

**SUMMARY OF ACTION
OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
TUESDAY, FEBRUARY 26, 2019, 10:00 AM**

<u>ITEMS</u>	<u>ACTION</u>	<u>PAGE</u>
<u>PROCEDURES</u>		
CALL TO ORDER		1
ROLL CALL	QUORUM	1
APPROVAL OF AGENDA	APPROVED	1
APPROVAL OF MINUTES	APPROVED	2
<u>FUNDING 2018</u>		
FINAL REPORT - ENTREFLAMENCO SANTA FE	INFORMATION/DISCUSSION	2
<u>UPDATES FROM RANDY RANDALL</u>		
LODGERS TAX	INFORMATION/DISCUSSION	3-4
NORTHERN NEW MEXICO AIR ALLIANCE	INFORMATION/DISCUSSION	3-4
2019 OTAB GRANT FUNDING RECAP	INFORMATION/DISCUSSION	4
<u>CVB ACTIVITY REPORTS</u>		
SALES REPORT	INFORMATION/DISCUSSION	4-5
MARKETING REPORT	INFORMATION/DISCUSSION	5
EXECUTIVE DIRECTOR REPORT	INFORMATION/DISCUSSION	6-7

OTHERS MATTERS BY THE BOARD

INFORMATION/DISCUSSION 7

ADJOURNMENT

ADJOURNMENT 7

**OCCUPANCY TAX ADVISORY BOARD
CITY HALL, CITY COUNCIL CHAMBERS
TUESDAY, FEBRUARY 26, 2019, 10:00 AM**

I. PROCEDURES

A. CALL TO ORDER

The meeting of the Occupancy Tax Advisory Board was called to order by Jon Hendry, Chair, at 10:07 am, on Tuesday, January 22, 2019 at City Hall in the City Council Chambers, Santa Fe, New Mexico.

B. ROLL CALL

BOARD MEMBERS PRESENT

Jon Hendry, Chair
Elizabeth Pettus
Victoria Bruneni
Al Lucero
Maria Rotunda

BOARD MEMBERS ABSENT

OTHERS PRESENT

Randy Randall, Director, City of Santa Fe, Tourism Santa Fe Department
Jordan Guenther, Marketing Director, Tourism Santa Fe Department
Stephanie Ramirez, Entreflamenco Santa Fe
Rick Blithe, La Fonda
Elizabeth Martin, Stenographer

C. APPROVAL OF AGENDA

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

VOTE The motion passed unanimously by voice vote.

D. APPROVAL OF MINUTES

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

VOTE The motion passed unanimously by voice vote.

II. FUNDING 2018

A. FINAL REPORT - ENTREFLAMENCO SANTA FE Stephanie Ramirez, President and one of primary dancers

Ms. Ramirez gave her final report to the Board. The report was included in the meeting packet.

Mr. Lucero said that was a very nice report, thank you.

Mr. Hendry said it was great and perfect. Something he is glad to see is that you are building on your success. Congratulations.

Ms. Pettus asked do you have business partnerships.

Ms. Ramirez said we have some new Board members and one of them is working on business memberships and packets so we are working towards that.

Mr. Randall said this is a great investment for us. Thank you for the report.

Mr. Hendry said he still thinks we should get a electronic billboard by the 599 Rail Runner station to serve as an entrance to the City. It could be on the bridge across 599. You could get data advertisers to pay for it. Put it on both sides of the bridge. You could advertise Santa Fe events as well.

III. UPDATES FROM RANDY RANDALL

A. LODGERS TAX

Mr. Randall reported that the December lodgers tax is up \$160,000. Some was in short term rentals, but most in hotels. We think we might have gotten some arrears payments. The full report is in the packet. He will dig into it. It puts us up at a 10.75% increase year to date. The City is calling him Revenue Randy. It is really exciting. If you look at January, on page 15 the SAR report, revpar is up 18%. We continue to trend where we want to be and should be. He has heard that February is a bit on the flat side. There are some concerns about March because we had some cancellations due to the

government shutdown. From the reporting standpoint it is terrific.

Mr. Lucero asked don't you think we need to credit our snow for a bit of the increase.

Mr. Randall said the snow has been terrific. It helps us, but last year we proved we can continue to see increases and strong occupancies with snow or without. We are a community with skiing rather than a ski community. We also have good golf here and he is getting questions about that as well.

Mr. Lucero said the serious skiers have their own network and know where the snow is.

Mr. Randall said true.

Chair Hendry asked why isn't this a story. There was a story in *The Reporter* about lodgers tax. How they manage to turn that into a negative story is a mystery to him. We have a crisis here on affordable housing, but there is no correlation to that with lodges tax.

Mr. Randall said he agrees with him. Our growth has been so strong in the last few years that it is becoming accepted and expected. It is great news, but for them it is not newsworthy because it is becoming the norm. The good news is we have seen 7% to 9% growth per year and we have gotten our arms around short term rentals.

Chair Hendry said the tourism growth in this state has been non TRUE communities.

Mr. Randall said except the oil patch communities.

B. NORTHERN NEW MEXICO AIR ALLIANCE

Mr. Randall reported that the Alliance is moving along. The Airport has filled the position of Operations Manager. There are 16 flights out there a day now. They are staying very busy. There is nothing on the horizon right now for a new flight. Taos Air is running their flights. They are 30 seat planes are experiencing a 70% load. They would love us to underwrite it. We are going to suggest that they include Santa Fe and do flights from Santa Fe to Taos to wherever they can bring their loads up beyond 70%. Their cost is \$4,000 a flight hour. The average ticket is just shy of \$400 round trip. We don't know how much good 30 seats would do, but if we could get them to do Santa and Fe, Taos, Burbank or southern California we can prove the demand and value of the flight and maybe get a commercial airline to commit.

Chair Hendry asked can you give us an update on the expansion of the terminal.

Ms. Bruneni said they are starting the work in September.

Mr. Randall said the Airport was the highest priority that the City went to the Legislature with. They asked for \$14 million in funding. That would be sufficient for the updates to the terminal and to complete the entrance road.

Ms. Pettus asked could Tourism send out some social media information that could be shared with everyone. She is still finding people that say you can't fly out of Santa Fe. If every couple of months something went out about the Airport it would be super handy.

Mr. Randall said the airlines are trying to reactivate a social media campaign. They are looking for a provider right now.

Mr. Randall said the Welcome to Santa Fe signs are not funded or approved and the Council does not like those plans.

IV. 2019 OTAB GRANT FUNDING RECAP

Mr. Randall said this is a carry over from last month. We are struggling with getting our contracts approved for the seven grantees we agreed to because our purchasing department is determined that the procurement should have gone through them rather than as we did it. We may have to take something through Council to get them to push it forward. We may have to go out and tell our grantees they should hold off before proceeding.

Ms. Pettus asked is it process or something substantive.

Mr. Randall said it is a procurement issue.

Mr. Randall said we do need information from the lowriders group. We have emailed them and received no response.

Chair Hendry said he is happy to reach out to them.

Mr. Randall said tell them to contact Shirley Spencer.

V. CVB ACTIVITY REPORTS

A. SALES REPORT

Mr. Randall said David is in Chicago for the Connect show. His report is in the

packet. His briefly reviewed the report.

Mr. Randall reported that John Fiens has left Meow Wolf. We don't know where he went right now. Meow Wolf is going into Denver and into Phoenix with a 400 occupant hotel.

B. MARKETING REPORT

Mr. Guenther stated that the marketing report is in the meeting packet. He reviewed the report.

Chair Hendry suggested that when cooking or travel shows are filmed here we should ask for rerun rights and put it on the Santa Fe Network.

Mr. Randall said when the Denver show was in Boston Samantha Brown was the speaker and was interviewed on the CBS affiliate. She was asked what her favorite international and domestic destinations were. For her favorite domestic destination she said Santa Fa hands down. That was worth about \$300,000 in earned media exposure. These things that we invest in just keep giving. We are going to continue to try to do this kind of programing.

Mr. Lucero said she is on PBS. Talk to KNME and see if they will let you have a bunch of DVDs of that show to give to writers of travel. Because they are public broadcasting they normally cooperate with nonprofits or civic things.

Mr. Guenther said it also lives on line. It is on her website.

Chair Hendry said she has over 2 million followers that follow her on social media. He still thinks getting things on the Santa Fe Network would be good.

Mr. Guenther said that is a good point.

Chair Hendry said REI is shooting their national spot here. A national Dodge spot shot here for three days. Dirt Floor Revivals has opened a new studio here off of south 14 in the County. It is particularly set up for commercials and advertising.

Ms. Bruneni said it has an infinity screen. They are going to partner with Netflix.

Mr. Lucero said some of the commercials have as big a budget as some small films.

Mr. Lucero said good job Jordan.

C. EXECUTIVE DIRECTOR REPORT

Mr. Randall reported we are moving ahead with Art Week, July 12 through the 24th. We hope to have a recreation of the Canyon Road Art Crawl where people can go gallery to gallery with a glass of wine in their hand. The State has told us we can do that. The City has signed off as well. Service will be at stations outside the galleries with a licensed server. It will be picnicked in and they hire their server. There is only a need for one license for the entire event. It will probably be Cowgirl. We have over 50 proposed experiences that would go on during Art Week that have been proposed by art galleries. We will do our second Music Week in August. Ringo Starr will the opening performance. We are almost sold out for that. The promoter is out of Oklahoma. We have posted the Arts Commission Director position. It shows open for ten days, but we will extend that to thirty days.

Mr. Randall continued the budget is moving along well. We submitted twenty-two proposals for new programs and items. He met with the Mayor, City Manager, Finance Director and Human Resources Director. They were excited about most of the proposals. It depends on how much additional funding we have available. He is meeting with Finance tomorrow to determine that number. He thinks we will be able to have \$1.5 million in additional revenue. The Mayor has asked him if Tourism could fund a police presence on the Plaza. One of the proposals was to convert our litter patrol into a downtown historic ranger program. In addition to picking up litter and answering questions they could provide a limited amount of security to help deal with the homeless program. Rather than funding a policeman we would have this patrol around to work with the homeless, get to know them and keep them under control and work with the police if needed. This might be a way to do it. The Film Office has been very successful. We are moving forward with our funding for that. The County made a three year commitment to it so he is working with them to make sure they do another three year commitment. It is funded 50% from the City and 50% from the County. It has been very effective. Saturday night on the news in Denver they did a whole feature on how well New Mexico is doing in the film business compared to Colorado. Eric Witt was interviewed. They said Santa Fe does more film production than all of Colorado so it is working. It is really exciting.

Mr. Randall said finally the new appointments for OTAB are going before Council tomorrow night. With the exception of the County ex officio position, it will be a whole different Board that is recommended. Rick Blithe, Tonya Miller, the current President of the Lodgers Board, Bonnie Bennet and Carlos Medina.

Ms. Rotunda said you are going to have Chris back for the County position on the Board. She is leaving the County and moving to Denver at the end of May. She has enjoyed serving on the Board.

Mr. Randall said it has be an absolutely great experience working with all of you.

You allowed us a lot of independence to do exciting things over the last few years. Your ideas and support have been really terrific. Thank you for all your efforts.

Mr. Lucero asked could you put a restaurateur on the Board.

Mr. Randall said that is the current group that will be appointed. Fortunately all three of the hotels represented have restaurants or lounges so we will have to look to them for that input. Your name plaques are yours to take. We will order new ones.

Mr. Randall said we got a couple of accolades. Trip Advisor put us in the twenty must do destinations in 2019 and Forbes picking us as one of fourteen travel writers picks. These are huge and are incredibly important.

VI. OTHERS MATTERS BY THE BOARD

Chair Hendry thanked the City for his appointment by Mayor Coss, 13 years ago. He was privileged to be on this. You have been by far the best Tourism Director. Everyone needs to recognize that. You have a great staff. Tourism is here for the benefit of everyone and to create good sustainable jobs for people that provide health care and a little dignity, some retirement and sick leave. It is a reminder of our purpose. The occupancy tax is for the people of Santa Fe, not businesses. One of the greatest things you did was to push to regulate the short term rentals. He would like to see us put GRT on them as well. Thank you for the opportunity to serve. He will be around. Call him if you need him.

Mr. Lucero said he was born and raised here, was gone for 30 years and came back 35 years ago. In those years that he been back he has, for the most part, been in businesses that depends on tourism. He has been aware of what was going on in tourism in Santa Fe. It has never been what he thought it should be which is run like a business. Once you took over, Randy, that changed. We now have a Tourism department that is exciting and has energy and is bringing in people to Santa Fe. Keep up the good work. He also wants to acknowledge that you are responsible for getting the OTAB taxes on short term rentals. OTAB money is supposed to be dedicated to bringing in more people to Santa Fe. Good luck to the new Board members. Continued good work to you and your staff.

VII. ADJOURNMENT

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

Jon Hendry, Chair



Elizabeth Martin, Stenographer