



Agenda

DATE 10/23/13 TIME 9:45a
PREPARED BY Cyndi Catanaach
RECEIVED BY [Signature]

**OCCUPANCY TAX ADVISORY BOARD
OCTOBER 31, 2013
CITY HALL, COUNCIL CHAMBERS
8:30 AM**

8:30 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Approval of Agenda
- c. Approval of Minutes: September 26, 2013

8:35 a.m.

II. 2013-14 Grant Funding Final Reports:

- a. Canyon Road Merchants Association—Meg Shepard
- b. Global Running Culture—Joseph Karnes

9:15 a.m.

III. CVB Activity Reports:

- a. Jim Luttjohann – SFCVB Executive Director
- b. Christine Madden – SFCVB Sales
- c. Cynthia Delgado – SFCVB Marketing

IV. 2013-14 Requests for Grant Funding

- a. Recommendations Grant Review Committee-- Jim Luttjohann
 - i. Artsmart
 - ii. Community Off Road Racing
 - iii. Savor the Flavor
 - iv. Santa Fe Watershed Association
 - v. Santa Fe Film Festival

V. Meeting Schedule:

The next regularly scheduled meeting will be held on November 21, 2013 at 8:30 a.m. in City Hall, Council Chambers.

10:00 a.m.

VI. Adjournment

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

**OCCUPANCY TAX ADVISORY BOARD
SUMMARY INDEX
October 31, 2013**

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4. REQUEST FOR FUNDING RECOMMENDATIONS		
a. Artsmart	Denied	9
b. Community Off-Road Racing	Denied	9
c. Savor the Flavor	Denied	9
d. Santa Fé Watershed Association	Denied	9
e. Santa Fé Film Festival	Denied	9
5. MEETING SCHEDULE - November 21, 2013		10
6. ADJOURNMENT	Adjourned at 10:00 A.M.	10

**MINUTES OF THE
CITY OF SANTA FÉ
OCCUPANCY TAX ADVISORY BOARD
October 31, 2013**

I. PROCEDURES

A. CALL TO ORDER

A regular meeting of the Occupancy Tax Advisory Board was called to order on October 31, 2013, at approximately 8:30 a.m. by Miguel Castillo, Chair at the City Council Chambers, City Hall, Santa Fé, New Mexico.

Roll indicated the presence of a quorum for conducting official business as follows:

MEMBERS PRESENT:

Miguel Castillo, Chair
Paul Margetson
Mary Bonney

MEMBERS ABSENT:

Jon Hendry
Terrell White

STAFF PRESENT:

Jim Luttjohann, Executive Director, CVB
Cynthia Delgado, Marketing Director, CVB
Christine Madden, Sales Director, CVB

OTHERS PRESENT:

Carl Boaz, Stenographer
Joseph Karnes, Global Running
Meg Shephard, Canyon Road Merchants Association
Ms. Somebody else

NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file at the City Clerk's Office.

B. APPROVAL OF AGENDA

Ms. Bonney moved to approve the agenda as presented. Mr. Margetson seconded the motion and it passed by unanimous voice vote.

C. APPROVAL OF MINUTES: September 26, 2013

Ms. Bonney moved to approve the minutes of September 26, 2013 as presented. Mr. Margetson seconded the motion and it passed by unanimous voice vote.

II. 2013-2014 GRANT FUNDING FINAL REPORTS

A. Canyon Road Merchants Association – Meg Shepard

Ms. Shepard thanked the Board for having them again and for the \$15,000 funding in February.

She reported that the Passport for the Arts event was a phenomenal success. It took place on a Thursday through Saturday. The report of 106 hotel rooms was really about 212 room/nights. Since it was hard to tell for sure she was conservative. That number was based on interviews with artists who came and then began on-line registrations three months beforehand and then responded with email to determine if they were coming and where they were staying. The auction was very successful, although they had rain. They were under a tent and sold every piece at the auction. About 25% were staying with friends or a second home owned in Santa Fé. The rest indicated where they stayed. Most were pretty high end.

So 106 people came and stayed in a hotel and she didn't know if they all stayed both nights though they probably did. It didn't count collectors who also came for the events.

Ms. Shepard handed out magazines with the Canyon Road section marked. She said they advertised in a number of art magazines and included in them that partial funding was provided through City Lodgers Taxes.

They received a significant amount of data and many new names. She managed the data base and was very careful about its integrity. So they were sending newsletters of which 55% opened and most recently for Canyon Road Paint Out and in the most popular iconic street in the nation, they took second.

California and Colorado were their top markets and quite a number of Texans also.

They didn't submit for a grant next year but learned a lot about marketing and planned to continue that.

Chair Castillo said he went to the Paint Off Canyon Road just had and it was packed with people and good music.

Ms. Bonney agreed. "It was huge."

Ms. Shepard said this year was the 6th annual and it was amazing.

B. Global Running Culture – Joseph Karnes

Mr. Karnes appreciated their shift in the agenda. This was their 3rd year and it took place on September 15th. They picked the dates to mesh with weather and low hotel occupancy times. The huge rains before Balloon Fiesta and floods in Colorado prevented some runners from coming. But at the date, the weather conditions were ideal. They had 1,072 participants - about the same as last year. 184 participants were from out of state.

He thanked the Board for the \$25,000 grant from OTAB. We used most of the money for radio and newspapers. They didn't get in Runner's World magazine because they couldn't submit it soon enough.

It takes a few years to get attention from around the country. They sent out questionnaires and got great feedback. The experienced runners know when it is well organized and the feedback indicated they put on a high-quality event. They had over 200 volunteers including 50 from one bank.

Half marathons were the most popular races in the country. Santa Fé was not ideal for a full marathons so it was a challenge. Last year there were 35 half marathons with 3,500 runners. Their objective was to grow to those numbers and OTAB's funding. Runners were encouraging us to get the word out to help grow the race. OTAB's \$25,000 helped them take the next step. The funds came in three months before so they saved some of it to use for next year with high profile advertising. We got more than 100 positive feedback from the runners.

The average stay was 2.2 nights. One person stayed a week. 250 runners came from more than 60 miles away and he estimated they stayed one night (the night before). So room/nights were approximately 466. 174 came with families.

Ms. Bonney asked how OTAB could be assured that money wouldn't get lost.

Mr. Luttjohann said it had to be spent in 24 months and that he would verify with Finance if the funds could be carried over.

Mr. Margetson asked if they got any money from the County, noting the event was held in the county.

Mr. Karnes said they asked and were told the County's money was more for arts.

Mr. Margetson asked if people stayed at Buffalo Thunder.

Mr. Karnes said Buffalo Thunder was booked for that time so they partnered with Santa Fé hotels. He explained that Buffalo Thunder was just a partnership. It caused some frustration from the runners because they were full.

Ms. Bonney asked if he knew where they stayed.

Mr. Karnes agreed. They got data back from the hotels and there were 7 of them.

Mr. Margetson suggested they gather all the data for their report. He knew Mr. Hendry had an extensive survey administered.

Mr. Karnes said he could provide the print outs. They had about 25 questions. They also had detailed data on where they came from. They would put together the visitor experience data.

Mr. Margetson was disappointed the County didn't support this event and most of the race was in the county.

Mr. Karnes said he had an ongoing conversation with Katherine Miller.

III. CVB ACTIVITY REPORTS

A. Executive Director's Report – Mr. Jim Lutjohann

Mr. Lutjohann said his report was sent by email yesterday. Most of it was on personnel and the federal per diem reduction. He noted they had not yet offered the finance position to a candidate. Just two applicants met the qualifications. For the Information Specialist, he met with HR and asked for a reclassification and a new job description more like a concierge. He was fairly confident his request would be approved.

He included in the packet his correspondence about the federal per diem. It was telling how they came up with their \$88/day rate. They had their own custom Smith Star report. There were FEMA identified hotels in our area that were not included in their sample. He was hopeful they would get more in the sample. There were a significant number of rooms out of service at the Courtyard and at the Hilton. So we need to make sure their percentages were reflected in those as being out of service. His gut feeling was that it was not included. And that in itself would take occupancy below 70%. Representative Martin Heinrich assigned a staff person to meet with him. So he would point out the deficiencies in their report as grounds for reconsideration.

From the GSA perspective, only a federal agency can appeal the rates and only if they couldn't get rooms at the approved rates. It gives Santa Fé a soapbox to stand on but only if a federal agency files an appeal. He was trying to find those hotels that had agreements with the federal meeting planner.

Yesterday CVB had a meeting with key stakeholders, Transportation Advisory Board and Councilor Bushee to get shuttle service to Ski Santa Fe through NCRTD. On November 8 their Board will hear the request. Last night Council approved putting staff people on that project and now we have a strategy to make the argument with RTD for how it will improve service. The shuttle was mostly to serve employees and other locals. He felt they could make that appeal pretty well.

Mr. Margetson asked if the study of it meant they would lose the season.

Mr. Lutjohann agreed the RTD process probably wouldn't allow this season to be covered but a trial run was mentioned.

Mr. Margetson believed the whole study on per diem was toward Cerrillos Road. But we have a discrepancy between Cerrillos Road and downtown rates. He asked if it was hard to get those federally

identified.

Mr. Luttjohann said he would find out and provide a link for the application form.

Mr. Margetson said there were at least 4 hotels.

Ms. Bonney understood they didn't even consider us seasonal.

Mr. Margetson knew that Cerrillos didn't run 70% consistently. But even their rates were above the federal per diem.

B. Sales Report – Christine Madden

Ms. Madden said the numbers speak for themselves. We have weekly meetings with the data base people and we are still not near perfection. The personnel challenges in the sales department made her report lackluster. They were not carrying forward the tentative sales from the prior year. There were about 8,000 to 10,000 rooms that would fall and did a disservice to this report. That all needed to be called out in some way.

She said they were close to making an offer for another sales manager very soon. Then they would have one more to fill. The Convention Service Manager will be out for several months from a surgery.

They will be taking up travel in December to Chicago and Washington DC. She hoped to get some fresh appointments and fresh faces.

They had a site visit last week and should would detail it in next month's report.

Mr. Margetson asked if they had 8,000 room nights on the books from prior years.

Ms. Madden agreed. They were 3-4 years out and negotiations becoming difficult from lost data.

Mr. Margetson asked how they could get this problem fixed.

Mr. Luttjohann said there were problems with how the original lead was processed into the system that caused problems extracting the information. Now they had to do it all manually. While it belongs in someone's hands to fixed, the present staff didn't create the entries. So it was bad use of the system which provides good data.

Mr. Margetson asked if the software was just fine.

Mr. Luttjohann said there was human error as primary and some of it was about training and how they would use it going forward. Staff have trouble figuring out how to extract what is needed and the software people say they have to write a custom report.

Mr. Margetson asked if anyone else out there who uses this software could share their experience with it.

Mr. Luttjohann suspected they might be close to the purchase of a new system.

Ms. Madden said in the beginning they weren't sure because they were migrating data from the previous version (which had worked well). They had been told hands-on training would be provided but they had used it a lot before any training.

Mr. Margetson said that meant something was wrong with the system.

C. Marketing Report – Cynthia Delgado

Ms. Delgado said August and September marketing reports were before the Board. This report had the third quarter result as a separate document.

She provided highlights from the report. The web site use was up 14% and CVB was continuing to focus campaigns to Santa Fé .org. The average time on site was down and pages per visit were down. Staff is conscious about directing them to specific pages.

Consumer e-blasts have a 44% open rate. Partner e-blasts went out to over 5,000 addresses with a 27% open rate. Since they went to every other week, the open rate went up 10%. She would continue to work on improvements there.

They send year-guides to 6,000 physician's offices. That was an exciting opportunity and one they would continue to use.

CVB on Facebook now has over 17,000 friends, up from 3,000.

Business partners are focusing to help us and sharing their contacts. She hoped to see that more this fall. She was trying to create a real presence with all of the 7 pillars.

Earned media was up almost 13% and YTD = 53%. The total was already at 5 million and last year was not at 5 million until the end of the year. Average room nights were \$136.

Mr. Margetson said the last bullet there was a 60% occupancy.

Ms. Delgado said Condé Nast said Santa Fé was the second most popular city destination. They were 17th in the world which was very impressive.

Ms. Bonney said that was higher than Paris.

Ms. Delgado said their hotel partners were great. They worked with Canyon Road on the USA Today iconic street competition and they got number 2. All of those accolades help. Beall Street got number 1.

Ms. Delgado said the destination workgroup had meetings in June and September. September was to do winter promotions. Most are now on the website.

CVB business experience workgroup continues to work on airport services.

She was in process with the social media contract. There were two finalists and she would decide shortly to move forward with a contract.

Ms. Delgado was in Chicago on the 26th and 27th with eight meetings. She believed Santa Fé would get stories from all of them. Elaine Glusick partnered and they would bring her in next week. She writes for NY Times. She felt it was really a good trip.

They had a FAM press trip which included the Robb Report, Destination Wedding, Forbes, and others. They were already seeing Forbes print their first article.

They did sign all of their contracts for coops. Regarding Smackdown, the Farmer's Market decided to take on that event.

For the Winter Promotion, New Mexico Tourism provided only \$750 and staff didn't see a need to do all the paper work so they returned it to Tourism.

Southwest Air Magazine will be doing an editorial on Santa Fé. The more we advertise, the more coverage we get. She just found out that Latitude Magazine will do a January article on us and Home and Garden will do a Santa Fé Style article.

We are close to completion of the 2014 events calendar. We still have some big gaps like state museums. The travel planner advertising is complete and she hoped to put it to bed soon and published by mid-December.

The Green Chile Cheeseburger Smackdown got local and national coverage. Next year it would be on Friday, September 12 and feature microbrews.

She submitted three applications for Santa Fé Landmarks as 8th wonder of the world. They also finished the contest on Pinterest.

She put four events together and called it Viva Santa Fé. She also was looking especially during off-season to create a buzz about what was going on. Our virtual Zozobra will continue next year. Photos are big in social media so we are trying to get those tied together. She was doing a blog every Saturday and had over 10,000 blogs now.

For print advertising she had a meeting to introduce the calendar and invited all partners. They had recent placements in Association News, Book for Good, Vancouver Sun and Travel & Leisure.

She sent out six different E-mail blasts in August and four in September. Her report showed the press

releases and press coming to Santa Fé.

Mr. Margetson asked if they could get a copy of Smith Travel regional statistical Star each month.

Mr. Luttjohann explained that they couldn't share it by the terms of their agreement.

Ms. Delgado said her numbers came from Rocky Mountain who give more leeway.

Mr. Margetson asked why the CVB was declining to include the tag line "New Mexico True" in the city's advertising.

Ms. Delgado said she didn't because Santa Fé was a stronger brand.

Mr. Margetson disagreed and said he was using New Mexico True in his advertising.

He added that the Board was not getting any numbers of revenue on the Convention Center YTD compared with the budget. So the Board didn't know how they stood nor on the expense side. He asked if that, too, was part of the software problem.

Mr. Luttjohann said the data was in flux and that was why David Trujillo was not on the agenda this time.

Mr. Margetson asked what Charleston had that Santa Fé didn't have.

Ms. Delgado said they were surrounded by higher populations and also had a significant economy. They have Boeing there. They are outspending us greatly. She thought she should be sent there to have a study. Charleston also had a good food feel and it has a beach.

Ms. Bonney asked what Santa Fé Sounds was.

Ms. Delgado described it. Santa Fé Opera, Lensic, and Santa Fé Bandstand were our music partners.

IV. 2013-2014 REQUESTS FOR GRANT FUNDING

A. Grant Review Committee Recommendations – Mr. Jim Luttjohann

Mr. Luttjohann quickly ran through the applications and shared the scores, as 56, 57½, 58½, 47¼, and 15¾. None of them reached the floor of 70 points so none were eligible for funding. The Committee then recommended helps for making each application better and recommended they work with our own marketing for effectiveness in placement in the media. He already reached out to Santa Fé Community Foundation to help make that pitch.

1. Artsmart

Mr. Margetson moved to deny the application. Chair Castillo seconded the motion and it passed by unanimous voice vote.

2. Community Off-Road Racing

Mr. Margetson moved to deny the application. Chair Castillo seconded the motion and it passed by unanimous voice vote.

3. Savor the Flavor

Mr. Margetson moved to deny the application. Chair Castillo seconded the motion and it passed by unanimous voice vote.

4. Santa Fé Watershed Association

Mr. Margetson moved to deny the application. Chair Castillo seconded the motion and it passed by unanimous voice vote.

5. Santa Fé Film Festival

Ms. Bonney moved to deny the application. Chair Castillo seconded the motion and it passed by unanimous voice vote.

The Board briefly discussed the grant process.

Chair Castillo asked if four people on the panel gave enough representation.

Ms. Delgado thought it was. The scores were pretty similar. Those four were a nice representation of the community.

Mr. Luttjohann noted that they had intended to find nine but when they failed to find nine they went forward with what they had. He explained that they made direct inquiries and sent emails. They also didn't want to have any conflicts of interest.

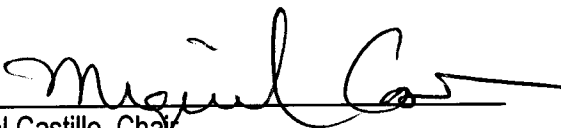
Mr. Margetson suggested next time to have a representative for hotels and one for restaurants on the panel.

V. MEETING SCHEDULE

Next Meeting – November 21, 2013 in City Hall Council Chambers

VI ADJOURNMENT

Having completed the agenda and with no further business coming before the Board, the meeting was adjourned at 10:00 a.m.


Miguel Castillo, Chair

Submitted by:


Carl Boaz, Stenographer