



Agenda DATE 8/15/16 TIME 12:30p

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OCCUPANCY TAX ADVISORY BOARD

August 23, 2016 – 10:00 A.M.

CITYHALL

COUNCIL CHAMBERS

10:00 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Roll Call
- c. Approval of Agenda
- d. Approval of Minutes: July

10:05 a.m.

II. OTAB Application Update & Review

10:20 a.m.

III. Lodgers Tax:

- a. Update—Randy Randall

IV. CVB Activity Reports:

- a. Sales Report
- b. Marketing Report – Cynthia Delgado
- c. Executive Director Report - Randy Randall

11:30 a.m.

V. Other Matters by the Board

11:45 p.m.

VI. Adjournment

The next regularly scheduled meeting will be held on September 27, 2016
City Council Chambers at 10:00 a.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.

**SUMMARY OF ACTION
OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
AUGUST 23, 2016, 10:00 AM**

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**OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
SANTA FE, NEW MEXICO
AUGUST 23, 2016, 10:00 AM**

1. CALL TO ORDER

The meeting of the Occupancy Tax Advisory Board was called to order by Paul Margetson, Chair, at 10:00 am, on August 23, 2016, at City Hall in the City Council Chambers, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT

Paul Margetson, Chair
Al Lucero
Elizabeth Pettus
Victoria Bruneni
Jon Hendry

OTHERS PRESENT

Randy Randall, Executive Director
Cynthia Delgado, Marketing Director
Elizabeth Martin for Carl Boaz, Stenographer

3. APPROVAL OF AGENDA

MOTION A motion was made by Mr. Lucero, seconded by Ms. Bruneni, to approve the agenda as presented.

VOTE The motion passed unanimously by voice vote.

4. APPROVAL OF JULY MINUTES

MOTION A motion was made by Mr. Lucero, seconded by Ms. Bruneni, to approve the minutes as presented.

VOTE The motion passed unanimously by voice vote.

5. LODGERS TAX

Mr. Randall referred to the report included in the packet. The June Lodgers Tax Report shows \$43,000 in short term rentals, \$925,000 in hotels. The Rocky Mountain Lodgers Report is actually a better indication of downtown activity. On a city wide basis it is an accurate indication. He suggested that for July it appears the lodgers tax should be up substantially. The rev par is up in all areas. We don't have available the most current GRT. There is an interim person working in Finance and it is a bit slower coming in through the process. When we receive the report from July it will be talking about revenues in May. Phyllis will distribute it to the OTAB Board and it will be on our website. These are very positive results.

Mr. Randall said one of the big increases is in the peripheral area. It hit a 92.4% occupancy. It now includes Buffalo Thunder.

Chair Margetson said he is pleased with the increase and taxes coming in from short term rentals, however, now it has gone down. As soon as you launched Air B and B it went down.

Mr. Randall said Air B and B launched in August. We knew it would take a period of start up time. August 1st was the best we could do. He would guess that we will flow right through Fall with an increase over last year.

Chair Margetson said the previous year on the report does not show the increase percentage wise.

Mr. Randall said we can fill that in.

7. CVB ACTIVITY REPORTS

A. SALES REPORT

Mr. Randall said this is our second day without a Director of Sales. You have a sales report in your packet. He will discuss in his comments about some sales lead generation programs they are going to be implementing. You can review the sales report at your leisure. We have advertised the opening and we closed the ad at 5:00 pm last Friday. We should have the qualified applications by sometime today and hope to start some initial discussion with potential candidates later this week then do interviews. Tom McCann, Inn at Loretto; Canaan Harris, Eldorado; David Carr, Cynthia and Randy will be the interview team. We will determine if we have someone to fill the

position. If not, we will readvertise. We have seven applications that are pretty good.

Mr. Randall said the sales are down this last month but overall are in good shape. We have a good, strong sales team. We will be moving the goals for next year. This year the goal was 35,000 room nights booked. It will be moved to 42,000 for this next year.

Mr. Lucero asked what kind of travel is the current staff doing.

Mr. Randall said they are attending about nine conferences a year. We just did ASAE and are doing three or four with Meeting Connect. They are all where meeting finders come together. We are not doing cold calling.

Mr. Lucero asked why are we not going cold calling.

Mr. Randall answered we did not find that cold calls were very productive unless there is a market that is really hot. He is not suggesting they won't do it but at this point we think where meeting planners are brought together we have a better chance of success. We have been getting four to six productive leads out of each trip. We will be doing three trips bringing meeting planners here this year.

Chair Margetson asked any there any other personnel changes.

Mr. Randall said just David at this point. He is going to recommend to the City Manager that the Sales Assistant position be upgraded and for the current assistant person to be promoted to Sales Coordinator.

Chair Margetson asked in a previous meeting you discussed bringing someone in temporarily or part time, where is that at this time.

Mr. Randall said we brought someone in part time for convention services. We have a permanent person in now. We do have a long time staff member retiring in October. We have been able to plan that out so that we can post the position and not let that position slide.

Mr. Lucero said in the sales report there are a lot of redlines. What does that indicate.

Mr. Randall said they were duplicates he thinks. He is not quite sure why that occurred. We have transitioned to a new software system that should work well. The old system was inadequate and did not have financial capabilities. The new system will better handle the needs of Tourism Santa Fe. We are just getting used to it.

B. MARKETING REPORT

Ms. Delgado said she provided a marketing report in the packet reflecting the activities of July 2016 with an executive summary that provides an overview of key projects. She reviewed the report.

Ms. Delgado said through the Margarita Trail project we will be doing an effort reaching out to business partners for images and getting permission to use them for timely press. The Business Guide is in full process and is in the second round of review. It is a great time to buy an ad. She sent out to all the hotels a request for any updates they have for the lodging index. It usually takes four to five edits before it goes to the publisher.

Ms. Delgado said the 2015 Business study is completed and it is on the website. We have a meeting scheduled for the hotels to review that document on Thursday. Our partnership with Santa Fe County continues to grow. We now have them doing a monthly blog and we are supporting them on that effort. Regarding digital billboards we are currently in full function with the billboards in Albuquerque, Las Cruces and west Texas. They are a part of a purchase with the New Mexico Hospitality Association. It is a two month run. They are designed to look at very hot travel sites and change the content minute by minute. They started last month and will go through October.

Chair Margetson said a thought is the changing of the leaves is beautiful. You could report that on your billboards.

Ms. Delgado said we have one of those coming up. Ski Santa Fe chair lifts are coming. Disc Golf is being added to Ski Santa Fe and will be highlighted.

There was a brief discussion about zip lines.

Ms. Delgado said we have public zip lines in Glorieta.

Chair Margetson asked have we broached that topic with the Abruzzos.

Mr. Randall said not that he knows of.

Mr. Lucero said our advertising scheme with the Denver Broncos, the Austin Magazine and the bus wraps are so much more effective than Santa Fe True. Maybe we should suggest to the State of New Mexico that they look at what we do.

Ms. Delgado said the Broncos magazine buy and sister buy from the Dallas Cowboys magazine for the Margarita Trail was the brain child of Mr. Randall. It is an opportunity for us to cleverly focus on what Santa Fe has to offer.

Mr. Randall said it was \$8,000 an ad. We got a pretty good buy.

Ms. Delgado said Austin is also leveraging direct flights from Austin to

Albuquerque.

Ms. Pettus asked has there been any thought to being in a program for the University of Texas and the University of Oklahoma. Those cities are a big focus for our clients.

Ms. Delgado said we will look into that. We are almost to print on the value card. New Mexico Magazine as part of the year long buy we did, we are their first client to use a cobranding email that goes to all their email subscribers and we use it to go to all of our email subscribers.

Ms. Delgado said our website and email blast continue to increase. We have a full digital campaign running now that is driving traffic to the website. We have had an increase of a little over 10% of visitors to the website and with unique visitors over 13%. Social media is really not a planning tool, it is an awareness tool. The Visitors Guide is a planning tool. We are going to be applying to the New Mexico Hospitality Association for the Top Hat nominations. We will be nominating Santa Fe for the ad destination of the year and the Margarita Trail as the Best New Experience and several others. We will be ramping up the Kids Free campaign for spring break soon as well.

Mr. Lucero said we just got named the fourth Best City for Dining in Travel and Leisure magazine. He would like to suggest that maybe they let you have several copies of those to give to Board. The Board is set up to be an Advisory Council but also an ambassador for what you are trying to do. We could take several copies of that with us when we travel and when we talk to people in the media.

Ms. Delgado said absolutely. Some awards come out in a digital form. We can send you these accolades on a regular basis. We will put together an email for you with the top five accolades and the links where you can find them.

Mr. Lucero said very good job.

Chair Margetson said well done.

C. EXECUTIVE DIRECTOR REPORT

Mr. Randall reported that the new art work went up in the Council chambers. The Art Commission, at his direction, led that charge. Regarding the sales, we have been setting aside 60% to 70% of our budget to market group sales in Santa Fe. He doesn't think that it really generates the kind of leads it should. We are looking at redirecting the majority of that. We will pay a company \$44,000 a year to provide leads to us from cold calling and other areas. Our staff will work the leads. Another company we are hiring is Integrated Market Media, at \$16,900 a year, for lead generation. They will be

prospecting lists, but they don't drill down as deeply as the other company. We felt having two companies doing lead generation would make our sales people more productive. The David Greene company we tried to use before fell apart. We have done reference checks on these two companies and think it is a good idea to try. It is a little bit of a different way of doing business and is using the advertising dollars more effectively.

Mr. Randall said the visitors survey you have in front of you. The key findings are that the top three destination markets now are Albuquerque, Denver and Dallas with Denver stronger than Dallas. Dallas is a fly market, Denver is a drive market. Denver is our largest drive market excluding Albuquerque. We are hoping that through this study we would find out who our competitive set is but that did not come out. When we talked about a dream vacation and asked that question, Santa Fe came in at the top, then Italy, Europe, Paris and Spain. There was not another domestic spot. He asked that when the Board reads and reviews this to let him know what they see as key data. The interesting part is that they come by car and stay for four days, fly into Albuquerque and stay for 4.5 days, fly into Santa Fe and stay for 5 days. There is good spending data here. The satisfaction data there shows a 91% net promoter score. The visitors would promote Santa Fe to others. There was a 1% detractor score. The average age of our visitor is 59 which is the same as it has been. The idea of having to talk to people who are 30 so we get them to Santa Fe when they are 59 is ridiculous to him. Females are the primary planner but couples are the primary visitor. 62% have a family income of over \$100,000. We are not attracting a less affluent traveler. We are actually attracting a more affluent traveler. When you get into where our brand is most closely affiliated cuisine is coming to the top more and more. The more we can do to promote food and food related activities the better. We have seen an uptick in the use of the Santa Fe Airport. 8% of those arriving in Santa Fe by air used the airport in 2010 now it is up to 14%. If you have recommendations on his key finding let him know. We will make the key findings available to the Chamber.

Chair Margetson asked how many people were surveyed.

Mr. Randall said we sent the survey to about 110,000 people and got 8,000 responses. We have access to the data of previous years visitors but have not included that in this survey data. There are trends there. If we want to see the change from 2010 to 2015 we can access that data and see where that happened. We can make six inquiries back into the database at no charge then it is \$100 per access.

Mr. Randall said Destimetrics. We are moving ahead. It is going to Council for approval. This requires the involvement of hotels to provide data on advance bookings as well as current bookings. We are asking for zip codes on arrival and departure dates so in the future we have the ability to forecast and look and see where soft spots are six months out. The intent is to retain 25% of our advertising for specific need advertising. The cost will be waived for first year for the first fourteen hotels who participate with us, maybe first 2 years. After that it will be \$1,500 a year to participate. It requires an effort

but the detailed information will only be available to participating hotels. A higher level report will go out to the broader community.

Chair Margetson asked if he booked today a group coming next year how do we put zip code.

Mr. Randall explained that we will only deal with filled blocks of room as they are filled. We will be looking ahead only six months. There may be a category for room blocks that don't have zip codes associated. We will be rolling this out in September. Right now we will get monthly reports but we may be able to do more frequent reports as we work through it. The second phase will give you a daily look at six months out. He has talked to other communities that use this and they say it is invaluable.

Mr. Randall reported that he had a Tribal Liaison lunch last week at Hotel Santa Fe and they did a terrific job with the food. We invited all the Tribes to attend. 19 of 21 responded. There was a conflict on the day we picked. Eight Northern Pueblos had a gathering so we lost four of the eight northern Tribes. We ended up with fifteen Tribes represented, twenty eight people attended the lunch. It was three and a half hours and was a very positive discussion. The thing that hit home most was the number of Tribal Governors who said this is such a good thing to do and so long coming. They wondered why the State does not do this but the City did. He thinks it was a very positive outreach for the City. We are investing \$24,000 a year on this effort. We will do three meetings a year. As we move forward we will focus on specific topics for the meetings. This one centered around tourism.

Chair Margetson asked Elizabeth what her thoughts were and how Indian Market went.

Ms. Pettus said it was fabulous. All the artists but one that she talked to had success. The Fashion Show was a huge hit. The Edge Show was well attended and the Convention Center looked stunning.

Mr. Hendry asked where are we at for business licenses on non Indians who sell "Indian jewelry".

Mr. Randall answered that business licenses are part of Land Use. The Mayor has an authenticity program going forward. He fully intends to continue to pursue that attempt. We are supporting that.

Ms. Bruneni said the Indian Arts and Crafts Association, that is what they do.

Mr. Randall said it is regulated under National legislation.

Ms. Pettus said it is part of the Interior.

Ms. Bruneni said it might be something to look into.

Mr. Hendry said this may become more of a problem. There is legislation under Intellectual Property. It is important we are not selling people things that are not authentic. Talk with Tribal Liaisons and get their ideas. We have code enforcement guys to do this.

Ms. Pettus said it is a State law and a Federal law. The City does not have anyone to enforce this.

Mr. Randall said it is a very complicated process and a continuing process.

Mr. Hendry said it is going to get worse. We need to get serious with this.

Chair Margetson said bring it up at the next Tribal meeting.

Mr. Randall said the Air Alliance continues to make progress. We are waiting for feedback on our form for donors so that we have committed funding. It needs to move more into the private sector for funding. Five of us are working on it, all of who have jobs to work on. Cameron Humphres would be the natural person to coordinate this. He is the Airport Manager and has two employees so he really does not have the time to manager this. We are going to settle that shortly. We are making progress. We have close to \$1 million identified so far.

Mr. Randall reported that the Film Office is moving along well. Eric Witt is in place. Would you like Eric to make a report next month.

Mr. Lucero asked what is this big thing saying film is not bringing any money in.

Mr. Randall said in that piece what Jon said was good and what Eric said was good. It shows the strength of having him in place.

Mr. Hendry said the study they quoted was a 2008 study when we did not have film business. There are no films shooting in Albuquerque today. Here we have seven projects in play. We are moving portable buildings from the Department of Education to the Santa Fe Studio right now for them to use. Albuquerque decided they would not participate with us when we started marketing. Albuquerque is going to have to get back in the game.

Chair Margetson said the Governor has finally found out the movie business is good for us.

There was discussion on the economy of the State.

Mr. Randall said regarding the La Bajada Hill staffing, we are prepared to do it. It

has not gotten through the City Manager's office. If approval does go through we will do it through September.

Mr. Lucero asked can we talk to the State Tourism Commission.

Mr. Randall said he encourages the Board to do so.

Mr. Lucero said that place needs to be open.

Mr. Randall said emphasize to them that it needs to be open seven days a week and if they can only be open five days don't close on the weekend.

Mr. Randall said the Value Card is coming again and this is the jacket it goes in. We have forty five businesses participating that offer a value. It will be offered to meeting visitors who come to town.

Mr. Lucero asked can you provide 100 of those for the Wine and Chili event.

Mr. Randall said yes, we will.

Mr. Randall reported that regarding Economic Development, Kate Noble has resigned. The City is going to reorganize. Economic development will be a Department of it's own and housing will be under Land Use. The City is doing a national search. He or she will be reporting to the City Manager until a Deputy City Manager is hired.

Mr. Randall said including the original passports given to restaurants we have over 3,000 in circulation at this time. 20% of the inventory is out. We printed 15,000. This is part of the Margarita Trail

Mr. Lucero said you can also refer them to the website that is updated.

Mr. Randall said the key to the Margarita Trail is to keep the excitement going.

Mr. Lucero asked can you prepare a summary of that for me.

Ms. Delgado said sure.

8. OTHER MATTERS BY THE BOARD

Mr. Randall said we are working with Councilor Ives to update the Resolution dealing with grants. We told him we are proceeding with the new application form and he was fine with that. We have used up about half of the grant money. The other half

will be used next year. The applications will go out this Fall. A request will be coming to this Committee from Cindy with Creative Santa Fe to support a meeting here. It is a \$10,000 request that the Department will support.

Chair Margetson said he will not be here in September and maybe not in October. Jon will serve in his stead.

9. NEXT MEETING - SEPTEMBER 27, 2016

10. ADJOURN


MOTION A motion was made by Mr. Lucero, seconded by Ms. Pettus, to adjourn the meeting.

VOTE The motion passed unanimously by voice vote.

The meeting adjourned at 11:35 pm.



Paul Margetson, Chair



Elizabeth Martin, Stenographer