

City of Albuquerque

Lodgers' Tax Advisory Board



Chairman: Fred Mondragon
Vice Chair: Tushar Patel

Board Members:
Jesse Herron
Philip Snyder
Cathryn McGill
Sean Jariwala
Kara Grant

Minutes from February 28, 2019 Meeting

The regular meeting of the City of Albuquerque Lodgers' Tax Advisory Board was held on Thursday, February 28, 2019 at 4 p.m., at the Albuquerque Convention Center, Anasazi Room, Fred Mondragon, Board Chair, 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 Agliadoro, City Treasurer
Alan Varela, City Assistant Attorney
Renee Martinez, City DDF
Christopher Chavez, City EDD
Synthia Jaramillo, Director EDD

Contractors

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

Guest(s):

Karl Holme, DoubleTree by Hilton Hotel, Charlie Gray, Greater Albuquerque Innkeepers Association (GAIA), Michelle Dressler, Greater Albuquerque Innkeepers Association (GAIA), Cora Lee Quintana, EXP Realty, LLC,

WELCOME AND INTRODUCTIONS – Fred Mondragon, Board Chair. Introductions included welcome of Kara Grant, Downtown Historic B&B.

- I. Adoption of Agenda – Additions/Deletions to Agenda** – Request by Board Chair, Fred Mondragon to move Lodgers Tax Revenue Report to first report item on the agenda under Chairman Reports.

- Motion to approve change to the change agenda accepted:

Motion to Approve Board Member

Second by Board Member

Motion Passed - Approval of Agenda as Changed Carried Unanimously

- II. Call To Approve Minutes – Additions/Deletions to Agenda** – Chair

- Motion To Approve January Minutes

Motion to Approve Minutes by Board Member

Second by Kara Grant

Motion Passed – Approval of Minutes Carried Unanimously

III. Chairman Reports

- The Lodgers' Tax Report included Board Chair's account of discussion with the Mayor following the retreat.
 - Main point's included: Mayors appreciation of the Lodgers' Tax Boards' time and work, improvements to the convention center, allocation of funding to special programs and the signing of the memo for Visit Albuquerque which is to be used to bring larger conventions and events. No action on RFP.
 - QUESTION: Asked by Board Member- Was there anything discussed on Airbnb funding for co-op marketing?
 - ANSWER: Fred Mondragon. Mayor in favor of incentivizing opportunity for Airbnb funding. The city will have to put out an RFP for Co-op funds. Seemed to think the \$235,000 was fine and that it would be open to non-profits and potentially for profit entities. We would like to propose on those funds but we don't have a mechanism for that yet.
 - QUESTION: Asked by Cathryn McGill. Wondering about the funding of the \$235,000 for the contracts the American Indian Chamber of Commerce was initially getting, the AICC was having difficulty spending the money as it was a reimbursement and they had to purchase advertising. I think that we should let them know that they're not precluded from competing for that money again to be able to be used in a way that's beneficial to them.
 - COMMENTS: Fred Mondragon. Okay, when we go out with the RFP we shall include the people on list already. Dora Dominguez. Now the quarterly report has been submitted to council and is being reviewed by city legal. Isaac Padilla will notify us when it is introduced to the Finance Committee. There's been no notification received yet. Isaac Padilla to contact Chris Chavez. In that last quarterly report we're making a recommendation to re-assess how funds are awarded. In line with what we're hearing from the administration, we can't continue to award funds to the same contractors year after year. The idea is to put the funding into a co-op, advertising, marketing grant fund. The model to follow is the application process from the state tourism department. A main requirement would be a focus on bringing people from out of Albuquerque – overnight stays being a focus. Additional points established for collaboration on events. Finance is aware of the proposal.
- City Treasury Report(s) and Presentation
 - Lodgers Tax Revenue - Comparing December 2017 and current December 2018 revenues. December 2018 reporting an increase of 10.41%. Airbnb Dec 2018 reporting \$32,000 compared to Dec 2017 reporting \$19,000. Increase of 67.46%. Total monthly revenue was \$881,000 compared to last years \$782,000, up almost \$99,000, 12.62%. Cumulative for July through December 2018 received \$7,089,000 compared to last years (2017) cumulative July through December reporting \$6,500,000, increase of 6.86% with Airbnb reporting and 5.23% without Airbnb.
 - Discussion regarding Airbnb. Revenue is collected at time of booking not at time of stay. Numbers may be reflective of future events that tourists are booking in advance.
 - Discussion regarding new bill. Removed exemption for entities with 3 rooms or less to not pay Lodgers' tax. Removed from lodgers' state statute but not for hospitality taxes. Need to plan for how that new revenue will be collected.
 - Hospitality Tax Revenue – Cilia Aglioloro, City Treasurer, stated that Hospitality Tax Revenue reflected similarly to Lodgers and did not give exact numbers.

- Lodgers' Tax Delinquent Summary Report FY'19 – Cilia Agliodoro, City Treasurer. Highlighted items: We have 167 running establishments. 6 are delinquent, 1 has a lien. Delinquency increase from \$29,000 to \$109,000. Delinquency rate actual = 0.81%.
- Summary of delinquent businesses (5 delinquent):
 - Still collecting from University Lodge - \$500/month.
 - Barcelona Suites – incorrect financial reporting online. No response from owner. In process of filing lien.
 - - No response from owner. In process of filing lien. Owing 3 months
 - Ramada Hotel – filing online but not paying. Having internal issues. Owing \$51,000. Notified deadline for payment or lien will be filed. Owing 4 months.
 - A few liens placed. They are trying to sell and change name.
- QUESTION: Board Member: What happens if they default on the lien?
- ANSWER: That is where Alan gets involved and foreclosure is processed.

Contractor Reports

IV. **SMG Monthly Report**– Jose Garcia, SMG, provided the board report.

- The ACC hosted 19 events in January. Attendance reported, almost 27,000. 2 city wide events. American Bookseller Association sold out. Previous January (2018) had 28 events and 3 events at the ARSC.
- Occupancy was at almost 70% for January '19. Significantly higher than previous year. Attributed to city wide conventions taking up more space and longer periods of time.
- 29 events so far for February 2019, 26 at the ACC and 3 at the ARC.
- Item 8 revenue and attendance report listed for Boards review.

Repeat Business

- Of the 19 events that occurred in the month of August, four (4) were repeat customers.

Future Business

- Booked 26 events in January, booked 2 future events for the ARC.

Business Turned Away

- Thirteen (13). Listed in meeting for review.

Question from the Board/Highlights

- QUESTION: by Board Member- The Ben E. Keith exhibit, haven't they been here forever and now they're moving?
- ANSWER: Jose Garcia- They moved a couple of years ago. I spoke to the GM; we did host them, however, SMG has a partnership with Sysco who provides the bulk of our food purchases. We only did about 40-50,000 with Ben E. Keith and the venue they moved to in Isleta is exclusive with them. They do 2.1M in food purchases. They moved into ballroom at Isleta. We still have a healthy relationship with Ben E. Keith and utilize their business for larger events.
- QUESTION: by Board Member: Has the sports complex activity held back some of the conventions like experienced in the pass or no difference?
- ANSWER: Jose Garcia. The track and field events started in mid Dec, continued super strong through Jan in terms of conventions and we have our nominal conventions in February. Moving forward, 10-15 years nothing really changed.
- COMMENTS: Tania Armenta. It is a reality for our sales team that the East Exhibit Hall is offline for January, February and the first part of March. It does alter our sales approach and it's well known in the industry that Albuquerque isn't available for those large events in this time frame. This year was really great in terms of being able to fit in ABS with the ARSC events, especially because of the space we couldn't use. From that standpoint you'll see a really nice uptick in that the destination was maximized for January.
- QUESTION: by Fred Mondragon. Was this the last year?
- ANSWER: Jose Garcia. We have one more year on our contract with city parks and rec for indoor track and field.

V. Visit Albuquerque - Monthly Report – Tania Armenta, provided Board Report.

- Acknowledgment of American Booksellers Ass. Event, Albuquerque had been turned down 8 times in 10 years to host and finally had success this year. Selling out event and venues.
- Report and overview of Board Report and handouts provided included following highlights:
- Hotel occupancy up 3.2% calendar-year-to-dates (closing out 2018). Comp average growth at 0.3% and US total average at 0.5%. Albuquerque's growth very much accelerated.
- Average daily rate grew by 2.5% compared to comp average at 1.4% and US average just under Albuquerque at 2.4%.
- Booked direct spend to date is at \$45,000,000 which is currently down by 8% in comparison to last FY.
- Booked room nights down compared to last FY by 9%, total being 101,000 room nights booked to date. Up 5% with booked attendance – 177,000.
- Number of events booked to date are down 1%, off by 1 event.
- Advertising impressions down from prior year (53%), however, now deemed more targeted and effective. Social media growth continues to increase: Facebook (2%) Twitter (3%) and Instagram (50%). Visiting guide up 44%.
- Website user's increased by 25% to date (Feb 2019).
- 76 sports events booked thus far. Hosted 41 meetings and convention site visits and 9 group tour sites.
- 10 new city-wides booked, 27 total city-wides and 139 non-city-wides for the year thus far.
- Number of group tours is off 4% but the group tour room nights is up 31% at a total of 17,212 room nights.
- Since 2010, job growth up 19% in tourism and 30% in lodger's tax.

VI. Albuquerque Hispano Chamber of Commerce- Monthly Report –

Jim Garcia AHCC, provided the Board Report. AHCC Report and handouts provided. Activity highlights for July report included:

- *Monthly Report*

- 3521 Center
- 10 events for January
- Noche Ecantada was a success
- US Hispanic Chamber of Commerce is a potential lead for 2021

Highlighted Events/Media & Marketing:

- Gathering of Nations 39,000 rooms
- Making progress of planning of GON
- UNM BBER is compiling a report on GON
- Navajo Nation Tours
- New direct Flight – Albuquerque to Guadalajara, Mexico – Volaris Airlines
- New onboarding method for volunteers
- SiABQ website has been relaunched
- Procurement Summit being planned- June 25-26, 2019
- Isotopes / Mariachis update

Media & Marketing

International Trade Committee continue to meet

Current Leads

- LULAC 2021
- Native American Music Festival scheduled for November 2019

Questions from the Board

- Dora Dominguez asked about the dates for the Procurement Summit.

- Fred Mondragon asked about La Cosecha conference
- Cathryn McGill asked about GON attendance verification
- Discussion of the Opportunity Fund

VII. City Update – Dora Dominguez, City Staff- None

VIII. New Business & Announcements

- Discussion of Short Term Rental Task Force and creation of subcommittee

IX. Motion to Adjourn:

MOTION BY: Kara Grant, Board Member

SECOND:

MOTION PASSED: Unanimously

Meeting adjourned 5:30 pm.

Minutes submitted by: Christopher Chavez
Christopher Chavez, City Staff

Date: 3/26/19

Minutes approved by: 
Board Chair

Date: 4/24/19