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OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
TUESDAY, JULY 24, 2018, 10:00 AM

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OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
TUESDAY, JULY 24, 2018, 10:00 AM

1. CALL TO ORDER

The meeting of the Occupancy Tax Advisory Board was called to order by Paul Margetson, Chair, on Tuesday, July 24, 2018 at 10:00 am at City Hall in the City Council Chambers, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT
Paul Margetson, Chair
Al Lucero
Elizabeth Pettus

MEMBERS ABSENT
Victoria Bruneni, Excused
Jon Hendry, Excused

OTHERS PRESENT
Randy Randall, Executive Director, Tourism Department
Joy Rice, Marketing Manager, Tourism Department
Dave Carr, Sales Director, Tourism Department
Chris Jonas, Emerging Media Alliance, Littleglobe
Frank Ragano, Emerging Media Alliance, Currents
Elizabeth Martin, Stenographer

3. APPROVAL OF AGENDA

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

VOTE The motion passed unanimously by voice vote.

4. APPROVAL OF JUNE MINUTES

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

VOTE The motion passed unanimously by voice vote.

5. FINAL REPORTS

A. LITTLE GLOBE/ EMERGING MEDIA CHRIS JONAS

Mr. Jonas said thank you all for your support of our project. The Emerging Media Alliance, a project of the Film Commission, ran a social media campaign to leverage the events and organizations we are helping to create Emerging Media Month. We built a website and populated it and shared that widely through Facebook, Instagram and Twitter. We paid for Boost ads for targeted advertising for local and regional markets and had a successful result. Our numbers are in the report in the packet. Outstanding numbers were that our total reach was 1.5 million people through Facebook, Instagram and Twitter and leveraging that through our membership. We now have a very robust social media campaign, website and collection of content from the month of June which we will re-leverage to advance the story of Emerging Media in Santa Fe. We had an event on June 14th, which was part of part Currents, with 250 people in attendance. The Mayor did a Proclamation for Emerging Media Month as well.

Mr. Randall said you will see that Currents was a big part of Emerging Media Month. Currents is in it's 9th year. On page 27 of your packet is the Executive Summary of the Economic Development Summary Analysis done by Southwest Planning on Currents it showed combined spending of $1.367 million, $23,800 in lodges tax and GRT of $30,000 for Currents. That is terrific. We hope you, Frank, are pleased with the results. This was a hard one to do because they don't charge admission. To him, he thinks Emerging Media is something Santa Fe can become better and better known for as we move along. He did not realize Currents was Emerging Media. Emerging Media is a collaborative effort. If we want to talk about using OTAB dollars to invest in the future of things we can grow and develop Emerging Media fits right in there. Things we are not well known for right now, but can get better known for them. He thinks this was a terrific use of OTAB money. We would like to tie in our Emerging Media program to what you are doing Chris.

Chair Margetson said you reached and engaged these people. What do you have to do to be engaged.

Mr. Jonas said in the social media world there are different levels of reach. It is within the domain of just seeing something. $1.5 million saw.

Chair Margetson asked do they just pass by.

Mr. Jonas said they saw it. The next tier is views. They sat and watched it for awhile. Reach is just that it showed up in people's feeds. Engagement means they actually said something and their whole networks saw it. 117,000 was our engagement. Interacting with the site. 8% engagement is extraordinary. We had 2 videos and we had 140,000 view the videos. Clicking from Facebook to our website was 4,300. For 4,300 to take the time to go on our website was extraordinary. We boosted our

followers.

Mr. Randall said that is really strong.

Chair Margetson said thank you.

Mr. Randall said Currents was terrific. It is international which amazed him.

Mr. Ragano said we flew in 40 artists from Europe and Asia.

Mr. Randall said Currents was part of Emerging Media Month. We picked it as the largest component of it to look at the economic impact. We had funded Currents over 3 years.

Mr. Ragano said over 8,000 people attend for the run of the show. Surveys showed 60% lived in Santa Fe, 69.7 % within 30 miles and 30.3% within the surrounding area. 48.8% said that was the main reason for their visit to Santa Fe. 31% said it was one of the main reasons. 53% drove here, 29% flew into Albuquerque and 5% flew into Santa Fe.

Mr. Randall said 35% of visitation was by tourists and half of those came because of it which leaves a huge opportunity for us to get the work of Currents and Emerging Media Month out to our current visitors. It was a big enhancement to their visit. Frank think about how we can get more visitors aware of the events so they can attend.

Mr. Ragano said this was the first time out for Emerging Media Month. He thinks it will grow and solidify partners. 72% indicated they spent the night in Santa Fe. 45% of those indicated they stayed in a hotel or motel, 29% in vacation rentals and 19% with friends and relatives. We were surprised. It was stronger than we anticipated.

Chair Margetson said the whole City had a strong month due to you and Chris. He agrees with all Randy said. Good job. We appreciate it.

6. NORTHERN NEW MEXICO AIR ALLIANCE

Mr. Randall said they are shifting their primary focus from just the Phoenix flight to hiring a consultant and bringing in a new flight. It will be hard to maintain the enthusiasm for support for the Airport if we can't bring in an additional flight soon. There is very little being spent to push the flight to Phoenix. Phoenix is one of our primary fly markets that we continue to work with. We were putting about $150,000 in specific advertising into the Phoenix market to fly here. We just got a report that April, May and June did well. August and September are a bit weak so far. We can only spend so much for so long to continue to build that market.

Mr. Lucero asked what do you mean by another consultant.

Mr. Randall said we had Kent Myers as our primary consultant brought in by Taos Ski valley. The Alliance decided we need to make sure he is the right consultant to help grow the market. The decision was made 3 months ago to explore the market. 5 consultant groups were identified with him being one of them. It was narrowed to 2. He was not one of the 2.

Chair Margetson said he has been mostly reactive rather than proactive. We should make a decision this week.

Mr. Randall said it will take funding we would have put toward marketing to pay this consultant to help us grow. It is about a $50,000 contract. We clearly need to have a more aggressive professional approaching airlines and getting their interest and involvement.

Mr. Lucero asked you have discussed this with Taos Ski Valley.

Chair Margetson said Chris Daggert is on the Board. He thinks they are on board and understand where we are coming from.

Mr. Randall said Taos and Taos Ski Valley would like to get a flight in to the Taos Airport. They are looking at a charter flight of 15 or so. They would like us to take over the charter in the summer. The Alliance can look at that. That might be a way that a film company doing a film in Santa Fe for a year might commit to the flight and seats.

Mr. Lucero asked you are asking about needing other flights.

Mr. Randall said other flights other than Phoenix.

Chair Margetson said the consultant will be looking at Burbank.

Mr. Randall said without professional guidance we are floundering. We need a consultant to do that with Alaska Airlines.

Mr. Lucero asked do the airlines do any promotion to help their flights in to Santa Fe.

Mr. Randall said they leave it up to us as a destination to put forth the initial effort which was the reason for the 2 year revenue guarantees.

Mr. Lucero asked are they prone to give you free flights for promotion.

Mr. Randall said no, we had to pay for all the flights we gave away in the Phoenix promotion.

Ms. Pettus said one of the most valuable pieces of advertising we do is a column that says "we buy things from people." What about doing a small piece in the Phoenix paper saying what the temperature is in Santa Fe. If you reminded people on a continual basis it might help. She is assuming a lot of people from Phoenix have a second house here. What we are not getting is visitors who come and will stay in hotels and motels.

Mr. Randall said maybe we should be more focused on our social media side. We are working with a firm who can geo-fence with people's cell phone. There may be something we can do with that. Phoenix tends to look more to San Diego and water. The social media message could be what the temperature is in Santa Fe.

Chair Margetson said the airline is obliged to continue to serve the Phoenix market until December. We don't know what will happen after that. Our consultant feels comfortable that it will continue.

Ms. Pettus said Alaska Airlines goes to College Station. College Station is going to LA.

7. ECONOMIC IMPACT REPORT

Mr. Randall said we did an economic impact report during Emergency Media Month on Currents. Take a look at the report. In addition to Currents we are going to do Indian Market, the Wine and Chili event and HIPICO. After those are completed we have 2 more opportunities to do economic impact reports. Spanish Market did not want us to do it. They hired their own firm to do theirs. Frank was pleased with the results of the one we did on Currents and he said he could not have afforded to do it. We will approach Spanish Market again now that they have a new Director.

8. LODGERS TAX UPDATE

Mr. Randall said this report is in the meeting packet. We are up from $800,000 to $810,000. We have had strong results from the lodging community and efforts on short term rentals. We expect a couple of hundred in increases in hotel lodgers tax next year. There is another $200,000 to $250,000 in short term rentals we can collect.

Mr. Randall said any extra funds we earn over what we budget to spend gets distributed to fund balances. There are 2 points that goes to the fund that pays the debt service account, 1/7 to the Arts Commission, 1 point to the Operating Account for the Convention Center and 3 points into our marketing fund. To use those monies we could go to Council for expenditure of those funds. 7 points of total lodgers tax.

Mr. Lucero said so all money stays within the Tourism Department.

Mr. Randall said yes.

Chair Margetson said it is a concern to some extent that short term rental is huge, but the overall increase from the hotel industry had a1% increase over the prior year.

Mr. Randall said $100,000.

Chair Margetson said it is not terribly exciting. It is a concern. As a hotelier we don't like to plateau, we like a growth pattern. This is not growth. There are more short term rentals rooms available downtown than hotel rooms. This July has come around.

Mr. Randall said yes, in general. Air B and B has 1,100 units in the City market and 1,385 in the City and County.

Mr. Randall said looking at the calendar last year we were down 1.3% in occupancy, but up in rates. This year for the first 6 months downtown hotels were up 4% occupancy and up in average rates. We are at the mercy of hotels making good revenue management decisions.

Mr. Lucero said he understands that Buffalo Thunder is charging quite a rate.

Mr. Randall said because it dominated the numbers they are up $12.29 . About 15%. It is a combination of improved occupancy and a much improved average rate. It is being better managed as well.

Chair Margetson said this time next year hotels taxes will increase to 2% from 1%.

Mr. Randall said it is not totally up to the City how we market as a whole.

Ms. Pettus asked when is the new hotel getting started. The Garretts place.

Chair Margetson said the new operators take over September 1st. They are going to renovate one wing at a time.

Mr. Randall said he would be very surprised if we see much of a difference. He thinks they will continue to be the least expensive hotel in downtown.

Mr. Randall said Holiday Inn Express was approved for Cerrillos Road. There are people talking about acquisition of La Posada.

Mr. Randall explained the GRT report on page 77.

Mr. Randall said the fact that we are maintaining occupancy while short term

rentals are growing shows the demand has returned that would have had the hotels operating at 80%. The demand is there, but the supply has opened up more.

Ms. Pettus said it is a different person who wants to stay at Air B and B. They are not really going head to head.

Mr. Randall said it really depends on the purpose for your visit.

Mr. Lucero said it is driven a lot by younger demographics.

9. CVB ACTIVITY REPORTS

A. SALES REPORT
DAVID CARR

Mr. Carr said his report is in the meeting packet. He reviewed his report.

Mr. Carr said we are up in leads and definite bookings and are pacing well. He thinks we will exceed our goal for this year. This month is looking strong. We are pacing for 2019. The NGA has come and gone. Our team did a great job. The NGA had nothing but positive things to say about the Convention Center and our staff. There were no issues. We had 3 beautiful evening events. NGA has said we can use them as a recommendation for prospective groups. We had 21 Governors and 7 International delegations. For the Tio Coco event NGA had a videographer and so did Ray Sandoval. It was spectacular.

Mr. Lucero said Nevada has stolen that burning man thing. We are the original burning man. Ours is more of a family and community event.

Mr. Randall said we are nearing full occupancy on the night Zozobra is happening. It is up in the low to mid 90s. We can get more publicity for Santa Fe out of broadcasting Zozobra. We trying to get some national press out on it.

Chair Margetson asked what about doing Tio Coco in February.

Mr. Randall said it cost $100,000 to produce that

B MARKETING REPORT
JOY RICE

Ms. Rice said her report is in the meeting packet starting with page 82. She reviewed the report.

Mr. Randall said this Andara system is simply an indicator.

Ms. Rice said we are still working to onboard more downtown hotels into the system.

Mr. Randall said we are trying to move the Blog to talk more about things people don't know about Santa Fe. We do one a week. We will be doing one at the end of August that talks about the best way to see the Balloon Fiesta is to stay in Santa Fe and go back and forth.

Mr. Rice said the one today is about 9 insider ways to enjoy the Indian Market.

Mr. Randall said we are on the cover of *Outside Magazine* and were named the number 1 place to live by them.

Chair Margetson asked how are the visitors centers doing.

Mr. Randall said flat with last year.

Chair Margetson asked which is the weakest.

Mr. Randall said we are looking to move up the Railyard one to 7 days a week with a security person there.

Chair Margetson asked what about the bathroom in downtown.

Mr. Randall said he met with the architect yesterday. He will have some initial drawings soon. We need to get it on the CIP list for the City.

Mr. Randall said we will be terminating the Blog relationship with the County. Now that we have a social media coordinator on staff we will be doing our own. With the addition of our social media staff we are realizing how much opportunity we have in social media. It is a lot better.

Ms. Rice explained Andara.

Ms. Pettus asked when the Samantha Brown piece is out will the City be able to publish it.

Ms. Rice said yes.

Chair Margetson said your report was very well done Joy. Do we know about a replacement for her yet.

Mr. Randall said we are working on that now. As you know, Ms. Rice did not

apply for the position.

C. EXECUTIVE DIRECTOR REPORT
RANDY RANDALL

Mr. Randall reported that Jordan Guenther, our new Marketing Director, starts Monday. He was with the State. He has good experience and is young. He seems to be very excited about joining us. Joy did not apply for the position. She did an outstanding job for us. We hope to see a bit of a change of direction here and there with Jordan. There are ways we could be doing some things better.

Mr. Randall said walk through the lobby of the Convention Center. We have a new rug there. It was installed just prior to NGA. It really improves the look there.

Mr. Lucero asked do you have a budget for updating equipment.

Mr. Randall said yes we do. He does not have the year end fund balances. Finance has not produced them. There are over 600 funds in the City that Finance manages.

Mr. Randall's report is in the meeting packet. He said on the sales side we are going to increase our focus a bit on corporate groups with David. The emphasis has been on associations. We will be making an increased effort on bringing in corporate groups and planning type meetings. With the improved economy more corporations are beginning to shift to do out of town meetings. NGA went very well. It is a feather in our cap. We will not get the national exposure we would have gotten if we had the President or Vice President visit. We will use it as an example of our ability to do multi-map site events. Hats off to David.

Mr. Randall continues Music Week is August 24th through September 3rd. We bought a flight of ads on one of the television stations. We are working with the *New Mexican* as well. You will start to see some ads in Pasa Tiempo.

Ms. Pettus asked is there a poster.

Mr. Randall said yes, a poster was created.

Ms. Pettus asked may we have some.

Mr. Randall said yes, we will get them to you.

Mr. Randall said HIPICO has one week behind it. This next week is the Sister City Challenge on Saturday. He thinks they ended up with 40 horses coming from

Mexico. Last year there were zero. In the first weekend of competition there were 400 horses involved. Next week will be 600 and the 3rd week will be 600 which is capacity. There will be 400 to 450 horses the last week. They have done a lot of things to improve the free spectator area. It is Thursday, Friday, Saturday and Sunday.

Mr. Randall said the OTAB Board had one member of the Board resign. Mr. Margetson. Next month is his last month as a member and Chair. The other 4 positions terms have expired. We will be advertising those positions next week. People who fill the positions in lodging and tourism are not required to be City residents. They are required to be in business in the City. He would like to request that if either of you and the other 2 would like to continue, and he would like to see some continuity on the board, he encourages you to send a letter of interest along with your resume to the City Clerk. She prepares a list and information and gives that to the Mayor for his recommendation which is confirmed at City Council. He thinks the Santa Fe Lodgers will be providing some recommendations as to people from the hotels. He encourages you 2 to put your application in for the tourism sector.

Mr. Randall said we have a lot of new Department Heads at the City. There are a total of 14 and 7 or 8 are new. At least 10 are new in their role. There is a new energy within the City that is much greater than he has experienced and seen over the last 4 years. It is quite a different situation. It is exciting to see new energy. He is encouraged by it. He thinks the City will be a better and easier place to do business. He hopes we will continue to see our tourism attributes and assets grow. We had our staff meeting out at the campus. For the next couple of years some of the buildings will get leased to businesses to benefit Santa Fe. That is the interim plan. The studios are going to continue to be available for film business. Office space is available for production companies to have. There was even an idea this morning that there are some apartments that were student housing there that will be made available to people who can't occupy their homes due to flooding and water damage from last night. Some people will not have a place to live during repairs. That is exciting. There was quite a bit of damage. Possibly it will put us in the category of a disaster area.

Mr. Randall said Meow Wolf had a lot of water intrusion there. At the Airport the recorded ½ inch and at the highest recording place it was 3.58 inches. There were damaged bridges and some sidewalks were taken out. It was the highest amount of rain we have received since 1997.

Chair Margetson said what makes him come to these meeting is your reminder. Do we send that out to the lodgers.

Mr. Randall said it is pubic information. A link to the agenda is sent to the GMs.

Chair Margetson said it is amazing that no one cares enough to attend the meetings.

Mr. Lucero said all you guys do a good job. Your reports are more comprehensive than ever.

Chair Margetson said thank you Mr. Randall and staff.

10. OTHER MATTERS BY THE BOARD

None.

11. NEXT MEETING
AUGUST 28, 2018

12. ADJOURNMENT

There being no further business before the Board the meeting adjourned at 11:55 am.

_____
Paul Margetson, Chair

_____
Elizabeth Martin, Stenographer