

MINUTES
IRVING CONVENTION AND VISITORS BUREAU
EXECUTIVE COMMITTEE
IRVING CONVENTION CENTER
Friday, December 13, 2024

Attendance: Richard G. Stewart, Jr. – Board Chair, Sam Reed – Board Vice Chair; David Cole, Colvin Gibson, Julia Kang, and Greg Malcolm - Committee Members; Tom Meehan – ASM/ICC; Maura Gast, Carol Boyer, Marianne Lauda, Brice Petty, and Susan Rose – ICVB. Council Liaison Kyle Taylor and Councilman Al Zapanta.

Board Chair Richard G. Stewart, Jr. called the meeting to order at 9:00 a.m. There were no citizen comments.

Stewart asked for a motion to approve the November 15, 2024, Executive Committee meeting minutes. On a motion from Board Vice Chair Sam Reed and a second from Board member Colvin Gibson, the motion to approve the minutes unanimously was approved.

ACCEPTING THE ICVB FINANCIAL REPORTS

Lauda reviewed the FY2023-24 Financial Position Summary.

Revenue by Fund:

- Collected \$17,914,554 in Revenue in the General Fund, budgeted \$12,528,758. The majority of the difference is related to recognizing the ARPA funding that was received.
- Hotel Occupancy Tax fell short of the budgeted \$10,089,968, with \$9,511,642 collected. There are two hotels that remain significantly delinquent in hotel tax remittance.
- Reserve Fund reports \$766,390, \$122,390 better than budget. There was a budgeted transfer from the General Fund of \$500,000.
- Technology Fund shows \$26,594, budgeted \$20,000. Income is all from interest collected.
- The ICC CIP Fund reports \$147,660 better than budget, with fund balance of \$2,550,876. Majority of Revenue is from interest collected, transfer from the General Fund and collections from the Westin Irving Convention Center Hotel parking garage lease.
- Overall Revenue for the year is \$5,084,114 more than budgeted.

Expenditures by Fund:

- The General Fund budgeted \$13,707,794 and spent \$16,301,499. Lauda noted she will have an ARPA funds report at next month's Committee meeting. Some ARPA expenditures will transfer from the CIP Fund back into the General Fund. Some expenses did not qualify for ARPA funds and will be transferred for compliance purposes.
- No money was spent from the Reserve and Technology Funds.

General Fund – Excluding ARPA and SMG Subsidy Funding:

- Transfers and refund of over \$1 million from SMG for the subsidy amount impacted the numbers.
- Budgeted to collect \$10,229,968 and collected \$9,797,715.
- The fund is 95% expended.

Expenditures by Department were reviewed.

- In general, the fund balances are doing well; overall, it was a good year. Staff is conscious of expenses and hopefully we will meet or exceed budget in Hotel Occupancy Tax collections. It was noted the City and ICVB budgeted the same for Hotel Occupancy Tax.

Check Register:

- Check to Irving-Las Colinas Chamber of Commerce for our portion of a software license. The expense was split between ICVB and the Chamber; Chamber for 2/3 and ICVB for 1/3. The data is primarily domestic, not international and dates back to 2017.
- Business Development Incentive payment to Life Teen, Inc. for Steubenville group.
- Several Business Development Incentive payments for fiscal year-end were made to groups and SMG to reimburse from funds received from the State Events Trust Fund.
- Checks from other funds paid to SMG for projects in the building.
- Lauda noted this is the last month for payments divided between Hotel Occupancy Tax and ARPA funds. Moving forward will be relying only on Hotel Occupancy Tax.

Cash Flow Report:

- The year ended in a good position.
- Three of the four funds made goal.
- As was budgeted, there were no funds transferred into the Technology Fund; a transfer is budgeted for FY2024-25.

Stewart asked for a motion to approve the ICVB September 2024 financial reports. On a motion from Reed and a second from Board member Julia Kang, the motion passed unanimously.

REVIEW OF HOTEL OCCUPANCY TAX COLLECTIONS

Lauda reviewed the Hotel Occupancy Tax Collections for September 2024:

- Luxury & Full Service:
 - All but two hotels have paid. Both the Doubletree by Hilton DFW Airport North and the Sheraton DFW Airport hotels remain delinquent.
 - The year-end total for the category is \$4,662,405.25.

Council Liaison Kyle Taylor reported the City's Audit and Finance Committee held discussions with outside counsel Linebarger Goggan Blair & Sampson, LLP to collect the delinquent amount. The City Attorney's Office is having challenges regarding communication with Linebarger and City Council has instructed the City Attorney's Office to move forward with going to trial in January. Stewart added they are a collection firm and may not be a good litigation firm, but at a minimum they should be responding to the City Attorney's Office. Executive Director Maura Gast noted the balance is expected to be paid in full, including penalties and interest, without any compromise.

- All Suite / Extended Stay:
 - One hotel has not paid for two months.
 - YTD collected \$2,045,840.40.

- Budget Service:
 - One property has not paid for the month.
 - Overall collected \$553,679.19.
- Limited Service:
 - One hotel has not paid.
 - Collected \$1,820,793.68 YTD.
- Short-Term Rentals:
 - There are 35 properties reported in September for \$23,996.05 and \$279,014.05 for the year.
 - This category is performing at a steady pace.
- Summary:
 - September collected \$807,848.96. Budgeted \$874,560.00, short 7.6%.
 - For the year, collected \$9,361,732.57, down 7.2% from Budget.
 - Prior Year collected \$8,903,811.19.
 - Year-end collection history report shows FY2023-24 as the highest to date.

In response to a question from Board member David Cole, Gast explained in comparing the number of properties that open to the number that close, this year only one hotel property closed (from a fire), and two were added. It is not unusual to add 100 rooms per year locally. It is important to point out that renovations can close rooms for a limited time; also any hotel that prioritizes long-term (30+-days) stays will see those stays exempt from Hotel Occupancy Tax.

ACCEPTING THE ICC FINANCIAL REPORT – OCTOBER 2024

General Manager Tom Meehan reported:

- In the first month of the fiscal year FY2024-25 generated \$593,270 in Net Income (Loss) from Operations and beat budget by \$213,547.
- Rental Income is down for the month.
- Ancillary Income – F&B Catering shows \$908,673 for the month, which is an extraordinary number for one month, and \$96,348 over budget.
- Parking is ahead of budget.
- Electrical Services is \$22,080 ahead of budget.
- Other Operating Income is \$108,080 ahead of budget and includes Audio Visual, Concert Parking and Commissions.
- Adjusted Gross Income is \$140,013 ahead of budget for the month.
- Expenses saved \$73,534 for the month.

Year-over-Year Comparison (over the last five years)

- YTD Rental Income is above last year to date.
- YTD F&B Catering is well above five prior years.

Meehan reported the forecast report shows returning \$69,959 as of today to the CIP Fund. This is an excellent, positive number in the first month of the fiscal year, and that number will grow each month.

Stewart asked for a motion to approve the October 2024 ICC financial report. On a motion from Board member Kang, and a second from Board member Reed, the motion was unanimously approved.

BOARD AGENDA REVIEW

Gast reviewed the December 16, 2024 Board agenda:

- There will be a swearing-in of newly appointed and re-appointed Board members.
- The Committee Sign-Up Form will be in the packet and distributed as a handout. When those forms are returned, the Committee Chairs and Vice Chairs will be appointed.
- The Board Chair will recognize Office Manager Carol Boyer on her 15-year service award.
- A draft of the Board meetings and Activity Calendar will also be distributed for review.
- This is Kelly O'Briant's last meeting as Arts Board Chair. The Arts Board will elect a new Chair at their next Board meeting.

CITY COUNCIL UPDATES

Council Liaison Kyle Taylor reported:

- Council denied a request from LivSmart Studios by Hilton for a studio apartment-style suites hotel.
- PUD-6 area development for warehouses was also denied. Council will have conversations and change the language with what can and cannot build in that area to make it easier to understand and the seriousness of being a partner with the City.
- A DFW Humane Society presentation was given regarding the bond election for expansion of the animal shelter in partnership with the DFW Humane Society. There was some miscommunication regarding the timeline of construction and Irving Police Chief Derick Miller took ownership of the issues.
- Discussion was held on short-term rentals and ways to strengthen the ordinances.
- Council heard a presentation in Work Session from Better Block, which helps revitalize areas. Council will discuss moving forward and costs.
- Baylor, Scott and White and Irving Schools Foundation would like to partner with Blue Zones organization to make a healthier city. There are a lot of things the City already does, i.e., bike lanes, parks, working with the school district on nutrition and food. Their data is from 2018 and is a challenge. Fort Worth has spent \$30 million with Blue Zone. Discussions will continue on cost and effectiveness for Irving.
- Council will have legislative discussions to set up legislative priorities, including a change to the cap on local municipalities with seniors and affordable housing. Gast added some properties in Houston are taking older at-risk hotels with meeting space and converting them to card clubs with sleeping rooms.

Councilman Al Zapanta reported:

- The Planning and Development Committee has discussed the aftermath of COVID and people returning to work.

Discussion was held on the impact of small hotels that live under a larger hotel flag and the effect on financials. Board member Greg Malcolm added he supports the Council decision to deny building those properties as they become more of an apartment property. He noted older Hampton Inns are going out of the Hilton system, and they are developing a Hilton Spark property to fill the gap. Gast added the challenge in Irving and the Metroplex is the big brands are constantly looking for a new flag to create that may fill the void on their financials, but it is not necessarily a void in the travel market. Irving's market is saturated, and it all goes back to the development standards. Cole noted that hotels impact full-service restaurants and over the last four years food delivery has been impacted.

Gast will present a quarterly update to City Council in January and would like to present an update to the Audit and Finance Committee on Hotel Occupancy Tax. Taylor noted Council will start looking at next year's budget and give direction to City staff in January. Zapanta noted it is a great time for Gast to educate Council on the impact to the City. Gast added she is aiming for either the February Destination Development Committee or Board meeting to have an update on the PUD-6 area. It may be a joint meeting with the Board of the Irving-Las Colinas Chamber of Commerce. In response to a question, Gast stated the ICVB Board and Committee meeting agendas are posted as public meetings and include language that a possible quorum of the ICVB Board and City Council may be present at the meeting.

CHAIRMAN/EXECUTIVE DIRECTOR & STAFF UPDATES

Discussion was held on recommendations to fill the Former Board Member seat on the Board. Stewart noted former Board member Bob Bourgeois has been brought forward from the Board and Business Development Committee and asked for any other recommendations. It was noted this is a non-voting position on the Board and any candidate must be willing to serve and have the time. Cole added that any new Board appointees must understand the responsibility to hire and/or fire the Executive Director. It was noted the Board needs a good mix of new and experienced members. With no further recommendations, the recommendation for Bourgeois to fill the Former Board Member position will be brought forward to the Board for nomination and approval and forwarded to the City Council for action.

With no further comments or discussion, Stewart adjourned the meeting at 10:16 a.m.

Respectfully submitted,



Maura Allen Gast, FCDME
Executive Director