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CITY OF SANTA FE  
Occupancy Tax Advisory Board  
July 26, 2016

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

July 26, 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 Member Jon Hendry on this date at approximately 10:06 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:**

Al Lucero  
Victoria Bruneni  
David Griscom (ex officio)  
Jon Hendry

**Members Absent:**

Paul Margetson, Chair [excused]  
Elizabeth Pettus [excused]

**Staff Present:**

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

**Others Present:**

Carl Boaz, Stenographer

**c. APPROVAL OF AGENDA**

Mr. Randall asked to hear the marketing report before the sales report.

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

**d. Approval of Minutes:**

June 28, 2016

Member Lucero moved to approve the minutes of June 28, 2016 as presented. Member Bruneni seconded the motion and it passed by unanimous voice vote.

## II. OTAB APPLICATIONS UPDATE AND REVIEW

Mr. Randall said the proposed application form was sent to the Board and is in the packet. He explained the differences between this one and the original form. In the past, the funding was limited strictly to events and the value was based on the number of room/nights expected. Staff has been a little disappointed with recent applications.

This application opens up the consideration for more than just events but also occurrences such as a meeting or some kind of happening that might not generate room/nights but should either directly drive room/nights or bring significant exposure of the City that would drive room/nights at all times

Creative Santa Fe will have some meetings that will generate publicity nationally. So if it is appropriate to use OTAB funds, they should not be limited. As an example, if a local organization was going to sponsor a symposium on global warming and with it, brought it nationally recognized opinions and the probability of significant national press. And maybe it would be worth sponsoring rather than just marketing the event.

He asked Board to read through the application and he would bring it for action at the August meeting. He didn't have money in the current budget to help these things happen. There is probably an opportunity with short-term rentals income to increase funding from \$70,000 to \$100 or \$150,000 provided the Board agrees to broaden their use.

Member Hendry asked, if we had a travel show, if these funds could be used for airline tickets to produce the show.

Mr. Randall agreed, as long as it provides exposure of the City. He didn't want to use it for a conference to sponsor the meeting. If we approve this application status, we could develop more specific guidelines for the review process.

Member Lucero asked if he would have to get Council approval to do this.

Mr. Randall said he would. Right now we have an ordinance or maybe a resolution from five years ago. So with this, Council would look at a concurrent update of the resolution. It is a little out of date. He proposed working on that with one or two OTAB members to see if there is agreement. Councilor Ives would be asked to sponsor and Councilor Lindell would likely be interested. The resolution is a little restrictive now. It talks about grants only out of season. Because the overall level of applications has not been as good, the good application in-season would be more valuable. He suggested introducing a new resolution to coincide with the intent of this application process.

Mr. Randall asked Member Hendry to appoint two members of OTAB to work on this.

Mr. Griscom asked if there is actually a way to measure the exposure.

Mr. Randall said the application would have to suggest what exposure it would achieve. Until it actually happens, it would not be known but there is a place for earned media value that we could measure against. Some are one-time events. Creative Santa Fe is going to be a recurring effort.

Member Hendry added that if it is going to Council, the Board should at the limitation of spending only for advertising over 50 miles away. Councilor Wurzbarger was pushing it because there was no policy. It was never in writing before. So the Board had no way to decide how the money would be spent.

Mr. Randall said the Fiesta Council got \$50,000 for marketing purposes. It would just reduce the funds we have available.

Member Hendry and Member Bruneni volunteered to work on it with Mr. Randall.

Mr. Randall agreed to distribute it to everyone, once they come up with a framework. [A copy of the new application and proposed procedures is attached to these minutes as Exhibit 1.]

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

Mr. Randall presented the Lodgers' Tax Update. [A copy of the Lodgers' Tax Report is attached to these minutes as Exhibit 2.]

Mr. Randall reported that they budgeted \$9 million this year. So for next FY we will budget it at \$9.75 million. So they only need to achieve half of the success of this year. The year before, the City saw an increase. The chart shows it going up each year. So there are nice annual gains in lodgers' tax.

The GRT for May reflects a decrease to the current year by \$33,000 and May Lodgers Tax revenue was down as well but up \$490,000 for the annual budget. The good news is that annual numbers are there. [A copy of the GRT Report is attached to these minutes as Exhibit 3.]

In June – both Rocky Mountain and STR show occupancy and rev/par being up with rates down a little. He didn't know what June was yet or whether more lodgers started reporting and paying. There is a 90-day grace period to get a license. It has been a slow process. 200 are being processed now. The deadline is August 9. [A copy of the Rocky Mountain Report is attached to these minutes as Exhibit 4.] [A copy of the STR report is attached to these minutes as Exhibit 5.]

Mr. Randall met with realtors last Friday with 50 in attendance for the update. There is great interest. AirBnB is being very proactive.

In the review process for the software compliance he wants to procure, only two companies responded and the leader didn't respond because they don't respond to RFPs. If neither responder can comply, we could go sole source.

### **IV. CVB REPORTS**

#### **a. Marketing Report – Cynthia Delgado**

Ms. Delgado provided the Marketing Report. [The Marketing Report for June is attached to these minutes as Exhibit 6.] Ms. Delgado added that she provided in the packet the Quarterly Report for the period ending June 30, 2016. The quarterly report includes paid advertising in the back. [A copy of the Quarterly Report is attached to these minutes as Exhibit 7.]

Ms. Delgado summarized the web statistics with a 6% increase for the year for sessions and 4% increase in visitors – emails that go out twice a month – open rate of 18% enjoyed. There is always room for improvement. Their results meet national averages.

For social media, Tourism added a coordinator last year and the results are being seen across the board on all social media channels. In future, we will see more robust statistics around Facebook.

Digital campaign has focused heavily on the Austin market along with bus wraps and billboards. It has produced increased visitors from the Austin area to the website.

Mr. Randall explained, for the sake of Ms. Castillo, who is with the State, that the investment was about \$90,000, whereas, the State deals in millions.

Ms. Delgado explained that for Public Relations, pitches are informal and press releases are more formal. Press Releases were down a bit but more focused.

Ms. Delgado reported on accolades for Santa Fe. In Travel & Leisure, Santa Fe was #4 in top cities in the US. Sunset Magazine named Santa Fe best shopping for travels west of the Mississippi and also in the final four as best food town, best getaway, best brewery and distillery. She explained that the staff are aggressively supporting any visiting press and providing them a full framework of experiences and passes.

Under Miscellaneous items, she noted the launch of the digital trekker. This was a community outdoor effort in which Parks and Santa Fe County participated.

Mr. Randall said that at the Governor's Conference Tourism Santa Fe had a media package for participants. Digital billboards will talk about all the events going on in Santa Fe. Joy Rice is putting those together. She will drive people to specific things – 2-3 weeks before the event and alternate with generic material like the Margarita Trail. Hippico (equestrian) is the next event; then Spanish Market and alternating with outdoor biking. It is a two-month buy and can cause people in Albuquerque, Las Cruces and west Texas to have heightened interest for what is going on in Santa Fe in August and September. This is new to us and Joy Rice is doing a great job for us. Lamar is the digital billboard company and if they have space at the end of those months, they will continue to include Santa Fe.

Ms. Delgado said Margarita Trail continues to grow. Next is an August 3 event and all but one restaurant will have participated in it.

Member Lucero presented a check for \$10,000 on behalf of Spirit, for the five different tequilas they distribute as part of Margarita Trail. The Staff of Tourism should be congratulated for getting people to sponsor it and not just using taxpayer money. The tequila companies are very happy and one of the distributors wants more information.

Mr. Randall commented that the Margarita Trail is a fun thing for people to participate in. A Trip Planner a couple of weeks ago came and we gave them a passport and they already ate in them enough to get their T-shirts.

Member Hendry added that each of these people are paying property tax and GRT and promoting the City. The food trucks are not paying taxes and going up Canyon Road and sucking from restaurants. Santa Fe Baking had to quit. Those trucks undermine traditional restaurants. We need to continue to support brick and mortar restaurants and work with those who work with us.

He thanked Ms. Delgado for her report as she was excused for another assignment.

The Board decided to hear about La Bajada VIC next and amended the agenda accordingly.

## **V. OTHER MATTERS BY THE BOARD**

### **a. La Bajada VIC Support**

Ms. Audrey Herrera Castillo provided an update regarding La Bajada VIC to the Board. Of all the visitor centers in the State, La Bajada has the lowest frequency of visits. It is open only Monday through Friday and not on weekends.

Mr. Randall said it is staffed by two people and one of them is out on FMLA. He said Tourism made a correct decision to not have a single female at La Bajada. They have no capacity to hire an additional temp person to provide the second staff member because that continue paying the person on leave. So he had asked if the City could provide a temp person through Labor Day or until the individual on leave comes back to reopen the center. We would like to see it open on weekends and closed on Monday and Tuesday.

The City Manager was not very supportive of using Tourism funds to staff the VIC. So he and Paul Margetson decided to seek to use \$5,000 out of grant funds. He was directed by the City Manager to obtain approval from the Board before he would support it.

The request is to use \$5,000 out of OTAB grant funds. This is a strong need for the hotels. When he managed Eldorado, the hoteliers all paid \$500 per year to be listed on a board with their phone numbers and it was tracked and valuable. This is where people stop for information about Santa Fe. We do have an individual to consider if Council agrees tomorrow to allow him to hire a seasonal worker, even though it will short OTAB a little.

Mr. Griscom asked if anyone approached Norther Rio Grande Heritage Area. They might want to be part of it.

Ms. Castillo said no one has contacted them.

Mr. Randall said if the Board recommends that, he would like to work with Mr. Griscom to share it but would ask for the full amount. We could see if they could take part of that expense. We would do an MOA with State Tourism and the City to jointly fund it until Labor Day.

Mr. Griscom asked if it would not violate the OTAB ordinance for that seasonal worker to be hired.

Mr. Randall didn't think so. The resolution suggested how it could be spent. Two years ago we had funds and spent them on advertising. So anything that increases Santa Fe visits would be worthwhile.

Member Hendry added that it would generate more lodgers tax.

Member Lucero asked if La Bajada is open 24/7 for toilets.

Ms. Castillo agreed.

Member Lucero reasoned that it can be a rest stop. That should be indicated instead of the big closed sign.

Mr. Randall said they put plywood in front of that sign.

Member Lucero commented that we have no facilities and this would be a step forward and be friendly. He hoped they could soon get it back open again and it should be a 7-day daytime operation. To make that happen in the future rather than let it go by the wayside, it should be open and improved. There are some really good looking visitor centers around the State. But Santa Fe is the crown jewel for tourism. He suggested approaching the Tourism Commission for recommendations on this and make it a showplace.

Member Hendry thought the community needs to take more ownership in the Visitor Centers. There is no real community in Tucumcari. There is in Gallup. The one in Chama always had interest of community. Our community needs to take pride and ownership of it.

Member Hendry said it also needs bottled water. It is not about new visitors but getting people to stop and visit. Having it closed is bad.

Member Bruneni agreed. For Cerrillos Road properties it is huge. She personally went and visited all of the visitor centers and La Bajada is one of the biggest and it has really hurt Cerrillos Road particularly.

Mr. Griscom asked if this is a DOT facility.

Ms. Castillo said it is. DOT owns the property and we just utilize the space. They maintain everything.

Mr. Griscom asked how many visit the Visitor Centers.

Ms. Castillo said the others are open 7 days per week. Raton has 21,000; Chama has 22,000 and Anthony has 23,000 visitors. The one on I-20 had 240,000. She agreed that signage is important. Secretary Latham wanted some better signage there.

Member Lucero recalled many years ago at the tourism office he would hear the staff members complain about having to go out to cover La Bajada. They would have to split their duties to relieve someone out there.

Ms. Castillo said they don't do that any longer. We had two employees out there full time and closed

with one on leave.

Member Lucero said he would personally contact two members for Northern New Mexico on the Tourism Commission to see if we can't do some proactive management. It is very important to Santa Fe. If it doesn't say rest stop there aren't any to speak of between Albuquerque and Raton or Las Vegas.

Member Hendry wondered about the difficulty of providing funds for this help.

Ms. Castillo said they would find a way to cash the check.

Mr. Randall suggested there are ways the Tourism Department could have kept it open and it should be open 7 days per week. It is now closed so if the OTAB Board takes action, Phyllis Ortiz has a letter that Member Hendry could sign on behalf of OTAB that he could deliver to the City Manager's office and get it going.

Putting money into it shows how important it is for us and that puts more pressure on the Department to keep it open 7 days per week.

**Member Lucero moved to recommend to the Governing Body to provide OTAB funds for temporary staffing at La Bajada VIC as authorized by resolution. Member Bruneni seconded the motion.**

Ms. Castillo said they are prepared to staff it through Labor Day.

Member Hendry asked if she could come to the next meeting for further plans.

Ms. Castillo explained there is no plan to continue past Labor Day without a second person.

Mr. Griscom said how long the Visitor Center has been closed.

Ms. Castillo said it is about two months.

**The motion passed unanimously with no objections.**

Ms. Castillo clarified that when it does reopen on a regular basis, it will be open Wednesday through Sunday.

Member Bruneni said it closed in May.

#### **b. Sales Report – David Carr**

Mr. Randall announced this as Mr. Carr's last meeting. He is moving on to a private position. He has done a great job in reorganizing the sales department. His talents and skills were recognized.

Member Hendry said the Board wishes him great success.



Mr. Carr explained that he is joining Hutton Broadcasting at the end of the month. It has been a pleasure working here.

Mr. Carr presented the Sales Report which saw mixed results in June. [A copy of the Sales Report is attached to these minutes as Exhibit 7.]

He reiterated a need for third parties to generate qualified leads. They are looking at three companies that could assist us with more qualified leads in the future.

He saw positive results in almost all categories except space only leads. Due to a decrease in leads, the three identified companies could be doing searches in the southwest and market directly to them. Another method is to qualify FAMs into town. Next year, it is to be a little more focused.

Out of visits to trade shows and meeting with meeting planners in the past month, one already submitted an RFP for 300 room nights.

He reported a chocolate group coming in the spring and said they are working with two others.

The FAM for July has eight planners attending. They are currently working with three groups on contracts; one out of Denver, the National Conference of State Legislators; a large conference of surgeons, which began with 50 room nights but after their visit, changed it to 500 room/nights. An RFP for Teleflora out of the east coast would be about 150 nights. The next FAM is in September with 11 planners confirmed.

He announced that Stephanie Scrimshaw is a new staff member and has 14 years' experience in conference planning.

Mr. Carr announced the transition from the DRM system to IDSS with– trainers on site from 1-5 in August. The new system will allow the sales team to more accurately manage the proposals and coordinate the space for operations. It took 18 months to get it.

Mr. Randall said Mr. Carr will be here until August 19. They will try to reach out nationally but try to fill his replacement locally.

Member Lucero congratulated him on his new position with Hutton Broadcasting.

### **c. Executive Director's Report – Randy Randall**

Mr. Randall said he didn't bring the accomplishments list but would email it to the Board. It will be updated about every six months. One significant item is public relations which exceeded \$30 million earned media value. It was a tremendous focused effort by bringing PR in-house.

Mr. Randall reported on the shortage in staff and how difficult it has been to have adequate staff for CVB.

The Santa Fe Film Office is up and running Eric Witt is the Executive Director. The County is providing

administrative support and Mr. Witt is trying to fill the second position of funded and he is working with the productions going on right now. We have been remiss in the past. His intent was to increase production that comes to us. We have been so fortunate in spite of not being able to service the accounts. There are just so many things that require hand-holding for production companies. Now Santa Fe will have a reputation not only as a great place to film but also supportive of their efforts.

Mr. Griscom said the Governor just made the announcement that \$37.7 million was subject to the rebate.

Member Hendry said that economic impact is \$1.3 billion.

Mr. Griscom added that is more impetus for Santa Fe Studios through an IRB. It is an economic driver.

Mr. Randall said the Statewide Hospitality Association has taken on the cap issue. He thanked Mr. Griscom and the County to put the film office together. The County graciously offered to house the office in the Bokum Building. But Eric is usually out in the field.

Mr. Randall said they are building support to make offers for the Santa Fe Value Card, particularly to our group visitors to get out and spend more. It offers discounting or added value. Thus far, there are 53 participants. This will be done as meetings happen here. We are putting things in their goody bag. Phyllis Ortiz designed a nice pamphlet to stick the card into. Now we hope it will grow. We will print small quantities at a time to allow for flexibility.

The summer shuttle to the ski area is occurring. The winter shuttle was very successful. We are on a trial for July and August. It is a little disappointing with an average of 4.5 riders per day. We will have to decide whether to continue to support it.

Mr. Griscom said it won't operate during the first two weeks of September.

Mr. Randall reported the Northern New Mexico Air Alliance is working forward to expand current air traffic. They got a \$500,000 grant from the feds and think we have \$200,000 from the State for marketing. They will attempt a \$400,000 fund raising campaign for the balance needed to make the program work and over 50% is in.

Mr. Randall said the State has a new program, a little undefined yet, and a large group working on \$50,000 to match \$100,000 by the State for New Mexico True marketing. He explained how it could be used to secure direct flights from other cities. He has a Visitor Survey to share in August. Social media has an impact about 5% to actual visitors to decide to come here. So it is not much impact. They had 2,800 responders. About 4% use our airport. 20% fly in to Albuquerque and 25% drive here. The lead time for visitors is 45-60 days out. One problem in the survey is the visitor databases of our own and individual hotels. O'Keeffe Museum also participated. The information is skewed to the downtown visitor which is unfortunate. There was not much participation from Cerrillos Road properties.

Member Bruneni offered to help with that.

Mr. Randall said it was a \$30,000 effort on our behalf. The Visitors' Guide represented 60% of decisions to come here. It is primarily hard copy. We beat ourselves up on how well we treat our guests but

responses are off the chart – 95% in the 9 and 10 categories. He will share an executive report too.

The Native American Liaison position is filled and he will invite all tribal representatives to have lunch on August 17 at Hotel Santa Fe. It will be the first time in recent history for Santa Fe to do this. We expect the liaison to be quite busy.

Mr. Randall briefly described the advertising targeted in Austin and in which the State participated at the same time. The piggyback worked to our benefit.

## **VI. ADJOURNMENT**

Next Meeting: August 23, 2016, 10:00 a.m.

**The meeting was adjourned at 11:45 a.m.**

Approved by:

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Paul Margetson, Chair

Submitted by:

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Carl Boaz for Carl G. Boaz, Inc.