SUMMARY INDEX
CITY OF SANTA FÉ
Occupancy Tax Advisory Board
December 15, 2015

ITEM	ACTION TAKEN	PAGE(S)
Review of Funding Applications		
a. Desert Chorale	Presented	1
b. Entreflamenco	Presented	1
c. ARTSmart	Presented	1
d. SWAIA	Presented	1-2
e. Cinafesta Italia	Presented	2
Regular Meeting		
I. Procedures		
a. Call to Order	Called to Order at 10:08	3
b. Roll Call	Quorum Present	3
c. Approval of Agenda	Approved as presented	3-4
d. Approval of Minutes: November 2015	Approved as presented	4
II. Lodgers Tax Update	Presented by Mr. Randall	4
III. CVB Activity Reports		
a. Sales Report	Reported by David Carr	4-6
b. Marketing Report	Reported by Cynthia Delgado	6-7
c. Executive Director Report	Reported by Randy Randall	7-9
IV. Approval of Recommendations for Funding	Recommendations approved	9
V. Other Matters by the Board	Announcement	10
VI. Adjournment	Adjourned at 11:33 a.m.	10

OCCUPANCY TAX ADVISORY BOARD
STUDY SESSION
Santa Fe Community Convention Center
SFCCC Conference Room
December 15, 2015
8:00 a.m.

The OTAB Board met in the Santa Fe Community Convention Center at 8:00 a. m. with a quorum present including Chair Paul Margetson and Members Al Lucero, Elizabeth Pettus, David Griscom, and Jon Hendry. Member Victoria Bruneni was excused but arrived later at 9:20 a.m. Staff members present for the review of applications were Randy Randall, David Carr and Cynthia Delgado.

Review of Applications for Funding

a. Desert Chorale

Two members from the Santa Fe Desert Chorale presented their application for funding at 8:00 a.m. After their presentation, they answered several questions from the Board members.

Mr. Randall invited them to plan on attending a 9-day arts festival in October, 2017 to which the Desert Chorale would be invited.

Their conversation ended at 8:27 a.m.

b. Entreflamenco

Two members presented their application for funding at 8:30 a.m. After their presentation, they answered several questions from Board members.

Their conversation ended at 8:46 a.m.

c. ARTSmart

Two members of the organization presented their application at 8:47 a.m. After their presentation, they answered several questions from Board members.

Their conversation ended at 8:59 a.m.

d. SWAIA

Two SWAIA members presented their application at 9:05 a.m. After their presentation, they answered questions from Board members.

Member Bruneni arrived at 9:20 a.m.

Their conversation ended at 9:23 a.m.

e. Cinafesta Italia

Two members of Cinafesta Italia presented their application at 9:26 a.m. After their presentation, they answered questions from the Board.

Their conversation ended at 9:46 a.m.

The deliberations of the Board were made in closed session as permitted pursuant to NMSA 1978, 10-15-1.H (6).

MINUTES OF THE

CITY OF SANTA FÉ

OCCUPANCY TAX ADVISORY BOARD

December 15, 2015
10:00 a.m.

I. PROCEDURES

a. CALL TO ORDER

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Paul Margetson, Chair, on this date at approximately 10:08 a.m. in City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé, New Mexico.

b. ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:
Paul Margetson, Chair
Al Lucero
Elizabeth Pettus
Victoria Bruneni
Jon Hendry
David Griscom [ex officio]

Members Absent:
None

Staff Present:
Randy Randall, Executive Director
Cynthia Delgado, Marketing Director
David Carr, Sales Director

Others Present:
Carl Boaz, Stenographer

c. APPROVAL OF AGENDA

Member Lucero moved to approve the agenda as presented. Member Pettus seconded the motion and it passed by unanimous voice vote.

d. APPROVAL OF MINUTES - November 24, 2015

Member Pettus moved to approve the minutes of November 24, 2015 as presented. Member Lucero seconded the motion and it passed by unanimous voice vote.

II. LODGERS' TAX

a. Update – Randy Randall

Mr. Randall said there was no Rocky Mountain or STAR report because meeting date was moved forward. So there was no information available for November. His report covered October activity. The October receipts exceeded last year by $121,000. For year to date, it is 137,000 ahead of last year. September was good catch-up month. There is still a question whether the $40,000 was received so we don't know if it is $137,000 but it looks like that $40,000 lodger payment was received. October was very strong.

The GRT information is also in the packet. The Accommodations and Food Sector continues to be very strong. Year to date is ahead of last year by $600,000 this year. Retail is the only sector that is a stronger improvement. We continue to hear that retail struggles but this reflects significant improvement in retail. This is May through September activity. Lodging is in excess of a 10% improvement. He assumed art galleries are included in the retail sector. He didn't think any of that improvement was due to commercial activity in the newly annexed area.

Member Hendry noted that the Balloon Fiesta held in October had their highest attendance ever.

Mr. Randall said Tourism didn't have a booth at the Fiesta this year but he didn't think it made much difference.

Member Lucero asked if Mr. Randall could lobby the State to separate accommodations from food.

Mr. Randall agreed.

III. CVB REPORTS

a. Sales Report - David Carr

Mr. Carr announced they are interviewing for an assistant sales and marketing director today with seven candidates but are down an operations manager as of this morning.

He highlighted points from his report in the packet, which evidenced increases over last year.

Chair Margetson asked what bookings were in for 2016.

Mr. Carr said they are looking at between 22,000 and 25,000 room/nights for the coming year.

Mr. Randall agreed it is good but we will strive to do even better. He is seeing the number growing with our present staff and forecasted it going up about 10% per year for the next few years with good selling as opposed to mediocre selling in the past.

Member Bruneni asked about sales for new potential business.

Mr. Carr said they now have the ability to add tags into the system. Just through shows they have increased business about 10%. He hoped the 20,000 confirmed would become 25,000+ and is rechecking to eliminate any duplications.

They haven't had a promotional in place so they are putting together a promotion for the first quarter of 2016; going after corporate business, drive markets and help for 2017. He would like to do quarterly promotions and with skin in the game, will send leads to those hotels. The promotion will focus on experiences in Santa Fé; not just the meeting planner.

Mr. Randall explained that Santa Fe is already a good deal and offering discounts below other cities is not important.

Member Lucero suggested a culinary experience. The restaurants are ready to participate in something like that. We need to let restaurants know we are behind them. He asked if there was an attempt to arrive at average GRT for room nights.

Mr. Randall thought they could calculate that from the lodgers' tax revenue.

Member Lucero was looking for the average lodgers tax amount.

Mr. Randall explained that hotels are supposed to indicate occupancy on their lodgers' tax report but the City has not enforced that. We get about $55,000/month in lodger's tax from short term rentals that report their business.

Member Hendry said we should not underestimate what they spend on a daily basis for what they buy in town. That is the impact of tourism. We need to get maximum GRT for the west side of town. He didn't favor discounts but maybe give them a fourth room night as an incentive. That is better than cutting the price.

Mr. Carr said people do get discounted group rates ahead and after 3 days. We also have commission incentive.

Mr. Carr reported leads from their attendance at shows and smart meetings. He is now sending out trade show agenda to partners. He is going to Louisville for bus groups and the NTEA in Atlanta.

Mr. Randall announced a relationship with integrated hospitality resources based in Florida who will qualify leads for us.

Member Bruneni thought there is a lot of opportunity for bus groups to shift business from Albuquerque up to Santa Fé.

Chair Margetson said he went to Colorado Springs for a smart meeting and it was very worthwhile.

Member Bruneni asked if we could look into an incentive program for the City.

Mr. Randall said he would have to look into the legality of it.

Member Lucero suggested gift certificates.

Mr. Randall said Tourism could do that.

b. Marketing Report - Cynthia Delgado

Ms. Delgado presented her report which was also in the packet. She is expecting delivery of Visitors' Guides this week. She is also reaching out to state visitor centers and doing a mailing to AAA offices and other distributors. She will send them to Mr. Carr's data base for meeting planners.

Mr. Randall reported that advertising in the guide was down 20% this year. It is part of their concern with print advertising effectiveness. They send 400,00 of them to interested partners. It is best way to promote.

Chair Margetson asked if the reduction was in any particular category.

Ms. Delgado said it is across the board but we could use more retail and restaurants. Hotels are still supporting it but not restaurants and retail.

Member Hendry said people at the airport pick up the Guides.

Ms. Delgado said most of the guides go out by requests from people planning to come to Santa Fé.

Ms. Delgado reported that Blake Jackson gave notice of his departure. He is going to UK with his work partner, who got a great offer to work there. We have requested a temporary and brought on Joy Rice

who has PR experience and will advertise the position in the next two weeks.

For the Spring Break campaign, we already have 8 offers up and looking for more. We will be doing a big kick-off in January to have full web presence. For the New Year's Eve on the Plaza, we are sending out flyers.

Member Griscom excused himself from the meeting at 10:57.

She reported that Sunset Travel doing juried awards in multiple categories. She included the categories in which Tourism is submitting. The entries are judged by travel experts around the country. The first entry fee is $400 and each additional entry is $75.

Mr. Randall asked if Tourism should pay half of the entry fee if partners want to enter.

Member Hendry moved to pay half of entry fees for business partners. Member Lucero seconded the motion and it passed by unanimous voice vote.

Mr. Randall said Channel 13 announced Santa Fé as the sixth best college town in the US. It was not a survey. It was based on a study. A town in Iowa got #1. It was sponsored by the American Institute for Economic Research.

Ms. Delgado said the Santa Fe videos are now on Youtube and starting distributions. They are up in the Convention Center now. She will be providing them by DVD to the partner hotels.

Member Hendry announced that three pictures shot in Santa Fe picked up Sundance awards this year which is a record. He invited Ms. Delgado to go with them to Sundance next year.

Member Lucero noted that Bachelor won the best television show of the year.

Mr. Lucero suggested including some of the movie clips in promotion of Santa Fe.

Member Hendry said as long as it is licensed, we can show clips of movies. We've been working on it for three months. It is best not to show the actors because it gets costly.

Ms. Delgado agreed to meet with Member Hendry to work on it.

Ms. Delgado reported on website traffic which is now full digital and seeing a pick up on traffic. Age group 18-54 continues to grow on the website.

Regarding PR, November brought in over 2.7 million in earned media - a big increase from last year. The focus is on reports for those who really want information and FAM writers.

d. Executive Director Report – Randy Randall

Mr. Randall reported on the search for the Economic Development Director for which he might be on the interview committee.

Short term rentals issue is moving along. He made a presentation to Council in December. Every Councilor wanted to ask questions and that will happen on January 13. A public input session will be conducted with the Chamber of Commerce on January 7 at 1:00 pm at the Convention Center. Air BNB may be present to talk about what other communities are doing with short term rentals. They are proposing to remove the cap and permit all short term rentals to get permits. In commercial zones, they are not permitted. Also to remove the 17 rents per year and only one per week. While well-intended, they are not enforceable. Those recommendations have been made. For the January 13 meeting, he will have a draft recommendation for changes to the short term rental ordinance.

Member Hendry thought short-term rentals should be allowed in commercial parts of town. There are many issues with putting commercial in residential areas and need a new zoning category.

Mr. Randall explained the short term rental situation in commercial areas.

Chair Margetson asked if he was working with the Attorney General on state-wide consideration.

Mr. Randall said he was only working with the City Attorney.

For New Year's Eve, a total of $50,000 was approved and the Tourism portion will be $7,500, the Arts Commission will be $7,500 and Economic Development will have $5,000. The Plaza will have a digital display with something rising rather than falling.

There will be a flyer on Santa Fé Pick Up. Their new vehicles will be blue instead of white and have a big ad for free transportation. Right now, the Transit brochure is not the best. It provides free transportation around historic district and to the museums. There is a similar problem on Santa Fé Ski shuttle. No press since opening day when there were no riders. The funds given by City and County were to include marketing but that hasn't been done very well.

Member Bruneni said they started running radio ads for Santa Fé Pick Up and Tourism might do a blog on both of those.

Mr. Randall thought radio might work with the Ski Shuttle but not Santa Fe Pick Up. Tourists don't listen to local radio.

Chair Margetson said there was no brochure for the ski shuttle at his hotel.

Member Pettus said there was none at the concierge either.

Member Hendry asked if shuttles could be used for rentals. It was pointed out to him that federal funds having been used for the purchase meant any fares would reduce federal support dollar for dollar.

Next year, "the Margarita Trail" is a promotion for a new, unique margarita drink. It will be rolled out in the next 60 days and an ongoing activity. You can only have two punches per day to counteract over consumption. It will be at both County and City facilities. There will be a fee to participate but books to sell at a dollar. We are getting graphics done and a draft program.

IV. FUNDING RECOMMENDATIONS

The following recommendations are proposed:

Desert Chorale - no funding;

Entreflamenco - $7,500;

ARTSmart - no funding;

SWAIA - $2,500;

Cinefesta Italia - $15,000.

Member Lucero moved to approve the recommended awards. Member Pettus seconded the motion.

Member Hendry asked if the organizations were on a three-year cycle.

Mr. Randall explained that there is no automatic funding renewal. Without an application, there is no funding.

The motion passed by unanimous voice vote.

The Board briefly discussed the possibility of another round of funding because there were few applications. Mr. Randall was reluctant to reopen because it sets a future precedent. He noted that unspent funds for that purpose could be used for advertising and, in addition, he is making a request through the City manager to protect those funds beyond July 1, 2016.

Chair Margetson recalled that OTAB also has a policy that Arts Commission recipients cannot receive also from Tourism.

Mr. Randall said they can apply to both but cannot receive funds from both. Desert Chorale, ARTSmart, SWAIA also receive funds from the Arts Commission.

V, OTHER BOARD MATTERS

Mr. Randall said there is a conflict for the February meeting at 10:00 so it might be scheduled at 8:30.

VI. ADJOURNMENT

Member Lucero moved to adjourn the meeting. Member Pettus seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at 11:33 a.m.

Approved by:

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Paul Margetson, Chair

Submitted by:

Carl G Boaz

Carl Boaz, for Carl G. Boaz, Inc.