

ACTION SHEET CITY COUNCIL COMMITTEE MEETING OF 01/29/14 ITEM FROM FINANCE COMMITTEE MEETING OF 01/21/14
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ISSUE:

13. Request for Approval of O.T.A.B. Annual Grant Program – 2014 Procedures and Application for Lodgers' Tax Funding Assistance of Special Events; Santa Fe Occupancy Tax Advisory Board. (Jim Luttjohann)

FINANCE COMMITTEE ACTION:

MEETING CANCELLED DUE TO LACK OF QUORUM

SPECIAL CONDITIONS OR AMENDMENTS

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR BUSHEE			
COUNCILOR CALVERT			
COUNCILOR DIMAS			
COUNCILOR IVES			
CHAIRPERSON DOMINGUEZ			

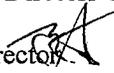
3-19-12/FCMissue



CONVENTION & VISITORS BUREAU

201 W. Marcy St.
Santa Fe, New Mexico 87501
505 955 6200 800 984 9984 Fax 505 955 6222
Email Info@santafe.org
SANTAFE.ORG

MEMO

Date: December 31, 2013
To: City of Santa Fe Finance Committee
From: Jim Lutjohann, Executive Director Convention and Visitor Bureau 
Via: Marcos Tapia, Finance Director 
Summary: Santa Fe Occupancy Tax Advisory Board application guidelines

Background and Summary:

The Santa Fe's Occupancy Tax Advisory Board (OTAB) grant application is being amended to allow for nonprofits or all types to apply for funding provided the application is otherwise a match for funding criteria. In the past, only nonprofits with a classification of 501(c)3 were eligible to apply. In addition, the City Attorney's office has recommended inclusion of language from resolution 2012-70 in sections 4 and 5 of the application. Allowing for a wider body of applicants including merchant organizations, fraternal organizations and/or membership organizations to apply will enhance the opportunity to meet the intent of the resolution.

Requested Action:

Approval of the Santa Fe Occupancy Tax Advisory Board application guideline changes.

City of Santa Fe
Occupancy Tax Advisory Board (O.T.A.B.)

2014 PROCEDURES & APPLICATION FOR LODGERS TAX
FUNDING ASSISTANCE OF SPECIAL EVENTS

1. To acquire Lodgers Tax Funding Assistance please complete the attached application.
2. Our address is:
O.T.A.B. c/o Santa Fe Convention & Visitors Bureau
201 West Marcy Street
Santa Fe, New Mexico 87501
3. Our office hours are 8:00 a.m.–5:00 p.m., Monday through Friday, except holidays.
4. Below are the policies of the Lodgers Tax Funding Assistance application for your review. Please read them carefully, BEFORE completing the Funding Assistance request form. Failure to comply with any of these requests may result in your application being denied or revoked. If you have any questions about the application, you may contact the O.T.A.B. Administrator at 505-955-6211.
5. Please be sure to read Resolution 2012-70 at the end of this application prior to completing the application. The pertinent part of the Resolution directs City staff shall to work jointly with Santa Fe County to develop a process and criteria to use existing funds, to fund up to three new or emerging events each year, for a minimum of three years. The criteria for such events shall include, at a minimum that:
 - The events shall take place in the off-season or shoulder season of Santa Fe's tourism calendar
 - Funding and planning of the events shall be public/private partnerships that seek to attract tourists younger than 56 that are on message with Santa Fe's overall marketing effort as demonstrated by the Santa Fe Convention and Visitors Bureau
 - The events shall exhibit potential to build national excitement, recognition of happenings and brand assets that support creative and cultural tourism in Santa Fe, including but not limited to culture, art, history, food, natural beauty and outdoor activities
6. Activities shall be integrated with other local destination marketing organizations (DMO) and demonstrate sustainability beyond the funded period. The organization applying must have an IRS determined non-profit corporation status with a tax identification number or umbrella under a fiscal agent on file. If applicable, a letter from the fiscal agent under

which the organization umbrellas must be submitted along with the application and the following qualifying documents:

- a. **Copy of current Business License**
- b. **New Mexico State Gross Receipts-Withholding Certificate (CRS-1)**
- c. **Copy of IRS determination letter acknowledging nonprofit status**
- d. **Organization's State of New Mexico Non-Taxable Transactions Certificate**
- e. **Proof of Insurance as indicated on item number 13 of this application**

7. Please submit the Lodgers Tax Funding Assistance application, your current budget and supporting documents (including the pre-event budget breakdown), along with ten (10) copies (mailed or delivered) to the attention of the O.T.A.B. Administrator at the above stated address for review.

The application must be completed and submitted including all attachments by February 14, 2014. An Oral presentation will be required at a meeting of the grant review panel in mid-February. Any applicant failing to submit their application by the scheduled time will be required to wait until the next funding cycle to make a funding request. Grants are awarded once annually unless funds are either not used by a grantee at which time the process may reoccur at the discretion of the O.T.A.B., or issue funds to a second tier of applicants.

Applications will be collected and reviewed during the application cycle. If your application is deemed to meet the criteria, you will be invited to attend an O.T.A.B. Grant Review Panel Meeting and asked to make a 15 minute presentation (maximum). The Grant Review Panel that is free of conflict of interest with any applicants will review the applications/presentation and may ask questions and discuss the merits of the event with the applicant. All O.T.A.B. meetings including the Grant Review Meeting are conducted in compliance with the New Mexico Open Meetings Act.

8. Applications will be scored and ranked for funding recommendations by the panel, then forwarded to the O.T.A.B. for a final vote at their June meeting.

EVALUATION CRITERIA – WRITTEN – 50 POSSIBLE POINTS

- a. • **Section 1 – About the Proposal** - Maximum Points Possible: 10
- b. • **Section 2 – Marketing Plans** - Maximum Points Possible: 20
- c. • **Section 3 – Partnerships** - Maximum Points Possible: 5
- d. • **Section 4 – Financial Capability** - Maximum Points Possible: 10
- e. • **Section 5 – Outcome and Follow through** – Maximum Points Possible: 5
- f. • **Section 6 – Formatting** - The evaluator may deduct up to 5 points

EVALUATION CRITERIA – ORAL – 50 POSSIBLE POINTS

- g. • **Concept** - Maximum Points Possible: 20
- h. • **Creativity / Elevated Thinking** - Maximum Points Possible: 10
- i. • **Impact** - Maximum Points Possible: 10
- j. • **Comprehensive Approach** - Maximum Points Possible: 10

Total Possible Points: 100 Points

SCORING

The proposal process is two-part; a written proposal then an oral presentation. Both parts of the process must be completed to be considered for funding. Each part is worth 50 points, applicants scoring less than 70 points will not be funded. Due to the competitive nature of the proposal process, only proposals receiving sufficient points may be funded. The O.T.A.B. Administrator is available to provide assistance in preparing an entity for the next grant cycle should the entity not receive funding.

9. If the O.T.A.B. declines funding an application, the applicant may request that the O.T.A.B. Administrator place that item on a subsequent meeting agenda for further clarification. The Chairman of O.T.A.B. approves all requested items for the agenda, before the meeting.
10. If the applicant's request is approved by the O.T.A.B., the O.T.A.B. Administrator will then draft a contract of services. This may require the applicant and the Administrator to work together. Due to the time needed for processing the contract, it is very important that the applicant cooperate with the O.T.A.B. Administrator throughout this process.
11. Depending upon the amount of the contract, additional approval by the Finance Committee of the City Council may be necessary. If the Finance Committee approves funding, the request will then be forwarded to the City Council for final approval. The applicant will be provided with the dates for the Finance Committee and City Council meetings. **The applicant is required to attend all of these meetings, in the event that any questions need to be answered.**
12. After the City has approved the contract, and the contract is fully executed, a purchase order will be created. The O.T.A.B. Administrator will require an invoice upon completion of services for the event. Only those costs incurred after the contract is fully executed may be invoiced for payment. The applicant must submit an **invoice** for payment to the O.T.A.B. Administrator. The applicant also needs to submit a matching **spreadsheet** listing all the payments submitted for reimbursement.

A **final report and presentation** to O.T.A.B. is also required prior to reimbursement being made (see item 19).

13. Once the Contract has been executed it shall not be altered, changed, or amended except by a written notice to the O.T.A.B. by the applicant. The O.T.A.B. will then hear the request for amendment at its next scheduled meeting and either approve or deny acceptance. If accepted an amendment to the Contract will then be prepared and presented to the City Manager for final approval and signatures.
14. All advertisements and promotional materials for the event must state that **“partial funding was granted by the City of Santa Fe Lodger’s Tax”**.
15. The intent of funding special events from Lodgers Tax proceeds is to bring overnight visitors to Santa Fe and thus increase tourism for the City of Santa Fe. Events must **only** use Lodgers Tax funds for advertising, promotion, or marketing that targets an audience outside of a 50-mile radius of the City of Santa Fe. Thus, increasing the likelihood that those people drawn to the event by the marketing efforts will spend at least one night at a lodging establishment in Santa Fe. The City of License for media must be located outside of a 50-mile radius of the City of Santa Fe. If an event seeks to attract a significant amount of Santa Fe residents, then funds from sources other than O.T.A.B. must be used for local media purchases.

Example: Your advertising budget is \$6,000. O.T.A.B. awards your organization \$2,500. You would spend the O.T.A.B. funding amount (\$2,500) on media outside of Santa Fe and your remaining advertising budget (\$3,500) on local media.
16. The purpose of the funds is to seed marketing in support of a sustainable annual event. In the event that an event is funded for more than one consecutive year, the O.T.A.B. will then institute the following step down process. The amounts stated are examples using maximum values.
 - a. Year one funding \$30,000
 - b. Year two funding \$15,000 with matching of at least \$15,000 for marketing
 - c. Year three funding \$7,500 with other funding of at least \$22,500 for marketing
 - d. Year four, no additional funding
17. The Contractor must maintain adequate liability insurance in at least the amount stated in the New Mexico Tort Claims Act (one million fifty thousand dollars) **(\$1,050,000)**. A certificate of insurance must be provided by the Contractor's insurance carrier. It is the sole responsibility of the Contractor to comply with the law.

18. Contractor agrees to defend, indemnify and hold harmless the City of Santa Fe, O.T.A.B. members, and the Convention & Visitors Bureau for all losses, damages, claims or judgment, execution, actions or demands whatsoever resulting from the Contractee's actions or inactions as a result of the event.
19. After the event a written report must be submitted to the O.T.A.B., within (90 days). You will then be scheduled to make a ten-minute (10) verbal presentation at the next regularly scheduled meeting of O.T.A.B. The report must include: **1) a post event explanation of expenditures and revenues, 2) a descriptive breakdown of how the event directly produced tourism revenue, i.e. number of attendees, participants, number of room nights used in local hotels/motels, and 3) an estimate of economic impact other than hotel room-nights.**

All reimbursement information must be categorized as per City of Santa Fe Professional Service Agreement approved budget.

- a. Original invoices must be submitted for payment processing. (Copies of invoices will not be accepted.) Invoices must be dated and paid by the event after the signed agreement date.
- b. Vendor statements will not be accepted instead of original invoices.
- c. Copy of cancelled checks (front & back) or signed credit card receipts must accompany invoices as proof of payment.
- d. Copies/clippings of flyers, banners, advertisements (radio, TV, newspaper, magazine, etc.) must accompany each vendor-related invoice.

Note: The processing of your payment will be completed in a timely manner by the O.T.A.B. Administrator provided you submit your information during or immediately after the event. **Keep in mind that your Professional Service Agreement with the City is a dated contract and invoices cannot be paid if received after your contract has expired.**

Acknowledgement:

Please sign below that you have read and fully understand the preceding *Procedures For Lodgers Tax Funding Assistance of Special Events marketing.*

Applicant's Signature

Date

Title/Position

1. Write a brief synopsis (1/2 page) about the event including its purpose and goals. Estimating the economic impact to the city, for example, the number of people & hotel rooms it will sell; length of stay and where guests will be coming from. Be sure to detail how this event will bring visitors between the ages of 35 and 57 to Santa Fe, support increased tourism in the off season and for the City of Santa Fe.

2. Is this event being held Mid-week or on a Weekend?

What are your proposed dates?

What other events are known to be taking place on those dates? Are those events in anyway in conflict or are they in some way a compliment to your proposed event.

Will the event use any City owned facilities such as the Community Convention Center? If so, have you verified availability of the space on your intended dates?

3. Is this event being held "off-season"?

For the sake of this application, off season is defined as being held in a week with average hotel occupancy below 50% based on the prior calendar year. A list of such weeks is found at the end of the application. Events slated for a Holiday weekend are not eligible for event funding. A list of ineligible holiday weekends is also found at the end of the application.

4. Will you be partnering with another organization to put on this event? If YES, please provide the name and contact information for the other organization.

Have you or will you be applying for other grant funds such as the New Mexico Tourism Department annual grant program? If so, please provide any known details in writing (1/2 page).

5. Using a budget format, please include a section devoted to allocation of O.T.A.B. funding as to marketing purposes.

6. If this event has received O.T.A.B. funding in the past, please state, in detail, what changes and or additions have been made to the event or your organization's promotion of the event that have the potential of increasing the numbers of visitors to the City. Please use the actual figures of visitors and room-nights from your last final report as a baseline and making your projections for this application in relationship to that baseline. The advisory board encourages collaborations and creative solutions in the attraction of new and repeat visitors to the City of Santa Fe and your event.

7. The applicant is required to list the name, title and phone number of any other organizations including other City of Santa Fe funds you have been granted or contracted to receive in addition to O.T.A.B. funds. Failure to disclose this information with your application may result in denial of funding.
8. **Enclose your organization's budget, expenses and income statements for the last, current, and next year. If this is a first time event, please specify your projections and justification for expenditures.**
9. List all paid and volunteer staff positions including total salaries and an organizational chart.
10. Provide a copy of your Marketing Plan along with any existing promotional literature. If this is a first time event, please provide an example piece.
11. Attach up to five items of any additional information that you believe will be useful in order for the committee to make a well informed decision. Examples might include information on a similar event held in another city.

APPLICATION FOR LODGERS TAX FUNDING ASSISTANCE

*Acknowledgement Certificate:

State of _____

County of _____

On this _____ day of _____, 20____, I _____ certify
that the attached information submitted for Lodger's Tax Funding
Assistance is a true and complete.

Acknowledger's Signature

Title/Position

Subscribed and sworn before me this _____ day of _____, 20____

By _____.

(Seal)

Notary Public

My commission expires _____

Note: This application will not be accepted without full acknowledgement.

Post Event Budget Report Form

Name of Organization _____

Amount of Grant \$ _____

Date Awarded _____

Specify other revenue sources contacted/granted: _____ \$ _____
 _____ \$ _____
 _____ \$ _____

NOTE: All expensed items must be directly related to promotion, advertising and marketing.

<u>Categories</u>	<u>Description</u>	<u>Projected Expenses - Revenue</u>	<u>Actual Expenses -</u>
<u>Revenue</u>			
Newspaper	_____	\$ _____ - _____	\$ _____ - _____
Magazine	_____	\$ _____ - _____	\$ _____ - _____
Poster	_____	\$ _____ - _____	\$ _____ - _____
Brochure	_____	\$ _____ - _____	\$ _____ - _____
Radio	_____	\$ _____ - _____	\$ _____ - _____
TV	_____	\$ _____ - _____	\$ _____ - _____
Creative	_____	\$ _____ - _____	\$ _____ - _____
Printing	_____	\$ _____ - _____	\$ _____ - _____
Postage	_____	\$ _____ - _____	\$ _____ - _____
Direct Mail	_____	\$ _____ - _____	\$ _____ - _____
Production	_____	\$ _____ - _____	\$ _____ - _____
Web site	_____	\$ _____ - _____	\$ _____ - _____
Other (specify) _____	_____	\$ _____ - _____	\$ _____ - _____
TOTALS:		\$ _____ - _____	\$ _____ - _____

Total Hotel/Motel Rooms Filled: _____

Total Revenue generated from room sales: \$ _____

Total number of Attendees
- (tickets sold, registered guests, public) _____

Total number of Participants - (out-of-town vendors/volunteers working event) _____

- **The Pre- and Post-Event Budget needs to be completed and attached to your final report. Your final report should include a one- to two-page summary of your event with the following information:**
 - **Total ticket sales.**
 - **Number of out of town attendees**
 - **How the event compared, both to your application estimates and to any prior year's events, in the number of people attending?**
 - **Revenue generated.**
 - **Please summarize the marketing and publicity strategies used to promote your event and the City of Santa Fe. Make an honest assessment of what strategies worked, which did not and what changes you might anticipate making if the event is repeated.**
- **You will be required to attend the next O.T.A.B. meeting scheduled after your event to present your final report.**

CITY OF SANTA FE, NEW MEXICO RESOLUTION NO. 2012-70

INTRODUCED BY:

Councilor Wurzbarger

Councilor Ives

A RESOLUTION DIRECTING STAFF TO ENERGIZE SANTA FE TOURISM BY PREPARING A PROCESS FOR FUNDING AND OTHER ASSETS TO ESTABLISH EVENT ATTRACTIONS THAT WILL BRING A NEW GENERATION OF TRAVELER TO SANTA FE.

WHEREAS, Santa Fe is a popular tourist destination and its economy is dependent on tourism revenue; and

WHEREAS, data from recent years show that the median age of tourists in Santa Fe is increasing, and is thus unsustainable; and

WHEREAS, current travel trends indicate tourists travel to events rather than locations; and

WHEREAS, tourists in the age range of 35-56 can help establish a vibrant community for entrepreneurs and other talent who will further enhance Santa Fe's economy; and

WHEREAS, throughout the country, events like South by Southwest in Austin, TX, attract tourism and have proven to be a valuable community and economic development tool; and

WHEREAS, Santa Fe has events that have proven to be powerful attractions for tourists like Indian and Spanish Market, Fiestas de Santa Fe, the Wine and Chile Festival and ArtFeast; and

WHEREAS, the City needs to make investments to attract tourists who are in the age range of 35-56 in order to sustain the tourism industry, leverage key Santa Fe brand assets, including: culture and history, cuisine, natural beauty/outdoors and Art.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE that staff shall work jointly with Santa Fe County to develop a process and criteria to use existing funds, to fund up to three new or emerging events each year, for a minimum of three years.

The criteria for such events shall include, at a minimum that:

- The events shall take place in the off-season or shoulder season of Santa Fe's tourism calendar
- Funding and planning of the events shall be public/private partnerships that seek to attract tourists younger than 56 that are on message with Santa Fe's overall marketing effort as demonstrated by the Santa Fe Convention and Visitors Bureau
- The events shall exhibit potential to build national excitement, recognition of happenings and brand assets that support creative and cultural tourism in Santa Fe, including but not limited to culture, art, history, food, natural beauty and outdoor activities

- Activities shall be integrated with other local destination marketing organizations

(DMO) and demonstrate sustainability beyond the funded period. BE IT

FURTHER RESOLVED that the objective of the Governing Body is to add five offseason weeks to the tourism calendar that will bring in a total of \$1 0 million in new annual revenue.

BE IT FURTHER RESOLVED that prior to the implementation of the plan outlined in this resolution, staff shall:

Present the proposed plan, along with a fiscal impact report, to the Occupancy Tax Advisory Board (OTAB), the director of the Convention and Visitor's Bureau (CVB) and the private sector for review and recommended amendments to the plan. Thereafter, the proposed plan, a fiscal impact report, the OTAB minutes, a memo from the CVB Director, any input received from the private sector and

correspondence between City staff and County staff ensuring that the City and County are working jointly on the plan and the implementation of the plan shall be presented to the Finance Committee for approval.

PASSED, APPROVED and ADOPTED this 25th day of July, 2012. DAVID COSS, MAYOR

ATTEST:

GENO ZAMORA, CITY ATTORNEY 18 19 20 21 22 23 24

MIMelissaiResolutions 20121event tourism

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Beginning Date	Ending Date	Year	Week #	Weekly Occupancy
20120101	20120107	2012	1	33.2
20120108	20120114	2012	2	34.6
20120115	20120121	2012	3	43.5
20120122	20120128	2012	4	41.5
20120129	20120204	2012	5	43.9
20120205	20120211	2012	6	39.3
20120212	20120218	2012	7	42.3
20120219	20120225	2012	8	37.2
20120226	20120303	2012	9	39
20120304	20120310	2012	10	44.7
20120311	20120317	2012	11	65.4
20120318	20120324	2012	12	51
20120325	20120331	2012	13	57.4
20120401	20120407	2012	14	47.9
20120408	20120414	2012	15	45.5
20120415	20120421	2012	16	56
20120422	20120428	2012	17	53.2
20120429	20120505	2012	18	57.1
20120506	20120512	2012	19	52.7
20120513	20120519	2012	20	69.4
20120520	20120526	2012	21	71.3
20120527	20120602	2012	22	62.7
20120603	20120609	2012	23	65.8
20120610	20120616	2012	24	65.7
20120617	20120623	2012	25	71.1
20120624	20120630	2012	26	75
20120701	20120707	2012	27	63.9
20120708	20120714	2012	28	74
20120715	20120721	2012	29	80.2
20120722	20120728	2012	30	74.6
20120729	20120804	2012	31	85.3
20120805	20120811	2012	32	86.6
20120812	20120818	2012	33	78.8
20120819	20120825	2012	34	70.8
20120826	20120901	2012	35	56.2
20120902	20120908	2012	36	58.6
20120909	20120915	2012	37	63.7
20120916	20120922	2012	38	66.6
20120923	20120929	2012	39	70.1
20120930	20121006	2012	40	74
20121007	20121013	2012	41	75.9

Holidays
Major Events
High Occupancy Non-Holiday/Event

20121014	20121020	2012	42	63.4
20121021	20121027	2012	43	57.7
20121028	20121103	2012	44	48.2
20121104	20121110	2012	45	45.5
20121111	20121117	2012	46	43.9
20121118	20121124	2012	47	42.1
20121125	20121201	2012	48	34
20121202	20121208	2012	49	33.5
20121209	20121215	2012	50	33.4
20121216	20121222	2012	51	36
20121223	20121229	2012	52	71.2

Weekly Average for Non-holiday/event
Weeks

54.7

Includes 26 Weeks W/O Holidays or Events