

SUMMARY INDEX
CITY OF SANTA FE
Occupancy Tax Advisory Board
June 27, 2017

ITEM	ACTION TAKEN	PAGE(S)
I. Procedures		
a. Call to Order	Called to Order at 10:00 a.m.	1
b. Roll Call	Quorum Present	1
c. Approval of Agenda	Approved as presented	1
d. Approval of Minutes - May 23, 2017	Approved as presented	2
II. Northern New Mexico Alliance	Discussion	2-3
III. Lodgers' Tax Report	Report by Mr. Randall	3
IV. OTAB Funding Update		
a. Fiscal Year End Report	Discussion	3-5
b. Next Cycle Discussion	Discussion	3-5
V. CVB Reports		
a. Sales Report	Reported by Mr. Carr	5
b. Marketing Report	Reported by Ms. Delgado	6-7
c. Executive Director Report	Reported by Mr. Randall	7-8
VI. Other Matters from the Board	Discussion	8
VII. Adjournment	Adjourned at 11:35	8
Next Meeting: July 25, 2017		

**MINUTES OF THE
CITY OF SANTA FE
OCCUPANCY TAX ADVISORY BOARD**

June 27, 2017
10:00 a.m.

I. PROCEDURES

a. CALL TO ORDER

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Chair Paul Margetson on this date at approximately 10:00 a.m. in the Council Chambers at City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

b. ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Paul Margetson, Chair
Jon Hendry, Vice-Chair
Chris Hyer
Al Lucero
Elizabeth Pettus

Members Absent:

Victoria Bruneni [excused]

Staff Present:

Randy Randall, Executive Director
David Carr, Sales Director
Cynthia Delgado, Marketing Director
Phyllis Ortiz, Administrator

Others Present:

Carl Boaz, Stenographer

c. APPROVAL OF AGENDA

MOTION: Member Lucero moved to approve the agenda as amended. Member Pettus seconded the motion and it passed by unanimous voice vote.

d. APPROVAL OF MINUTES:

MOTION: Member Hendry moved to approve the minutes of May 23, 2017 as presented. Member Pettus seconded the motion and it passed by unanimous voice vote.

II. Lodgers Tax

a. Update – Randy Randall

Mr. Randall reported that April revenue was \$54,000 less than last year, because it is on a cash received basis. Last year, the City got three month's payment from one property so it was overstated last year. He has requested that Finance maintain this report on an earned basis, once revenues are received, since we don't use it for cash calculations, to reflect the month when earned rather than received. The City Manager supports that and it should be accurate with a \$926,000 improvement year-to-date, through April so 2017 is on track for ending up one million dollars more when finished.

The STR Report shows an improvement of \$6.11 to rev/par so it would be \$60,000 to \$70,000 in Lodgers' Tax. We are on target to exceed the one million - an 11% increase over last year. Improvements in tourism are significant. One-third comes from short-term rentals and two-thirds from lodgers. The Rocky Mountain report bears out the same thing for May with \$10.40 rev/par for downtown. The STR reflects a lower rate because it has more lodgers from Cerrillos Road included. Overall it shows very positive results.

Chair Margetson asked about new permits.

Mr. Randall is waiting on Land Use to schedule the interviews and he hoped to participate in them. There is a new hotel proposed on Cerrillos Road and a lot of operators are opposed to another one in that market. It would be brand new construction. But he got a chance to visit with the Cerrillos Road operators and hopefully generated more enthusiasm. He invited them to participate in the Santa Fe Lodgers Association meeting that Mr. Carr conducts and hoped to get more interest from them. They do contribute their Lodgers' Tax.

Member Hendry was glad to hear that. They do benefit from our marketing. Tourism Santa Fe is an advocate for them.

Member Lucero asked about the new hotel.

Mr. Randall said it will have 90 rooms on four stories. It is a Hampton Inn property next to the Holiday Inn Express. Other lodgers say it will dilute their occupancy. The contractor is from out of state.

Member Hendry noted lots of activity around Meow Wolf, near there.

III. Northern New Mexico Air Alliance Update

Mr. Randall reported three big events that generated a lot of air traffic into Santa Fe. Two were at the Jet Center and one was the Chamber of Commerce awards with 500 people. The Realty people had a

fundraiser with 600 people at the Jet Center and raised \$16,000 for the Alliance. Air Alliance also got a commitment of \$50,000 from the Town of Taos and a similar \$50,000 from Los Alamos. That will be used as matching funds. They are applying for a \$200,000 grant from the State to be used for marketing instead of revenue guarantees to the airlines.

Mr. Randall will meet with Representative Luján for an additional \$500,000 grant opportunity from the federal government.

The number of airplane seats filled seem to be strong from Dallas and very strong from Phoenix. Denver is also good.

They will soon start discussions with airlines to target another city - probably Chicago, Houston or Austin. Austin finished ahead of Houston last year.

Member Lucero asked about Las Vegas.

Mr. Randall said the competition from Albuquerque with Southwest Airlines makes that difficult. I might be a potential in the future. Chicago would bring United Air into the mix, as well as Houston.

Chair Margetson said the Phoenix schedule is not a good schedule.

Member Hendry said it works in Los Alamos. He explained that he is on this board because of the crew at the Convention Center. The Airport is the largest union employer in Santa Fe, with baggage handlers, fire, police, etc. This all kicked off with a flight from Los Angeles and we need to get it back. Santa Fe Studio has 600 private jobs. We need that direct flight to stop losing movies to Albuquerque.

At the airport, those flights were at 70% capacity. It is awareness of the locals. The parking is now expanding out to the dirt and parking is only \$3 per day. If we had the Los Angeles flight today we would be making a good profit.

Mr. Randall said American Airlines can evaluate that but he thought they would get a flight from another city first.

Chair Margetson said the financial commitment from Taos and Los Alamos is tremendous for the Alliance.

IV. OTAB Funding Update

a. Fiscal Year End Report

Mr. Randall had hoped to have a report in writing for the Board. We are at the end of the fiscal year but OTAB really operates on a calendar year. That makes it easier for the grantees. They are still up for fall funding for the coming year with \$70,000 remaining and have obligated only \$20,000. And they will have more money in the next fiscal year.

He suggested the Board spell out in the criteria for the limited amount available for January to June (about \$12-20,000), and then suggested another \$50,000 for July to December 30.

The Board generally agreed with that plan.

Member Lucero asked if the Board had trouble giving that money away last year.

Mr. Randall clarified that the Board was not pleased with the quality of the proposals. The film industry is talking about creating a hall of fame and that has great potential. It can show itself as a tribute to the industry.

At the next meeting, he will send out a written report on the funding for this year.

Member Lucero asked if they could go into the next FY if needed.

Mr. Randall said no. We have obligated FY 18 and already spent \$58,000 of the \$70,000. However, even though he budgeted \$70,000, we could do a budget adjustment. The Fiesta has been receiving \$50,000 each year and used about \$42,000 this past year and we could have used that \$8,000 elsewhere. It is an open-ended resolution until Council changes it.

Chair Margetson asked Member Hyer about the concept of having one website for both City and County tourism promotion.

Mr. Randall said he would like to revive that with the County. But as far as combining advertising funds, he didn't see much effort for that. Combining the websites could be a win-win for both the County and the City. The County could take over all the outdoor activity and make it more exciting and not confuse the public with two different sites. All County lodgers are strongly represented on the City web site.

Member Hendry said the income from Bishops Lodge was significant and when it comes back, it will be expensive. They are talking about \$700 per night.

Mr. Randall said it is \$400 per night that they are considering.

Chair Margetson said Santa Fe no longer has taxi service and that is a serious issue. Passengers can't find transportation into town.

Member Lucero asked if we have talked with Uber.

Mr. Randall said it is on our to do list. Unlike a cab, if you don't have an account, people cannot pay. There is a method however. A hotel can have an Uber account so we will see if the Alliance can have an account. There are 8 Uber's within a mile of city hall. But later in the day, the number gets reduced.

Member Hendry said he was talking to the Chamber about having a bus go to the airport. The problem with Uber is charging higher prices at night.

Chair Margetson said he had to hitchhike from the airport recently.

b. Next Cycle Discussion

This was discussed above.

V. CVB Activity Reports:

a. Sales Report – David Carr

Mr. Carr reported sales are significantly up YTD. It is ahead with number of rooms but flat on numbers requested.

Mr. Carr attended the international pow-wow in Washington D.C. It is up for discussion if we will attend next year. It cost close to \$8,000 to attend without air fare and lodging and we get most tour operators in the FAM trips.

He said they are working on some promotions now.

He is planning to attend the Governor's Conference next month and the SAE in Toronto in August.

Mr. Randall is proposing to go every other year but if it is in the west, people have a focus on the west. So, we might do sales and marketing sides.

Mr. Carr said they attended a meeting in Las Vegas where he met an individual who will join the July FAM.

The database company contracted to drive more business here has worked well. He has had 70 new contacts in the last five months. For the Integrated Media Marketing, he sent out first promotion and got 22 inquiries and three people on the July FAM trip so it has grown from 8 to 15 participants. He is very impressed with their work.

Chair Margetson asked what the negative is for Santa Fe.

Mr. Carr said it is air transportation in and a misunderstanding of what Santa Fe is. It gets confused with places like Scottsdale, i.e., hot in the summer. That is one of the biggest hurdles.

b. Marketing Report – Cynthia Delgado

Ms. Delgado presented the marketing report. She introduced their new PR Staff person, Ms. Joanne Acosta, who is coming from Flagstaff.

Ms. Acosta shared her background. She has been here 3.5 weeks now and is busy sending out things.

Member Hendry said Santa Fe activities don't get much press right now. We need some internal press on things that are happening. It is a great city and the local people need to know too.

Chair Margetson asked her what the Flagstaff concerns were.

Ms. Acosta said it has a different climate from Phoenix and the big challenge for Flagstaff is having no higher end offerings like golf and spa.

Chair Margetson welcomed her to Santa Fe.

Ms. Delgado said she just completed the RFP for the Official Santa Fe Visitors' Guide and moving the contract forward for 4-year, renewable annually. She received three bids. Two were local and the third from outside New Mexico.

For the advertising partner, she is working on a creative refresh and the FY 18 advertising plan is reaching out to advertisers now and a wrap up within next week. The contract is completed for FY 18.

Member Lucero asked if she had considered sending Ms. Acosta to Lou Hammond for training.

Ms. Delgado said better than that, Lou Hammond is coming here and she will meet with Joanne.

Mr. Randall mentioned Fuse Ideas, which is a new innovative approach.

Member Hendry was very happy with Studio X.

Ms. Delgado talked about the Santa Fe Margarita Trail App RFP and she has selected a local company for it.

She is now putting together a four-panel brochure regarding Santa Fe Celebrates Global Art and Culture and El Prado. She shared copies of the brochure with the Board members. She also noted advertising through September 30 with landing on Santa Fe.org for this year-long celebration.

Ms. Delgado reported on Santa Fe.com and described its new look with a more graphic feel that will be coming out next month.

She also listed the visiting press for May, including a visit from Sunset Magazine; AAA, and others. It was a very busy month. They got coverage in Departures Magazine. The value was over \$700,000.

Lastly, she reported on using Jack Rabbit Systems services.

Member Pettus asked if they could have the weather report (temperatures) on Santa Fe.org.

Ms. Delgado recalled they once had that.

Member Hendry said they once had a live billboard in El Paso and Ruidoso on a website and it was a big hit.

Ms. Delgado said she would work on it.

Member Hendry offered assistance on that.

c. Executive Director Report – Randy Randall

Mr. Randall said Destimetrix has added Drury, Inn at Loretto, St. Francis, Chimayó and are working on the Hilton. That makes about 82% penetration and is strictly a downtown report. It soon will be about 95%. It just lacks Hilton and Anasazi and Hilton is 50/50 now.

He just finished the RFP for forecasting and received only one responder - Destimetrix. So, we will be ready for better comparative forecasts for next year.

- two foot officers in downtown starting in July 1. Eventually, they will use segues. Maybe rent some first. If an emergency occurred - they might get reassigned but Chief committed to have them downtown.
- He is working with Parks for a 90-day trial of two people for litter pickup and weed control, focused on the Plaza area and working out from there.
- Meeting with Parks and Public Works for sidewalk and street cleaning. Sidewalks are the responsibility of the retailers. There is a lot of deferred dirt and grime downtown but the street sweepers only cut down the dust; not clean them. A new machine would cost \$300,000. He felt the City has waited long enough.
- The Margarita Trail now has, in addition to the app, the Margarita Society, which has progressive membership categories. He is hoping to develop a more attractive logo for the Society to use in retail marketing.
- He mentioned the new General Manager, Rik Blight, at La Fonda. He worked previously at Caneel Bay on St. John's Island.
- The National Governor's Conference coming here is a really big deal. He has requested all hotels to give us information on group activities in the hotels, and more data.
- They are remodeling to move the visitors center next to the gallery.

VI. Other Matters by the Board

Member Lucero commented about panhandlers from out of town and also some homeless people on the Plaza.

Mr. Randall said he is meeting with Renee Martínez to come up with "big picture" solution - like creating a campus for homeless people and a van for those who want to work for the City, patterned after the Albuquerque program. And instead of giving money to panhandlers, to donate money for the program. It is a problem to deal with. They are working on broadening the panhandler laws to restrict them to 20' from any business and none on any City property. That doesn't mean homeless cannot be there.

Member Lucero reminded the Board that the Bandstand on the Plaza is starting tonight and no smoking will be allowed on the Plaza.

Mr. Randall agreed and the Santa Fe Opera starts Friday.

Member Hyer said he would not be at the July meeting.

Mr. Randall asked if Member Hyer could identify an alternate when he can't be here. He pointed out that an alternate is allowed because he is ex-officio. He should run it through the City Attorney's office.

Chair Margetson said it is very helpful to have Member Hyer here.

Mr. Randall said he would like to get notices of the LTAB meetings and is not getting them now.

VII. Adjournment

The meeting was adjourned at 11:35 a.m.

Approved by:

Paul Margetson, Chair

Submitted by:


Carl Boaz for Carl G. Boaz, Inc.