

SUMMARY OF ACTION
OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
TUESDAY, NOVEMBER 27, 2018, 10:00 AM

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER		1
ROLL CALL	QUORUM	
APPROVAL OF AGENDA	APPROVED	1
APPROVAL OF MINUTES	APPROVED	1-2
<u>FINAL REPORTS</u>		
SITE SANTA FE	INFORMATION/DISCUSSION	2
<u>UPDATES FROM RANDY RANDALL</u>		
LODGERS TAX	INFORMATION/DISCUSSION	2-3
NORTHERN NEW MEXICO AIR ALLIANCE	INFORMATION/DISCUSSION	3
2019 OTAB GRANT REVIEW SCHEDULE	APPROVED	3-4
<u>CVB ACTIVITY REPORTS</u>		
SALES REPORT	INFORMATION/DISCUSSION	4
MARKETING REPORT	INFORMATION/DISCUSSION	4
EXECUTIVE DIRECTOR REPORT	INFORMATION/DISCUSSION	4-5
OTHER MATTERS FROM THE BOARD	NONE	5
ADJOURNMENT	ADJOURNMENT	6

**OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
TUESDAY, NOVEMBER 27, 2018, 10:00 AM**

I. PROCEDURES

A. CALL TO ORDER

The meeting of the Occupancy Tax Advisory Board was called to order by Elizabeth Pettus, Chair, at 10:00 am, on Tuesday, November 27, 2018, at City Hall in the City Council Chambers, Santa Fe, New Mexico.

B. ROLL CALL

BOARD MEMBERS PRESENT

Elizabeth Pettus, Chair
Victoria Bruneni
Jon Hendry

BOARD MEMBERS ABSENT

Al Lucero, Excused

OTHERS PRESENT

Randy Randall, Director, City of Santa Fe, Tourism Santa Fe Department
David Carr, TSF Director of Sales
Jordan Guenther, TSF Marketing Director
Kate Kita, Grants Manager, SITE Santa Fe
Anne Wrinkle, Director of External Affairs, SITE Santa Fe
Elizabeth Martin, Stenographer

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
SEPTEMBER 25, 2018**

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

VOTE The motion passed unanimously by voice vote.

II. FINAL REPORTS

A. SITE SANTA FE **Ann Wrinkle, Director of External Affairs** **Kate Kita, Grants Manager**

Ms. Wrinkle handed out a report which is attached herewith to these minutes as Exhibit "1".

Ms. Wrinkle thanked the Board for the funding opportunity.

Mr. Randall said SITE Santa Fe is a strong component of what Santa Fe offers. In its new iteration it offers even more. It is becoming stronger and stronger and more of a value as a venue that we offer our tourists and tourists that come from afar. He thanked them for providing such a good use for OTAB funds. They have done a terrific job.

Mr. Hendry said that was a great report. Thank you for leaving your lights on at night. It makes that dark area inviting. Would you have an issue if they closed the street on the weekend. Paseo de Peralta. You could bring things outside.

Ms. Wrinkle said we rely on the City parking lots and the lot at Warehouse 21 so we would need access there.

Ms. Kita said we do benefit from the foot traffic.

Mr. Hendry said he would like to tie up an Art Week at some point and closing some streets in the City would be helpful.

III. UPDATES FROM RANDY RANDALL

A. LODGERS TAX

Mr. Randall's report is in the meeting packet. He reviewed the report.

Mr. Randall said it appears both our sales and marketing programs are working effectively and we can plan to continue with our plan. We will be doing our advertising RFP in January and will have a member of this Board on the selection committee.

Chair Pettus asked is there a collection issue.

Mr. Randall said no, there is not an issue except that he believes we are still missing out on some money from short term rentals. He expects that the new Land Use Director will be addressing that.

Mr. Hendry said he sees the new Governor making a strong commitment to the True program and that program has not increased the tourism here.

Mr. Randall said the Governor Elect has said she embraces the True program with modifications that include a conversion program. It needs to have continued awareness in new markets, but the markets that have been marketed to need something new.

Mr. Hendry said when you have Red River be part of the transition team for tourism, and few communities have embraced True more than Red River, it can be of concern. Thank goodness they have Vince from Meow Wolf included as a Co Chair. We need to be talking to the transition team about getting our fair share. He is glad you are on top of that.

Mr. Randall said he does think the State Hospitality Association is as strong as it has been. They have prepared a report for Tourism, Economic Development and Workforce Development for the transition team. We will meet with Vince and make sure he understands our thought process on this.

B. NORTHERN NEW MEXICO AIR ALLIANCE

Mr. Randall said it appears that the use of the Airport continues to increase. Denver is maintaining their flight schedule. American is adding a 4th flight to Dallas in the next few months. We have not heard anything from American about the Phoenix flight. The initial report by the consulting firm has been received. It is phase 1. He has not read it in detail yet. They have a raffle going on right now to hopefully raise \$40,000 to \$50,000 and the City Council will consider a Resolution on December 12th that will establish the relationship with the City to enable them to receive financial support from the City.

IV. 2019 OTAB GRANT REVIEW SCHEDULE

Mr. Randall said you have the applications and scoring sheet in front of you today. We would like you to score the applicants and return them with your scores to Shirley Spencer or to him by December 4th. We will have our presentation review on December 6th, from 10:00 am to 4:00 pm in the Tourism conference room. We will bring in lunch. You have six original applications and the two additional applications. We only approved one new event application. There were two others we thought

should be considered for OTAB grants. We have \$100,000 available this year. The second review with the presentations on the 6th of December is intended to be independent from the written report scoring. Keep in mind the two we would like to add were not written specifically for the requirements of the OtAB funding. The additional two are the Artisan Market and Cloud Top Comedy.

MOTION A motion was made by Mr. Hendry, seconded by Ms. Bruneni, to add the additional two events to the OTAB application group.

VOTE The motion passed unanimously by voice vote.

Mr. Randall reported that the Gran Fondo of Santa Fe, to be held on June 3rd was approved for the new event funding. They are affiliated with the Gran Fondo of NY. It will tie a new event with the franchise strength of the Gran Fondo of NY. The scoring, which he did not sit in on, put this event way out in front of the other 3 applications. The two events that were added for consideration for OTAB funding were new events. The fourth was a second year of the Railyard event so it did not qualify as a new event. We will send out more information on this.

V. CVB ACTIVITY REPORTS

A. SALES REPORT

Mr. Carr's report is in the meeting packet. He reviewed the report.

B. MARKETING REPORT

Mr. Guenther's report is in the meeting packet. He reviewed the report.

C. EXECUTIVE DIRECTOR REPORT

Mr. Randall said he and David went to Guadalajara which has started a regular flight to Albuquerque with Volaris airlines. We think it has a lot of potential. We have a conference call tomorrow to discuss a second fam trip. We need to do what we can to make this succeed. There is a lot of interest there in skiing. It is a real marketing opportunity to include a New Mexico ski trip in their vacations. He has suggested that Volaris needs a person on staff there to promote this flight and we offered financial resources to help with that.

Mr. Randall said the Plaza lighting ceremony was great. There were 4,000 or 5,000 people there. The planning for the New years event on the Plaza is moving along. We contracted with Kiwanis and Ray Sandoval to take the lead on that process. The cost is about \$48,000. We will be shooting fireworks off the roof of the La Fonda Hotel this year which is much safer, but is more expensive. We were able to maintain

our private sector support at 50% of the cost. The Downtown Merchants, thank you Elizabeth for taking the lead, continue to support and contribute.

Mr. Randall said we are coming up to the Legislative Session. Our attempts to get with the transition committee will continue to be made. One thing to be aware of is that Senator Wirth, the Senate Majority Leader and one of our local Legislators, has suggested that 50% of the lodgers tax from short term rentals should be allocated to affordable housing. That would cause a big reduction in our budget. Most of that money would have to come out of marketing. It is a wonderful idea, but a drop in the bucket of what affordable housing needs and would be a huge hit to us. We need those funds to effectively market and hold our own in the market.

Mr. Hendry said he doesn't think Senator Wirth understands what we are talking about. If we are going to do that lets make them be commercial businesses and subject to GRT and commercial rates for utilities. Tourists should stay in a hotel that pays a wage. Moving money around is not the solution.

Mr. Randall said he going to focus on that it would cripple our marketing budget. He is not sure where the City of Santa Fe will stand on this. He does know that the State Hospitality Association will be very strong in any change such as that. The most important thing we do is protect the lodgers tax for what it was intended for.

Mr. Randall said the Comp and Class Study will be coming out at the December 12th meeting of City Council. The agenda, which includes the study, will be published on the 7th prior to the meeting. He does not know what it is going to say, but thinks there will be fairly strong suggestions of what the City should do in terms of classification and compensation for employees. This administration is taking a very aggressive role in defining problems and taking them on. To it's credit this report had it come out eight months ago when it was supposed to come out, would have been worthless. It has been refined to a point that it will be very valuable. Addressing issues is far more important than just saying they don't exist.

Mr. Randall said on the 11th of December the Hospitality Association will hold it's holiday party. You are all invited. Tourism Santa Fe is one of the sponsors. The party will be at the Drury from 5:30 pm to 7:30 pm. He hopes to see you there. Also he really really appreciates all of you being willing to continue to serve on this Board as we go through this process. He felt it was important to keep this Board in tact for the review of the OTAB grants because of your experience. Hopefully a new Board will be in place which, should you if you apply, by January or February.

VI. OTHER MATTERS FROM THE BOARD

None.

VII. ADJOURNMENT

There being no further business before the Board the meeting adjourned at 11:20 am.



Elizabeth Pettus, Chair



Elizabeth Martin, Senographer