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CITY OF SANTA FÉ
Occupancy Tax Advisory Board
September 27, 2016

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Next Meeting: October 25, 2016

MINUTES OF THE
CITY OF SANTA FÉ
OCCUPANCY TAX ADVISORY BOARD

September 27, 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 Vice-Chair Jon Hendry 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:

Jon Hendry
Al Lucero
Elizabeth Pettus

Members Absent:

Paul Margetson, Chair
Victoria Bruneni [excused]
[Vacancy -County ex officio]

Staff Present:

Randy Randall, Executive Director
Eric Witt, Film Director
Cynthia Delgado, Marketing Director

Others Present:

Carl Boaz, Stenographer
Cyndi Conn, Disruptive Futures Summit
Brian Gonzales, HIPICO

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:
August 23, 2016

Member Lucero moved to approve the minutes of August 23, 2016 as presented. Member Pettus seconded the motion and it passed by unanimous voice vote.

II. OTAB FUNDING

c. Change in Date for Funding – HIPICO – Brian Gonzales

Mr. Randall said OTAB approved funding for HIPICO on the basis of its expanded capacity. The September portion did not occur and Mr. Gonzales is proposing a rearrangement on use of funds.

Mr. Gonzales reported that the 700 stalls in the summer series were full. But people did not show for the fall show. So we want to move the funding to the event for the four weeks of June in 2017 with 7 weeks in June and July and the big one on August 1. "We had two Olympians and lots of kudos. I am fairly confident we will be able to move forward with these changes to keep it successful."

Mr. Randall said the request is for \$30,000 with a required match. It will still be in this fiscal year in the new Spring series and still supporting August. Because the June/July time frame is substituted for September, the Board should approve the award as revised. Mr. Randall clarified that they originally wanted priority for the shoulder period but newer events in season are just as important. In the 3-year history, The City had 82% and then last year (2015) July was 76% but this year it is back to 82%. So focusing on the shoulder period is not as important as new events.

Member Lucero moved to approve the reallocation and include in the motion that Mr. Randall present it in writing so it will be on the record other than just in the minutes, contingent on the addendum to the original contract. Member Pettus seconded the motion and it passed by unanimous voice vote.

b. New Funding Candidate - Disruptive Futures Summit – Cyndi Conn

Ms. Conn presented the report.

Mr. Randall reminded the Board that they talked about expanding the use of Lodgers Tax for events that, in and of themselves, bring people into Santa Fé. OTAB can also support events that bring public relations value to Santa Fe so the event itself might not bring in lots of people but give the opportunity for PR exposure. This would be the first opportunity and because of the timing, it could not be fit into the next funding cycle. Staff would like the Board to consider this as a prototype to determine the potential value for it.

Ms. Conn said Creative Santa Fe's mission is to support the Santa Fe economy. We have supported affordable housing, entrepreneurship and shifting demographics to younger people and have to work in tandem with Tourism to bring a different visitor to Santa Fe. This event was born from that. We want to leverage all the assets we have already. We know this is ambitious but we have already launched two

projects. A summit on nuclear weapons is one. We brought well-known actors, the Director of N Square, a consortium. We brought the first group out a year and a half ago and partnered with locals. When we take big issues out of the typical places, new ideas start to come and integrate arts, science, and other new disciplines. People know about our nuclear weapons projects.

Beyond Borders will be next year for 300 people at the Botanical Gardens with 20-30 young leaders for a week and next year many more people on diplomacy issues, with full buy in from NM Tourism and funding from them.

As a City, we have to think differently about how we promote our City. We now have a negative population growth in the 35-55 age group. But we have more retired diplomats and PhDs per capita than anywhere else.

Vice Chair Hendry thought they should create 50 events each year like Austin Texas does. There is nothing that says we cannot use these funds that way.

Ms. Conn said they are requesting \$20,000.

Member Lucero asked if the Board did away with the restriction of no advertising within 60 miles of the city.

Mr. Randall explained that if it is for promotion of an event and we expect it to bring in people to Santa Fé, there is not a need to market it. We've broadened the use of the funds and in and of themselves, they don't bring in people but will increase publicity and notoriety of Santa Fé. They could be spent for production of the event.

Ms. Conn said they have national partners. The Bulletin of Atomic Scientists will publish our event in their newsletter. So it will probably reach more people than advertising based on who reads the articles. So even though it won't have print advertising, it will reach and attract those particular people to Santa Fé.

Member Lucero noticed that LANL is not included.

Ms. Conn clarified that they are a key supporter for us. And Nolan is giving personal tour. Funding is pending and the Sandia Lab has contributed \$5,000.

Member Lucero suggested \$20,000 and asked if that would fit with the budget.

Mr. Randall said he would be comfortable with something a little less, looking at their budget. It includes travel and lodging at \$1,700 per presenter for 10 presenters. He thought \$775 for food and beverages was a little high. He would be more comfortable with \$15,000 as we move into our new budget cycle.

The timing on requests is such that if we don't get as many applicants, we could revise it before the event.

Member Lucero moved to allocate \$15,000 to the Disruptive Futures Summit project. Member Pettus seconded the motion for sake of discussion.

Member Pettus asked if the whole summit would be memorialized in video.

Ms. Conn said it would.

Member Pettus said this is a terrific first project and she favored raising the amount of support it if we have funds.

Member Lucero asked if this favors use of nuclear weapons.

Ms. Conn explained that it is just to bring people here with a goal to get more people aware. Most people under 45 don't realize that nuclear is still a threat or that nuclear weapons still exist and we spend lots of money on them.

She said N Square has a hash tag to join the conversation to find leaders who will engage in the dialog to help solve the problem. Everyone wants disarmament. This is realistic approach.

Mr. Randall said Tourism Santa Fé will also provide public relations for this. We have a vested interest and will put that as an in-kind contribution so the budget reflects that PR is an integral part. He said this is the kind of thing you would find in Austin or Aspen. This is a pilot project and it is an outstanding opportunity for our City. This will become an ongoing series at least annually and we need to provide that kind of support.

Member Lucero asked if Ms. Conn would give her word to include Santa Fe's original role in the history as Los Alamos is.

Ms. Conn agreed. That will be critical. We have a lot of historians who will talk about Santa Fe as the hub that brought people to Los Alamos.

Member Lucero said he grew up here and remembered seeing a puff of smoke over Los Alamos. Tying this in with Santa Fe is good for tourism.

Ms. Conn agreed.

Vice Chair Hendry moved to amend the motion to fund at the original \$20,000.

Member Lucero thought the motion would need to be defeated and then have a substitute motion.

The motion to grant \$15,000 passed by majority (2-1) voice vote with Vice Chair Hendry dissenting.

a. New Funding Cycle – Decision to begin process for 2017

Mr. Randall shared the new cycle with calendar-year funding.

Member Lucero moved to approve the new schedule. Member Pettus seconded the motion and it passed by unanimous voice vote.

IV. CVB ACTIVITY REPORTS (out of order)

c. Film Report – Eric Witt

Mr. Randall introduced Mr. Witt as Executive Director of the new Santa Fe Film Office.

Mr. Witt said he just wanted to introduce himself and the office to the Board. The City and County decided to jointly fund it. We are three months old now and one major impetus was that Santa Fé has one of the largest productions in the nation without a film office. Production is up about 50% to \$100 million. And it improves OTAB funding. Short term home rentals with Long Term will help a lot too.

He said Santa Fe could become the Champaign-Urbana of film production. We are taking films away from Texas now and growing. Robert Redford brought his production here because Texas has not evidenced the film support that New Mexico has. However, it has slowed some with the present administration.

Mr. Will said he will report back on a regular basis as they develop the metrics. He believed this is the first joint operational office in history. It is an interesting challenge but if successful, it can broaden into others for tourism and economic development. Resources are split almost 50/50 and he briefly listed them.

One charge for the Film Office is to Native Americans and we are meeting at 2:00 p.m. today.

Vice Chair Hendry said he commented to the City Film Commission about working on film legislation because, right now, there is great peril for that expansion in New Mexico with any new private sector jobs because of the state budget crunch. For now, we just need to keep the allocations in place and hope the credits don't go anywhere else because if we lose that, the film work will go away too.

Mr. Randall suggested a resolution form OTAB on the importance of protection of those funds and recommend to City Council to take that strong stand also.

Vice Chair Hendry said he talked with the Mayor last night. He asked if he should try to draft something.

He suggested, "OTAB requests the City-County Film Office supports protecting State funding to the Film Industry as a high priority."

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

Mr. Randall said it will be presented to City Council and County Commission.

Member Lucero offered services of Seven Glacier for any way to help with people coming in.

III. LODGERS' TAX

a. Update – Randy Randall

Mr. Randall reported for the first two months, they are up \$82,000 in revenue. He reviewed the reports from Rocky Mountain and STR and made several comments about the results. He predicted that by August, the City will be about \$100,000 ahead of last year and will be able to maintain that through the year.

With changes in the Finance Department, the GRT report is delayed. As soon as possible Phyllis will share it with the Board members. He pointed out that we are not seeing improvement yet in short-term rentals. The agreement with AirBnB is only for new reservations after August 1 so the City didn't get any on those already reserved. Even though lodging is up by 4%, short term revenue is down. That falls under Land Use and we are working on it.

IV. CVB ACTIVITY REPORTS

a. Sales Report

Mr. Randall said the sales report is in the packet. He was excited to confirm that David Carr will return to the City and remain for the foreseeable future. As a result, they suspended the job search and he will start as soon as the paper flow goes through.

We have component on the web site where people can book lodging. It goes to the hotel through the web site. It compares very little with booking services. The cost is only about \$1.50 per reservation to the hotels. Its use has declined significantly over the years but we've worked with Jack Rabbit Software to have a way to revitalize the service and make the hotels more profitable.

Vice Chair Hendry suggested checking out Yaotask, which is an incredible booking service and for what you are looking for, it could be a game changing and there is no cost to look at it. It is starting right here in Santa Fe. It could include the short-term rentals too.

Mr. Randall said Tourism has an existing relationship with Jack Rabbit. But if we can't revitalize it Air BnB will collect at no fee to us. Jack Rabbit will give us a commission for hotel generation.

b. Marketing Report – Cynthia Delgado

The Marketing Report was in the packet.

Ms. Delgado had nothing to add except the Margarita Trail continues to move along and continuing partnership with County more and more.

d. Executive Director Report – Randy Randall

Mr. Randall reported that David Griscom left the County so he will reach out to the County Manager to see if they want to appoint another county representative.

He also reported a new flight coming into Santa Fe on December 15 with once per day with Phoenix in a 70-seat airplane. He flew from Denver down last Tuesday and was bumped because the flight was full. He was put on a flight the next day.

The visitor survey will be done at spring break again this year.

Mr. Randall said we got final approval on Destimetrics to do an ongoing visitor contract and be able to shift marketing dollars to allow them to be responsive to marketing needs. Right now we market in hopes of bringing in people.

V. LA BAJADA VISITORS' CENTER

Mr. Randall said La Bajada Visitor Center is now permanently closed by State Tourism. The Chamber was contacted before the closure to see if they wanted to take it over and they don't. He added that Tourism Santa Fe was not contacted which he thought was rather unusual. We were informed it was temporary from the FLMA. We are working with lodgers about the importance of La Bajada. The biggest change was closing on weekends two years ago that brought a 50% drop. He reached out to the County and think there might be interest in supporting it. Taos might also have an interest. That visitor center supported all of northern New Mexico. In order to reopen, he has to get approval from Council to use some fund balances. We need to figure out how to do that.

Member Lucero asked Ms. Delgado to bring that to the Restaurant Association's attention.

Ms. Delgado agreed.

Member Lucero said he had asked to bring our concern to the Tourism Commission and they are not happy with the closing of it.

Mr. Randall said his intent is to move quickly to get it open with fund balances and bring in partners to reduce the obligation. Between the City and County, we should fund 60-70% and find other resources. It costs about \$120,000 per year for payroll and utilities. NMDOT handles maintenance of the building. He thought they could restore the traffic at the Center and maybe have some retail also like Margarita Passports, T-shirts, etc.

VI. OTHER MATTERS BY THE BOARD

Vice Chair Hendry departed at 11:02, losing a quorum.

Member Lucero said Mr. Randall's report is outstanding.

He reported that the wine and chili festival was successful last Sunday and it should continue.

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.