Members**

Todd Walters  
Harry Tipton  
Damen Kompanowski  
Debi Owen

**City of Albuquerque**

Dora Dominguez, EDD  
Cilia Agliodoro, City Treasurer

**Contractors**

Jose Garcia, SMG  
Tania Armenta, Visit Albuquerque  
Valerie Lind, Visit Albuquerque  
Ernie C'DeBaca, AHCC  
Connie Lee, AHCC  
Yuri Morales, AHCC

Board Member; Jesse Herron, was not able to attend but made arrangements to be reached by phone if required for quorum.

Guest: Charlie Gray, Executive Director Greater Albuquerque Innkeepers Association,(GAIA), John O'Hara, GAIA Member, Rebecca Plutino GAIA Member and Yolanda Barerras, City Treasurer's Dept.

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### **WELCOME AND INTRODUCTIONS -**

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

MOTION by: Harry Tipton, Board Member

SECOND: Damen Kompanowski, Board Member

MOTION PASSED: Unanimously

**Approval of Minutes:** Approval of September 22, 2016 Minutes

The August 25, 2016 minutes completed with quorum present

MOTION by: Harry Tipton, Board Member

SECOND: Debi Owen, Board Member

MOTION PASSED: Unanimously

IN ADVANCE OF THE FORMAL AGENDA - Todd Walters, Board Chair, requested the opportunity to present out of order a clarification of the Greater Albuquerque Innkeepers Association (GAIA) request for information of the City's use of Hospitality Tax; apportioned amount referenced as the 50% Mortar & 1% fee usage. GAIA had presented the question at the September Lodgers Tax Advisory Board meeting. City staff, as directed by the Board researched the issue and reported to the Board Chair the City's request for additional specifics of what specific expenditures were being questioned.

Charlie Gray, GAIA President addressed the Board as requested. The question - "when did the Hospitality Fee Ordinance (Attached) that originally stated 50% of the 1% Hospitality fee shall be used to equip and furnish the City of Albuquerque's Convention Center change when the City issued hospitality fee bonds in 2011.

City Treasurer agreed to work with GAIA to research the issue of the Series 2011 A Lodger's Tax/ Hospitality Fee Refunding Revenue Bond Ordinance, and work to present an explanation of the Bond Ordinance at the next Lodgers Tax Advisory Board Meeting as general information on the Bond issuance approval process.

## **Reports**

### **City Treasurer's Lodgers' Tax Report**

Cilia Agliodoro, City Treasurer, provided the City Treasurers report. The City Lodger's Tax Revenue & Hospitality Fee reports were presented in a new format and touted by City Treasurer with Board agreement as a much-improved format. The amounts reported/collected YTD through August 2016. Lodger's Tax Revenue: The official budgeted amount for FY 2017 lodgers' tax revenue is \$ 12,009,000... As stated in Table 1 of report provided, lodger's tax revenue for July 2016 (FY 2016) was \$ 1,077,009.52 an increase of 12.45%, For FY'17 July 2016 lodger tax revenue was \$1,099,079.08 an increase of 6%. Hospitality Fee Revenue: The official budgeted amount for FY 2016 hospitality fee revenue is \$2,287,000.00. Hospitality fee revenue for June 2016 (FY 2016) was \$ 226,437.35 increase of 0.97% (\$2,146.35) from June 2015. The Delinquent Summary FY'17 highlights included a pay down the amount of delinquent taxes. The City remains committed to work with lodgers and balances owed as a continued priority.

Cilia Agliodoro, City Treasurer, stated she reviewed the report for accuracy and worked with staff to develop a clearer report and accurate revenue totals for the October meeting,

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 33 events within the month of September, with a total attendance of 17,622.
- Occupancy was at 56% for the month of September, with 4,692,029 sq. ft. of event space sold.
- Of the 33 events occurring in the month of September, seven (7) were repeat customers.
  - SMG/ACC also booked 2 future events during the month of September.
- In September 2016, SMG booked a total 20 future events.

Booked Events:

- NM Board of Bars Examiners Swearing-in Ceremony
- PIMA Medical Institute Graduation
- Catholic Charismatic Center Conference
- ABQ STS Herbalife Training
- Marty Saiz State Farm All Metro Volleyball

- Shamrock Food Show
- La Mesa RV Show

**Other Highlighted Bookings:**

- In the month of October, we anticipate a total of (39) non-city wide events and (0) city-wide convention.
- SMG also provided copies of its 3<sup>rd</sup> Quarter Report. The report provided a summary of events hosted from July through Sept 2016. These events included presidential candidate stops, 2016 Albuquerque Supper Show Concert and Car Hop, 2016 Miss Teen Albuquerque Pageant, TEDxABQ 2016 and a host of Civic Plaza outdoor signature events including NASH BASH 2016.

**Albuquerque Hispano Chamber of Commerce**

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

**Highlighted Activities Reported:**

- For September, AHCC reported 2,508 non-center room nights and 1,040 center room nights. The total room nights for September was 3,548
- The current direct spending for the month reported for non-center is \$225,720 and for center was \$104,000. The total direct spending for September was \$329,720
- Copies of the 1st Quarter Marketing Report (July, Aug and Sept) was provided to the Board
- Outreach to Mexico and Latin America Reported:
  - 100,000 Strong in the Americas – Columbia scheduled for Albuquerque stop on November 6 thru 19
  - Young Leaders for America Initiative scheduled for October and November 2016
  - Visit USA Ecuador
  - Proyecta 100,000 scheduled for November 2016
  - Global Ties
- Hispanic Outreach Highlights:
  - International Mentoring Institute
  - Mis Primeros 20 anos con Maria Elena Beltran

**Native American Outreach**

- Native Office of Headstart
- North American Tribal Organization
- National Tribal Geographic Information Support Center
- NN Department of Information & Technologies
- 1<sup>st</sup> Annual Indigenous Comic Con
- Ericson Tsosie ERT Motivational Seminar – FAM Participant – bringing conferences in November and in April 2017

**Marketing:**

- Kohanic Broadcast
- Clear Channel Airports
- Weller Communications – ABQ as a destination
- Visit USA Ecuador showcasing ABQ

**Question:** Todd Walters, Board Chair, asked how follow-up with international groups and subsequent conference and booked meetings tracked.

**Answer:** Ernie CdeBaca, AHCC acknowledged the challenges of tracking the impact of any marketing effort. The relationships built are valued and in turn result in opportunities to expand the international marketing

efforts for Albuquerque. Outreach with international resource partners also supports AHCCC efforts to identify the best placed marketing/advertising spend.

No further questions from the Board

### **Visit Albuquerque (Formally ACVB)**

Tania Armenta, VisitABQ President and CEO, provided the report. New to the report is the Lost Business and Won Business detail report. Visit Albuquerque recognized Valerie Lind, Visit Albuquerque, for her work on the organization's annual audit and was pleased to report the audit results were no findings – a clean audit all the way. Congratulations.

The report also highlighted success of this years' Balloon Fiesta. Additionally Visit Albuquerque collaborated with AHCC to host an event planners familiarization tour. The group, made of 10 event planners, visited in October and resulted in eight booked events for 2017. In addition to the Great Meeting Planners Fam Tour; Visit Albuquerque also hosted a group of outdoor media writers familiarization tour. Thanks to everyone that helped support both events.

**Report Highlights** – Attendance at IMAX Trade Show was very positive and in partnership with State Tourism Dept. Good News – October bookings were very positive from a promotions perspective. Group tours continue to increase the number of room nights. Website activities/user visits continue to increase. Advertising impressions up significantly by 16%. Over all 2016 bookings were less in comparison to 2015 with 2017 already exceeding projections. The bookings for 2017 already include 18 booked events. The only month in 2017 without a city-wide booking is May 2017. However, the possibility that a sporting event comes through for May 2017 is very strong. Several leads for large pieces of business announced. There was slower than expected bookings three months into the fiscal year.

Visit Albuquerque presented its new logo at its Quarterly Luncheon on October 25, 2016. A copy of the new logo and the variations were provided to the Board.

#### Other Report Highlights:

- Total Room nights for September was -18,000
- Total Non- Citywide booked – 76
- Sports Events – 26
- Total media site visits – 2
- Social media followers continue to increase
- Advertising impressions are up
- Room nights for September was up from year to date at 31,300

Reports will continue to include Presidents Report, Marketing Leisure Report, Occupancy Rate Report, Budget, Tourism Statistics, Pace Report, Meeting Conventions, and Sport Bookings.

- Visit Albuquerque will also be collaborating with SMG on an upcoming tourism conference in Kansas City.
- Ongoing partnerships and collaborations for statewide representation with State Tourism Dept. continues to be positive
- Student Youth Travel Association hosted in August 2017. This will be a large attendee event for Albuquerque.

- Visit Albuquerque will be hosting a site visit for Department of Defense in the hopes of hosting events in the future.
- Looking to also bid the National Speech and Debate Conference

**Indian Pueblo Cultural Center** - No report

**American Indian Chamber of Commerce** – No report

**National Hispanic Cultural Center** – No report

**New Business:**

Decision on rescheduling date for November Board meeting. November Board meeting falls on Thanksgiving Day. Option/suggestion was to reschedule to December 8, 2016. Action Item directed to staff was to send out an email to Board with the suggested date.

No further questions from the Board.

Meeting adjourned 5:45 pm

Minutes submitted by: \_\_\_\_\_ Date: \_\_\_\_\_  
Dora Dominguez, City Staff

Minutes approved by: \_\_\_\_\_ Date: \_\_\_\_\_  
Todd Walters, Chair

# Convention Center Renovation Summary

11/30/2016

## Convention Center Remodel Phase 1 Project

- Design Started - February 2012
- Scoping Complete - March 2012
- Phase 1 Construction: January 2013 – September 2013
- Cost = \$8.8M+/-
- Contractor = Gerald Martin, Ltd.
- Major Work:
  - Demolish South Loading Dock Ramp
  - Renovate Kitchen
  - Construct New Service Elevator
  - Renovate Ballrooms & Restrooms
  - Construct New Service Corridor
  - Repair & Recoat East Building Exterior

## Convention Center Remodel Phase 2 Project

- Contractor = Bradbury Stamm Construction
- Consultant = Dekker/Perich/Sabatini
- Original contract amount = \$12,945,000 +/-
- Construction started – October 2013
- Substantial completion – October 2014
- Original work included:
  - Addition of New West Building Exterior Façade
  - Addition of New Balcony for Ballrooms
  - Addition of New Fireplace in West Building Atrium
  - Reconstruction of 3rd Street including the intersections at Marquette & Tijeras
  - Renovate interior finishes of West Building Atrium and Meeting Rooms
  - Renovate interior finishes of East Building Common Spaces
  - Addition of New Executive Board Room in West Building including custom, hand-carved conference room table
  - Provide new furnishings and wayfinding signage
  - Renovate HVAC system including smoke control system and West Building boilers
- Current contract amount = \$15,075,000 +/- through Change Order (CO) #11
- Change orders: 11 approved change orders and 1 change order in process to date added the following major items to the original work:
  - Asbestos abatement = \$106,000+/-
  - Reconstruction of the 3<sup>rd</sup> & Marquette and 3<sup>rd</sup> & Tijeras intersections = \$325,000+/-

- ITS Upgrades and fiber optic replacement = \$136,000+/-
- Furniture & custom conference room table = \$310,000+/-
- Solid surface wall caps & laptop bars = \$48,000+/-
- 24 New HVAC System Motor Starters to meet current electrical codes = \$61,000+/-
- Replace 2<sup>nd</sup> Boiler in West Building
- Paint Civic Plaza East Trellises
- Build-out of Visitor's Center space for Public Art offices
- Southeast Exhibit Hall Renovations including replacement of the large operable partition
- CO #12 (processing now) includes additional improvements to the Southeast Exhibit Hall such as painting and signage improvements and replacement of the acoustical panels with iconic New Mexico imagery = \$600,000 +/-

## Other Miscellaneous Information

- Funding Sources
  - Refinancing Debt                      \$20.9 M
  - Roadway Reconstruction            \$1.0 M
  - 3% Energy                                \$1.8 M
  - ABQ The Plan                            \$0.2 M
  - Additional Funding
    - NMGRT Cost Segregation Study
    - Lodger's Tax
    - Public Art
    - NMGRT Revenue Bonds –more recently for Southeast Exhibit Hall and Civic Plaza work
- Per ACVB, FY14 = 217% increase in bookings
- Hotel Room Nights:
  - FY13 = 17,656 hotel room nights
  - FY14 = 56,001 hotel room nights
- Future Bookings:
  - FY14 = 57,702 hotel room nights
  - 59% increase over FY13
- Dimensions
  - Front Entry Addition = 8,600 SF
  - Remodeling = 226,000 SF
    - West Building = 142,600 SF
      - ❖ Kitchen = 11,000 SF
      - ❖ Ballrooms = 30,000 SF
    - East Building = 83,400 SF excluding Southeast Exhibit Hall