



**Media Contact:**

Tania Armenta

President & CEO of Visit Albuquerque

Office: (505) 222-4339

[Armenta@VisitABQ.org](mailto:Armenta@VisitABQ.org)

## **City Council Approves Establishment of Albuquerque Tourism Marketing District**

*District will provide critical funding to market city as a top destination*

ALBUQUERQUE, N.M. – (March 21, 2022) – The Albuquerque City Council on Monday night voted unanimously to establish an Albuquerque Tourism Marketing District (ATMD) that will boost the amount of funding available to promote the city as a travel destination. The bill was sponsored by City Councilors Isaac Benton and Brook Bassan.

By adding a 2% assessment to the guest check-out folio at approximately 150 lodging properties located within the District, the ATMD will provide a vital new source of dedicated funding to market Albuquerque as a top destination for leisure travelers, sporting events, meetings and conventions. Guests who stay overnight at a property within the District boundaries will begin paying the fee on July 1, 2022. Albuquerque lodging properties have the capacity to add this 2% assessment and still stay below the national average for guest check-out fees.

“The ATMD will be a game changer in terms of Albuquerque’s ability to attract new visitors and compete for the millions of dollars they will spend in our city,” said Tania Armenta, president and CEO of Visit Albuquerque. She said that the revenue raised will be used to expand marketing, enhance visitor services and develop destination assets that will lead to increased overnight visits to the city.

“This is an opportunity for the lodging properties in Albuquerque to rally behind a common goal with shared benefits,” said Prakash Sundaram, president and CEO of Total Management Systems. “The timing of this initiative is excellent.”

This investment in marketing is necessary as Albuquerque competes against destinations that have much larger marketing budgets to attract leisure travelers, meetings and conventions. The ATMD will result in more visitors, higher occupancy levels at lodging properties, and greater economic prosperity for businesses in the hospitality industry and for the city as a whole.

“Now, more than ever, we need to ramp-up marketing to attract visitors to our great city,” said Deepesh Kholwadwala, chief executive of Sun Capital Hotels. “The creation of ATMD provides the much-needed life-blood funding to make us competitive.”

The City of Albuquerque will be responsible for collecting the assessments, which are estimated to total \$4.8 million in the first year based on pre-pandemic visitation levels. A governing committee composed of representatives from lodging properties in the District will oversee the funds, which Visit Albuquerque would use to expand marketing of the city, enhance visitor services, and develop destination assets and events.

“Travel and tourism are key drivers of our local economy,” said Armenta. “In 2019, more than 6 million visitors spent \$2 billion in our city, generated about \$69 million in local taxes, and supported more than 44,000 jobs in the hospitality industry. The pandemic has cut deep into those numbers, but we are starting to experience the rebound. With additional marketing dollars funded by visitors, we will have the potential to lead the city’s economic recovery, get people back to work and invest in our community’s future.”

“While the pandemic has had devastating effects on the tourism industry, it has also illustrated how important the industry is for the city’s economy and community,” said Damen Kompanowski, general manager of the Sheraton Uptown. “The ATMD can be a catalyst for helping bring back people, vibrancy, spending and jobs.”

Armenta said promoting Albuquerque will be critical in order to capture pent-up demand for travel in 2022 and beyond. “As people begin traveling in greater volumes, Albuquerque will compete for attention against cities around the world. Additional funding from the ATMD assessment – paid by visitors, not by local residents or business owners – will allow us to promote our city’s distinctive culture, events, attractions and outdoor recreation in order to inspire and attract future travelers.”

More than 190 U.S. destinations have formed Tourism Marketing Districts/TMDs (also called Tourism Improvement Districts) over the past 30 years, including many cities Albuquerque competes with for leisure travelers, such as Denver, Dallas, Portland and San Antonio. “Even destinations that do not have a TMD in place have much larger annual marketing budgets than Albuquerque, with Phoenix and Oklahoma City spending more than double, along with Santa Fe and Tucson spending almost double, what Albuquerque spends on destination marketing,” said Armenta.

“The difference in Albuquerque’s current leisure marketing budget when compared to other cities in our comparative set is staggering,” said Cainan Harris, vice president of operations for Heritage Hotels & Resorts and general manager of Hyatt Regency Albuquerque. “This investment will provide our city with a strategic advantage moving forward and the timing is absolutely right.”

Currently, guests who stay at Albuquerque lodging properties pay 13.875% in combined city and state gross receipts tax, city lodgers' tax and hospitality fees, in addition to their room rate. With the proposed 2% ATMD assessment, guests would pay a total of 15.875% in addition to their room rate, an amount that remains below the 15.9% average total in U.S. cities with populations over 350,000 and is significantly lower than the 16.45% to 18% collected in cities such as Austin, Cleveland, Houston, Kansas City and Indianapolis. For example, on a room rate of \$89, the ATMD assessment would add only \$1.78 to the total guest charge.

“Albuquerque has the unique ability to remain an affordable destination that provides tremendous value to visitors while still reaping the benefits of this assessment,” said Kompanowski.

The ATMD will be in effect for an initial period of five years. Prior to the expiration of the preliminary term, the Albuquerque City Council will review the outcomes of the ATMD and determine whether it should be renewed for an additional five-year term.

“Albuquerque offers a combination of arts, history, culture, outdoor adventure and scenic beauty that no other destination can match, and the ATMD will give us the additional funding we need to promote our city to the world. In addition, this marketing will also enhance the city’s appeal and awareness for various economic development opportunities,” said Armenta.

### **About Visit Albuquerque**

Visit Albuquerque is an accredited destination marketing organization (DMO), and a private, not-for-profit organization [501(c)(6)]. The mission of Visit Albuquerque is to stimulate economic growth by marketing Albuquerque as a convention, sports and visitor destination. For more information, go to [www.VisitABQ.org](http://www.VisitABQ.org).

###