



# Agenda

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## OCCUPANCY TAX ADVISORY BOARD

OCTOBER 27, 2011

8:30 A.M.

CITY COUNCIL CHAMBERS – CITY HALL

8:30 a.m.

### Regular Meeting

#### I. Procedures:

- a. Call to Order
- b. Approval of Agenda
- c. Approval of Minutes: September 29, 2011

#### II. Lodgers Tax Update –

- a. Lodger's Tax update - David Tapia

#### III. CVB Activity Reports:

- a. Jim Bradbury – SFCVB Executive Director
- b. Christine Madden – SFCVB Sales
- c. Steve Lewis - SFCVB Public Relations

#### IV. Final Report:

- a. Global Running Culture – Joseph Karnes, Director
- b. SW Roots Music – Michael Koster, Director
- c. Canyon Road Merchants Association – Connie Axton
- d. Outside In – David Lescht - Director
- e. SF International Folk Art Market – Charlene Cerny, Director

#### V. Request for Funding:

- a. SW Roots Music – Michael Koster, Director

#### IV. Meeting Schedule:

The next meeting will be held on November 17, 2011 at 8:30 a.m. in the City Hall Council Chambers.

#### V. 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.

**CITY OF SANTA FE  
OCCUPANCY TAX ADVISORY BOARD MEETING  
October 27, 2011**

<b>ITEM</b>	<b>ACTION</b>	<b>PAGE</b>
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<b>II. LODGERS' TAX UPDATE</b>	Information/discussion	2-3
<b>III. CVB ACTIVITY REPORTS:</b>		
a. Jim Bradbury ( interim SFCVB Executive Director)	Information/discussion	3-4
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c. Steve Lewis – SFCVB Public Relations	Information	5
<b>JON HENDRY'S PROPOSAL TO CREATE A TOURISM DEVELOPMENT FUND</b>	Motion passed	6
<b>IV. FINAL REPORT:</b>		
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e. SF International Folk Art Market-Laura Sullivan		8-9
<b>V. REQUEST FOR FUNDING:</b>		
a. SW Roots Music – Michael Koster, Director	Tabled	9
<b>VI. MEETING SCHEDULE</b>		
The next meeting will be held on November 17, 2011 at 8:30 a.m. in the City Hall Council Chambers.		9
<b>VII. ADJOURNMENT</b>		9

**MINUTES OF THE  
CITY OF SANTA FE  
OCCUPANCY TAX ADVISORY BOARD  
October 27, 2011**

**I. PROCEDURES**

**a) CALL TO ORDER AND ROLL CALL**

A regular meeting of the Occupancy Tax Advisory Board was called to order on October 27, 2011, at approximately 8:40 a.m. by Miguel Castillo, Chair in the City Council Chambers, City Hall, Santa Fe, New Mexico.

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

**MEMBERS PRESENT:**

Miguel Castillo, Chair  
Mary Bonney  
Jon Hendry  
Paul Margetson  
Terrell White

**MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Jim Bradbury, interim SFCVB Executive Director  
Cynthia Catanach, Administrative Assistant  
Steve Lewis, SFCVB Public Relations  
Christine Madden, SFCVB Sales

**OTHERS PRESENT:**

Rachel Darnell, Canyon Road Merchants Association  
Bonnie French, Canyon Road Merchants Association  
Joseph Karnes, Global Running Culture  
David Lescht, Outside In  
Antonio Lopez, Global Running Culture  
Laura Sullivan, SF International Folk Art Market  
Antoine Broustra, Southwest Planning & Marketing  
Jo Ann G. Valdez, Stenographer

**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**

Mr. Hendry requested an addition to the Agenda to discuss his proposal for a tourism development fund. This was added after the CVB Activities Report.

Ms. Catanach noted that Michael Koster of Southwest Roots Music could not be present today. Items 4b (*Final Report from Southwest Roots Music*) and 5a (*Request for Funding*) were tabled.

**Ms. Bonney moved to approve the agenda as amended. Mr. Hendry seconded the motion. The motion passed unanimously by voice vote.**

## **c) APPROVAL OF MINUTES – September 29, 2011**

**Ms. Bonney moved to approve the Minutes of the September 29, 2011 meeting as submitted. Mr. White seconded the motion. The motion passed unanimously by voice vote.**

## **II. LODGER'S TAX UPDATE (DAVID TAPIA)**

- a) A copy of the "Lodgers Tax Report" was distributed in the members' packets. A copy is incorporated herewith to these Minutes as Exhibit "A".

Mr. Tapia noted that the new Finance Manager was unable to attend today due to a family emergency.

Mr. Tapia reviewed the information in Exhibit "A" noting that he has simplified the Lodgers Tax Report, per the Board's request. Mr. Margetson assisted Mr. Tapia in simplifying the report. Please see Exhibit "A" for the specifics of this presentation.

Mr. Tapia noted that the numbers that he would be reporting on today are the September cash receipts, which are the occupancy numbers for August. There was a 2.79% decrease in cash receipts for the month of August, when compared to the prior year.

Mr. Tapia said the report also shows the numbers for the prior three years.

Mr. Hendry asked how much they have in reserves.

Mr. Tapia said he would have to check on this.

Mr. Hendry asked him to send him an e-mail with this information.

Mr. Tapia agreed.

Ms. Bonney asked if all the hotels were up to date.

Mr. Tapia said yes.

Mr. Margetson said he had another scenario which takes into account delinquent taxes-it puts them back to the month they were due, as opposed to sorting them by month. He asked Mr. Tapia if he could meet with him. Mr. Tapia said yes.

Mr. Margetson asked Mr. Tapia if he has seen the Rocky Mountain Lodging Report.

Mr. Tapia said he has not had a chance to look at it.

Mr. White asked Mr. Tapia if the City also receives the *Star* report.

Mr. Tapia said no.

Mr. White offered to send him a copy of the *Star* report.

### **III. CVB ACTIVITY REPORTS:**

#### **a) Jim Bradbury (Interim SFCVB EXECUTIVE DIRECTOR)**

Mr. Bradbury reported as follows:

- The Rocky Mountain Lodgers Report is showing a slight increase in occupancy rates for Santa Fe for the month of September, when compared to the prior year. The downtown average rates were down approximately \$14.
- Mr. Bradbury and Mayor Coss went to New York on October 9<sup>th</sup> and 10<sup>th</sup> for the *CondeNast* Readers Poll. They had appointments with various publications to try to build some interest in doing some stories on Santa Fe. These publications included: *CondeNast*, *Ladies Home Journal*; *Travel and Leisure*; *O Magazine* and the *Wall Street Journal*.

Mr. Bradbury noted that Santa Fe placed third as one of the top cities in the United States in the *CondeNast* Readers Poll. Charleston was first and San Francisco was second.

- The new look of the website went into effect yesterday.
- The CVB has made an offer for the Sales Manager position. The individual will start the week of November 7<sup>th</sup>. The job position for a Marketing Manager will be advertised this week.

- The CVB has kicked off the group sales promotion as discussed at the last meeting. Groups who book a minimum of 500 rooms per night would be offered a complimentary welcome reception; complimentary transportation to and from hotels to the Convention Center and complimentary meeting space at the Convention Center. The entire site visit costs will be refunded, if the meeting is booked. The promotion will be advertised on *Meetings and Conventions* on line.
- At the last meeting, Mr. Margetson asked for a summary of the activities at the Rail Yard-the visitors of the Rail Yard Visitor Center. This was included in the members' packets. Mr. Bradbury noted that there were over 1100 international visitors.

Mr. White asked if there was a way to track whether or not they are staying over.

Mr. Bradbury said they could ask this, but he thinks most of the people are here for the day from Albuquerque. He offered to find out.

#### **b) CHRISTINE MADDEN – SFCVB SALES**

[Copies of *Santa Fe Convention and Visitors Bureau Sales Activities for period: 7/1/2011 to September 28, 2011 {Exhibit A}* were distributed. Copies of *Monday Mailer Report – 7/1/2011 to 9/30/11* were attached.]

Ms. Madden reported as follows:

- The CVB has been surprisingly busy for this time of year. For example, seven governmental inquiries came in for 2012 bookings, including a February 2012 booking.
- Ms. Madden distributed a handout on the data from last year and this year. She noted that she is no longer attaching a copy of the data from the prior fiscal year because it is too much paper; however, she could e-mail a copy if anyone is interested.
- Between TKO Advertising and Steve Lewis' efforts, the CVB is hitting all kinds of media and social print and backing it up with a phone bank. A small mailer will go out to the top 100 VIPs which talks about the experience in Santa Fe. Hotels have been asked to submit names for the top VIPs.
- Ms. Madden said the numbers that the CVB has for tentative bookings is solid.

### c) STEVE LEWIS- SFCVB PUBLIC RELATIONS

Mr. Lewis reported as follows:

- The updated "Clip Book" was available for the Board to review. This included a piece that was done by a writer from examiner.com.
- The Chief Editor of *Worth Magazine* was in Santa Fe.
- There have been many people visiting from Oklahoma.
- The Contributing Editor of *Slice Magazine* was in town. This is a high-end publication from Oklahoma City. A writer from *Light & Leisure Magazine* from Edmund, Oklahoma was also here.
- A writer from *Ageless Traveler & Spa Finder* was here last weekend.
- A writer from *Sherman's Traveler* will be here in November.
- Writers from *Smart Luxury*, *Home & Away*, *San Diego Magazine* and *San Francisco Chronicle* will be here in November and the writer of about.com will be here tomorrow. Two New York City travel bloggers are coming in today and Mr. Lewis will be meeting with them.
- A release was sent out on the Mayor's and Mr. Bradbury's trip to New York.
- A release was sent out about the meetings convention promotion. The CVB is expecting that *Meetings and Convention* will have some kind of editorial on the promotion.
- A second holiday release was sent out.
- A release was sent out to *Travel & Leisure* today to go out for the Monday following Thanksgiving weekend.
- Santa Fe-CVB has a chance to be on the *Today Show*. This required video and this was sent to them.
- Mr. Lewis is getting close in completing the image library photos-they have this down from about 300 photos to 20 photos.
- Mr. Lewis sent out a release on the new restaurants in town.

## **JON HENDRY'S PROPOSAL TO CREATE A TOURISM DEVELOPMENT FUND**

Mr. Hendry said he is proposing that the Board consider changing the funding of OTAB.

Mr. Hendry said research shows that people go to events, not to places. He said the biggest week for tourism, outside of the summer, is the week of Balloon Fiesta. He suggested that there be a pre-fiesta, a week before the Balloon Fiesta at the MRC.

Mr. Hendry said creating events is what OTAB's mission should be- not funding the same events over and over again. He suggested that a \$1 million tourism development fund be set up, and the point of that fund would be to develop events here in Santa Fe-try to develop at least three new events a year; and OTAB could make a 3-year commitment to these events; and hopefully the events would become self-sustainable. The program could be run over a 5-year period.

Mr. Hendry said the funding would be simple: take OTAB funding, take some money out of reserves; ask the partners from the City and County of Santa Fe to put in-kind support for these events; and approximately \$330,000 in cash – this would come from three-years worth of OTAB funding and some money from the County (ask them to put in \$25,000 a year). He said they could also look to the Convention Center for getting in-kind donations of Convention Center space and staff time. These events would have access to this pool of cash, convention space and staff time. He said they could also ask Santa Fe Trails for donation of resources (for a total of \$330,000) and use city buses for these events. He said they could also reach out to the industry partners to give a donation of their resources to put into these events. Businesses could also participate by offering discounts.

Mr. Hendry noted that he spoke with the Mayor and some of the people at the City about this and he received positive feedback.

**Ms. Bonney moved to form a committee to have discussions about possibly setting up a tourism development fund. Mr. White seconded the motion. The motion passed unanimously by voice vote.**

### **IV. FINAL REPORT:**

#### **a. Global Running Culture-Joseph Karnes, Director**

Mr. Karnes presented the information from their final report. He noted Global Running Culture is a 501 (c) (3) not-for-profit organization that was formed in order to implement their vision of promoting youth fitness, nutrition and health through participation in sport.

Mr. Karnes reported that the Santa Fe Buffalo Thunder 2011 Marathon was held on September 18<sup>th</sup>. He said this being their first year, they are very grateful for OTAB's funding.



Mr. Karnes noted that there were over 700 entrants, with over 85 from outside New Mexico, including 17 states and two foreign countries. He said the turnout validated their concept that Santa Fe is the perfect place to develop a destination marathon. He said they are trying to establish an event that will bring in thousands of people.

Mr. Karnes reported that they used the Lodger's Tax funding to take out newspaper ads in the *Albuquerque Journal*, *Boulder Daily Camera* and *Austin Statesman*, the three largest out-of-area markets for potential entrants.

Mr. Karnes said he would like to continue the discussion that he heard from Mr. Hendry this morning because they would like to participate and establish a nationally-recognized event, another fundamental reason for people to come to Santa Fe.

Mr. White said he heard great feedback about the marathon event.

**b. SW Roots Music-Michael Koster, Director**

This agenda item was tabled.

**c. Canyon Road Merchants Association – Bonnie French and Rachel Darnell**

Ms. French and Ms. Darnell presented the information from their report. Ms. French noted that they distributed a handout on their budget and the information for the money that they requested from OTAB. They have also given Ms. Catanach a book that included all their invoices and checks.

Ms. French noted that Connie Axton was unable to be present today.

Ms. Darnell presented the information from the handout. She noted that the Canyon Road Merchants Association has 106 members.

Ms. Darnell said they had 29 ads in national magazines such as *Southwest Art*, *Art & Techniques*, *Cowboys and Indians* and *Art Collector*.

Ms. Darnell mentioned that they raised approximately \$34,000 in the last 10 months from the galleries. She explained that they have no paid staff.

**d. Outside In – David Lescht – Director**

Mr. Lescht presented the information from their report. He noted that this was the most successful year for the Bandstand and attendance was phenomenal.

He said that they have some anecdotal data that tourists have indicated that the Bandstand is one of the main reasons that they visit Santa Fe during July and August.

Mr. Lescht said that 2012 will be their 10<sup>th</sup> season and they have become a tourist destination.

Mr. Margetson said that there was too much talking and not enough music.

In response, Mr. Lescht said they have a lot of sponsors and they have told them to be brief.

Ms. Bonney informed Mr. Lescht that OTAB has requested that the City close the Plaza during the summer months between 5:00 p.m. and 10:00 p.m.

**e. SF International Folk Art Market-Laura Sullivan-Director of Development**

Ms. Sullivan and Mr. Antoine Broustra presented the information from their final report for the 20-11 Folk Art Market that took place on July 8, 9 & 10, 2011.

Ms. Sullivan said they had over 150 artists from 49 different countries; attracted 20,741 visitors and involved 1,600 community volunteers, international dignitaries, and numerous representatives from leading international cultural organizations.

Ms. Sullivan explained that the total attendance remained steady, despite the wildfires and the downturn in the economy.

Ms. Sullivan said their ticket sales of \$327,760 were up from \$278,600 in 2009, a 21.4% increase. The Market paid GRT on artists' sales totaling \$2,190,092, generating \$179,314 in GRT for the State, a 5.6% increase over 2010. 90% of the sales go directly to the artists.

Ms. Sullivan introduced Antoine Broustra from Southwest Planning and Marketing. SF International Folk Art Market enlisted the services of the marketing research firm to conduct a Market Visitor Survey. This sample is based on 497 respondents/interviews.

Mr. Broustra presented the information from the study noting that there was a slight decrease in first time visitors. Of the total respondents, 52.5% indicated that it was their first time to the Market. For those visitors not from Santa Fe, 57.8% indicated that the Folk Art Market was their main reason for visiting Santa Fe and another 26.4% indicated that the Market was one of the reasons for their visit to Santa Fe. In addition, 23.8% indicated that the primary reason for coming was to support artists with their purchase. The majority of the visitors were 55-64 years of age.

Mr. Broustra reported that 66.6% of the visitors indicated that they were from outside of Santa Fe, for a total of 13,855 out-of-town visitors (a 10.3% increase over 2010). In addition, 41.9% (8,690) indicated that they came from out-of-state, an increase from 36% in 2010, and 32.6% of the visitors were from Santa Fe (6,761), with 25.5% coming from other communities in New Mexico (5,289), an increase of 9.5% over 2010.

Mr. Broustra said that visitors came from at least 20 different states. The majority came from Texas (7.5%), California (5.2%), Colorado (5.2%), and Arizona (2.8%). Of all of the respondents who were from outside the Santa Fe area, 34.4% stayed at least one night in Santa Fe in either in a hotel, bed and breakfast for an average of 4.8 nights. Based on the lodging statistics, they estimate that the Market generated \$483,686 in GRT and an additional \$413,533 in lodgers' tax for a total tax benefit of \$897,219 from room nights alone. \$592,977 went directly to the City.

**V. REQUEST FOR FUNDING:**

**a. SW Roots Music – Michael Koster, Director**

This agenda item was tabled.

**VI. MEETING SCHEDULE**

The next meeting will be held on November 17, 2011 at 8:30 a.m. in the City Hall Council Chambers.

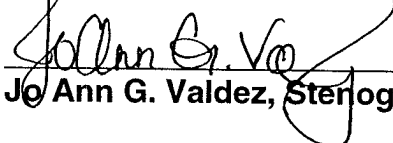
**VII. ADJOURNMENT**

Its business being completed, Mr. Hendry moved to adjourn the meeting, second by Ms. Bonney, the meeting was adjourned at 9:55 a.m.

**Approved by:**

\_\_\_\_\_  
**Miguel Castillo, Chair**

**Respectively submitted by:**

  
\_\_\_\_\_  
**Jo Ann G. Valdez, Stereographer**