

SUMMARY OF ACTION
OCCUPANCY TAX ADVISORY BOARD
CITY HALL, COUNCIL CHAMBERS
TUESDAY, APRIL 23, 2019, 10:00 AM

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**OCCUPANCY TAX ADVISORY BOARD
CITY HALL, COUNCIL CHAMBERS
TUESDAY, APRIL 23, 2019, 10:00 AM**

I. PROCEDURES

A. CALL TO ORDER

The meeting of the Occupancy Tax Advisory Board was called to order by Chair Rik Blyth, at 10:00 am, on Tuesday, April 23, 2019, at City Hall in the City Council Chambers, Santa Fe, New Mexico.

B. ROLL CALL

MEMBERS PRESENT

Rik Blyth, Chair
Carlos Medina
Keith Kirk
Bonnie Bennett

MEMBERS ABSENT

Tohnia Miller, Excused
Chris Hyer, Ad Hoc member

OTHERS PRESENT

Randy Randall, Tourism Santa Fe Executive Director
Jordan Guenther, Tourism Santa Fe Marketing Director
Carol Johnson, Land Use Director
Stuart Kirk, Fly Santa Fe
Carl Boaz for Elizabeth Martin, Stenographer

C. APPROVAL OF AGENDA

MOTION A motion was made by Ms. Bennett, seconded by Mr. Medina, to approve the agenda.

VOTE The motion passed unanimously by voice vote.

**D. APPROVAL OF MINUTES
MARCH 27, 2019**

MOTION A motion was made by Mr. Medina, seconded by Mr. Kirk, to approve the minutes as presented.

VOTE The motion passed unanimously by voice vote.

II. INTRODUCTION OF NEW BOARD MEMBER

A. BONNIE BENNETT, KAKAWA CHOCOLATES

Chair Blyth welcomed Ms. Bennett to the Board.

Ms. Bennett introduced herself.

III. UPDATES

**A. SHORT TERM RENTALS
Carol Johnson, Land Use Director**

Ms. Johnson said short term rentals have had an impact on our housing, affordability and more traditional lodging options. She has designated a special team of four to handle all short term rental applications from intake to business licenses. We do use the web for those out of compliance. The compact for short term rentals expired last year so it is not easy. We are reactive rather than proactive for compliance by checking short term rental advertisements in Santa Fe to our list of licenses. We are putting out an RFP now to acquire additional services.

Ms. Johnson said we have an archaic system for registering their properties. It is cumbersome for staff and the public. We have added a hot line which we think will help greatly. We are making changes in our system to have broader coverage on the ground with higher-level management for analyzing how to deal with it. We are anticipating advertising the RFP soon and hope to have a vendor in June. We have also hired Kelly O'Donnell, a local economist who is funded by Homewise, to deal with affordability. She is gathering a lot of data to get an idea of where new housing is available in the City. Part of our approach is to level the playing field and follow the rules. With what Kelly is getting and a new person on board, we will do our work better.

Ms. Johnson said Council will be hearing the amendment for accessory dwelling units on May 29th. If approved, if you live off-site, you could rent both the house and the casita.

Mr. Keith Kirk asked if there was coordination with HOA covenants.

Ms. Johnson said if there are covenants that are applicable you must abide by them, but we do not have enforcement over that. On the application it states that they must advise and consult with the HOA if they live within one and follow their rules. We are working on making that wording stronger.

Mr. Kirk asked if the Land Use Department is well funded.

Ms. Johnson said in general Land Use is always short staffed. We have vacancies in engineering right now and it is difficult to attract staff members. We have taken a long time to fill them.

Ms. Bennett asked with the new vendor will you be able to check to see if they are paying their taxes or not.

Ms. Johnson said Taxation and Revenue does not allow that, but we can determine if they have a valid number or not. We plan to talk to Taxation and Revenue about that.

Chair Blyth asked are you also in charge of inspections.

Ms. Johnson said yes, we do long range planning, building permits, inspections, monitoring etc.

Chair Blyth asked about the owner of short term rentals having to live on the property.

Ms. Johnson said for short term rentals the owner must live on the property. That is not changing, but for long term rentals both the home and the casita can be rented.

Mr. Kirk asked what is the process if someone wants to apply for a permit.

Ms. Johnson said there is a \$100.00 initial fee with the questionnaire to get the details. Then there is additional paperwork and fees for additional parking, a business license and with Taxation and Revenue. They have to show fire detection and safe and proper egress. For residential it is a \$350.00 annual license permit.

Chair Blyth thanked Ms. Johnson for her presentation.

B. NORTHERN NEW MEXICO AIR ALLIANCE
Stuart Kirk, Fly Santa Fe

Mr. Stuart Kirk displayed a poster giving the current Airport information on flights in and out of the Airport.

Mr. Kirk said we are working on determining future profitable flights in Santa Fe. First, why we care about the Airport. It is needed for us to grow. 80% of people who fly in and out, actually use the Albuquerque Airport and that probably costs us. The more we can get people to fly from here the better and people who fly here actually stay 1.5 days longer.

Mr. Kirk reviewed the information on the poster.

Mr. Kirk said our Airport is busy with lots of activity. That has caused our community to be more aware and for the City to consider it more than as an orphan. Our terminal is stretched to the limit, but the good news is that the City has received money to expand the footprint of the terminal for more passenger space and a better luggage area. Also the Airport is improving parking with new lighting, cable and fencing and a ticket gate to pay for parking. We don't have money yet for connecting Jaguar Road to the Airport, but we are hearing more about the possibility.

Mr. Kirk stated as part of our effort to get a good picture for flying in Santa Fe, we did a survey and hotels, business and the community participated. We asked how many times they visited Santa Fe before the last trip. 14% had 1 to 2 visits; 18% had 2 to 5 and 45% had 10 or more. More than half intend to return to Santa Fe in the coming months. The data showed where they came from. 26% were from Texas, 13.5% from California, 12.5% from Colorado, 8% from New Mexico, 3.9% from Arizona, 3.4% from Oklahoma, 3.1% from Florida and 2.5% from Illinois. Half of the respondents arrived by plane and half by car. We felt that was a bit misleading because many flew to Albuquerque and drove from there to Santa Fe. 66% knew we had an airport. 73% who came to Santa Fe flew into Albuquerque when they flew. 94% said they would prefer to fly to Santa Fe.

Mr. Kirk continued, the issues we identified were price and schedule times. Booking sites have not helped either. Regarding cost, it is a hangover from the past. Sometimes it is more expensive, but many times it is less expensive. Including travel from Albuquerque to Santa Fe makes it more affordable. We asked what airlines people would like to see in Santa Fe. Many wanted United, but just as many wanted Southwest. It is not likely Southwest will ever fly to Santa Fe. We are still growing without them.

Mr. Kirk said we are working with a consultant to determine the best places to connect. Possibilities are Los Angeles, Dallas, New York City, San Francisco, Phoenix, Denver, Chicago, DC, California and Seattle.

Chair Biyth asked is the Air Alliance government or non government.

Mr. Kirk said we are a nonprofit and have lots of support from businesses.

Chair Blyth asked are there any flights under subsidy at this time.

Mr. Kirk said it was a minimum flight guarantee. That has expired.

Chair Blyth asked is there any more information on the renovation.

Mr. Kirk said the Legislature appropriated \$9.5 million for the renovations. The engineers have started the drawings for the proposed changes. The conceptual drawings will be considered by the Airport Advisory Board soon.

Ms. Bennett asked regarding the LA flight, why were those flights cancelled.

Mr. Kirk answered, there are two pieces to that. American realized it was sustained mostly by film business and the former Governor wanted to reduce the rebate program. When talking with American they were trying to make Phoenix a hub. LA is the most expensive airport to operate and many people flying in were going somewhere else so they established to Phoenix first. It is hard to get American excited with non-stop from LA to Santa Fe because they fly over a hub. So we are working with other airlines. We hope to get a flight into Burbank on a different airline.

Mr. Randall said the LA flight was about 70% full, but Denver was 92% full and Phoenix 80% full. At the time that flight was canceled, we did not have an organization to fill those flights. We were very sad that the low percentage was the reason.

Mr. Keith Kirk said he knows Southwest is not possible, but they do have vacation packages and Santa Fe is a good destination for that. Those still bring guests to Santa Fe.

Mr. Randall said it is something we can try. We have reached out to Southwest in the past.

Mr. Medina said regarding the connecting road, is that at the Jaguar overpass.

Mr. Kirk said yes, the City hoped for more money to complete that road, but decided to spend the money they received on the terminal. The City is working on it.

Mr. Medina said Meow Wolf will be going to Denver and many of us will want to fly to Denver.

Mr. Kirk said that is the kind of information we continually seek. The route planners look for that. We should make sure United has that information.

Mr. Medina said he would get the particulars for Mr. Kirk.

Mr. Medina asked why Las Vegas was not in the mix.

Mr. Kirk said we do hear things about flights to Las Vegas and as the Airport gets busier and charter flights happen, there could be one that is out on Friday and back on Monday.

Mr. Randall said bringing in flights with other carriers is difficult. It is not just capacity of the area beyond TSA, but also the counter space is very limited inside the Airport. This administration is very interested in changing that.

C. LODGERS TAX
Randy Randall

Mr. Randall said it is so much fun to give continuing good news. We were up \$74,000 again in Lodgers' Tax with a good increase in STR. That is a 13.24% improvement and year to date just over \$1 million. RevPAR is up \$1.50 and should translate into improved lodgers tax. April is moving right along and will be a strong month.

IV. CVB ACTIVITY REPORTS

A. SALES REPORT
David Carr

Mr. Randall informed the Board that Mr. Carr had to take his wife to the hospital today and could not be present. He wanted me to make his apologies. His report starts on page 28 of the packet.

Mr. Randall reviewed the report.

B. MARKETING REPORT
Jordan Guenther

Mr. Guenther presented his report from the packet.

C. TSF EXECUTIVE DIRECTOR
Randy Randall

Mr. Randall said we handed out to you our draft annual report. Any feedback would be welcome and appreciated. The report is herewith attached to these minutes

as Exhibit "1".

Mr. Randall reported we are in the middle of budgets and will present this afternoon for the Arts Commission and on Thursday for Tourism. There is no public input, but you are all invited to attend. With the hiring of a new Arts Commission Director, there will be a push for more sources of income. To the extent, if it we can find new sources, we will use that to broaden what the Arts Commission can do and to continue the effort we have begun.

Mr. Randall reported that the main highlights in the budget are \$300,000 in paid media increase for a contract for Vladimir Jones and what we will spend on the production of a new campaign. Beyond the extra funding for media there are not a whole lot of new things in the Visit Santa Fe budget. For the Convention Center we have improvements to make it more green and are trying to get a platinum rating for the building. We have an expansion of 2,000 square feet for storage and are reworking the second floor terrace and adding a connector set of stairs to the courtyard outside. Also we are getting rid of the planters up there and adding some LED lighting in the building and garage.

Mr. Randall continued, Art Week begins on July 12th and Music Week is the last week of August. We have a great lineup at the Santa Fe Opera this year and are creating a reading week called "Lit Week." for the last week of April next year. We really hope it focuses on the depth of poets, writers, etc. we have in our City and State. It is an amazingly deep resource. We are moving ahead with interviews for an Arts Director. There have been many applicants and some have been outstanding.

Mr. Randall said we are coming up on the Governor's Conference on Tourism. The Margarita Crawl will be on Sunday night. Also the Mayor is working with nonprofits and religious groups for asylum seekers. He expects he will present a plan to Council on Wednesday night. He thinks Santa Fe will move forward with good participation.

Chair Blyth said maybe we can lobby the organizations with a welcome package with shampoo, etc.

V. OTHER MATTERS FROM THE BOARD

None.

VI. COMMENTS FROM THE AUDIENCE

Mr. Jeff Mahal asked what is the estimated cost for the road from Jaguar to the Airport.

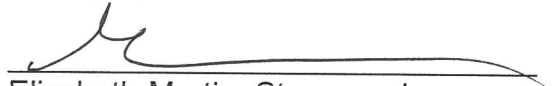
Mr. Randall said he heard it was \$1.5 million.

There was discussion around the agreement for the road and options.

VII. ADJOURNMENT

There being no further business before the Board the meeting adjourned at 11:45 am.

Rik Blyth, Chair



Elizabeth Martin, Stenographer