



Agenda

CITY CLERK'S OFFICE

DATE 2/18/15 TIME 1:30 p

PREPARED BY Cyndi Catanach

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OCCUPANCY TAX ADVISORY BOARD FEBRUARY 26, 2015 ~ 1:30 P.M. CITY HALL COUNCIL CHAMBERS

- 1:30 p.m. Regular Meeting
- I. Procedures:
- a. Call to Order
 - b. Approval of Agenda
 - c. Approval of Minutes November 20, 2014
- 1:35 p.m. II. Lodgers Tax Update –
- a. Lodger's Tax update – Oscar Rodriquez
 - b. CCC Bond re-financing
- 1:45 p.m. III. CVB Activity Reports:
- a. 2014 Accomplishments – Randy Randall
 - b. Sales Report – David Carr
 - c. Marketing Report - Cynthia Delgado
 - d. Executive Director Report - Randy Randall
- 2:30 p.m. IV. Final Report:
- a. Santa Fe Independent Film Festival – Liesette Paisner
- 2:45 p.m. V. Other Business
- 3:00 p.m. VI. Adjournment

The next regularly scheduled meeting will be held on March 26, 2015
in the City Hall Council Chambers at 1:30 p.m.

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520,
five (5) working days prior to meeting date.

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CITY OF SANTA FE
Occupancy Tax Advisory Board
February 26, 2015

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MINUTES OF THE
CITY OF SANTA FÉ
OCCUPANCY TAX ADVISORY BOARD

February 26, 2015
1:30 p.m.

I. PROCEDURES

A. CALL TO ORDER

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Chair Miguel Castillo on this date at approximately 1:34p.m. in City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé, New Mexico.

ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Paul Margetson, Chair
Jon Hendry
Al Lucero
Victoria Bruneni

Members Absent:

Elizabeth Pettus [excused]

Staff Present:

Randy Randall, Executive Director
Cynthia Delgado, Marketing Director
David Carr, Sales Director
Cyndi Catanach, TSF Staff

Others Present:

Oscar Rodriguez, Finance Director
Carl Boaz, Stenographer
Liesette Paisner, Santa Fe Independent Film Festival

B. APPROVAL OF AGENDA

Mr. Randall asked to move IV. Final Reports, after the Lodger's Tax Update.

Mr. Lucero moved to approve the agenda as amended. Ms. Bruneni seconded the motion.

Chair Margetson added discussion of the meeting time to the agenda. He was not convinced 1:30 was the best time. It splits up his day and he asked that the Committee consider 3:00. He also asked to discuss the advertising now going on - specifically the AAA magazine and his disappointment that they are highlighting Hawaii.

The motion passed by unanimous voice vote.

C. APPROVAL OF MINUTES - November 20, 2014

Chair Margetson corrected the spelling of Mr. Feins on page 1.

Chair Margetson asked about following up on several things in the minutes.

On page 3 he had asked if any hotels did not provide a report and Ms. Garcia said Mr. Randall would have that information more than she would. She agreed to meet with Mr. Randall. Chair Margetson asked if she did meet with Mr. Randall.

Mr. Randall said Ms. Garcia did not meet with him and he agreed to follow up.

On page 6, Mr. Hendry said he was talking about a city-wide newsletter and asked if anything came of that.

Mr. Hendry said what he wanted and heard from Council was to include Tourism more in the fabric of the City. The coalition of hotels below St. Francis are an important coalition to work with. The City does a fine job in PR in general but the City doesn't promote tourism to the stakeholders who are not just downtown lodgers.

Mr. Randall asked if the Board could approve the minutes.

Mr. Hendry moved to approve the minutes as amended. Chair Margetson seconded the motion and it passed by unanimous voice vote.

Mr. Randall explained that they are doing two newsletters. One is on marketing and the other on sales and they are trying to expand the circulation. We give a discount for those who request the newsletter. We haven't been able to figure out the source for a new email distribution. He has also discussed idea of a Tourism column in the newspaper with the new publisher of the New Mexican and that hasn't gained traction yet but is a possibility.

Ms. Delgado said Tourism Staff is working with Matt Ross' team who has responsibility for the city-wide communication and will send out news in a more timely fashion. As an example she used his connection with local media to share the stakeholders' meetings that were going on and the website meetings that were going on. She thought it would help with Mr. Hendry's topic.

Mr. Hendry said there is clearly a disconnect between the understanding of importance of tourism for our economy. One reason is on this Board is to express that to our community but he is frustrated with recent events. Tourism is the GRT driver for the City and that communication needs to be a better job. How can we talk to those who don't know that tourism runs the revenue to the city?

Ms. Bruneni said she sat down with councilors last year who said they weren't interested in tourism so she explained to them that GRT from tourism is the #1 driver.

Chair Margetson hoped Mr. Ross could come up with some brilliant ideas.

Mr. Lucero asked, besides social media and email, how they distribute the newsletter.

Mr. Randall said it is however people sign up but no hard copies are printed.

Mr. Lucero asked if they saw any need for printed copies.

Mr. Randall said he could make them available at the two visitor centers.

Mr. Lucero suggested if print was desired, maybe the newspaper could do two pages once a month to get hard copy distribution. There are many people who are not on Facebook or internet.

Mr. Randall agreed to pursue that.

Mr. Hendry agreed with Chair Margetson about the need for community outreach.

Mr. Lucero said most of us have a media background. You can do a beautiful newsletter and the problem is getting someone to read it. We can pontificate on how we are not doing the job but maybe we need to go on Spanish radio stations to talk about the community.

Ms. Bruneni said Facebook is exactly where it should be.

Chair Margetson suggested they could bring it up next month.

Mr. Randall agreed and could include it as a permanent agenda item.

Mr. Randall had asked Mr. Hendry to address the message he is looking for to better define the message and what we are trying to say.

Mr. Hendry said he was talking about right in the city.

Mr. Ross agreed to put together a short list on this issue. We put out GRT numbers monthly and do a better job of highlighting those. The city newsletter goes to about 5,000 by email. People can sign up on our web site.

Mr. Randall said he would invite Mr. Ross to that portion of the next meeting.

II. LODGERS TAX UPDATE

A. Lodger's Tax Update - Oscar Rodriguez, Finance Director

Mr. Randall introduced Mr. Rodriguez to the Board. He joined City about three months ago and already brought a great deal of organization to the budget process we are in right now and will allow those of us on the business side to function better.

Mr. Rodriguez said it was a pleasure to be here. The purpose today is to go over a recent refinancing that took place and have a positive impact on the debt service to pay off the Convention Center. His latest email from NMFA said they approved \$34.4 million in 5% interest bonds reduced to 3% so it saves about \$270,000 yearly.

Mr. Hendry asked if some of the savings would go back into marketing.

Mr. Rodriguez said it could be used for marketing or capital, etc.

Mr. Randall clarified that it flows back to the Convent Center budget whereas the advertising is in the CVB budget. His recommendation would be to use any profits from the Convention Center to fund a replacement fund for FF&E (Furniture, Fixtures and Equipment) and secondly to have the Convention Center support the advertising budget. So it will expand the advertising fund.

Mr. Rodriguez said part of the lodgers tax revenues will have to go to debt service. It is happening immediately.

Chair Margetson asked if this was his idea.

Mr. Rodriguez said the City was advised to do it by bond counsel.

Mr. Hendry said he advised that last August.

Mr. Randall said the timing is right and refinancing couldn't be done until this point in the bond maturity.

Mr. Rodriguez noted that the lodger's tax revenues seem to be going up and projecting they will end the year significantly above budget.

Chair Margetson pointed out that the Lodger's tax increased 4.8% but short term rentals increased 19% last year and are up 18% this year and that is extraordinary.

Mr. Randall said it is due to improved collections. With the elimination of the exclusion on under 3 rooms, we will see a significant increase next year.

Mr. Rodriguez added that the vacancy rate seems to be way up on pace so prices are going up.

Chair Margetson said the City doesn't put a tax on B&B and VRBO (vacation rental by owner).

Mr. Rodriguez said there is a nationwide discussion on why those should not be locally taxed.

Mr. Randall heard from the Trip Advisor that the VRBO market in Santa Fé is one of the top 20 in the country. The rate is the primary mover and year to date, have a 0.55% increase in occupancy but the rate is up 8-10%.

Chair Margetson noted there is a disconnect with the Star Report (7.1% v. 4.8%)

Mr. Randall said Tourism has a five year goal of 70% occupancy on the calendar year. Lodger's Tax reporting is on the fiscal year.

Mr. Lucero asked if Mr. Rodriguez has a correlation between GRT by hospitality vs. lodger's tax.

Mr. Rodriguez said his department posts that on the web site in great detail. By sector is one way. He did an analysis for the last 8 years.

Chair Margetson suggested perhaps he could bring that in the future.

Mr. Randall recalled last time, Staff had asked Ms. Garcia to provide that to Ms. Catanach and she agreed.

B. CCC Bond Refinancing

This was covered above.

IV. FINAL REPORT

A. Santa Fe Independent Film Festival – Liesette Paisner

Ms. Paisner provided the final report for the Santa Fe Independent Film Festival which was a great success with 10,000 attendees. 2,111 came from out of state. They had famous people attend and the head of Amazon Productions just started film production. Art USA provided \$5,000 and that has a direct impact and for visitors, our visitors stay three days making it a \$1.5 million impact.

Chair Margetson asked if there was anything they would change in the future.

Ms. Paisner said the model is working great and we just want to expand it - putting Santa Fé on the map and getting it to grow. Our app had lots of users and lots of interaction. We are trying to be on the cutting edge. This year the event will be in October. And will have a sing-along from the Rocky Horror show from Albuquerque to run it.

She added that soon, they will submit for their third year funding.

Ms. Delgado commented that this group did support for the Bachelor and promoted the films that help us in other areas.

III. CVB REPORTS

A. 2014 Accomplishments - Randy Randall

Mr. Randall said he put in the packet a five-page list of accomplishments for 2014 and it speaks for itself. There are a few key things beside occupancy that are critical for Tourism. The City got 20 great accolades including being listed in the top ten destinations in the world and best small city in the US by Condé Nast in two separate surveys. They showed an increase rather than decrease. It speaks well for our team at Tourism Santa Fé and we will deal with the need to establish metrics in the presentation and how we will be evaluated next year. Perhaps OTAB members could help with identifying metrics to be shared with Council. This is just for information.

Mr. Lucero said for 2015 accomplishments they should tout the Bachelor in the accomplishments. It turned out very well and should be mentioned next year.

Chair Margetson mentioned that in Charlotte on the airport concourse every movie being made there was displayed. Mr. Hendry suggested putting them up in empty retail spaces now. The airport isn't the best place to put them but it does make a significant impact.

Mr. Hendry agreed there should be something here in City Hall or even the parking garage. The airport also is a great place. The old County Court House will become City offices (in the movie) and have some of those on the construction wall that is turned into a movie set. He suggested having a walk-through movie set there for the tourists. Violet Crown Theaters are willing to dedicate one of their screens to New Mexico movies and that would be a great place to put the posters also.

Mr. Randall said there is a wall in the visitors' center at the Railyard and he would like to post posters there. It is a little under decorated so it could be a significant statement.

Mr. Hendry said he has a large format HD printer and can just download those and print them.

Chair Margetson asked about the Santa Fé Ride Program. They met with the director last December.

Mr. Randall thought the plans would be completed by the end of last quarter and would now have a trial run. But he was advised from a Transit Board member that it would be October. Having just gotten that information, it is something he will have to work on. The Transit Director said they were on track.

Chair Margetson said Apps are more important than web sites.

Mr. Randall agreed that it is changing. Responsive web sites are now more important. We don't have apps but do have a responsive web site. We will discuss apps with the agency.

Mr. Hendry commented on the age of people coming here. They could compete by using off the shelf apps and could promote the lodgers who pay lodgers tax for any of these B & Bs or home rentals. If they pay their taxes, they were the same as the downtown hotels and deserved some promotion.

Mr. Randall said at every meeting, Mr. Hendry comes up with a great idea. The first step is to expand the ordinance to allow licensing of more than 350 of those short-term rentals.

B. Sales Report – David Carr

Mr. Carr said his sales report was for January compared with January 2014 and he shared the numbers from his report with the Board. He also explained a discrepancy in the number of leads. Leads are up 20% over last year.

Then he went to the bookings results. There were twelve social events, down by 5 from 2014. He said they are moving in a more positive direction now and is great.

The next page of his report gave a breakdown on meetings in January and those who were meeting in hotels. Although they didn't get the big one which went to Buffalo Thunder but they do have some other good ones coming along.

Chair Margetson asked who the Multimaids are who have booked 695 room nights.

Mr. Carr said they are a national traveling maid service.

Mr. Carr attended the National Tour Association Conference in New Orleans and out of it was working with seven new operators and will have 20 new tours to Santa Fe.

Ms. Bruneni asked when the report would be available.

Mr. Carr said it is on the extranet now so the hotel partners have that information. We would like to have Sales focus on this endeavor.

He said he is going to Dallas, Austin and San Antonio in April. The Drury and the Eldorado are going with him.

Mr. Lucero was curious about these conferences where he is meeting with his peers. He asked what the responses are to the pow wow with meeting planners.

Mr. Carr said they drive people to Santa Fe's booths and share information with them.

Mr. Randall explained that none of these are his peers but actual meeting planners.

Chair Margetson observed that the NTA is worthwhile and we should attend them. Mr. Carr agreed. This outside coalition is good.

Ms. Bruneni asked if we are trying to get more representation. We started meeting with the former CVB Director and the Director of Sales a year ago and there is now a noticeable impact.

Mr. Carr said this was the result of a meeting he had with everyone back in July and asked where they wanted to see our efforts going. This was the first show and unfortunately couldn't get into it. He was notified in November about the religious conference and we were too far behind. Rejuvenate is the new faith-based travel planner. So we are putting that one in the budget for next year in August.

Mr. Hendry asked who markets those soccer events. There is definitely a lot of money in that sector. They said there was not enough space in Bernalillo for all of them. He asked if there was any marketing money for the MRC to be considered.

Mr. Carr said he was working to market those sporting events. Jonathan Miller in Denver has a company called Stay and Play and he is working on having four youth basketball courts in the main ballroom for that. It has been difficult pushing it but with more staff, we could probably assist with that.

Ms. Bruneni mentioned the new development off Jaguar Drive. She was not sure how big that facility will be but should be big enough for the state tournaments to be held there and the new Parks Director is getting more effective and she heard he is working with Tourism.

Ms. Delgado said they have a new marketing position to fill. She works with the City facilities in a marketing perspective and when we have writers coming in for outdoor sports we take them to golf and who those fields. She also supports them on the web site as well.

Ms. Delgado didn't see any big competitive fields in the new park plans.

Ms. Bruneni commented that there is apparently no way to book those large events.

Mr. Hendry asked if the Parks Director could be invited to the meeting next time.

Mr. Carr reported he is putting policies and procedures into place (included in the packet). There were no policies in place before. He also attached the Sales Manager's goals and also draft sales incentives plans. They are based on achieving goals which is 3 years with a 20% increase. He will be reviewing the goals again.

Chair Margetson noted the confirmed is way behind and the leads are well ahead. We've tried to get these for long time.

Mr. Carr's last item was that he reworked the sales contract. It took six months to get approval from Legal.

Mr. Randall explained one reason for the performance being behind was that a sales manager broke her foot and it didn't heal properly so she had surgery and was out one month on Family Leave and will be out one more month it now appears.

He also said he had attended a south side coalition meeting but has not heard from them for a while. If they are meeting, he asked to please invite us.

Ms. Bruneni agreed to follow up on it.

Chair Margetson thought they were going to hire someone part time or as a temporary.

Mr. Randall said they were now working on a temporary position and they are also recruiting for a Marketing Coordinator position.

C. Marketing Report – Cynthia Delgado

Ms. Delgado apologized for the weight of the report but there are lots of exciting things going on.

Regarding the marketing coordinator position, Melissa Seguro was lost to a Columbia University fellowship position. We got 64 applicants, interviewed 16 and offered a job yesterday. She would announce the person's name as soon as it is signed off by the City Manager.

Ms. Delgado said they schedule four different workshops on helping people use and leverage santafe.org. She sent out a press release also. They have held two so far and attendance has been less than stellar. First one had four people and second had three but we will continue to try. And we did get four new listings.

We are bringing on a new agency and reminded the Board they would do stakeholder meetings on March 2 and 3. Studio X, Lou Hammond and the new agency will be there.

She has been getting accolades - one from Trivago.com, a new travel site. We were second on arts, in the top ten for hotels and in the top 20 for vacation rentals.

Mr. Lucero asked who was first on arts.

Ms. Delgado said it was Glendale Springs for art.

Chair Margetson commented that the Trip Advisor stats are huge.

Ms. Delgado said they have destination pages and that is part of their media buy. That is the page that comes up when people search for Santa Fe.

Chair Margetson asked what "link click" is.

Ms. Delgado explained that when a person is on that page, a click takes them to Tourism's web site.

Ms. Bruneni asked if the union was willing to support an incentive program for the City of Santa Fe for employees to do something like that.

Mr. Hendry said they would love to. He has a meeting at 4:00 today about that.

Ms. Delgado said Santa Fe is looking to get a comedy arts festival. She is working with production people out of Los Angeles. It would be a 3-4 day festival in June with a Latin flair. But they just decided to move it to March because their business model will have many shows taped and then sold to different distributors so the show continues to be alive. It is comedy art with performances of people like George López. The festival will honor Dolores Huertas. She listed the possible venues and noted that they were not excited with the Convention Center but might still consider it.

D. Executive Director Report – Randy Randall

Mr. Randall welcomed the new members on OTAB and put on the record the great contribution the past members gave to the City. He was working to get a Muchas Gracias award from Council. One of them served for 21 years.

He reported that the Bachelor has had 423 million paid media impressions at last count. Then they do reruns during the summer. So the value of \$3.2 million keeps growing. Everyone can point out what they don't like but overall, it made us look very good.

The advertising contract was approved unanimously by Council and time was taken to emphasize local talents. Mr. Hendry spoke on his own behalf but acknowledged he was a member of OTAB and it is a sign of respect for OTAB since he spoke during a time when the public is not normally allowed to speak.

He encouraged OTAB members to attend one of the sessions that Ms. Delgado set up. We will also try to set up a separate time where key individuals will have a session with the Mayor and the City Manager to fully understand the desire for local involvement.

The Mayor's economic development plan was announced in his State of the City address about creating a film department within the City. The liaison, Lisa Van Allen, does a spectacular job of facilitating a film company's needs here in the City. But the contract is small and limited so there is no proactive effort to bring in films. It is a big part of economic development so the Mayor plans to develop it. It will fall under Economic Development instead of Tourism Santa Fé.

There is a bill in the legislature moving ahead on short-term rentals to eliminate the exclusion of 3 or less rooms. It will capture the lost GRT and lodgers taxes from those.

Secondly, there is a legislative bill to permit communities with Lodger's tax to allow boards to have more than five members. That would allow a broader representation of the industry. Each of the bills has gone through one committee.

Ms. Bruneni asked about the proposal of film office that went to the Chamber of Commerce.

Mr. Hendry said that was a marketing proposal. We can't shoot any other movies right now. Five are going right now and it is physically not possible to do more now. There is not enough crew and not enough space. The marketing is to provide the infrastructure in Santa Fé.

Mr. Hendry said it isn't just about this contract. We do a poor job with economic development when we end up buying stuff from Albuquerque. It is our RFP policy.

Mr. Randall said the Council asked him to use the same committee to develop the RFP policy and he informed them it was not the purview of that particular committee. It needs to be done by people who understand the procurement process.

IV. FINAL REPORT

A. Santa Fe Independent Film Festival – Liesette Paisner

This was heard earlier in the meeting.

V. MEETING SCHEDULE

A. Meeting Time Discussion

Next Meeting: March 26, 2015

Chair Margetson asked for a change of meeting time.

Mr. Lucero agreed with Chair Margetson to move it to 3:00 p.m.

Mr. Randall agreed to check on availability of the Council Chambers for that time.

VI. OTHER BUSINESS

Chair Margetson was critical of the New Mexico AAA magazine for promoting Hawaii instead of New Mexico or Santa Fe.

Mr. Randall said it was a change of direction with the new agency.

Chair Margetson bemoaned bemoaned the lack of a hospitality course.

Mr. Lucero said the Chili Fiesta is working on training for serving wine, etc. using funds gained from the Fiesta to do it.

Mr. Hendry said Santa Fe needs a new learning center like the degree done in Las Cruces.

Mr. Hendry said he would bring a proposal to fund some students to work with his agency and would ask for \$50,000 to work directly with the ad agency on new programs. Mr. Randall is required to have amounts for 90 days ahead of the FY.

Ms. Bruneni pointed out that all management is brought in from out of town for hotels. It is time to change our attitude. We need to recognize that skill within the City.

Mr. Randall announced the City is in the budget process and he requested an additional sales person and a couple of union people for a convention specialist and a janitor position. The Council desires to remain relatively flat on the budget so he might make a request for support later on.

Mr. Hendry thought Tourism should grab some DWI money.

Mr. Randall said they have plenty of lodger's tax money now.


Mr. Randall suggested a discussion of using SFCC to have a 4-year program for the industry. There is a hospitality training the mayor has developed and he will introduce it on April 30. It is expensive but will carry a federal reimbursement.

VII. ADJOURNMENT

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

The meeting was adjourned at 3:20 p.m.

Approved by:



Paul Margetson, Chair

Submitted by:



Carl Boaz for Carl G. Boaz, Inc.