

AGENDA
Irving Convention and Visitors Bureau Board of Directors
Board and Business Development Committee
Friday, March 13, 2020 at 9:00 AM
Irving Convention Center
500 W. Las Colinas Blvd., First Floor Boardroom
Irving, Texas 75039

NOTE: A possible quorum of the Irving Convention and Visitors Bureau Board of Directors may be present at this committee meeting.

1. Citizen Comments on Items Listed on the Agenda
2. Update on Tourism Public Improvement District
3. Update on Short-Term Rentals – Hotel Occupancy Tax Collections
4. Coronavirus Disease 2019 (COVID 19) – Industry Impact
5. 2021 Legislative Session Planning
6. Approval of January 3, 2020 Minutes
7. Next Meeting – June 12, 2020

CERTIFICATION

I, the undersigned authority, do hereby certify that this notice of meeting was posted on the kiosk at City Hall of the City of Irving, Texas, a place readily accessible to the general public at all times, and said notice was posted by the following date and time:

_____ at _____ and remained so posted at least 72 hours before said meeting convened.

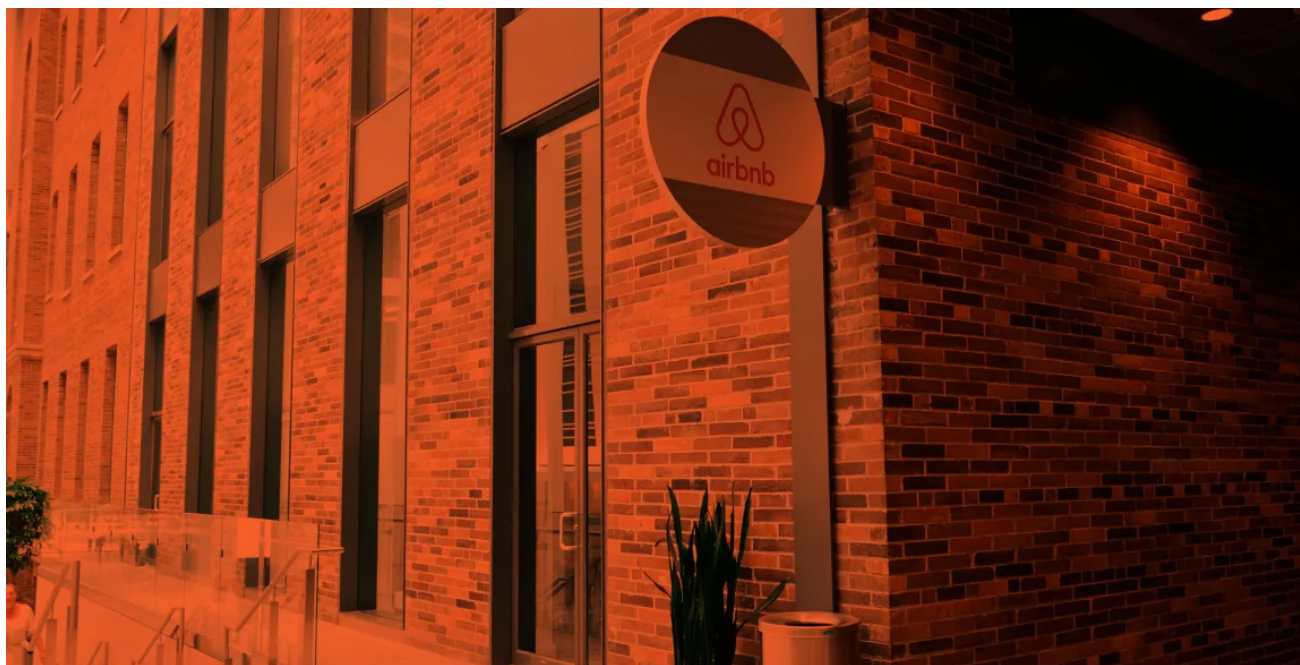
Deputy Clerk, City Secretary's Office

This meeting can be adjourned and reconvened, if necessary, the following regular business day.

Any item on this posted agenda could be discussed in executive session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and section 551.087 of the Texas Government Code.

A member of the public may address the governing body regarding an item on the agenda either before or during the body's consideration of the item, upon being recognized by the presiding officer or the consent of the body.

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03-11-19

How to rein in Airbnb

The success of cities that have been able to regulate tech-enabled tourism owes to the powerful coalitions that have mobilized to challenge these data-driven platforms.

BY JESSICA GOODHEART
6 MINUTE READ

Capital & Main is an award-winning publication that reports from California on economic, political, and social issues.

From Barcelona to Santa Monica, cities alarmed by the proliferation of short-term rental homes have attempted to rein in Airbnb and its competitors with regulations. They have taxed them. They have limited them to certain neighborhoods or building types. They have banned them altogether. In December, after three years of debate, Los Angeles capped the number of days hosts could rent out their homes at 120.

But do these rules work? One test of the effectiveness of cities' regulatory efforts is their impact on Airbnb's growth. Two years ago, UBS, the Swiss investment bank, analyzed data from 127 cities and attributed [slowing growth in listings at Airbnb](#) to the emergence of local regulations. A November survey of travelers by [Morgan Stanley](#) lists their concerns about home sharing's legality as one of several factors explaining the company's plateauing growth. That said, Airbnb, which has a \$30 billion valuation and is planning an initial public offering as early as this year, is still experiencing user growth in the double digits.

The success of cities that have been able to regulate tech-enabled tourism owes to the powerful coalitions that have mobilized to challenge these data-driven platforms and to the fact that they are beginning to fight with their own digital weaponry.

One major challenge is simply finding and monitoring illegal rentals. Traditional code enforcement methods—door knocking and taking photos—have been supplanted with “web scrapes” and other high-tech approaches. Without these tools, “it’s like bringing a knife to gun fight,” says Ulrik Binzer, a former Airbnb host from Marin County who now runs San Francisco-based Host Compliance, a company that helps cities develop and enforce short-term rental regulation. “There are just too many of them.”

In addition, a “city has to be able to go to a platform that ignores its law and hold it accountable,” says Dale Carson, a hotel industry lobbyist and cofounder of Share Better San Francisco, a coalition of sometime adversaries—tenants, apartment owners, hotels and hotel workers—who advocate for regulations of the behemoth Airbnb and other home-sharing platforms. (Disclosure: Share Better New York is a financial supporter of this website.)

In a landmark 2016 [case](#), a [U.S. District Court](#) upheld San Francisco's ability to hold Airbnb liable when hosts operate illegal rentals. Airbnb can now [face fines](#) if it charges a booking fee for units that are not legally registered with the city.

But there are still myriad ways for hosts to elude cities' regulatory efforts, including setting up fake host names and shell companies, or registering on multiple platforms. The hardest violators to root out, according to some researchers, are hosts who run de facto hotels and take permanent housing off the market. “The biggest problem are the commercial short-term rentals” since “the risk might be worth it to stay operating,” says Shirley Nieuwland, a doctoral candidate at Erasmus University in the Netherlands who co-authored a [study](#) on cities' attempts to regulate Airbnb.



in 2017.

City Attorney Dennis Herrera notably secured [\\$2.25 million in penalties](#) from property owners Darren and Valerie Lee, who, after being caught once in 2014, returned to illegally renting out 14 other apartments on Airbnb until being caught again last year. (Only permanent San Francisco residents may let their homes as a short-term rental—and for not more than 90 days in a year.)

More tellingly, what was once an adversarial relationship characterized by battles at the ballot box and legal sparring between the city and Airbnb is now a cooperative one. “I think we have a system in place that is very effective,” says Kevin Guy, director of San Francisco’s Office of Short-Term Rental. “We have a regular cadence of email communications back and forth” between the various platforms and the city.

Airbnb spokesman Christopher Nulty says that regulations help bring stability to the platform. “We think that to be regulated is to be recognized,” says Nulty. Over the last five years, Airbnb has worked with “hundreds and hundreds of governments globally” to establish tax and regulatory partnerships, he adds.

Dale Carson credits a legal settlement between San Francisco and Airbnb for the new spirit of cooperation—after Airbnb and its competitor HomeAway/VRBO challenged a 2016 law requiring hosts to register with the city.

Even after the enforcement battles, Airbnb officials are sanguine about its prospects in its hometown. Revenue from bookings in the city have remained [steady](#) since the tougher enforcement regime was put in place. Meanwhile, the company has seen a 44 percent annual growth in guest arrivals in the five counties surrounding San Francisco. But what has watchdogs on alert is the sizable growth in listings of units that can rent for 30 days or more, according to the [San Francisco Chronicle](#). Unlike other short-term rental hosts, the owners of such units are not required to be permanent residents.

And a [study](#) by McGill University researchers raises questions about the law’s effectiveness, claiming it merely purged Airbnb of hosts who rarely rented their homes and had “relatively little impact” on those hosts renting out multiple units or a single home with great frequency. “This suggests that few if any Airbnb listings in San Francisco have been returned to the long-term rental market,” according to the report, which was published in January.

Meanwhile, New York City remains a legal battleground for Airbnb. Typical New Yorkers saw their rents rise by \$384 in a three-year period—and by more than \$700 in some Manhattan neighborhoods, according to another McGill University [study](#), published last year. While San Francisco allows its residents to rent their homes for months at a time when they leave town, New York City’s stricter law bans short-term rentals in most buildings unless the home sharer is present.

That has not stopped short-term rentals in Airbnb’s largest domestic market from proliferating. Last month, the *New York Times* recounted an elaborate scheme undertaken by local real estate brokers who [allegedly raked in more than \\$20 million](#) from thousands of illegal rentals.

There were more than 56,000 active daily Airbnb listings in New York City last year, according to the 2019 McGill University study, which also estimated that 68 percent of host revenue came from illegal reservations.

Airbnb has fought back hard against the city’s tough regulatory regime. After New York passed a law that required platforms to provide regulators with hosts’ names and addresses, Airbnb sued, arguing the city had violated Fourth Amendment protections from unreasonable search and seizure. In January, a U.S. District Court judge in Manhattan placed an injunction on the law. The city has since [subpoenaed Airbnb](#) for data on 20,000 listings that regulators believe may be in violation of local laws.

“Airbnb is constantly suing cities or threatening to sue them, and so there’s a lot of hesitancy from cities” to regulate them, said Murray Cox, a New York-based data activist who runs a website called [Inside Airbnb](#).

Airbnb’s Nulty counters that the number of lawsuits that Airbnb has brought is small relative to the 88,000 cities where the platform operates, and objects to New York’s desire to have “unfettered access” to host data “without due process.”

At least one host is not impressed by cities’ regulatory efforts. Gene Dexter owns seven short-term rental properties in Thailand and in cities across the U.S., from Los Angeles to New Orleans, and manages rentals for clients. He takes great pride in carefully designing each of his units with items from his travels. He said that tougher regulations in a city would not be a major factor in his deciding where to operate. “They are kind of a cool challenge for me,” says Dexter. “With the tech, I could easily play the game to the point where—catch me if you can.”

You Might Also Like:

[Under Trump, income growth slows across U.S., including in battleground states](#)

[‘Total chaos’: How Trump’s Washington is killing the next generation of tech](#)

Inside Airbnb's 'Guerrilla War' Against Local Governments

The high-profile unicorn is battling cities from Boston to San Diego over collecting taxes and enforcing zoning rules.



ALYSSA FOOTE; GETTY IMAGES

"Read my lips: We want to pay taxes," Chris Lehane, Airbnb's global head of public policy, told the nation's mayors in 2016. In the years since, the home-sharing site has repeated the declaration in press releases, op-eds, emails, and on billboards. On its website, Airbnb says it is "democratizing revenue by generating tens of millions of new tax dollars for governments all over the world."

But when Palm Beach County, Florida, a popular tourist destination, passed an ordinance in October 2018 requiring Airbnb and other short-term rental companies to collect and pay the

county's 6 percent occupancy tax on visits arranged through their sites, Airbnb sued.

Palm Beach County tax collector Anne Gannon wasn't surprised. "We knew we were going to get sued," she says. "That's what they do all over the country. It's their mode of operation."

Gannon has been cajoling, threatening, and ordering Airbnb to collect taxes for its hosts since 2014. Five years, three lawsuits, and millions in unpaid occupancy taxes later, she's still trying. "All we want them to do is pay their taxes," she says. "They absolutely don't want to pay their taxes the way we want to collect them. That's the bottom line."

Similar dramas are playing out around the country. From Nashville to New Orleans to Honolulu, Airbnb is battling local officials over requests to collect occupancy taxes and ensure that the properties listed on its site comply with zoning and safety rules. In the past five months alone, the company has spent more than half a million dollars to overturn regulations in San Diego and has sued Boston, Miami, and Palm Beach County over local ordinances that require Airbnb to collect taxes or remove illegal listings. Elsewhere, Airbnb has fought city officials over regulations aimed at preventing homes from being transformed into de facto hotels and requests from tax authorities for more specific data about hosts and visits.

Airbnb is engaged in "a city-by-city, block-by-block guerrilla war" against local governments, says Ulrik Binzer, CEO of Host Compliance, which helps cities draft and enforce rules for short-term rentals, sometimes putting it at odds with hosting platforms. "They need to essentially fight every one of these battles like it is the most important battle they have."

Founded in 2008 as an early champion of the sharing economy by allowing people to rent homes, apartments, and rooms to others, Airbnb has grown into a lodging colossus, offering more than 6 million places to stay in more than 191 countries. Its listings outnumber those of the top six hotel chains combined, helping the company reportedly generate more than \$1 billion in revenue in the third quarter of 2018. It is valued by investors at \$31 billion, making it the country's second most valuable startup, after Uber. By comparison, Hilton and Marriott's current market capitalizations are \$25 billion and \$43 billion, respectively. Earlier this month, Airbnb acquired last-minute hotel booking service HotelTonight, reportedly for more than \$400 million.

One reason Airbnb is often a cheap option for travelers: Running a hotel or bed and breakfast is expensive; snapping photos of your home, apartment, or spare room and filling out an online profile is not. Hotels must comply with a litany of health, safety, and zoning rules—as well as register with local agencies and agree to collect certain taxes—before they can book a single guest.

Airbnb maintains that, in some cases, it's not permitted to collect occupancy taxes required of hotels and other lodgings; it's also not responsible for ensuring the rooms and homes listed on its sites comply with zoning or health regulations. The company says it follows local and state laws but considers itself a “platform,” serving merely to connect hosts and visitors, rather than a lodging provider—more akin to Facebook than Marriott.

The onus is on hosts, Airbnb argues, to collect and pay any relevant taxes and to comply with other regulations. In practice, though, few actually do—at least not without considerable effort by local authorities—according to interviews with more than a dozen local government officials and advisers.

Some officials agree with Airbnb. In an early 2018 survey of state tax departments by Bloomberg, officials in 25 states said it was the host's responsibility to pay occupancy tax for an Airbnb stay. Officials in 14 states said they consider it the responsibility of Airbnb or other short-term rental operators. The survey was taken before the US Supreme Court ruled in June that states may collect sales tax from online retailers even when they don't have a physical presence in that state. The survey did not include local authorities, who are often more reliant on revenue from occupancy taxes, especially in popular tourist areas.

To be sure, these aren't Airbnb's taxes, any more than Hilton “pays” taxes for its guests' hotel stays. Rather, the officials sparring with Airbnb want the company to collect and forward the taxes from guests, much as hotels do. Airbnb says it isn't required to collect the taxes in many places; early on, it largely didn't.

That changed around 2014, when Airbnb began striking deals with officials in select cities to collect and deliver taxes from its hosts. It calls these Voluntary Collection Agreements, or VCAs. In Portland, site of the first agreement, city officials legalized home-sharing and lowered the registration fee for short-term rentals around the same time Airbnb agreed to add

a 11.5 percent occupancy tax on each booking. It later negotiated similar deals in San Francisco, Chicago, Philadelphia, Washington, DC, and elsewhere. The company says it has signed more than 350 such agreements nationwide and more than 500 around the world, and has collected more than \$1 billion in taxes.

“Some governments have rules requiring platforms like Airbnb to collect and remit taxes, and we make every attempt to comply with these obligations,” says Christopher Nulty, Airbnb’s head of public policy. “However, many governments do not have such rules and so Airbnb has proactively established more than 500 voluntary collection agreements globally to ensure our community is paying their fair share of taxes. We are eager to do everything we can to ensure we are paying our fair share and willing to work with any government that will work with us.”

However, those agreements don’t require hosts to meet other zoning, health, and safety rules, and they prohibit cities from attempting to collect back taxes. Some also create obstacles for local agencies to identify and police hosts who list through the site. Dan Bucks, former director of the Montana Department of Revenue and former executive director of the US Multistate Tax Commission, analyzed some of the few publicly available Airbnb agreements and found that most prevented city officials from learning the names or addresses of Airbnb hosts, making it impossible for officials to enforce local codes. Bucks says the agreements helped Airbnb grow by “providing a shield of secrecy” to hosts. His study was partially funded by the American Hotel and Lodging Association, which is often at odds with Airbnb and other short-term rental companies.

"All we want them to do is pay their taxes."

— ANNE GANNON, PALM BEACH COUNTY TAX COLLECTOR

Airbnb says its VCAs are designed to help government agencies collect tax revenue, not to help them enforce other laws related to short-term rentals. The company says the agreements show that it is a responsible corporate citizen.

Historically, other online rental services, such as Booking.com, HomeAway, and VRBO, have not collected these taxes in many places. In the past two years, HomeAway and VRBO have begun collecting some occupancy taxes in a handful of areas—sometimes using their own

version of a VCA. Booking.com does not offer any occupancy-tax collection services, compounding the revenue drain for municipalities. Booking.com's global communications manager, Kim Soward, says the company pays all required taxes. Expedia Group—owner of HomeAway, VRBO, VacationRentals, and other sites—did not respond to multiple requests for comment.

Airbnb is the undeniable giant of the field, and is reportedly preparing for an initial public offering. About 51 percent of all short-term rental listings in the US are on Airbnb, according to an analysis by Binzer, of Host Compliance. VRBO controls 17 percent of listings and HomeAway 11 percent, he says.

Poster Child

New Orleans was hailed as the poster child for Airbnb's work with local governments after signing a VCA in December 2016. Around the same time, the city struck a deal with Airbnb to legalize short-term rentals while requesting that the company share the names and addresses of hosts, ban certain illegal listings, and create an online system that automatically registers hosts with the city, among other things. Many viewed the deal as a sign Airbnb was learning to live with local taxes and regulations.

Today, city officials say they're disappointed. They say a surge in short-term rentals has exacerbated New Orleans' affordable housing crunch and turned entire residential blocks into de facto hotels. Jane's Place Neighborhood Sustainability Initiative, a local housing group, says there were 4,319 whole-unit Airbnb listings in the city last year, more than double the 1,764 in 2015. The group found that 11 percent of operators, including many from outside Louisiana, control 42 percent of the city's short-term rentals.

The largest operator, a company called Sonder, has 197 short-term rental permits. Nearly 80 percent of Sonder's listings are booked through platforms like Airbnb, according to Sonder's director of communications, Mason Harrison. "That's a different story than the mom-and-pop" narrative that Airbnb often uses to describe its hosts, says New Orleans councilmember Kristin Gisleson Palmer.

City officials say the registration system Airbnb launched in April 2017 didn't give them some data they had requested, such as the identity of the property owner or tenant, the number of bedrooms in the property, and contact information for the property manager. To collect the missing data, city staffers say they had to contact 4,786 applicants over three months. "We could not really effectively use [the data provided] for enforcement and holding folks accountable," Palmer says.

In May 2018, the city council imposed a nine-month freeze in some areas on new permits for renting a home without an owner present. The following month, Airbnb disabled the registration system—including another enforcement-enabling feature, which displayed hosts' license numbers on their Airbnb listings.

A February 15 report by the city's Department of Safety and Permits, obtained by WIRED, states that disabling the registration system caused a year of work by city officials tracking short-term rentals to "disappear overnight." The report concludes that Airbnb and other short-term rental companies had engaged in "deliberate data obfuscation, refusal to provide the required data, and a total failure of cooperation with any enforcement mechanisms pursued by the City." The report notes that Airbnb continues to collect and remit occupancy taxes for its listings in the city.

Airbnb says city officials' description of events is "inaccurate," and that it is supplying all the information that is required. The company says there were "initial bumps in the road that Airbnb was working with the city to address, only to have lawmakers abruptly change the rules in May 2018." Those changes, the company says, made the registration system ineffective.

"Housing affordability is a challenge in New Orleans—in fact 70 percent of our host community have said they rely on the income they make to stay in their homes," Airbnb says. The company says it is committed to working with officials to resolve any concerns.

A February report by the New Orleans Department of Safety and Permits is critical of short-term rental companies.

Blocking New Laws

Airbnb says it complies with laws that require it to collect and pay taxes for hosts. But it has also worked to forestall such laws—even seeking at times to strip cities of authority over short-term rentals. That’s what happened in Nashville in late 2017 and early 2018.

As the city inched closer to prohibiting so-called “mini hotels”—non-owner-occupied homes used exclusively as vacation rentals—Airbnb shifted its focus from City Hall to the state Capitol three blocks away. In the latter half of 2017, the company more than doubled the number of lobbyists it employed in Tennessee, to from four to 11, and spent between \$225,000 and \$350,000 on lobbying between February 2017 and August 2018, according to reports the company filed with the state.

In January 2018, the Tennessee Department of Revenue signed a VCA with Airbnb. The agreement requires Airbnb to collect and pay the 7 percent state sales tax on its bookings, but does not cover the 5 percent occupancy tax in Nashville, by far its largest market in the state. A few days later, Nashville passed its ordinance prohibiting mini hotels.

Around this time, a political action committee called the Committee to Expand Middle Class By Airbnb, Inc. donated \$10,000 to groups representing Tennessee Republicans, according to campaign finance records. The donations included \$2,500 to the campaign of state representative Cameron Sexton, who had introduced a bill in 2017 specifying that short-term rentals should not be considered hotels under state law. The bill, known as the Short-Term Rental Unit Act, was drafted in consultation with Airbnb and other short-term rental companies, including HomeAway, according to the *Tennessean*. It included a provision stripping cities of the power to ban existing short-term rentals. The Tennessee General Assembly passed the bill in April 2018.

Local activists say the law cripples cities’ ability to tackle an important local issue. “The Tennessee state Legislature and Tennessee’s governor decided to severely weaken the basic protections for the health, safety, and well-being of Nashvillians that were created by our local government,” John Stern, president of the Nashville Neighborhood Alliance, a residents’ group, says via email.

Airbnb says the Tennessee law was the work of “state lawmakers who care deeply about this issue and worked to organize a broad coalition of supporters—including the business,

technology, property rights, and home sharing communities.” Sexton did not return a request for comment.

Similar scenarios have unfolded elsewhere after cities have moved to restrict short-term rentals. In February 2016, the Austin City Council voted to phase out mini hotels in residential areas by 2022. In the following months, several other Texas cities passed similar restrictions. Then, early in 2017, Texas state lawmakers introduced two bills in the legislature preventing municipalities from banning short-term rentals and enforcing many regulations.

A few months later, in April 2017, Airbnb announced that it had signed a VCA with Texas officials to collect state occupancy taxes. Bennett Sandlin, executive director of the Texas Municipal League, which represents cities, called the deal “a smokescreen to cover the company’s refusal to pay taxes.” The 2017 bills eventually stalled in the Texas legislature, but lawmakers plan to try again this year.

Airbnb says it has “excellent working relationships” with many Texas cities and hopes to extend the VCA with the state to “new tax agreements with Texas municipalities to help them collect new revenue from home sharing.”

Where’s the Money?

Gannon, the Palm Beach tax collector, has been tilting at travel companies for a decade. In 2009, she sued Expedia, Orbitz, Priceline, and Travelocity for failing to collect and pay occupancy taxes on the full cost of the hotel rooms they were selling; three years later, the companies settled the suit and agreed to pay nearly \$2 million in back taxes.

She then turned to the online home-rental companies. In 2014, she sued Airbnb, HomeAway, and TripAdvisor, alleging they should be classified as “dealers” renting accommodations under Florida law, and thus required to collect occupancy taxes on behalf of their hosts. In January, after five years, a judge ruled that the services were not dealers under Florida law and did not have to collect the taxes for hosts. Gannon is appealing the ruling.

In 2015, the Florida Department of Revenue signed a VCA authorizing Airbnb to collect and remit the 6 percent sales tax for all listings in the state, plus local sales and occupancy taxes

for some counties.

Soon after, Gannon asked to see the details of the agreement; state officials told her it was confidential. So she sued the Florida Department of Revenue, alleging that the agency's secrecy violated the state's public records law. A few hours later, the department faxed a copy of its Airbnb VCA to Gannon's office; she says she was instructed not to share it with anyone. It required Airbnb to provide the state only with aggregate data and allowed the company to withhold "any personally identifiable information" about hosts or guests. Most other VCAs signed with state or local governments contain identical language.

Officials say such details about hosts and their rentals are crucial to enforcing local laws and ensuring the lump sum tax payments match up with detailed data on stays. Shielding names and other details from tax officials "is a gross departure from standard practice," says Bucks, the former tax commissioner.

"We're the middle—the hosts are stuck in the middle."

— MARIA VALE, AIRBNB HOST IN PALM BEACH COUNTY, FLORIDA

In New Orleans, the February report by the city's Department of Safety and Permits says Airbnb provided officials there with anonymous account numbers in place of addresses or taxpayer identifiers, making it difficult for the city to audit the information. "It is impossible to track whether we are getting all the money that we are supposed to get," says Andrew Sullivan, chief of staff for Palmer, the New Orleans councilmember.

Airbnb disagrees. "Airbnb provides the necessary information to ensure tax payments are accurate, including number of nights, charges, and the amount of tax collected," Nulty says. He says the company welcomes audits; however, many of the company's VCAs prohibit cities from auditing Airbnb more than once every two years.

Airbnb's 2016 VCA with Sonoma County, California.

A Public Clash

Palm Beach County's monthly commissioners meeting is typically a dull affair. But October 16, 2018, was different.

The chambers were packed with people dressed in white, holding hot pink flyers. The reason: Gannon's proposal to amend the county's Tourist Development Ordinance to require platforms such as Airbnb to collect and remit occupancy taxes on behalf of hosts, and to share more data with the county.

A few weeks earlier, emails from Airbnb had arrived in the inboxes of its hosts in the county. "Home-sharing in Palm Beach County is under attack," many declared in bold letters, asserting that Gannon had proposed an "unfriendly" ordinance that would make hosts' lives more difficult. The emails implored hosts to attend the hearing and "use your voice to oppose this proposal and share the benefits" of home sharing.

Around 100 hosts attended the meeting. But Gannon was prepared. Having seen several of the emails, she assembled a three-page document rebutting what she calls Airbnb's "campaign of misinformation," line by line. The packet was printed on hot pink paper and given to each person who walked through the door.

During the meeting, some hosts expressed doubts about Airbnb's position. Some recalled seeing a message from Airbnb stating that it was collecting and remitting taxes on their rentals, though the company was not. "I have this underlying fear ... that I am breaking a law that I don't really know about," said Ruth Riegelhaupt-Herzig, an Airbnb host since 2015.

"We thought Airbnb took care of everything, and I was a little scared I was in trouble with the government," host Maria Vale said at the meeting. "All I'm saying is we're the middle—the hosts are stuck in the middle."

Nulty says that Airbnb makes it clear to hosts which taxes it collects via [this webpage](#), which lists areas with VCAs and what taxes they cover. The page does not explain which taxes hosts are required to collect on their own. A [different Airbnb page](#) instructs hosts to tell guests to bring extra money when checking in so the host can collect taxes in person. Riegelhaupt-Herzig says that isn't effective, as most guests are wary of paying an additional 6 or 10 percent directly to the host, in addition to the booking charges they paid online through Airbnb.

What's more, all stays booked in the area have a charge labeled "Occupancy Taxes and Fees" added to the final bill, because of the state's VCA. "So for us to turn around and say, 'I'm sorry, you haven't paid the occupancy tax in Palm Beach County,' they think we're scamming them," which isn't good for a reviews-based business, Riegelhaupt-Herzig told WIRED. She says she has been paying the county occupancy tax since October out of her own pocket.

Screenshot of the confirmation for a booking in Palm Beach County, Florida, showing occupancy taxes and fees. AIRBNB

After more than an hour of testimony, commissioner Dave Kerner said Airbnb had allowed its hosts to “be misled” about paying taxes. “That is concerning,” Palm Beach County mayor Melissa McKinlay said. “And so I will support this ordinance today.” It was approved unanimously seconds later.

In San Diego last year, Airbnb took a different tack to counter a new law. City officials had signed a VCA with Airbnb in 2015. But they grew unhappy with the setup’s lack of transparency and the inability to audit, says San Diego councilmember Barbara Bry. What’s more, Airbnb use had skyrocketed in San Diego since then. In March 2015, there were more than 2,600 rental units listed on short-term rental sites in San Diego, according to Host Compliance; by 2019, that total had soared to more than 11,500. Host Compliance says two-thirds of short-term rentals in San Diego are posted on Airbnb. Bry says that the rise of full-time investor-owned short-term rentals in residential areas has hurt enrollment in public schools, transformed neighborhoods into districts of mini hotels, and contributed to a citywide housing shortage.

Last August, the San Diego City Council passed an ordinance that banned the short-term rental of homes that aren’t the owner’s primary residence and required platforms to collect taxes on behalf of their hosts, effectively overriding their VCA. Bry says she assumed Airbnb would sue,

but it didn't. Within days, Airbnb threw its weight behind a movement to overturn the new rules through a citywide referendum.

Public records show Airbnb donated \$1.1 million to a California political action committee called "Committee To Expand the Middle Class, Supported by Airbnb, Inc." That group reported spending \$300,000 to hire signature gatherers to circulate petitions opposing the San Diego ordinance. Airbnb also directly donated \$276,358 to a second group around the same time, records show.

Four weeks after the city council approved the new rules, representatives of Airbnb, HomeAway, and Stand for Jobs delivered more than 62,000 signatures calling for a referendum to rescind the ordinance, nearly twice the number needed to force a citywide vote.

City councilmembers said they didn't want to risk losing the vote, so they rescinded the ordinance, with plans to try again. "I'm disappointed that a corporation reportedly valued at \$31 billion descended upon our city with its unlimited millions of dollars and used deceptive tactics to force us to where we are today," Bry said during a council meeting on October 22, just before the council voted to rescind its ordinance.

Airbnb says the petitions garnered so many signatures because the ordinance "would have devastated the local economy, impacted property rights in every San Diego neighborhood, and cost the city millions annually in tax revenue."

The San Diego City Council plans to introduce a new short-term rental ordinance sometime this fall, Bry told WIRED. If Airbnb challenges a new ordinance, Bry says city officials will be more prepared, and will respond with their own public-education campaign and take the contested ordinance to a public vote.

Airbnb's battles with local officials have intensified since last year's Supreme Court ruling in a case involving online retailers. Some tax experts say the decision undercuts Airbnb's position that it doesn't have to collect taxes for its hosts. "There is no doubt whatsoever now that on a constitutional basis Airbnb can be required to collect [taxes]," says Bucks. "There is no justification for these special deals anymore." Airbnb says it's monitoring state-by-state developments related to the case.

Airbnb's recent lawsuits against Palm Beach, Boston, and Miami focus on another aspect of those cities' ordinances: a requirement that platforms remove listings that don't comply with the law. Airbnb says the requirements are unconstitutional and technologically unfeasible. But the company does remove illegal listings in its hometown of San Francisco, and has conducted occasional or ongoing purges in New Orleans, Santa Monica, Japan, Berlin, Vancouver, and, briefly, New York City. In New York, Airbnb sued to block a city ordinance requiring it to turn over more detailed information on listings; a judge in January blocked the law from taking effect.

In Boston, city councilor Michelle Wu helped lead the push last year for an ordinance aimed at discouraging hosts from turning apartments and homes into mini hotels. The ordinance requires hosts to register with the city and restricts short-term rentals to owner-occupied units. "Airbnb describes itself as a quaint little home-sharing service ... but the reality is that it has grown to be a corporate entity that makes millions of dollars from businesses taking advantage of loopholes and running de facto hotels," she says.

On April 17, Airbnb sent emails to thousands of Boston Airbnb users criticizing Wu. The email claimed that she was aligned with "big hotel interests" and falsely said she intended to place a "restrictive 30-day cap on unhosted stays." Wu says Airbnb never sought to discuss the ordinance or check the claims in the email. Airbnb says Wu's proposal was "anti-tenant, anti-middle class," and "overly restrictive."



Michelle Wu 吳弭

@wutrain

Interesting strategy, [@Airbnb](#). No changes proposed since last amendment w [@LydiaMEdwards](#). Not sure where you're getting 30-day cap, but spreading fake news doesn't bode well for credibility that you'll be a partner to the city as we work to address the housing crisis [#bospoli](#) [twitter.com/chrisvillani44...](#)

Chris Villani @ChrisVillani44

.@Airbnb has sent out an E-mail to Boston area residents urging people to call Boston City Council President @wutrain & urge her to drop what they call "unreasonable" restrictions on city rentals

Hi Chris,

Boston City Councilor Michelle Wu has a proposal that would place unreasonable restrictions on home sharing in the city and we need your help to stop it. She has aligned with big hotel interests against the interests of regular Bostonians. Will you use our speakout tool and send an email to Mayor Walsh and City Council today asking them to support responsible home sharing in Boston?

[Send an email](#)

The Wu proposal would place unnecessary restrictions on home sharing by:

- Placing a restrictive 30-day cap on unhosted stays.
- Prohibiting renters from sharing their homes, something not done anywhere else in the United States.
- Requiring notification of neighbors and that platforms like Airbnb collect and share an invasive amount of personal

249 9:58 AM - Apr 17, 2018

[137 people are talking about this](#)

The ordinance passed in June. Four months later, Airbnb sued the city, alleging the rules—which went into effect January 1—violate state and federal laws. Wu says the city modeled its ordinance after San Francisco's, which Airbnb complies with. The Boston lawsuit—much like others recently filed by Airbnb—only challenges requirements that platforms remove illegal listings and share information with local officials to aid enforcement. The suit seeks an injunction against parts of the law, and the city has agreed not to enforce those sections until a judge rules.

A few weeks after Airbnb sued Boston, Massachusetts governor Charlie Baker signed legislation to tax and regulate short-term rentals at both the state and local levels. The law, which goes into effect in July, requires hosts to register with the state. Information about hosts—minus specific house numbers—will be displayed on a publicly available registry, and hosts who run multiple rentals must pay additional taxes. Airbnb says the law will “jeopardize the privacy of our hosts while placing significant and unnecessary burdens” on them. The company says it is working with state officials to address those concerns.

Airbnb's municipal confrontations have been a boon for Binzer, whose company Host Compliance works with 150 cities to identify short-term rental owners skirting taxes and regulations and to devise an enforcement strategy without striking deals with Airbnb. He used to be an occasional Airbnb host himself—and paid occupancy taxes—when he lived in Tiburon, California; then he was tapped to help local officials quantify Airbnb's business in town. He says cities are often overmatched by Airbnb, in part because the company periodically tweaks the site in ways that impede tax collectors and enforcement agencies.

For example, Binzer says that until December 2016, Airbnb included the street name of a property in the metadata attached to the listing. Airbnb's terms of service prohibit third parties from scraping its site for this kind of information, but critics say it's crucial for enforcement. Officials in some cities used this data to identify hidden hosts. Then Airbnb removed the street name, and altered the geocoding for listings, changing the latitude and longitude so properties appear in slightly different locations.

"It's a cat and mouse game," Binzer says. "They literally put the pin in the wrong place of where the actual property is."

Airbnb says it shields the street name and other personal information related to hosts "to ensure an added level of privacy when third-party scrape sites aim to compile listing information."

From Negotiation to Litigation

Around the time Palm Beach County Commissioners passed the short-term rental tax ordinance in October, Gannon says she spoke with a representative from Airbnb. She recalls the company floating a gradual implementation strategy: Airbnb would comply with some of the new rules immediately, but others—like a system requiring hosts to be properly registered with tax authorities—would be phased in over time.

Gannon thought that seemed reasonable, as long as Airbnb collected and paid the taxes. But she didn't have time to see the discussion through. A month and a half after the ordinance was passed, Airbnb sued the county. The suit argues Airbnb can't be required to police illegal listings and share host information because "Airbnb is a realization of Congress's [free speech]

goals” and a “classic intermediary.” It doesn’t question whether the company can be compelled to collect occupancy taxes; Airbnb is not collecting them in the county, though the ordinance went into effect on January 20. HomeAway also sued the county; the suits have since been combined.

“They were just stringing us along until they had their lawsuit ready to file,” Gannon says. “It’s typical of Airbnb ... They’re getting ready to issue an IPO and go public.”

Airbnb's lawsuit against Palm Beach County, Florida.

Updated 3-21-2019, 5:30 pm EDT: This story was updated to clarify the relationship between the American Hotel and Lodging Association and Airbnb, to clarify a characterization of Airbnb’s corporate citizenship, and to add a comment clarifying Airbnb’s position about its cooperation with the city of New Orleans. The updated story also makes clear that HomeAway was among the companies that helped draft a Tennessee law and that HomeAway has sued Palm Beach County.

Updated 4-5-2019, 4:50 pm EDT: This story was updated to correct the amount Airbnb spent to oppose a San Diego ordinance.

Updated 4-12-2019, 6:00 pm EDT: This story was updated to incorporate additional comment from Airbnb regarding the company's stance on collecting taxes.

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Like many of you, we have been keeping a close eye on the coronavirus situation, and will continue to do so. There have been event cancellations in Irving thus far – one convention center event, and some other hotel-based events. We are also aware of a drop-off in corporate transient travel, and will continue to monitor the situation based on the information we can access.

We are actively participating in several industry briefings – last week on Wednesday, we were part of a briefing coordinated by the US Travel Association which included updates from the CDC, FAA, DOT, and HHS, as well as Tourism Economics. Thursday, it was a call with Destinations International that included the Events Industry Council, Greenberg Traurig LLP (international law firm), and other trade partners. On Friday, it was a now-standing call with our Texas industry counterparts, including the Texas Hotel & Lodging Association and the Texas Travel Industry Association, to discuss what each of us is seeing in our respective markets and to figure out what can be done as this very fluid situation continues to evolve. To further prove how fluid that situation is, that Friday call was at 2 – and at that point, South by Southwest was still on. By 4:00, it had been cancelled.

Our industry sources believe it will take another two weeks before we get a clearer picture of what the long-term impact of this current situation is. To prepare ourselves as best we can, we have gone back to Smith Travel Research to purchase additional data going back to the year 2000, in order to capture a deeper picture of what the impact was on the market mix here in Irving during SARS in 2003, the avian flu/H5N1 in 2007, and the swine flu/H1N1 outbreak in 2009-10. We want to be able to correlate the changes in the Irving market mix over those periods and look to see what impacts are likely attributable to the various disease concerns, separating them from the recessionary declines and the slowdowns we typically see in federal election cycles. And then we want to understand what happened specifically to Average Daily Rate over those periods, and then see how that was ultimately reflected in our hotel occupancy tax collections.

Once we have this data in hand, and as we are able to see how this situation continues to evolve, we will look at a number of scenarios for our own operations. If in two weeks, infection rates are slowing, panic has subsided and corporations are beginning to lift travel restrictions, we can assume the funding impact will be minimized. If infection rates are increasing (likely by virtue of more testing being done and therefore more cases being identified), but panic has lessened, but corporations are still maintaining travel restrictions, we can anticipate a longer, but still finite, impact. If infection rates continue to increase rapidly along with traveler fears, then we can assume corporations will keep an indefinite lockdown on travel, and that will be a much longer term and more impacting scenario.

We are communicating with our customers and following the guidelines issued by the health authorities. The convention center staff has always been meticulous about cleanliness, and they are even more so now; hand sanitizer stations are spread throughout the building. The World Health Organization has thus far advised against travel restrictions, stating "Travel bans to affected areas or denial of entry to passengers coming from affected areas are usually not effective in preventing the transportation of cases but may have a significant economic and social impact." Fear and uncertainty, however, and not the virus itself is what is driving what is becoming a crisis for the meetings and travel industry, and the many, many people who count on it for employment.

On the human side of our operations, we will continue with business as usual, but understanding the strains it is creating. When jobs are reliant both on travel AND on groups booking, we recognize the very real stress and anxiety this situation is causing on multiple levels. Our team that was mobilizing for a triumphant return to SXSW was crushed with the news of its cancellation. We will do our best to encourage our staff to capitalize on the resources we have for employee care, and in doing our best to respect the very real implications of what is happening. We will be as flexible as we practically can, and work together to make sure we are taking care of our team as individuals, and not just the business at hand.

We have an item on Friday's Board & Business Development Committee agenda (9:00 here at the ICC) for a COVID-19 update, and will provide any further info we may have at that time.

"The object of a new year is not that we should have a new year, it is that we should have a new soul." GK Chesterton

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Promoting Tourism in the Time of Coronavirus Is a No-Win

Rosie Spinks, Skift - Mar 05, 2020 2:30 am



Skift
Take

Tourism marketers are facing somewhat of a conundrum: The optics of tourism campaigns during widespread panic can fall flat, but failing to market low-risk destinations may make a bad problem even worse.

— *Rosie Spinks*

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One of the vulnerabilities of the tourism industry is that it is built entirely around a discretionary good. That is, most people don't have to travel. They choose to.

Despite the massive growth of the tourism industry since globally disruptive events like September 11 and the SARS crisis, that still holds true. As coronavirus continues to spread around the world, the tourism industry **sees free-falling demand** for travel. It's anyone's guess when that may change.

With that new reality comes a question: What role, if any, does tourism promotion and marketing have at a time when the appetite to travel is low? One could argue the case both ways — that low risk destinations have every reason to ramp up their promotional activities. Or alternatively, that it's tonally off-base and borderline irresponsible to promote tourism — especially the carefree, leisure kind — at such a time.

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It's made all the more confusing by the world's broad response to the crisis. While the likes of the World Health Organization and the World Travel and Tourism Council have advised that travel restrictions **are not necessary** — and indeed, as WHO reiterated on Tuesday, **may be counterproductive** — many countries have instated them regardless.

Informed by that, passengers are largely indicating their feelings with their behavior, as airlines scramble to **spur bookings**, and tourist attractions even in some unaffected areas are vacant. Plus, with headlines about attractions like the Louvre closing (it has **since reopened**) some travelers may wonder why they should bother taking even a small risk?

This puts tourism boards and destination marketers in a tough spot. When ITB — the world's largest travel trade show that was meant to be held this week — was cancelled on Feb. 28, the marketing team responded by launching the hashtag **#whatwewantedtosayatitb**. Some destinations took it as an opportunity to further promote their offering.

But other destinations are responding with a more downbeat tone. Citing the ITB cancellation, Nepal shelved its plans to roll out the Visit Nepal 2020 Campaign for the time being, according to a report from China's **state-run outlet Xinhua**. The campaign was meant to attract 2 million visitors to the Himalayan nation, double 2019's amount. Skift reached out to the Nepal tourism board for further comment on its decision but did not hear back.

Of course, much of the sense around whether to promote tourism or not will depend on whether a location is

perceived as high risk, or not. Swaziland’s promotion might seem less offensive if the outbreak hasn’t been widespread in Africa, whereas Nepal gets many of its international visitors from China, where the virus began with devastating effects. But the nature of this virus mean a low-risk place could soon be a high-risk one, making that calculation difficult.

It’s a sign of how fickle tourism demand can be that places previously plagued by the phenomenon of overtourism are now experiencing what it’s like to have the opposite: ghost towns. Merchants in Kyoto’s Arashiyama neighborhood — which includes the bamboo forest, a tourist and Instagram hotspot — have created a series of posters depicting the area’s popular **tourist attractions as empty**. With hashtags that translate to #nopeople and #nowisthetime, it seems intended to encourage travelers to visit despite the perceived risks.

Similarly, Milan’s mayor Beppe Sala **tweeted a link to a video** — paid for not by a tourism board, but the Union of Italian Catering Brands — which bore the message “We Won’t Stop,” referring to numerous major cities in Italy, including Milan. It seemed designed to convince locals as much as would-be visitors that all was well.

“Governments and those in authority must not seek to choke travel and trade at this time. Closing borders, imposing blanket travel bans and implementing extreme policies are not the answer to stopping the spread of coronavirus,” Gloria Guevara, president & CEO of the WTTC **said in a statement**. “Past experience shows that taking such extreme action has been ineffective at best. We urge governments to explore fact-based measures which don’t affect the vast majority of people and businesses for whom travel is essential.”

Still, it remains a fine line to tread. Essential travel for business, or to see a sick family member may be warranted, but carefree holidays may be harder to get away with marketing in a time of mass panic, even if they aren’t very risky to take.

Tags: coronavirus, covid-19, itb berlin, nepal, tourism, tourism board, tourism marketing

Photo Credit: The Louvre museum has now reopened. Christophe Ena / AP Photo

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Coronavirus Context: Michael Dominguez Presents the Facts

by **Michael Dominguez** (/author/authorid/25)

[Editor's note: Michael Dominguez, president and CEO of Associated Luxury Hotels International and a leader in the meetings and events industry, published this COVID-19 overview on his LinkedIn page.

Meetings Today thought it provided valuable information about the still-unfolding scope of the coronavirus crisis that is greatly impacting the meetings and events industry. Following is Dominguez' opinion on the current state of affairs regarding coronavirus, the context in which information about it is being disseminated, and key points about how the meetings and events industry should communicate its impact.]



This overview is an attempt to provide some context and clarity around the **COVID-19 outbreak** (<https://www.meetingstoday.com/newsevents/industrynews/industrynewsdetails/articleid/34219/title/protect-against-coronavirus>) and to avoid some of the noise and “bite-size” information that is flowing through traditional mainstream media outlets.

(Photo: Michael Dominguez, President & CEO, Associated Luxury Hotels International)

Please note that the “media” discussion is simply regarding the speed of information flowing and the lack of a “contextual” approach to what is happening around the globe due to that speed.

The 30,000-Foot View

The risk assessment for most of the world remains very low according to the **World Health Organization (WHO)** (<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>). The WHO and **Centers for Disease Control and Prevention (CDC)** (<https://www.cdc.gov/coronavirus/2019-ncov/index.html>) will be referenced

Search COVID-19 risk assessment by country.



Risk Assessment Level for COVID-19

- Widespread sustained (ongoing) transmission and restrictions on entry to the United States
- Widespread sustained (ongoing) transmission
- Sustained (ongoing) community transmission
- Limited community transmission

Source: Centers for Disease Control and Prevention

▼ ARTICLE CONTINUES BELOW ▼

The CDC issues Travel Warnings from:

- Level 4** (No travel)
- Level 3** (Avoid all non-essential travel)
- Level 2** (Take extra precautions—elderly, chronically sick)
- Level 1** (Normal travel precautions).

Current Global Status:

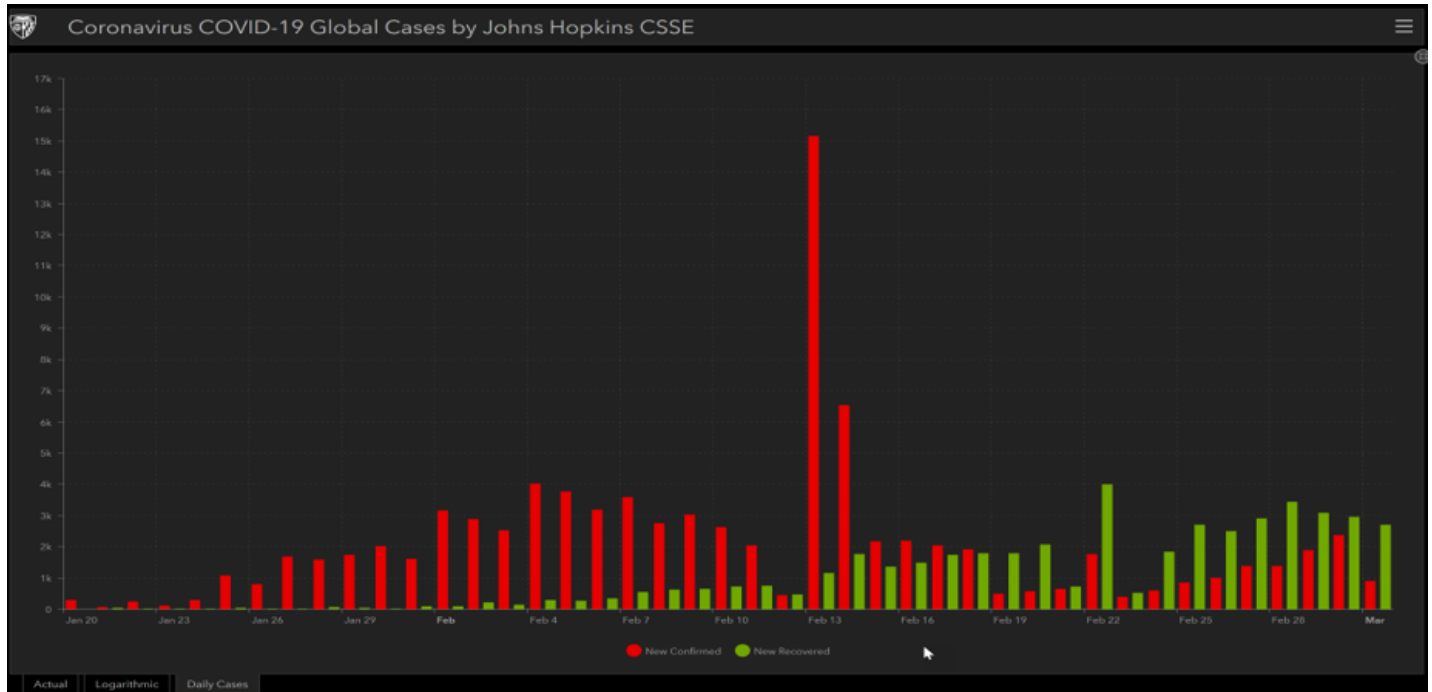
Level 3 – China, Iran, South Korea, Italy

Level 2 – Hong Kong

Level 1 -Japan

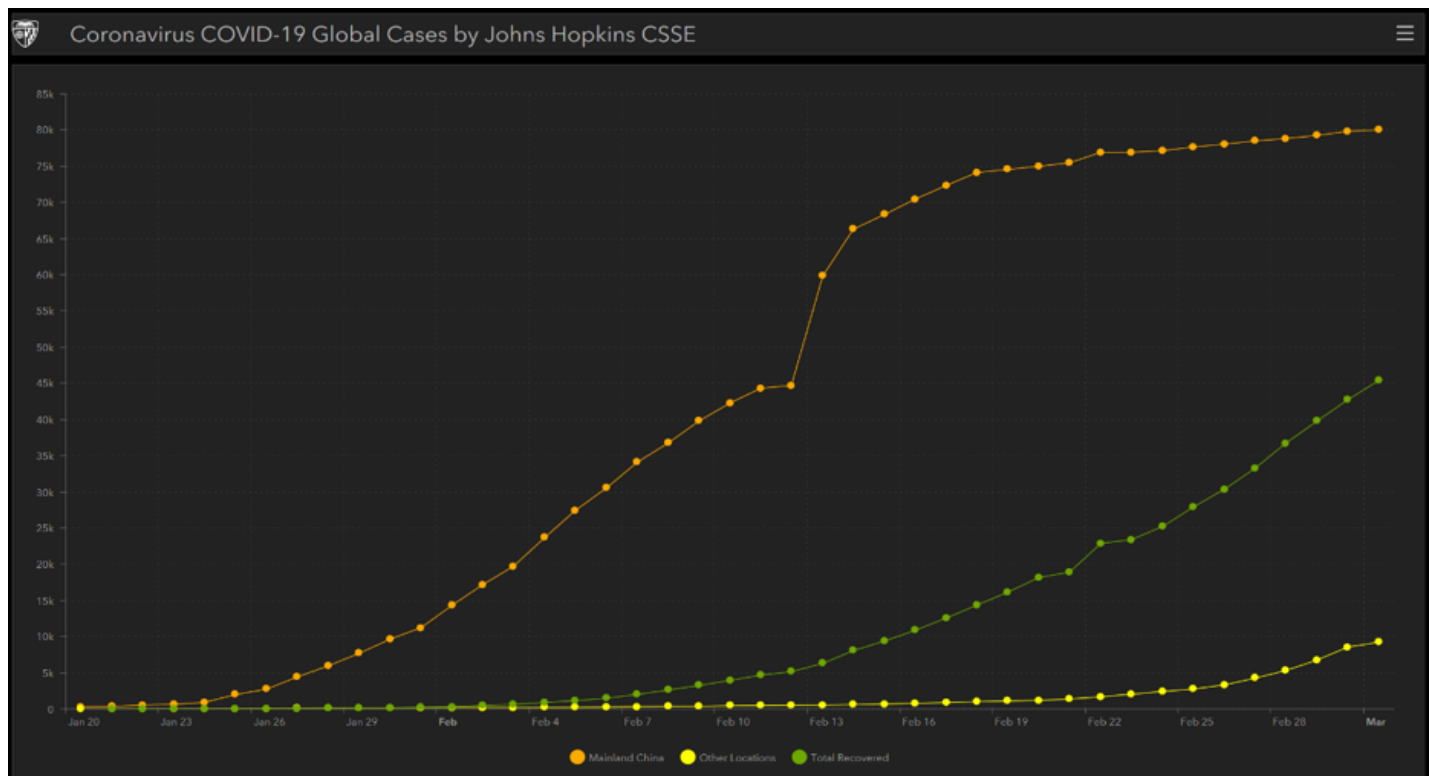
There are NO Travel Warnings for travel within the United States.

Recoveries are outpacing new cases and have been since February 19. This is an important piece to the story that has not been emphasized enough.



Source: Coronavirus COVID-19 Global Cases by Johns Hopkins CSSE

Another visual that shows China, recoveries and rest of the world.



Source: Coronavirus COVID-19 Global Cases by Johns Hopkins CSSE

We tend to ignore the “Epidemic Curve,” which is highlighted below and very evident when you start to look at the peak and control in different areas as is shown in this report from the Hong Kong Centre for Control Prevention. The epidemic curve looks much like a “bell curve” and will highlight a peak and then decline. Basically the lifeline of the outbreak.

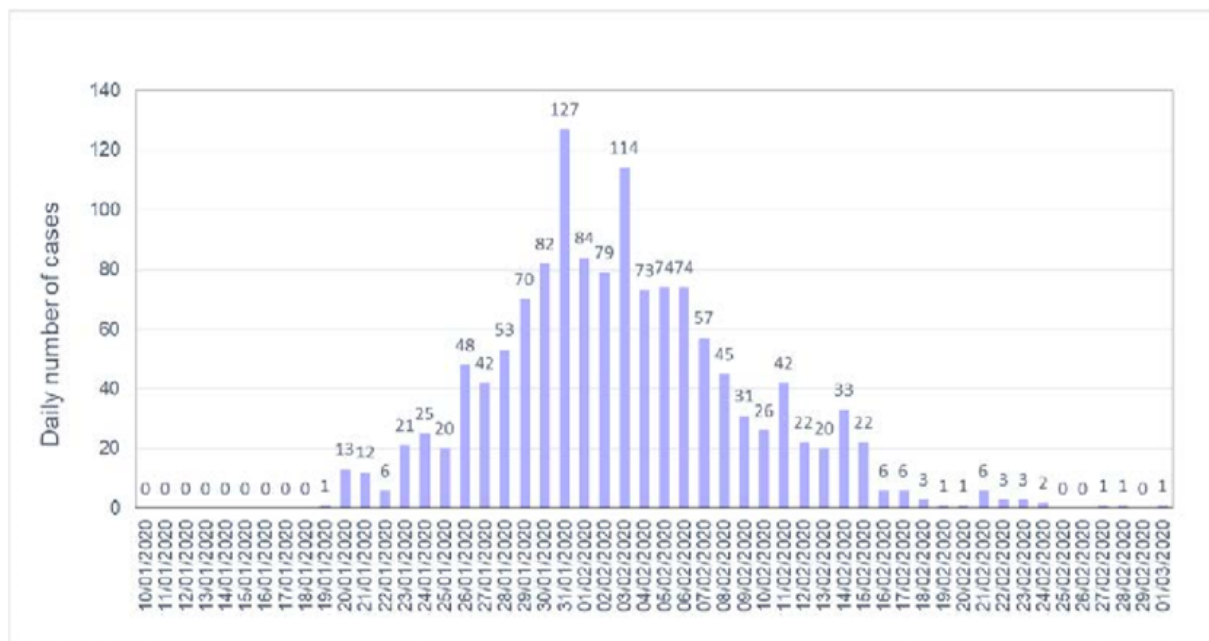


Figure 3 - Daily number of newly confirmed cases reported in Guangdong Province since January 10, 2020

Source: Centre for Health Protection, Department of Health, The Government of the Hong Kong Special Administrative Region

Perspective and Context

The head of the WHO at a press conference made some points that have been largely overlooked, and had a call for perspective. The next bullet points are about that perspective.

**[Related: Coronavirus Risk Management Tips for Meetings and Events
(<https://www.meetingstoday.com/magazines/article-details?ArticleID=34176>)]**

Perspectives From the Head of WHO:

- “We need to see this in perspective. Of 88,913 cases reported globally so far, 90% are in China, mostly in one province.”
- “Of the 8,739 cases reported outside of China, 81% are from four countries.”
- “Of the other 57 affected countries, 38 have reported 10 cases or less, 19 have reported only one case, and a good number of countries have already contained the virus and have not reported in the last two weeks.”
- ***“We are in uncharted territory. We have never before seen a Respiratory pathogen that is capable of community transmission, but which can also be contained with the right measures. If this was the influenza epidemic, we would have expected to see widespread community transmission across the globe by now, and efforts to slow it down or contain it would not be feasible”***

Here is a link to full transcript (<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---2-march-2020>).

- Wuhan, China (ground zero), which has 79,000 cases at the date of publication, has a population of 11 million people. This is an infection rate of 0.7%. This is a very small part of the overall population in Wuhan.
- The infection rate of Italy, with a population of 60 million, does not even register at 0.1%.
- Your risk of contracting the virus is 1 in 100,000. Your risk of being struck by lightning is 1 in 3,000. This is not an attempt to make light of the virus, but to offer perspective around the risk.

Context

There have been 3,000 deaths globally attributed to coronavirus. Yes, every loss is tragic and should have perspective. Context around death rates are also important in times like this.

The annual mortality rates around other diseases offers context:

- Measles: 140,000 annually.
- Influenza (the flu): 650,000 annually.
- Tuberculosis: 1.5 million annually
- Gastroenteritis infections: 1.8 million annually.

This context is why there is a belief that we have a “Pandemic of Fear” that has been created with the way things have been portrayed. With 2019 being the worst flu season we have seen, why has that not been presented the same way?

**[Related: Coronavirus Cancellation and Attrition Liability Must-Know
(<https://www.meetingstoday.com/magazines/article-details?ArticleID=34216>)]**

Influenza

When comparing to the flu, people will argue that we have a vaccine for the flu, so it is not the same comparison.

- Less than 50% of all Americans get the flu vaccine, although it will kill 16,000 people annually at a minimum.
- The flu vaccine does not keep us from getting the flu (unlike the polio or measles vaccines) and 30% of those that die from the flu had received the vaccine.
- The flu, like COVID-19, is a virus, so antibiotics will not be effective in treating and thus have a similar lifespan.
- Below you will find a chart outlining the 2019-2020 flu season and those most at risk. The at-risk chart is the same for both COVID-19 and the flu.
- When reviewing the high-risk categories—they remain constant.

2019–2020 U.S. Flu Season: Preliminary Burden Estimates

[Español](#)

CDC estimates* that, from October 1, 2019, through February 15, 2020, there have been:

29,000,000 – 41,000,000
flu **illnesses**



13,000,000 – 19,000,000
flu **medical visits**



280,000 – 500,000
flu **hospitalizations**



16,000 – 41,000
flu **deaths**



*Because influenza surveillance does not capture all cases of flu that occur in the U.S., CDC provides these estimated ranges to better reflect the larger burden of influenza. These estimates are calculated based on CDC's [weekly influenza surveillance data](#) and are preliminary.

Source: Centers for Disease Control and Prevention

Information for Specific High Risk Groups



[Adults 65 Years and Older](#)



[Diabetes](#)



[Pregnant Women](#)



[HIV/AIDS](#)



[Young Children](#)



[Cancer](#)



[Asthma](#)



[Children with Neurologic Conditions](#)

[Heart Disease & Stroke](#)

Source: Centers for Disease Control and Prevention

Meetings Industry

- Although there have been some high-profile **meetings that have cancelled** (<https://www.meetingstoday.com/newsevents/industrynews/industrynewsdetails/articleid/34208/title/news-itb-berlin-2020-cancelled>) or postponed, the question is around their global make-up and what countries were impacted with many of these programs. You also need to consider the short-term timelines as they were in some cases problematic.
- What isn't as widely reported are the thousands of meetings that are continuing, as the World Pet Expo and IMEX Frankfurt are some high-profile examples.
- It is important to know that without world travel restrictions, the "impossibility" that is necessary for force majeure is not in play.
- Outside of the few areas listed above, travel and life in general are progressing quite normally.

Final Thoughts

It is understood that many of the decisions and items are under review by many stakeholders. The goal here was to lay out what "is" and what "isn't" surrounding the COVID-19 outbreak.

Yes, there remains a "Pandemic of Fear" and there is so much mixed information being shared without context or perspective. The goal of this recap was to provide some clarity and serve as a reference tool as of the time of its writing, March 2, 2020.

When we discuss a "hysteria" around this virus and travel, it is interesting how "travel" has been the piece that has been focused on so intensely.

To think that just last night, on Sunday, March 1, there were seven NBA games around the country and 11 Division 1 Men's NCAA games, not to mention this weekend the thousands of youth sports events that parents attended with their children. All were in enclosed areas, with many handrails being touched, seated next to hundreds and thousands of

people for an event.

When we travel, we tend to focus on the washing of hands and being aware. Not so much in just everyday life.

Again, perspective is just so important, right now specifically.

Read Next: How to Protect Against Coronavirus (<https://www.meetingstoday.com/magazines/article-details?ArticleID=34219>)

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About the Author



Michael Dominguez (</authors/authorid/25>)

(<https://www.meetingstoday.com/magazines/article-details?ArticleID=34219>)

President and CEO, ALHI

Michael Dominguez is president and CEO with Associated Luxury Hotels International (ALHI). He was formerly the senior vice president and chief sales officer for MGM Resorts International. He is actively involved in the meetings industry and continues to advocate on the benefit of face-to-face engagement.

Read more articles from this author > (</authors/authorid/25>)

IN THE END, SXSW COULD NOT OVERCOME CORONAVIRUS PANIC

WITH JUST DAYS TO GO, THE ANNUAL FESTIVAL IN AUSTIN SUCCUMBED TO ENORMOUS EXTERNAL PRESSURE

March 06, 2020 07:42 PM UPDATED 14 hours AGO

With just days to go, the annual festival in Austin succumbed to enormous external pressure.



Credit: Composite image SXSW

The city of Austin and organizers of the annual South by Southwest festival tried to resist the coronavirus scare with a stiff middle finger (and a 10-gallon hat filled with

hand sanitizer). “Keep calm and carry on, y’all,” is how Austin official Sarah Eckhardt put it earlier this week, when organizers sought to rally the public behind their decision to keep SXSW alive despite mounting public panic over the coronavirus, COVID-19.

Then came Friday night, and attempts to keep the festival afloat were lost. SXSW tweeted that the event was indeed done.

During a press conference, Austin Mayor Steve Adler said that “based on the recommendation of our public health officer and director of public health, and after consultation with the city manager, I’ve gone ahead and declared a local disaster in the city, and associated with that, have issued an order that effectively cancels SXSW.”

The official closure came after weeks of defiance, even as some of the biggest names were dropping off: First, Twitter and its CEO Jack Dorsey backed out, then the dam broke: Facebook, TikTok, Vevo, WarnerMedia, Mashable and on and on, announced they would be skipping.

On Friday, Lush Cosmetics said it would no longer go through with an art installation it planned right around the corner from the Austin Convention Center. Equinox also pulled out.

Coronavirus concerns are is growing around the country. The virus has infected more than 100,000 people around the world, leading to more than 3,000 deaths. There are some who think the panic is worse than the health risk, but ultimately that wasn’t a stance SXSW could maintain.

“SXSW will faithfully follow the city’s directions,” the organizers said. “We are devastated to share this news with you. ‘The show must go on’ is in our DNA, and this is the first time in 34 years that the March event will not take place. We are now working through the ramifications of this unprecedented situation.”

The closure leaves behind a number of questions and disputes. The festival typically attracts 400,000 visitors, many people from the worlds of tech, music, film, media and advertising. Last year’s festival, organizers said, brought \$356 million into the local economy.

“The economic impact to the entire city is pretty substantial, and that is really going to hurt,” said Manny Flores, CEO of Austin-based ad agency Third Ear, whose client is Visit Austin, the city’s tourism and convention bureau. “You can’t have another SXSW later in the year ... you just can’t make it up, it’s money that is gone forever. It’s tough, it’s hard.”

But he said city leaders made the move “for the right reasons ... this thing is the real deal.”

Like other ad agencies, Third Ear (formerly called LatinWorks) is taking its own precautions. The shop’s media department will soon begin working from home, which Flores described as a “dry run” to see how it works in the event that the agency decides to have everyone work from home.

Brands put down big money to sponsor installations, like the one Lush Cosmetics planned—a wall of its soap to represent mistreatment of immigrants and inviting attendees to “UnBuild That Wall.”

Verizon planned a virtual reality demonstration, creating a prospect of sharing VR headsets that seems unwise in the current climate.

TikTok, Twitter, Mashable and Patreon planned SXSW houses, which are common brand plays at the festival. They host performances and guests.

One attendee, who was still deciding whether to attend before SXSW made the official decision, says the company planned to spend almost \$100,000, including a \$20,000 restaurant reservation. Now, with the event canceled, the company will start looking for refunds. “I think for us the good news is that we haven’t spent all of it,” the exec said. “That’s the positive, but now we will get to work calling hotels and airlines to get refunds and rebates.”

SXSW had been under immense public pressure to scrap the March 13-22 event, which is known for large interactive installations, concerts, parties, and a packed Austin Convention Center stuffed with panels and speakers.

Health officials throughout the world are tracking the coronavirus, and other cities have taken drastic measures. Los Angeles County declared a state of emergency over the threat of the virus earlier this week.

Depending on whom one asks, COVID-19 fears are either overblown, causing undue hysteria, or the virus is a pandemic risk that is being woefully mishandled. Many independent health experts say that SXSW could have proceeded safely. The virus is here, it's not going anywhere, they said, but city (and festival) life can continue with a few modifications.

SXSW has long pitted Austin natives—who kvetch about the event's disruption to their backyard in a good year—against the tech and entertainment industry elites who mob its downtown. This year, an online petition at change.org accumulated more than 50,000 signatures calling for SXSW to shut down.

When James Bond was postponed: MGM and NBC Universal earlier this week moved the release of “No Time to Die” from April to later this year. TV conglomerates including Fox and Comcast have canceled upfront meetings with advertisers, where they planned to show off their fall lineups of shows in the coming weeks. Larger gatherings including Facebook's F8, Google I/O, Adobe Summit 2020, Shoptalk and others have either postponed or shifted their conferences into online streaming events.

Even if the risks are limited, which health officials in the U.S. say they are, no company wants to be at the center of a public relations nightmare during one of the biggest panics in recent years. Austin and SXSW officials say they were prepared to make alterations to the flow of the event that would have emphasized sanitation and limited exposure to any contagions. That means there would have been a lot more “bowing” and “elbow-bumping” versus handshakes and hugs, Austin health officials said.

There also would have been far fewer people than normal. “I can see the tumbleweeds blowing down Sixth Street [Austin's main drag],” said one frequent festival-goer, a marketing executive at a major brand who discussed the virus' impact on condition of anonymity.

As of Friday, Google, Reddit, Snapchat and Patreon were all still committed to SXSW. The event was even adding speakers including Hillary Rodham Clinton, who has been on a public tour promoting a new Hulu documentary.

No fear

SXSW officials probably wished all attendees had the attitude of Kerri Pollard, senior VP of creator partnerships and marketing at Patreon. When companies were getting skittish, Pollard was confident. “There is no change in plans,” Pollard said in a phone interview earlier this week. “We will be there in full force.” Obviously, not any more.

Patreon, the fan-funding site that facilitates payments to online creators, planned a SXSW house, a common setup for prominent exhibitors.

Patreon had been in constant contact with SXSW officials adjusting plans for how to handle crowds, Pollard said. The festival was taking on more cleaning crews to wipe down surfaces more frequently at places like Patreon’s house, Pollard said.

Those were just some of the precautions. At the press conference earlier this week, health and city officials described a series of mitigation tactics meant to limit the risk of spreading coronavirus: screening employees for illnesses or fevers before they showed up for work; providing additional hand sanitizers and hand-washing stations; and distributing signs around the event reminding people to take the proper hygienic care. Officials are also assessing ways to “lessen social contact” by possibly reducing the number of people allowed in venues at a time, said Mark Escott, medical director for Austin Public Health.

Brands had been meeting with their ad agency partners trying to assess the risk of attending SXSW. The festival is known for its long lines, music concerts, crowded bars, and massive advertising installations. Media companies and retailers host pop-up attractions showing off their latest movies, shows and products. Target’s new delivery app, Shipped, was planning to host a site to demo its services.

But what do you do when that demonstration includes touchscreens that would be a prime surface to transmit coronavirus? “With an interactive experience, you limit the

immersiveness,” said Claire Holland, VP of marketing communications at AE Agency, an experiential marketing firm.

Holland and her colleague, Dustin Lamprecht, director of production at AE Agency, work with a number of brands that attend SXSW, including Target. Although the firm was not directly handling any activities this year, it was consulting with brands ahead of the festival. These types of deliberations apply to any public gathering where a brand would host an exhibit.

For a brand like Shipped, it could still have done touchscreen demonstrations, but a single employee would handle the hardware, not allowing the public to interact with it, Lamprecht said

Cancel culture

Industries and cities around the world have been significantly impacted by the coronavirus. As last count, there were almost 40 cases of the virus reported near Seattle, where Microsoft, Starbucks and Amazon are based. Microsoft and Amazon issued advisories to employees in the city to work from home.

Starbucks canceled its annual March investor conference and notified workers that it was implementing new sanitation standards at all its stores.

Barcelona’s Mobile World Congress was canceled in February. The Geneva International Motor Show was canceled this month, under a general ban on gatherings of more than 1,000 people in Switzerland.

There are events that were still going forward, hoping for an outlook shift by the time they begin, like the 2020 Tokyo Summer Olympics in July. The Interactive Advertising Bureau’s digital NewFronts in New York were still on schedule for April and May, with companies that have been pulling out of other events, including Amazon and Twitter, still on tap. The NewFronts are the digital equivalent to TV’s upfronts, where online video companies present their new content lineups.

News Corp. and Comcast’s decision to postpone or cancel their upfront meetings in the coming weeks showed that even those private corporate gatherings are at risk.

On top of pulling out of SXSW activities, Facebook canceled its F8 developer conference, set for May. “We plan to replace the in-person F8 event with locally hosted events, videos and live-streamed content,” Facebook reported earlier this month.

That appears to be a popular alternative for the coronavirus outbreak era. Facebook, Google, Adobe and others have been moving the business events to their websites, limiting the need for in-person contact.

It’s an idea that some SXSW attendees would have liked to see catch on at the festival. Work & Co, which originally had two of its partners speaking at sessions and four others attending, canceled attendance. The agency suggested to organizers that its speakers dial in remotely instead.

Why South-by?

So why did SXSW even think it could keep its doors open while the rest of the world was going into bunker mode? The city said it left the decision to the panel of experts that included county judge Eckhardt, medical director Escott and Mayor Adler. The group said it would base the call on the level of risk to public health independent of any financial concerns. “No corporation or SXSW or anybody else has a seat at that table,” Adler said of the health panel making the call on whether to host the event. “Because we’re only motivated by making sure that we do what we can to keep the community safe.”

At their press conference last week, Austin officials reported that the city and state have been testing for coronavirus for months; there were at least 17 confirmed cases in Texas as of March 6, according to The New York Times. Experts say that there is no way to contain the virus entirely and that communities will be disrupted.

“I believe this is not a containable virus, and we are going to have widespread community involvement with this virus,” said Amesh Adalja, a medical doctor and senior scholar at the Johns Hopkins Center for Health Security.

That was also the operating assumption of Austin health officials, who were trying to weigh if any outbreak would be worsened by hosting events like SXSW. Officials did

concede that hosting such public events could lead to virus cases developing sooner, but not that there would be more cases over the long haul. “I think that these are very hard decisions to make,” Adalja said during a recent phone interview, “and there’s not a one-size-fits-all answer for every event. If they take proper precautions, I don’t necessarily think they need to cancel SXSW.”

Some attendees criticized the organizers before they canceled. “They’re so tied to the event,” said an executive from a company that canceled, who spoke on condition of anonymity. “They seem to be taking a stance of ‘hell or high water.’ The cynical person in me thinks it’s just a money grab at this point.”

That cynical person was proved wrong. But there’s always 2021.

Inline Play

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MINUTES – BOARD AND BUSINESS DEVELOPMENT COMMITTEE

IRVING CONVENTION CENTER

Friday, January 3, 2020

Those in attendance: Committee Chair Debbie Haacke, Committee Vice Chair Bob Bourgeois, Bob Bettis, David Cole, Karen Cooperstein, Julia Kang, Rick Lindsey, and Joe Philipp – Committee; Maura Gast and Susan Rose – ICVB Staff.

Committee Chair Debby Haacke called the meeting to order at 9:00 a.m. Haacke noted there are no citizen comments.

Committee Chair Debby Haacke suggested going through four points on the bylaws that she thought required some clarity. One of the questions asked was do ex-officio members or non-voting members have the ability to vote in committee settings. Gast stated the legal response is no; however, these committees are only making recommendations and therefore, there are not “true” votes being taken. The ordinance prohibits ex-officio members from voting and by definition a non-voting member does not have voting rights. Therefore, because the committees don’t have a function other than a consensus or a recommendation, it technically can go either way. What you want from any and all committee members is their input and ultimately a consensus from a committee’s discussions that can then come forward to the board with a recommendation for action.

Karen Cooperstein asked if that applied to the executive committee as well. Gast responded yes and it needs to be universally applied to all committees; as with the others, the executive committee only makes recommendations. Gast also stated the full board setting is the only place where a “legal vote” can take place. That is the only body that can take formal action from a semantics standpoint. Actions in committees are for consensus or acceptance of a decision, but only in a full board meeting is there an actual “vote” and that vote may be cast by voting members only.

Joe Philipp expressed concern about the performance evaluation process potentially appearing prejudiced; we need to make sure the Board Chair actively solicits input and that Board Members are given the chance to provide that input.

The question was asked whether an ex-officio or non-voting member could be a chair of a committee. There is nothing that prohibits it, but it may be perceived as impractical, since that member is not a voting member. However, as noted earlier, committees are only recommending bodies and the full board takes any final/voting action. Committee actions are not binding and serve as a recommendation to the full body; therefore, a non-voting or ex-officio member can be the chair or vice chair of a committee.

David Cole asked for clarification about a non-voting individual serving on the executive committee, if they are the chair of a committee. The person can weigh in with an opinion, indicate consensus or opposition because they are on the committee, but not be part of the formal vote when the committee’s recommendation comes to the full board for action.

Philipp stated that we are subject to the perception of prejudice if some people provide input during the performance review and we don’t actively solicit input from all. We need to have a clean process so people know they will be heard. Cooperstein asked are we talking about everyone that sits around the table or the 13 voting board members. Philipp is referring to the executive committee, if that is who is conducting the

performance evaluation. If we don't have a clean process, people who are not on the committee want to know when they will be heard.

After further discussion about the overall performance evaluation process, and the desire to see it made consistent from year-to-year, it was recommended that the bylaws be revised so that the purview of the process is with the full board in a specially called board meeting each year. Responsibility for soliciting input from all in attendance will fall to the Chair and will be added to the Chair's responsibilities in the bylaws.

Haacke commented this begins with the new board orientation process so individual board members will know their specific role and responsibility and where they can provide input.

Discussion took place regarding when an executive session is allowed and not allowed, and who is allowed to attend. Because all members of the board, voting and non-voting, are members of the board, all are allowed to attend an Executive Session unless there is a specific legal reason why someone should not be in attendance.

Haacke mentioned language from Article 7 Section 1 had been moved to Article 3 Section 2. She noted that language had been added that requires the board to have a long-term strategic plan and that requests the council liaison to the board serve on the executive committee. Haacke verified that the only reference to the proposed Tourism Public Improvement District included in the bylaws is the reference to it in this committee's responsibilities.

To move forward with this revision going to the full board in January, the recommended revisions need to go out on Monday. Gast will update the bylaws based on the committee's consensus and send them out to the full board on Monday.

Haacke entertained further questions from the committee and expressed her appreciation for reviewing and editing the bylaws.

On a motion by Karen Cooperstein, and a second by Bob Bettis, the changes with the bylaws as discussed unanimously were approved.

On a motion from David Cole, and a second by Bob Bettis, the December 6, 2019 Board and Business Development Committee Meeting minutes unanimously were approved.

Rick Lindsey gave accolades for the committee's accomplishment with the revisions to the bylaws and appreciates the attention to detail.

Haacke adjourned the meeting at 9:38 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director