

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, March 24, 2023

Attendance: Bob Bourgeois – Board Chair, Richard Stewart, Jr. – Board Vice Chair; David Cole, Herb Gears, Colvin Gibson, Nydia Hoskins, and Greg Malcolm – Committee Members; Karen Cooperstein, Joe Philipp, and Sam Reed – Board Members; Tom Meehan and Jeremy Pierce – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, Susan Rose, and Monty White – ICVB; Councilman John Bloch, Councilman Oscar Ward, Deputy Mayor Pro Tem Al Zapanta, and Councilman Mark Zeske – City Council; Director of Industry Studies for Tourism Economics Aran Ryan – Guest.

IRVING HOTEL OUTLOOK PRESENTATION – TOURISM ECONOMICS QUARTERLY UPDATE

Executive Director Maura Gast introduced Director of Industry Studies for Tourism Economics Aran Ryan, who gave an overview of the US and Irving Lodging Outlook.

- U.S. Context:
 - The unemployment rate is at one of the lowest levels in 50 years, however, job growth remains solid.
 - Consumers are feeling uneasy as prices are 6% higher than a year ago and inflation is eroding household income.
 - The recent turmoil in the banking industry reinforces the view there will be a mild recession and slow lending.
 - The Hotel Average Daily Rate has peaked, and room demand is slightly ahead of 2019.
 - “People are prioritizing travel over just about everything” – a quote from a February 2023 Expedia earnings call.
 - Spending continues to rise for services. Consumer spending on services is currently 66% of total consumption. It is normally closer to 70%.
 - Business travel continues to normalize, and room demand is still below the economic trend.
- Irving Lodging Forecast:
 - Room revenue is expected to be 5.8% above 2019 levels in 2023, and Occupancy rates in 2023 at 69.7% are not to 2019 levels.
 - ADR in 2019 was \$110 and is \$118 in 2023. RevPAR in 2019 was \$79 and is \$82 in 2023.
 - DFW Airport passenger volumes helped recover lodging demands.
 - It may take until beyond 2024 for RevPAR to recover to its historical average.
 - Hotel performance in Irving continues to recover.
 - The uncertain economic outlook will play a role in recovery.

Board member Karen Cooperstein asked if Texas is ahead in tourism and travel than other markets across the United States. Ryan replied recovery in Irving is a little deeper than the surrounding areas, and business travel has been a contributor. Other markets are taking longer to recover. Gast stated there are over 90,000 hotel rooms in the pipeline for Dallas/Fort Worth and noted the economy has helped stifle overdevelopment, and asked in terms of supply what is being seen in other markets. Ryan noted growing the economy along with demand helps keep the market stable. Bourgeois asked if the 90,000 rooms include hotel announcements. Gast replied it includes rumored properties and properties under construction and noted some will fade off the list.

Board member Herb Gears asked the Board hotel representatives to add their assessment of the presentation. Board member Nydia Hoskins replied the Omni Las Colinas is reverse of the U.S. and reporting a noticeable drop in weekend business. Group ADR is strong but not always the case. Board member Greg Malcolm noted there is a big difference in rate on weekdays versus weekends.

ACTION ITEM: Gast to look at data over time on how hotels set aside rooms for transient, contract and group travel and how balances shift depending on the economy.

Board member Colvin Gibson asked what impact the Spring/Summer sports season has on hotel business. Hoskins replied historically there is not a significant impact and bookings are very short-term. Gast added the CVB has been generating advertising micro campaigns and search engine priority to draw leisure and staycation business in conjunction with other events in the marketplace. Malcolm noted the south side of DFW Airport often benefits from football and concert business at AT&T Stadium.

Bourgeois thanked Ryan for the presentation.

Bourgeois asked for a motion to approve the Executive Committee meeting minutes from February 24, 2023. On a motion from Gibson and a second from Board Vice Chair Richard Stewart, Jr., the motion was unanimously approved.

ICVB FINANCIAL REPORTS

Director of Accounting Marianne Lauda reported on the February 2023 Financial Reports:

General Monthly Balance Sheet:

- Hotel Occupancy Tax received \$559,032.47 and year-to-date on target.
- Collected more interest than budgeted.
- End of month Fund balance is \$4,417,438.35.

ICC Reserve/CIP Fund:

- Ending balance of \$2,186,774.44 – minimal activity for the month.

Check Register Review:

- No significant activity – payments for Business Development Incentive Program, media ads, ICC replacement of furniture.
- Still continue to spend ARPA funds for 91% of expenses and 9% from Hotel Occupancy Tax.

Lauda reviewed the Cash Flow Report for February 2023:

- Anticipated ending cash balance as of September 2023 of \$8,291,964.
- Everything looks positive.

Thermometer Chart:

- The General Fund balance goal of \$2,000,000 has been exceeded.
- The Combined Funds goal is over 50% completed.
- Catastrophic Reserve and Computer Fund need some help, but confident will succeed by the end of the year.

Gast added increasing the fund goals and meeting those goals will make the ICVB in a better position to get through the next catastrophe.

HOTEL OCCUPANCY TAX COLLECTIONS

The Hotel Occupancy Tax Collections reports were reviewed through December 2022.

Lauda reported:

- Luxury & Full-Service properties reporting a slight increase.
 - Doubletree by Hilton DFW Airport North and Sheraton are still delinquent, but the January collections report shows some payments made for prior months.
 - The Four Seasons property name has been changed to Las Colinas Resort Dallas.
- All Suite / Extended Stay properties two hotels have not paid, and total is down from prior months.
- Budget Services properties – three hotels have not paid. Collections are up slightly from the prior month.
- Limited Service properties – four properties have not paid, but again showing some collections for January.
- There were 67 short-term rental properties reporting and collected \$6,518.57 in December, which is the most collected.
- Summary – for December down 20.7%; YTD down \$500,000.

Lauda added an additional column to the Summary page of the report for comparison to last year. Collections are close to the 2021-22 figures and as collections continue, they should get close to 2018-19 figures.

Bourgeois asked for a motion to accept the ICVB financial reports for February 2023. On a motion from Board member Sam Reed, and a second from Stewart, the motion passed unanimously.

ICC FINANCIALS

General Manager Tom Meehan reported on the February 2023 financial reports:

- The forecast for March through September reflects slower months and operating in a worst-case scenario. Having a positive number for the year-end at this time of year is a plus. Money is reinvested back into the Capital Improvement Fund for the building.
- February 2023 budgeted to lose \$118,570 and actual loss is \$21,972 or \$96,598 better than budget.
- The first five months of the fiscal year reports \$308,885 better than budget, 85 events and 150 event days.
- Rental Income actual for the current month was \$105,118, and YTD \$675,425, the previous year reported \$430,247.
- Catering was budgeted for \$272,080 and actual was \$326,612.
- Parking and Electrical services were better than budget as well.
- Total Event Income YTD actual is \$2,482,414 and last year reported \$1,050,659.
- Adjusted Gross Income is \$2,913,385, and \$438,620 better than budget for the year. Last year reported \$1,648,335 in Adjusted Gross Income.
- Indirect Expenses are \$19,927 over budget due to increased cost of supplies, food and labor.
- Salaries are up but not fully staffed at this time last year.
- Reporting a loss of \$13,795 for the year, compared to \$774,746 loss last year.
- Year-over-year comparison for January.
 - Rental Income YTD is \$675,425, which is a substantial improvement compared to the previous five years.
 - Concessions are down from the prior year, and Catering is up significantly. These numbers reflect the type of groups that are in-house.
 - Total Event Income is \$2,483,414 YTD actual, comparable to pre-COVID numbers.

Cole asked if there is a “season” for public events and Concession income. Meehan replied it depends on the event calendar and noted it is hard to staff Concessions. A contracted minimal amount of Concessions enables the ICC to provide the service and not lose money. Food trucks are popular at larger events. Each truck provides 20% commission on their sales to ICC, and it helps distribute crowds for food service. Reed asked if the commissions are provided on an “honor” system. Meehan stated reports are generated off the truck point-of-sale terminals. In response to a question from Councilman Oscar Ward, it was noted the ICC is a TABC-licensed facility and most ICC and ICVB staff members have a TABC certification. Gast added the National Guard of Texas group is a large group and the event was targeted by Sales for 20 years. The event would not happen until the ICC and the Westin Irving Convention Center Hotel were added. It was the first contract signed for the ICC and Westin, was originally supposed to have happened in 2020, was postponed due to COVID and they finally are in the building today for their first event here.

Bourgeois asked for a motion to accept the ICC financial reports for February 2023. On a motion from Reed and a second from Stewart, the motion passed unanimously.

REVIEW AND RECOMMEND THE 2022-23 PERFORMANCE WEIGHTINGS FOR THE EXECUTIVE DIRECTOR

Bourgeois reported this item has previously been reviewed by the Executive Committee. The recommendation to use the 2022-23 weightings for the current year will be advanced to the full Board of Directors for action. The item will be on the March 27 Board meeting agenda.

BOARD MEETING AGENDA REVIEW

- Gast reviewed the March 27 Board agenda and noted the agenda is fairly standard.
- The Tourism Economics report will be a recap given by Assistant Executive Director Finance and Administration Susan Rose.
- There is no new TIF Board Chair yet, and that Board seat remains vacant.

CHAIR REPORT

- Bourgeois encouraged Board members to sign up for the Community Engagement Committee and/or the Board & Business Development Committee. Both need additional members. He asked anyone interested to reply to Gast or Office Manager Carol Boyer.
- The branding survey is underway and a reminder to complete it will be sent out. More resident input is needed for data collection. The deadline is extended to April 7.
- The Southern Travelers Explore event made Irving shine and the ICVB put their best foot forward. Gast added the ICVB will try and identify one group a year to bring to Irving and go all out to showcase the City. Reed added the Chamber recently hosted a Site Selectors group and having that group in one place with Board and City Council members made such a difference. They walked away knowing Irving is the place to be. Irving Marathon Series events are continuing, and the next event is April 1 for the 5K Board walking group.
- Bourgeois encouraged everyone to participate in the City’s website redesign survey.

ACTION ITEM: Gast to send out stakeholders and resident branding survey links to Board members.

CITY COUNCIL UPDATE

Councilman Oscar Ward reported:

- There are five legislative priorities City Council is following.
- Community Holy Week event at Heritage Park the week of April 3 from noon to 1:00 p.m. each day.
- Heritage Society Fish Fry on May 12 is a fundraiser for the Heritage Society. Ward has tickets for purchase.
- Ward is a member of Irving Ambucs and attended an event last Saturday where they gave away six Amtrykes to disabled children.
- Looking forward to the FIFA World Cup Soccer coming to the Dallas area in 2026 and filling Irving hotels and restaurants.

Councilman Mark Zeske reported:

Elections on May 6 for City Council, school bond and charter amendments. He encouraged everyone to learn about the ballot items and vote.

Councilman John Bloch added this is his first ICVB Executive Committee meeting to attend and it is a pleasure to meet everyone and see familiar faces.

Bourgeois expressed his thanks to the Marketing/Communications department for the invitation to attend the SXSW event in Austin, Texas. There were five other cities from the DFW area who participated but Irving's activation was far and away above the competition. The creativity and execution from the ICVB was phenomenal. He also added encouragement to visit the new Copper & Vine Restaurant at Highway 635 and MacArthur, in the former Fish City Grill location. The food and service was terrific, but need to get the word out in the community they are open for business.

Bourgeois noted the next Executive Committee meeting will be held on Friday, April 21 in the first-floor conference room. There being no further discussion, the meeting was adjourned at 10:18 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director