

City of Albuquerque

Lodgers' Tax Advisory Board



Chairman: Fred Mondragon
Vice Chair: Tushar Patel

Board Members:
Jesse Herron
Debi Owen
Cathryn McGill
Sean Jariwala

Minutes from September 27, 2018 Meeting

The regular meeting of the City of Albuquerque Lodgers' Tax Advisory Board was held on Thursday, September 27, 2018 at 4 p.m., at the Albuquerque Convention Center, Kiva Board Room, Dora Dominguez, City of Albuquerque Staff, called the meeting to order at 4:10 p.m.

In attendance:

Board Members

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

City of Albuquerque

Dora Dominguez, Staff
Cilia Aglialoro, City Treasurer
Alan Varela, City Assistant Attorney

Contractors

Jose Garcia, SMG
Tania Armenta, Visit ABQ
Valerie Lind, Visit ABQ
Yuri Morales, AHCC
Connie Lee, AHCC
John Lewis, AHCC
Jim Garcia, AHCC

Guest:

Charlie Gray, Greater Albuquerque Innkeepers Association (GAIA), Cora Lee Quintana, EXP Realty, LLC

- I. **WELCOME AND INTRODUCTIONS** – Dora Dominguez, City Staff (*in absence of elected board chair*). Introductions included welcome of Phillip Snyder, General Manager, Hotel Andaluz, was confirmed by City Council on September 17, 2018 as a board member. Mr. Philip Snyder is a graduate of the Paul Smith College with a Bachelor's of Science in Hotel, Resort and Tourism Management and 19 years' experience working in hospitality in host of cities including: Myrtle Beach SC, Fort Lauderdale FL, Atlanta GA, Rochester NY, Syracuse NY and Washington DC. Mr. Snyder will serve as a Lodging Industry representative on the Board; replacing Mr. Damen Kompanowski whose term expired August 1, 2017 as customary Damen continued to serve through August 2018. Mr. Snyder's first term is through August 1, 2021.
- II. **ELECTION OF OFFICERS** - First order of business to be administered was the election of officer(s). Nominations as a formal proposal to the voting body to fill the office of chair and discussion with respect to the board desire to elect a vice chair. The means of nominating candidate(s) utilized was nomination(s) from the floor. As acting chair, Dora Dominguez, City staff called for nominations for the office of chair. Once it appeared everyone who wished to make a nomination a call for "Are there any further nominations" was made. If not, nominations were closed. Following the aforementioned process, the call for nominations was made.
 - Tushar Patel, Board Member nominated Fred Mondragon. Hearing no other nominations the call for votes by signifying "I" all those opposed signify by "I" – hearing none opposed the I's carried unanimously. Fred Mondragon, was elected chair of the Albuquerque Lodgers' Tax Advisory Board.

- As a first action Board Chair asked for a discussion and board confirmation to elect a vice board chair. Discussion and agreement to elect a vice chair was received.
Motion Nomination by Fred Mondragon Board, Chair of Tushar Patel, Board Member for the position of Vice Chair was made.
Second Hearing no other nominations the call for votes by signifying “I” all those opposed signify by “I” – hearing none opposed the “I’s carried unanimously.
Motion Passed - Tushar Patel, Board Member was elected Vice Chair, Carried Unanimously

III. Adoption of Agenda – Additions/Deletions to Agenda – Request by City Staff to move AHCC contractor report to first report item on the agenda under Contractor Reports.

- Motion to approve change to the change agenda accepted:
Motion to Approve by Tushar Patel
Second by Jess Herron
Motion Passed - Approval of Agenda as Changed Carried Unanimously
- Motion To Approve Agenda with changes as approved:
Motion to Approve Agenda by Debi Owen
Second by Tushar Patel
Motion Passed - Approval of Agenda Carried Unanimously

IV. Call To Approve Minutes – Additions/Deletions to Agenda – Chair

- Motion To Approve Minutes
Motion to Approve Minutes by Debi Owen
Second by Tushar Patel
Motion Passed – Approval of Minutes Carried Unanimously

V. Chairman Reports

- The Treasury Report included introduction of new City Assistant Attorney for Treasury, Allen Varela.
 - Treasury Report(s) & Presentation – Cilia Agliodoro, City Treasurer, provided the Lodgers’ Tax Advisory Board Reports.
 - Update on fees and revenues now collected and reported through the Cities new online collections system.
 - QUESTION: Asked by Sean Jariwala if the system could be updated to allow for multiple users at the same time.
 - ANSWER; Cilia Agliodoro is the upgrade has been requested with no response from the software/program developer.
 - Report included. FY’18 and current FY’19 revenues - Lodgers and Hospitality Revenues.
 - Lodgers Tax Revenue - Comparing FY’18 and current FY’19 revenues. Lodgers and Hospitality Revenues track month to month thru July 2018 is up by 4.36% (w/o Airbnb reporting) and up 7.65% with Airbnb reporting. The total Lodgers’ Tax revenues FY’19 revenue (July 2018) reported was \$1,220,378.69. The total increase comparison difference increase for FY’19 Lodgers’ Tax (July 2017 – July 2018) was \$56,738.11.
 - Hospitality Tax Revenue - The current revenues reported for FY’19 for Hospitality Tax Revenue (July 2018) was \$244,075.44 compared to FY’17 (July 2017) revenues of \$226,728.17 (no Airbnb reported/in place). Both fund amounts report 7.65% increase over prior year with AirBnB funds included.
 - Lodgers’ Tax Delinquent Summary Report FY’19 – Cilia Agliodoro, City Treasurer. Highlighted items: The collections amounts for revenue months July 2017 thru July 2018 for 165 lodging entities includes three accounts

listed in a delinquent account status for a total amount of lodgers' tax owed of \$36,302.00. Note prior month amount of delinquent accounts was \$110,856.13. Noted Route 66 Hostel under new ownership is only leasing the property. Per state law it is only the owner of a lodging establishment that can be held liable for uncollected lodgers' tax. For this reason City Legal authorized Treasury to remove the \$80,000 shown as uncollectible from Route 66 Hostel from the Delinquent Report. The owners of the business are no longer in business – however, the individuals that now lease the property are not liable the lodgers and hospitality tax not collected.

- AirBnB budgeted revenue amount for FY'19 is \$479,000.00.
 - Brief discussion regarding VRBO and Home away reservation platform and plans by NM Hospitality Association to revisit/resubmit state-wide legislation that would remove the three rooms or less tax exception to collect Lodgers Tax. Additionally, the board discussed the City's Short-Term Rental Taskforce and opportunities for Lodgers' Tax Board to provide input. VisitABQ provided added information about NM Hospitality Association plan and timeline for introduction of legislation at the state level to remove the three rooms or less exemption from having to collect Lodgers' and Hospitality Tax in addition to GRT tax exemption.
 - General discussion of Santa Fe City Ordinance overseeing the registration, inspection and permitting of short-term rentals.

Other discussion/question with regards to the recommended uses for the Airbnb funds being collected was regarding the ROI of the prior Incentive Fund use.

- VisitABQ was able to provide the ROI of the 2016, 2017 and 2018 Incentive Fund program.
- Board discussion with regard to the recommendation to utilize Airbnb funds as an incentive fund similar to incentive funds provided in the past.

Contractor Reports

VI. Albuquerque Hispano Chamber of Commerce Monthly Report – August 2018 Bookings –Jim Garcia AHCC, provided the Board Report. AHCC Report and handouts provided.

Activity highlights for July report included:

- *Monthly Report*
 - No center bookings for August reported
 - Non Center attendance reported 1,568
 - Center attendance reported 1,350 (*same as reported July*)
 - *YTD Center attendance reported as 1,350 and Non Center attendance at 3,068 and no Sports attendance reported*
- No Gathering of Nations Starr Report provided per last month's action item. AHCC is waiting to schedule time with VisitABQ to better understand how to interpret the report

Highlighted Events/Media & Marketing:

- Navajo Nation Tours
- New direct Flight – Albuquerque to Guadalajara, Mexico – Volaris Airlines
- 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
- LULAC 2021 Update

- Global Ties event currently taking place (featuring 12 entrepreneur showcase startups from Albuquerque)
- AHCC continues to build on relationships with Zuni Pueblo and Navajo Nation
- American Film Festival scheduled for April 2019
- Indigenous tourism campaign effort overview provided

Upcoming Balloon Fiesta promotions and opportunities announced.

Media & Marketing

International Trade Committee continue to meet

Current Leads

- LULAC 2021
- Native American Music Festival scheduled for November 2019
- Trade Mission to Peru scheduled for November 26, 2018

Questions from the Board

None noted for AHCC

VII. SMG Monthly Report – Monthly Report August 2018 – Jose Garcia, SMG, provided the board report.

- The ACC hosted 32 total events within the month of August for a total attendance of 28,460 at the Convention Center alone. ACC and Civic Plaza held 42 events. ARSC held 4 events. Occupancy for ARSC held four events in August for an attendance of 5,250. August 2017 ACC and Civic Plaza hosted 35 events.
- Occupancy was at 29% for the month of August, with 2,622,065 sq. ft. of event space sold.
- Occupancy for August, 2017 was at 27%.
(In the month of August 2017 Albuquerque hosted one city-wide conventions; one City-wide June 2018)
- FY'17 average monthly occupancy: 27%
- FY'18 average monthly occupancy: 29%
- For September 2018 SMC anticipates a total of 39 total events
 - Convention Center and Civic Plaza – 34 events
 - ARSC – five events
 - Of the 39 total events – 39 are non-city wide events
 - Zero are city-wide events

Repeat Business

- Of the 36 events that occurred in the month of August, six (6) were repeat customers.

Future Business

- SMG/ACC also booked a total of twenty-nine (29) future events during the month of August, 2018. In August, 2017 booked a total 15 future events.

Business Turned Away

- Four (4)

Question from the Board/Highlights

- VA Golden Age Games was well attended and utilized 105,000 sq. ft. of Convention Center space.
- National Association of Librarians of Color currently taking place at the Convention Center
- Update on City's Agreement with SMG to book the Railyards as a new venue under SMG's contract requirements. SMG is working with the City to formalize the booking process. The challenges of the venue while numerous and tied to limitations on noise and scheduling around the Railyards Market, are addressed and viewed as an added opportunity to add to the event/venue spaces overseen by the City.

- Request for update on the final five-year contract awarded to SMG to management Convention Center, Civic Plaza and ARSC.
- Questions regarding revenues generated monthly were requested as a new report from SMG.
- General discussion about business turned away and how the term is defined industry-wide.
- General discussion regarding strategies for attracting more events to the Convention Center from city-wide conventions.
- As requested by the Board the contractor provided a list of all events hosted in August at the Convention Center. It is anticipated this report will be provided monthly.

VIII. Visit Albuquerque - Monthly Report August – Tania Armenta, Visit ABQ, provided Board Report.

- Thank you and appreciation to everyone that attended the August 28, 2018 Visit ABQ Annual Meeting.
- Report and overview of Board Report and handouts provided included following highlights:
- Hotel occupancy up 1.8% calendar-year-to-dates (Fiscal Year '19 - July 1 – June 30). Occupancy tracking up PYTD for July'18 by 71% and ahead of the industry comp-sets. Booked direct spend was down in August. Booked room nights down compared to August 2018. Advertising impressions down from prior year (40%) August 2017. Twitter growth continues to increase. Number of booked tours up 17% for August (FY'18) up from prior month and year to date. Booked events reported down August 2018 by 34% compared to August 2017. Last year August was 23 this year August the number was 19.
- Website users is steadily increasing and closing the gap and up 21% PYTD
- Sporting event bookings for August reported as 19 with 9,442 room nights and 21,429 attendees and a direct spend of \$4.1 million.
- Earned media coverage 2018 YTD remains strong (Barcelona Rating 84%)
- Visitor Guide fulfillments is making an improvement and up 110% FYTD
- ACE Training numbers up 24%.
- Update on Visitor Guide fulfillment is increased but remains as expected.

Highlights/News

- VisitABQ completed its annual audit and pleased to report a clean audit with no findings.

Board Questions

- **QUESTION:** Jesse Herron, Board Member asked for an update on the Old Town Visitor Center
ANSWER: Tania Armenta, VisitABQ responded. The building VisitABQ was originally looking to lease is on hold. The entire building is for sale with the option to lease on hold pending the sale or decision by current owner to continue offer lease space options. When finalized the plans for a new visitor center will include a public restrooms.
- **QUESTION:** Debi Owen, Board Member, asked for an update on the Information Center at the Sunport
ANSWER: Tania Armenta, VisitABQ, addressed the question. The plan remains to move in by the end of the calendar year...
- **QUESTION:** Fred Mondragon, Board Chair, asked for more detail regarding the increase in website traffic given the past reports of decrease in website traffic.
ANSWER: Tania Armenta, VisitABQ addressed the question. The redesign of the website was understood would take time to maximize the website search capabilities and search optimization across platforms i.e. phone, tablets and computer. The time taken was expected and now the website is reaching optimal search capacity.

Travel

- Upcoming trade missions and team travel listed in Page 30 of full Lodgers' Tax Report Submitted

IX. City Update – Dora Dominguez, City Staff

Recognition and presentation of Board Chair Award for years of service presented to Debi Owen (Debi was in attendance by conference call for the August 23 meeting). The meeting served as an opportunity to present her with her board plaque for her 38 months of services. Debi was appointed/confirmed to the Board by City Council on August 19, 2015 and served through September 27, 2018. Debi's board term was through August 1, 2018. Board members are understood to remain on a board or commission until an expired board seat is filled. Her service on the Board included serving as board member for VisitABQ.

- Action item to set the November meeting date from the November 22, 2018 (next scheduled board meeting based on fourth Thursday of each month). Board general discussion regarding the Thursday prior or Thursday after Thanksgiving as an option.
 - MOTION BY: Cathryn McGill, Board Member to move the meeting to November 29, 2018 in consideration of the holiday conflict.
 - SECOND: Debi Owen, Board Member – No discussion
 - MOTION PASSED: UNANIMOUSLY

X. New Business & Announcements

- Update by Debi Owen on the opening of the new restaurant at the top of the Tramway was provided. No name yet announced for the new restaurant on track to open Spring 2019.

XI. Motion to Adjourn:

MOTION BY: Jesse Herron, Board Member

SECOND:

MOTION PASSED: Unanimously

Meeting adjourned 5:22 pm.

Minutes submitted by: Dora Dominguez
Dora Dominguez, City Staff

Date: 10-25-18

Minutes approved by: [Signature]
Board Chair

Date: 10/25/18