

**SUMMARY OF ACTION  
OCCUPANCY TAX ADVISORY BOARD  
CITY HALL, COUNCIL CHAMBERS  
TUESDAY, AUGUST 28, 2018, 10:00 AM**

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ADJOURNMENT

ADJOURNED

10

**OCCUPANCY TAX ADVISORY BOARD  
CITY HALL, COUNCIL CHAMBERS  
TUESDAY, AUGUST 28, 2018, 10:00 AM**

**I. PROCEDURES**

**A. CALL TO ORDER**

The meeting of the Occupancy Tax Advisory Board was called to order by Paul Margetson, Chair, on Tuesday, August 28, 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  
Victoria Bruneni (arrived at 11:00 am)  
Jon Hendry

**MEMBERS ABSENT**

Al Lucero, Excused  
Elizabeth Pettus, Excused

A quorum was not achieved until Ms. Bruneni arrived.

**OTHERS PRESENT**

Chris Hyer, Santa Fe County, Ex Officio Member  
Randy Randall, Executive Director, Tourism Department  
Jordan Guenther, Marketing Manager, Tourism Department  
Dave Carr, Sales Director, Tourism Department  
Gretchen Grogen, Santa Fe Century  
Mickey Fong, Santa Fe Century  
Elizabeth Martin, Stenographer

Chair Margetson said this will be his last meeting as Chair as on the Board.

**C. APPROVAL OF AGENDA**

**MOTION** A motion was made by Mr. Hendry, seconded by Ms. Bruneni, to approve the agenda as presented.

**VOTE** The motion passed unanimously by voice vote.

**D. APPROVAL OF MINUTES**

Chair Margetson said on page 4 it is Chris Stagg, not Chris Daggert. On page 5 it is 1 point, not 1/7. On page 6 it is Garretts Desert Inn.

**MOTION** A motion was made by Ms. Bruneni, seconded by Mr. Hendry, to approve the minutes as amended.

**VOTE** The motion passed unanimously by voice vote.

## **II. FINAL REPORTS**

### **A. SANTA FE CENTURY FINAL REPORT GRETCHEN GROGEN**

Ms. Grogen reported that she was hired to do the marketing and public relations activities for the 2018 event. This was the 33<sup>rd</sup> annual event and was held on Saturday and Sunday, May 19<sup>th</sup> and 20<sup>th</sup>. It featured a 100 mile, 50 mile and 20 mile race. This is the oldest bike race in New Mexico. We moved to a new home this year, the Santa Fe Community College. The College turned out to be a great venue for us. There was ample parking, enough space for our beer garden and for our vintage bicycle celebration. There was a more direct start to the bicycling routes and the opportunity for the first time to offer a 20 mile ride on the Santa Fe Rail Trail where we were able to include children. Our funding was \$6,500 from a marketing grant from the State, a grant from Santa Fe County for \$7,000 and from OTAB \$12, 500 for marketing. Our marketing strategy included digital advertising and social media, publicity and direct mail. 1,000 bike shops were mailed posters and we mailed post cards to 4,000 riders who were previously participants. Social media included weekly postings to the website as well as for the first time on Travel New Mexico's instagram account. The event was promoted through digital display ads posted on bicycle sites and publically featured in selected bicycling magazines with regional circulation and several articles in local newspapers. We had 2,210 riders and racers who participated. 52% lived in states other than New Mexico which was the highest we have seen. 1,026 stayed in hotels for 2 to 3 nights which was 46% of the total and the largest percentage we have seen. We had an 18% increase in hotel rooms booked. Approximately \$373,000 was generated in hotel sales and \$164,000 in restaurant meals for total \$537,000 which is a 13% increase from 2017. 87% pre registered on line which was the largest percentage since 2015. The City and the County and the New Mexico Tourism Division invested \$26,000 which generated \$537,000. That is a good return on investment. We anticipate continuing with the social media efforts next year. We will continue to do direct mailings as well as postcard mailings.

Chair Margetson said he served on your Board previously. Your report was detailed and concise and tremendous. Thank you. What is the source of the room night

and dollars information.

Ms. Grogen said we track that when people register on line and we ask them when they register in person. We ask them for hotel nights and the number of people in their party.

Chair Margetson asked do we lose business to Albuquerque in hotel rooms.

Ms. Grogen said the largest number of people come from Colorado. It makes sense that they would stay in Santa Fe.

Chair Margetson asked what was the total attendance versus last year.

Ms. Grogen said it was on par with last year. It did not increase in the total, but the number of people from outside of Santa Fe increased.

Mr. Hendry arrived at the meeting.

Mr. Randall said this is a tremendous event. We challenged them to try to increase the stay a bit and it appears that happened. It is extremely beneficial to us as a City.

Mr. Randall said we have revived the efforts to bring the Gran Fondo New York event to Santa Fe. The current date being looked at is the 3<sup>rd</sup> weekend of June. Do you see that as a problem. It would be one month after your event. We have to work with when the Gran Fondo New York has their other 18 events throughout the world. One possibility might be to move it to the 3<sup>rd</sup> weekend of September. We have not explored that with them yet. No other major event is on that weekend. Would that be better.

Ms Fong said in June would be fine. It attracts a different kind of ridership. It would put New Mexico in the spotlight for an event like that.

Mr. Randall said there is no other event in the United States, but there are 18 throughout the world.

Ms. Fong said it would draw international riders which would be unique. New Mexico has never had an event like that. It also brings people just to watch as well. It would be awesome if you could move it to September. The fall is a time where there are not many bicycling events.

Mr. Randall said he wanted their opinion. So June is not detrimental.

Ms. Fong said no, it is a different ridership.

Chair Margetson said thank you for your time.

Mr. Randall said this is the 2<sup>nd</sup> year of our funding for them so there will be an opportunity for next year to fund them again.

**B. IATSE/FILM WEEK FINAL REPORT  
NANI RIVERA**

Mr. Hendry said this report is in your packet. This was our first effort to try to consolidate everything film. It was held in February of this year. There were a number of different events highlighted by the Hall of Fame, the Santa Fe Film Festival, Tune Up, and the New Mexico Film Office educational event. It was 6 days. It was more successful than we hoped it would be. Everything sold out. We had over 10,000 attendees, we were featured in the weekly *Alibi*, the *Albuquerque Journal*, the *Santa Fe New Mexican*, the *Las Cruces Sun News*, and all 3 local TV channels. It was picked up by CBS local as well. We worked with the Hutton stations here and used 11 radio stations with multiple spots. We had digital billboards between here and Albuquerque. Over 2 million people viewed our social media. It was an extremely successful Film Week. The Hall of Fame banquet sold out 2 weeks before the event. We honored George RR Martin.

For next year it is the 50<sup>th</sup> year of *Easy Rider* and there are 4 other New Mexico well known films with anniversaries. He expects all of these will be honored at our next Hall of Fame. It will be on February 19th.

Chair Margetson said you say in the packet that you generated 4,000 hotel nights. Where does that number come from.

Mr. Hendry said we paid for 1/3 of those. Most people stayed 6 nights. It is a guesstimate. We know the official hotels we had sold out.

Mr. Hendry said 1,700 people applied to have their films included in Film Week. 150 were selected. They all promoted their movies and the festival on their social media. We are working on coming up with a better name for the week. We think the idea of week long events is successful. We are looking at Book Week as well and Performance Week. We have Film Week and Music Week.

Chair Margetson asked how much funding did OTAB give you.

Mr. Hendry said \$20,000.

Mr. Randall said this was a first time event and one of the best way we can spend lodgers tax grant funds. We have 3 year funding cycles on events so that we don't become an ongoing piece of the event's funding and so that they use the funds as start

up or expansion. He encourages OTAB to continue to keep that in mind as their primary mission. To get new events started or expand current events. He thinks Music Week will have a positive outcome as well. Great job Jon.

Chair Margetson said thanks Jon.

### **III. NORTHERN NEW MEXICO AIR ALLIANCE PAUL MARGETSON**

Chair Margetson said we have used all the funds we raised to pay American Airlines to supplement the Phoenix flight. We are hoping that flight continues. They have cut back on the flights to 5 days a week. The latest report shows equal numbers of passengers going out and coming in so the schedule has improved. We are no longer funding them. We will continue spending \$1,500 a month on social media for awareness. Jordan is going to help us with that program. We are in the process of hiring the consultant we talked about. We are hiring InterVISTAS.

Chair Margetson said InterVISTAS is the company we hired to help us determine other locations for flights that would be successful for us. Our focus for the next several months will be on that. Our fundraising is on hold. By the end of the year we should have a report from InterVISTAS that outlines destinations and carriers that we have a chance of attracting. There is some concern from the Airport Manager about capacity, but we are looking into that.

Mr. Randall said InterVISTAS will help the Airport to build a 3<sup>rd</sup> party study as to the benefit of bringing another carrier to Santa Fe. Hopefully there will not have to be as strong a financial support system as the last one. We hope the next new one will be based on a true economic model that makes sense for the airline and us and the need for revenue guarantees will be reduced or eliminated. That is one of the goals of the consultant. This is to truly evaluate the markets that Santa Fe could support.

Mr. Hendry said he just does not think people in this town realize the economic value of the airport. The airport generates a lot of jobs in addition to the ones at the Airport itself. That is a big parcel of land that we could do more with.

Chair Margetson said the Alliance is frustrated that we have been struggling to get an MOU with the City for several months and in the meantime are not able to apply for grants and get funds. We are on hold until the powers that be can get this done for us.

Mr. Randall asked will you be attending our meeting on a monthly basis to report on the progress of the Alliance.

Chair Margetson said he will report when he can.

Mr. Randall said you are welcome at any time.

#### **IV. LODGERS TAX UPDATE**

Mr. Randall reported that June is up 13.58%. This will be the first time we have exceeded \$1 million in total income from the hotels. It is \$1,037,800. We have continued improvement in short term rentals. The amount collected went from \$119,000 to \$155,000 this year. That supports what we already knew that a lot of commerce was going on with no lodgers tax being paid.

Mr. Randall said in the July Rocky Mountain Report the City is up 1.7%. The overall rev par downtown is up and Cerrillos Road is up. He thinks we ought to have an \$80,000 to \$85,000 increase in lodgers tax for July. Smith Travel showed the Cerrillos Road rev par up \$3.00. We are looking strong for July. One thing we might want to suggest to our Board, as it gets reconstituted, is that the hotel participants on it could bring a bit of a report on how the future looks. He is pleased to report it is strong.

Chair Margetson said that is due to Tourism Santa Fe.

Chair Margetson said he is encouraged by August, September and October. He thinks the next 2 to 3 months will be strong. Even November is coming along well. The increase in tax rev related to short term rentals has not necessarily effected the revenue for hotels. We are not suffering with that so much so far. The days of 90% occupancy are gone though and short term rentals have effected that. He does want to compliment Randy on getting the short term collections done. This is the world we live in now.

Mr. Randall said the popularity of vacation rentals continues to increase, but he does not think the increase in tax revenue is taking away from revenue from the hotels. He thinks we are doing a better job of finding, documenting and collecting the tax.

Chair Margetson asked can we talk to Air B and B about helping us collect.

Mr. Randall said they don't really handle the money. The transactions are between the owner and the renter. We do have an opportunity to have a statewide relationship with Air B and B for the collection of gross receipts tax.

Ms. Bruneni arrived at the meeting. Now there is a quorum.

Mr. Randall said both candidates for Governor have expressed concern on this and a willingness to prioritize this for Taxation and Revenue.

Chair Margetson said the Air B and B landlords do not have to file with the City

regarding their revenues.

Mr. Randall said Air B and B does that on their behalf on a consolidate basis. He does think it is appropriate to work with Air B and B on obtaining more detailed information.

## **V. CVB ACTIVITY REPORTS**

### **A. SALES REPORT**

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

Chair Margetson asked do you feel positive about 2019

Mr. Carr said yes. We won't have the National Governor's Association again this year and the Dual Languages Conference is in Albuquerque this year. Next year they come back to Santa Fe. We are working on a couple of large programs to replace those. The issue with large programs is that in Santa Fe they have to use more than one venue to accommodate a large group as well as the Convention Center. Some groups just do not want to do that.

Chair Margetson said at the last meeting you said you were going to go after corporate meetings and have less emphasis on associations.

Mr. Carr said we just sent out a huge blast to Dallas, Austin, Houston, Denver, Chicago and the greater DC area marketing for corporate meetings. We had 48 responses on the first day. We have a couple of thousand contacts. We are doing targeted blasts targeting destinations. We will be doing these on a monthly basis. We are also sending eblasts to trade show attendees whenever we have the attendance lists. The numbers in the packet charts come from the zip code reports.

Chair Margetson asked are we all participating hotels.

Mr. Randall said 14 properties participate.

Mr. Carr said California has always been a struggle for group business. We do a lot more leisure with them.

Chair Margetson said thank you.

### **B. MARKETING REPORT**

Mr. Randall said this is Jordan's first OTAB meeting. He is doing fantastic. We have not missed a step.

Mr. Guenther said his report is in the packet. He reviewed the Executive Summary of his marketing report.

Chair Margetson said he saw a report that Twitter is losing ground in terms of a marketing site.

Mr. Guenther said they are in terms of being a site to use in your marketing campaigns.

Chair Margetson said welcome aboard. That was a tremendous report. Thank you.

### **C. EXECUTIVE DIRECTOR REPORT**

Mr. Randall said Music Week is underway. Attendance at the paid performances has been pretty good. He thinks it is a terrific concept. He hopes it gains some momentum as it grows.

Chair Margetson said he has not seen much press.

Mr. Randall said we have done some advertising in the *New Mexican*, there have not been many articles about it.

Mr. Hendry said there was a great editorial in Friday's *New Mexican*.

Mr. Randall said this is done with funding outside of OTAB grants.

Mr. Randall reported that they are working right now on bringing free Wifi to the Plaza. Currently there is no connectivity. We are working with a group out of the Chamber of Commerce. It is going to cost \$15,000 to \$20,000 thousand. He reached out to the County Manger and she committed \$5,000 toward the effort. We have \$1,000 from the downtown merchants. Tourism Santa Fe will fund the balance of the installation costs. This will be a partnership. He hopes the provider will pick up the operational costs as a community support gesture. We hope to have it hot by the end of this year. There will be a requirement to give your email address to get the free Wifi service and they will have to answer a question as to if they are a resident or visitor. Then we can tie the visitors to emails and surveys. As he said before the Gran Fonda has been revived. A nonprofit has been put together. They have officers. We are contracting with Michael who ran Century for several years. He lives in Spain now, but will be here several times in the near future. He will coordinate the effort and will move back here next spring to run the effort. Start up funds will come from Tourism Santa Fe.

Mr. Randall said as to the Entrada, there seems to be great deal of compromise and harmony between the varying views of how fiestas should be portrayed and the commitment to having a fiesta. The Santa Fe Fiesta is the oldest continuing celebration in the United States. The Entrada is gone. There will be a mass on Friday at sunrise where there will be harmony and there will be an event after that. There will potentially be some protesting, but all in all the groups involved have done a terrific job of coming up with a proper alternative. The Mayor mentioned this morning at our senior staff meeting that there will be an increased focus on the indigenous people celebration. You will see a whole series of programs that will go on between the Fiesta and Indigenous Peoples Day. The Native community will be invited guests for the Fiestas and the Fiesta folks will be invited guests and will be embraced during Indigenous Peoples Day activities.

Chair Margetson asked isn't Columbus Day Indigenous Day.

Mr. Randall said Indigenous Peoples Day will stay on Columbus Day.

Mr. Randall said for OTAB grants we have \$100,000 this year. Most of that will be available. We give them on a calendar basis and fund them on a fiscal year basis. We plan to move ahead fairly soon with opening up the application process with the idea that the application period will end at the end of October. Then at our meeting in November we will do the selections. Shirley will be coordinating the grant process for us this year. We have an opportunity to do another PBS film. This one will be about the definition of the City Different. Why Santa Fe is really different than any other City in United States. The architectural type, the art, the cuisine will all be included and will help define that. He thinks this could be really be beneficial for us from the standpoint of being picked up by PBS stations around the country. \$50,000 will be the expense. We will see what grants we get. If we end up without enough funds we could apply for OTAB funds if there is any money left after the selections and awards are completed. He does not want them to come in and claim a larger portion. The Mayor has asked the Departments to put together an end of summer report to talk about successes the Deaprtments have had during the summer period. If anyone wants, to work with him on that, terrific. There will be a series of press releases on those. OTAB appointments, with the exception of the ex officio member who is appointed by the County, have not been advertised yet. He spoke to the Chief of Staff this morning and she said the advertisement will go out in a week or two. Anyone who wants to stay on please send a letter in to the Mayor with a copy to the City Clerk. All terms have expired. To clarify, our positions are designated with 2 members from the lodging community, 2 members from the hospitality community and one at large. The 2 lodging and 2 hospitality positions have no residency requirement. They have to be involved with a business in the City of Santa Fe. The at large member must be a resident of Santa Fe.

Mr. Randall said he wants to give a huge thank you to Paul for serving as Chair. Paul has resigned. This is his last meeting. He has been on this Board for many years and has chaired it for 4 ½ years as least. He is terrific to work with and he runs a great

meeting. Other members will continue to serve until they are replaced.

Chair Margetson said it has been a privilege and a pleasure to serve. He has been on this Board for 12 years.

Chair Margetson asked is there anything new on the bathrooms.

Mr. Randall said Wayne Lloyd has been hired as the architect. He is meeting with him Thursday afternoon to get his initial recommendations as to the type of facility and where it will be on the Water Street parking lot. There will be a minimum of 20 fixtures.

Chair Margetson asked is it in the CIP budget.

Mr. Randall said it needs to get there. We are probably 12 months away from having them.

Chair Margetson said now that Ms. Bruneni is here we can go back and approve the agenda and the minutes. They did so.


#### **VI. OTHERS MATTERS BY THE BOARD**

None.

#### **VII. NEXT MEETING September 25, 2018**

#### **VIII. ADJOURNMENT**

There being no further business before the Board the meeting adjourned at 11:48 am.

  
Paul Margetson, Chair  
Elizabeth Martin, Stenographer