

**SUMMARY INDEX**  
**CITY OF SANTA FE**  
**Occupancy Tax Advisory Board**  
**May 24, 2016**

<b><u>ITEM</u></b>	<b><u>ACTION TAKEN</u></b>	<b><u>PAGE(S)</u></b>
I. Procedures		
a. Call to Order	Called to Order at 10:00 a.m.	1
b. Roll Call	Quorum Present	1
c. Approval of Agenda	Approved as presented	1
d. Approval of Minutes - February and April	Approved as presented	2
II. Funding Final Presentations		
a. Santa Fe Film Festival (Nani Rivera)	Presented and approved	2-4
III. Lodgers' Tax Report	Report by Mr. Randall	4-5
IV. CVB Reports		
a. Sales Report	Reported by Mr. Carr	5-6
b. Marketing Report	Reported by Ms. Delgado	6-7
c. Executive Director Report	Reported by Mr. Randall	7-10
V. Update on Grant Applications	Discussion	10
VI. Other Matters from the Board	None	10
VII. Adjournment	Adjourned at 11:31	10

Next Regular Meeting: June 28, 2016 in City Council Chambers at 10:00 a.m.

**MINUTES OF THE**  
**CITY OF SANTA FE**  
**OCCUPANCY TAX ADVISORY BOARD**

May 24, 2016  
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 Chair Paul Margetson on this date at approximately 10:00 a.m. in the Council Chambers at City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

**b. ROLL CALL**

Roll call indicated the presence of a quorum as follows:

**Members Present:**

Paul Margetson, Chair  
Al Lucero, Vice-Chair  
Victoria Bruneni  
David Griscom (ex officio)  
Jon Hendry [arriving later]  
Elizabeth Pettus

**Members Absent:**

**Staff Present:**

Randy Randall, Executive Director  
David Carr, Sales Director  
Cynthia Delgado, Marketing Director

**Others Present:**

Carl Boaz, Stenographer  
Nani Rivera, Santa Fe Film Festival

**c. APPROVAL OF AGENDA**

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

**d. Approval of Minutes:**

**1. February 23, 2016**

**2. April 19, 2016**

**Member Lucero moved to approved the minutes of February 23, 2016 and April 19, 2016 as presented. Member Pettus seconded the motion and it passed by unanimous voice vote.**

**II. FUNDING FINAL PRESENTATIONS**

**a. Santa Fe Film Festival (Nani Rivera)**

Ms. Nani Rivera provided a handout for the Board [attached as Exhibit 1]. Included was a financial report that appeared to be a General Ledger.

Member Bruneni asked if this was from the grant.

Chair Margetson noted that it showed expenses of \$107,000 and revenues of \$102,000.

Mr. Rivera said last year, the Festival was on the first week in December and was very successful, not only with the community but around the country. They had lots of new visitors from around the world. It was a great increase from the previous year.

She said the Festival engages with other partners like Celebrate Pride in June and with others. They showed movies and did fund raising for them in Santa Fé. In the Festival, they doubled the number of volunteers and about 95% of them want to volunteer again this year. So she feels good about how they have grown.

Member Hendry arrived at 10:06.

Chair Margetson asked if she had any numbers of attendance to report.

Ms. Rivera said they had 4,000 in 2014 and 14,000 for 2015 and in 2013, the Festival was part of their training program and drew about 4,000 people. They sold 8,500 tickets and some tickets were donated to locals and special visitors. About 2,800 were donated. That was important because the Festival went through some lean years and they wanted to restore visitors.

There is a lot of respect and admiration for Santa Fé Film Festival and she wanted an incredible experience for them. Some have asked to join their advisory board. She thought their plans appear to be working.

She reminded the Board about the competition for the Shoot Santa Fé. It brought in \$1.5 million for the first pilot and another for \$1.5 million that they are spending here for the second season. It was very

successful and now in post-production.

In the month leading up to the Festival there were 15,000 visits to their website. Their email list has grown from 4,000 to 8,000 and get about 20,000 likes per week on Facebook.

The pilot project which started through this year is what they are involved in for full disclosure of \$5,000 from Panavision who is a great national partner in this. This project was picked up by awesomeness, part of Disney, and another \$2 million show coming in from them that was spawned by this. They also did one in Las Cruces for the Film Festival there.

Ms. Rivera said they believe it was appropriate time spent to work with film industry because it has brought back so much to our community and will have a ripple effect for Santa Fé and the entire State. They are excited to see how the pilot project has rolled into other profitable things. The Festival will be a great showcase and stronger in the future, highlighting what is happening in the film industry locally. In the slowest part of the year, this helps and is a most exciting event.

Chair Margetson pointed out that the document has no heading but this is a Profit & Loss Statement. It shows that the Festival spent \$104,000 at Hotel Santa Fe and he knew they actually spent \$15,000.

Ms. Rivera said accounting is not her strongest skill set. There are still missing links.

Chair Margetson asked Ms. Rivera if she is moving on.

Ms. Rivera agreed and Antonia is taking over as of January 1.

Mr. Randall asked if they took out a loan to float the event.

Ms. Rivera agreed. It was in 2011 and they are within \$12,000 of paying that off. They also have some money in the Board Account that will be used if needed. That balance is \$1,000.

Mr. Randall said he was okay with the request but noted local advertising to Hutton was shown. He explained to Ms. Rivera that OTAB funds cannot be used for local advertising.

Member Lucero asked what nonprofit status they have.

Ms. Rivera said it is a 501(c)3.

Member Lucero asked if she had the 990 tax report.

Ms. Rivera said they filed an extension.

Member Griscom asked if Santa Fe can handle two film festivals.

Ms. Rivera said she was proposing to collaborate together as one body.

Member Hendry pointed out that Ms. Rivera has put in the work and effort without pay. We have nonprofits like the Santa Fe Opera where they made \$2.8 million this year and didn't invest it back in the community and cannot provide healthcare insurance to their employees. The big organizations should help the smaller organizations.

Chair Margetson said their invoice for reimbursement is \$5,000.

**Member Pettus moved to approve payment of the \$5,000 reimbursement to Santa Fe Film Festival. Member Bruneni seconded the motion and it passed by unanimous voice vote.**

### **III. LODGERS TAX UPDATE**

Mr. Randall said the April results are in the packet [Rocky Mountain attached to these minutes as Exhibit 2; STR attached as Exhibit 3]. Overall, occupancy is down slightly and it happened totally on Cerrillos Road; downtown was up 0.4%. STR shows a decline but the average rate was up.

Member Hendry said we don't really have a Cerrillos Road now. You cannot left turn into a business. It is pathetic.

Member Bruneni said that for hotels and motels some ownership is shifting but we saw a strong April.

Mr. Randall said in his analysis of the two reports, in downtown, Rocky Mountain has 83.4% participation. STR shows 92.1% participation but there is no area breakdown from STR and STR doesn't include any facilities outside the city. There is 81% participation in STR and 64% in RM for Cerrillos Road properties. He identified five not participating in Rocky Mountain and that would cause STR to come in at a lower rate.

He explained that it would cost \$3,000 to get segment reports.

Member Bruneni asked if he couldn't get the occupancy information from the State report.

Mr. Randall said he would check that out. He is trying to see where the soft spots are.

#### **GRT Report**

Mr. Randall said it continues upward and he should copy the categories breakout for the Board. A copy of the GRT Report is attached as Exhibit 4.

#### **Lodgers Tax -**

Mr. Randall reported a 5% improvement year-to-date but in April, La Posada caught up on collections and brings it to 8% improvement over last year. April will show up from that catch up. It was \$200,000 including penalties and interest. So he thought they will finish about 8% ahead of last year. Last year was up 10% from the previous year. A copy of the Lodgers Tax Report is attached as Exhibit 5.

Member Hendry announced five major motion pictures now here. Everyone is busy so we will have to bring in people from outside. No rooms are available. We are putting up people in Las Vegas and Moriarty. Wolverine is the biggest and will be here during Indian Market. AirBnB wants to be on the list but they have to pay the tax to be on it.

Mr. Randall said there ought to be a seasonal or special rate for those in the film business. Government per diem has seasonal rates.

Member Bruneni said production is out of pocket with mileage.

Mr. Randall said Santa Fe is actually a bargain most of the year. AirBnB would be the best source. They will pay the tax.

#### **IV. CVB REPORTS**

##### **a. Sales Report (David Carr)**

Mr. Carr shared the statistics in his written report. A copy of the report is attached to these minutes as Exhibit 6. He noted that in October and November, we had three large groups. They have significantly outgrown Santa Fe so this is probably their last booking in Santa Fe. They are at 2,600 attendees and the Convention Center cannot accommodate that many with a maximum capacity of 2,000. 1,800 is packed. They are considering Las Vegas.

Mr. Randall said 1,800 leaves no space for food or exhibits. So about 800 participants is the right number.

Member Griscom asked who they are.

Mr. Carr said Linux is out of Dallas It is a foundation.

Member Hendry pointed out that with the capacity issues, they also have the old county buildings and they should be repurposed as part of the convention center.

Mr. Carr said on June 3, they will discuss promotion to generate more interest in our location and push for the fourth quarter.

He reported a successful FAM with 5 potential leads. He is working on the next FAM for July.

##### **b. Marketing Report (Cynthia Delgado)**

Ms. Delgado reported on both March and April - starting with March and quarterly report of key indicators for web site, social media, Visitors' Guide, and visitor centers. A copy of the Marketing Report is attached to these minutes as Exhibit 7. Over the last quarter, we had a full ramp of digital and increase of

32% in visits. Pages per session has dropped a bit and that is also reflected in time on site. The conversion rate is 13.6%. The Blog - weekly input is seeing page views up. It has been shortened and added pictures. Average time is up and also increased number of links to get people onto santafe.org.

Newsletters are vibrant and reaching more. The open rate inches are up and beating the industry average. Specials and deals are attracting more people.

There were a few less press releases in the first quarter but broke out pitches. (a slice - to specific publications.

Member Bruneni asked if they write their own copy. Ms. Delgado agreed.

Media visits are down a little but now it is picking up for summer season. Earned media continues to go up. There are some big stories from the Margarita Trail. Social media continues up. There are about a thousand followers on Facebook but we can do better.

Trip Adviser was down a bit so we are working on that. The Visitors' Guide is also down just a bit but Visitor Centers are increasing in numbers.

As for April, we are well into the Visitor Survey. Five significant partners who sent out the survey. About 5,000 responses have come in to date. Our partner, Metrix is quite pleased. The survey closes on June 3 and she hopes to have a report to business partners quickly.

We finished the poll for Travel & Leisure at third. They broke into cities and towns. So we were pleased with the ranking. And some of the other categories.

Mr. Randall added that Charleston was lower than tenth. Buffalo was #1.

Ms. Delgado said we are still in the battle at Condé Nast which ends on June 1.

Member Lucero asked if she sent it to the restaurants.

Ms. Delgado agreed. She also did sit with local papers and they are pleased that we are here.

Chair Margetson asked why is Trip Advisor is down.

Ms. Delgado said Tourism owns the page but the people coming to the destination page is down. It is not as updated as we need.

Lastly, the Santa Fé Margarita Trail got launched on social media. The local coverage and feedback has been unbelievable. Anasazi had a couple to try the margarita. So we continue with business partners to keep the awareness up.

Member Bruneni said Margarita Trail on the Association agenda. It needs to stay on everyone's agenda.

Chair Margetson liked the new format. It is easy to read.

Ms. Delgado agreed, thanks to Member Griscom.

**c. Executive Director Report (Randy Randall)**

Mr. Randall said they will add an executive summary to both reports with a single page narrative and provide the detail behind it. His report is attached to the minutes as Exhibit 8.

The Short Term Ordinance was unanimously approved. Councilor Ives was not there but is a sponsor and he didn't know about Councilor Trujillo. The cleaned up version will get signed today or tomorrow. The taxes become effective immediately. There are no penalties until after 90 days. They can get a license today.

We are about to sign an agreement with the Air BnB to collect lodgers tax. And they are also interested in a statewide agreement for GRT. In Arizona they actually passed a state law to get GRT from them. They are also about to sign an agreement in Taos.

The Santa Fé Film Office is a joint city/county venture and both have funded a contract with AirQuick to get the office set up. Once finished, we expect a joint announcement on June 1 or June 2 to let people know it will happen as of July 1. Commissioner Chávez and Mayor Gonzales will make the announcement. It will be a two-person office to provide more production in and better service to the productions.

The Northern New Mexico Airport Alliance is moving along though a slow process. We made an application to feds for \$500,000 for promotion and will apply to the State for \$2 million. If we get the grant, it will make private fund raising easier. Mr. Randall will be on the executive board that functions as a steering committee.

Bike and Brew was an outstanding success. Being on grass instead of pavement helped but it is somewhat in jeopardy because Chris Goblet is not with brewers now, having gone to wine growers. It points out the importance in reviewing grants to make sure that boards are in place.

He hoped at the next OTAB meeting that Ms. Delgado will have a report on the grant rules.

The Tourism budget is intact with budget approval tomorrow night. Ms. Delgado represented us well at the hearings. There were questions on the film office. There will be \$750,000 in expenditures next year.

Mr. Randall is looking for representatives in key markets to help with sales as in-market support. He is trying to shift tactics where they are under performing and shift Mr. Carr's efforts to those places.

We are pushing into Austin. We had \$90,000 uncommitted that will be used to push into Austin. We felt Austin had the higher awareness. Allegiant flights from Austin and Southwest Air are about 50% out of home and 50% digital call to action.



Regarding Margarita Trail, we have 2,000 passports out there. He gave some to each restaurant and some have come back to order more. They will have a gathering at end of June with southern (major sponsor) with restaurants to share best practices.

Member Pettus asked if La Fonda is participating.

Mr. Randall said yes.

Member Pettus said she didn't see them when over there.

Mr. Randall is working on a value card for groups - coupons are passé now. We've ordered 10,000 of them. We will require that the discount be stronger than 10%. That is the standard for AAA or AARP. We will roll it out in the next 60 days. The card and a flyer with it shows who the participants are. It could work at art galleries, tour companies, restaurants, etc.

The Native American position is filled by Rena Crisp who is not a Native but has strong relations with them. She is also a photographer and has been allowed by many tribes to photograph dances. She is not weighted to any one pueblo. We've put out a letter to all tribes and have a breakfast with governors to introduce her. She will visit with each tribe in northern New Mexico.

Member Hendry agreed that people will change their minds when they meet her.

Mr. Randall said hospitality training is to be produced by New Mexico Hospitality Association and sponsored by the Chamber. The cost is \$25 per person which is a little high. It has a return component back. He is trying to work with Simon Brackley to see if we could underwrite a little of the first round.

Member Bruneni said they wouldn't do it because even with only six employees, they don't have \$300 for that.

Mr. Randall said he has been attending County LTAB meetings and will create a seat for someone from Creative Santa Fe.

Their Board has gone through a total transition and will now work in coordination with City - so it is a huge amount of progress. To eliminate the divide, we will marry the web site. County will take lead in the outdoor portion.

Lastly, he went to the Governor's Conference on Tourism with Joy and David. There is no contemplated change to any movement of awareness. The New Mexico True is only an awareness program with nothing to cause bookings. There is an opportunity to work together on major destinations to initiate joint tour business. It could also move into group meeting business.

Member Lucero said Santa Fé Wine and Chili Fest will have a new wine-film festival with a big tasting on September 24<sup>th</sup>. It will be small with 150 people at Jean Cocteau and Violet Crown theaters. We are working with folks at Violet Crown. Each night will have two films per theater. One on wine and the other on entertainment.

Mr. Randall added that it continues to emphasize Santa Fé as a Film Mecca.

Member Pettus commented about short term rentals in Europe. In Venice, the person met us with receipt book and we had to pay in cash and give her husband a document so he would not be arrested for not paying the tax. It was a flat amount per bedroom - not based on room rate.

Member Hendry said the film office shows that we need to do things with the County but we are missing an opportunity without having an event marketer.

Mr. Randall said in the current budget we don't have money or funds for expansion. But if revenues from short term rentals grow, that could be the source. It is the next place we should go - promotion of events. Other cities do it. We had no marketing people four years ago.

Chair Margetson agreed it is a great idea and worth supporting.

Member Hendry said it should be \$100,000.

Mr. Randall said he is working well with Tony Flores, Deputy County Manager and can suggest that.

Chair Margetson asked if the Board could get a copy of the budget.

Ms. Delgado said she would do that.

Chair Margetson asked what can we do with Meow Wolf.

Member Lucero said they are on a honeymoon now.

Mr. Randall said Tourism has worked with them on the PR side. They are a for-profit company so we have to be careful. We did help them with PR. Also working with Vince Kadlubek to repurpose the buses for Santa Fe Pick Up. It says what they are. He is trying to see if Meow Wolf could use the older buses to get to their location. They are a little weak on promotion materials.

Ms. Delgado said she distributed their press release and doing a lot of social media support as we do with other businesses.

Member Lucero asked why not take them on as a partner like we do with hotels.

Mr. Randall said the hotels fund us.

Member Bruneni suggested maybe Meow Wolf could sponsor Bike and Brew next year.

## **V. UPDATE ON GRANT APPLICATIONS**

Mr. Randall said they will have a handout on history of grants and define the rules for applying before

the next meeting.

#### **VI. OTHER MATTERS FROM THE BOARD**

There were no other matters from the Board.

#### **VII. ADJOURNMENT**

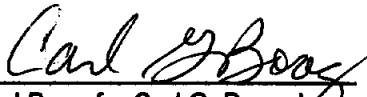
Member Lucero moved to adjourn the meeting. Member Pettus seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at 11:31 a.m.

Approved by:

\_\_\_\_\_  
Paul Margetson, Chair

Submitted by:

  
\_\_\_\_\_  
Carl Boaz for Carl G. Boaz, Inc.