

Lodgers' Tax committee makes hard decisions

Written by By: Molly Adamson Sun Correspondent
Friday, 23 July 2021 04:39



Which local events to fund; how much to give

The Lodgers' Tax committee met May 25 to determine how upcoming area events would be funded.

Since the hospitality industry took a hit last year during COVID, the amount of money available for this year's funding is smaller than it has been.

Gallup's Tourism and Marketing Manager Jennifer Lazarz told the *Sun* how the tax works.

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People pay Lodgers' Tax when they stay at hotels in Gallup. The tax comes out to five percent of an area hotel's daily rate. When a person pays \$80 a night, \$4 goes to the Lodgers' Tax.

Lazarz said that Gallup's average daily rate for hotel rooms was \$66 the first week in April 2020. During the beginning of the pandemic, and the first week of April 2021 that was up to \$76.

At least 40 percent of the Lodgers' Tax budget is used for the city's advertising, and promotion. Lazarz said Gallup's tax pays for print ads, social media marketing and advertising on 11 billboards.

The remaining 60 percent is used to cover Red Rock Park operations and personnel costs. Lazarz' office, business travel, and upkeep for the city's tourism website are also included.

Lazarz said part of the budget is being allocated for special projects, which include a digital concierge kiosks program, Route 66 signage and attraction planning, light repairs for Pasó por aquí, and a new roof for the Red Rock Park Convention Center.

The budget for 2021 is

\$1 million, a figure based on the Lodgers' Tax intake for 2020. With 40 percent, or \$400,000 set aside for advertising, \$130,000 of that will be spent on event planning.

Organizers made presentations and requests to the committee to obtain funding for their events.

GIVEAWAYS VS. PRIZES

The issue of giveaways versus prizes was one that came up in discussions about the July WildThing Championship Bullriding event.

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Lazarz said there were concerns about using the tax to fund prizes, but not giveaways. She expressed reservations over spending the money to pay for T-shirts because some businesses might accept the tax money and then sell the T-shirts.

In WildThing's case, only some of the funds Larry Peterson requested were granted by the Lodgers' Tax.

When Gallup City Councilor Michael Schaaf, Dist. 2, questioned why the committee had given only part of the request to WildThing Championship Bullriding, Lodgers' Tax, committee member Jeremy Boucher spoke up.

"We would love to fund all of these things, and the approach we tried to take this time was 'let's try to focus on just the pure essentials, so we can get as much money to as many events as possible, given the \$130,000 budget we were looking at,'" he said.

"Let's focus on getting the word out about Gallup, getting people into town so we can save enough money to get all the other events, as many events as possible this year," Boucher continued. "It's hard for events to get going after they've been stopped for a couple years.

"So we wanted to make sure we left money there, so that everyone would have the opportunity to get going again."

Schaaf mentioned that a lot of people look forward to the shirts that are thrown into the crowd during WildThing.

Boucher responded to his concern that people would miss that aspect of the event.

"[For] those people who already know about the event and are coming for shirts, they'll still have

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some shirts to fire, and Larry is a smart guy; He's a capable guy," Boucher commented.

"I think he's got some things figured out already to make this [work] ... He's going to pull off a great event like he does every year," Boucher said. ***(To learn more about the 2021 WildThing event, see cover and page 9.)***

In defense of the prizes they did help fund, Boucher concluded that he saw those as promotional items that would continue to publicize Gallup for years to come.

"We felt it was appropriate to fund those things because those items are going to hold a place of honor in people's eyes and they will be promotional items for a long period of time," Boucher explained. "The return on investment there is definitely worth it."

OTHER EVENT APPLICANTS

KICKER ARENACROSS

Tod Hammock was there to promote Kicker Arenacross, an off-road motorcycle racing competition. The event is set for July 16 and 17. Hammock came to the committee with a request of \$21,700.

Hammock comes to Gallup from Tulsa, Okla. annually to produce this event. He told the committee that he's expecting about 4,000 spectators, many of them from as far as four hours' drive away from Gallup. Hammock said 75 trucks usually show up.

Since the event runs for two nights, Hammock told the committee that a lot of those people stay in Gallup, spending money.

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“You get an idea of the amount of revenue they put into this community that gets turned around seven to ten times,” Hammock said. “So it’s very important, I feel, [that] this event continues.”

After some discussion, during which they explained their concerns about the budget being a lot smaller than it has been in the past, the committee unanimously decided to give \$15,000 to the Kicker Arenacross event. That’s \$1,000 more than it received in 2019.

FRIENDS OF HUBBELL

Frank Kohler, the chairman and treasurer of Friends of Hubbell, told the board about the Live Native American auction scheduled for Sep. 25.

The event features art from the Navajo, Zuni, and Hopi tribes.

Kohler stated that the auction would start at noon. The three days before would be spent receiving art.

Kohler said the auction expects about 200 participants. He requested \$4,500 to help with advertising costs. Those funds were approved.

RED ROCK 100 DESERT RACE

Greg Kirk is in charge of the Red Rock 100 Desert Race planned for Sep. 25 and 26.

He told the committee that the race was a sort of “grand reopening,” because of some recent renovations.

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Kirk requested \$10,000 for his event.

He also brought up the promotional items versus giveaways subject.

"We are asking for less this year in lieu of the promotional items, which is kind of disappointing because we were the only event in the entire state for desert racing that was offering T-shirts to all the participants," Kirk commented.

The committee suggested Kirk use hoodies and T-shirts as prizes to avoid this problem.

The decision was ultimately made to allow Kirk to use the tax money for hoodies that can be given away as prizes and that he would use his own funds for T-shirts that people would be able to buy. He originally requested \$10,000, but the committee agreed to give him \$9,200.

FOUR CORNERS ANNUAL YOUTH FOOTBALL CHAMPIONSHIP

Salvatore Chioda, known to many as "Sammy C," asked for Lodgers' Tax funds amounting to \$35,000 for the Four Corners Annual Youth Football Championships, which will be celebrating their 11th year in 2021.

Chioda, the founder and CEO, said 58 teams are expected to participate and play in 64 games Oct. 29-31.

He is expecting an audience of about 20,000.

Chioda addressed concerns about whether T-shirts or medallions should be considered prizes or handouts.

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The committee told Chioda he could give T-shirts as prizes, but he would be required to itemize everything he bought for the event.

The committee awarded the event \$20,000.

WHAT'S GONE; WHAT'S LEFT

The committee has disbursed \$71,200 of its \$130,000 budget so far. There will be three more rounds of applications for the committee to go through to allocate the rest of the budget.

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