



Agenda

8/22/14

10:56a

Randy Randall

A handwritten signature, likely of Randy Randall, in black ink.

OCCUPANCY TAX ADVISORY BOARD
AUGUST 28, 2014
CITY HALL COUNCIL CHAMBERS
8:30 AM

8:30 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Approval of Agenda
- c. Approval of Minutes June 26, 2014

8:35 a.m.

II. Lodgers Tax Update –

- a. Lodger's Tax update - David Tapia

8:45 a.m.

III. CVB Activity Reports:

- a. Sales Report – David Carr
- b. Marketing Report - Cynthia Delgado
- c. Executive Director - Randy Randall
 - a. Listing of Resolutions impacting TSF
 - b. Short Term Rentals
 - c. Public Relations
 - d. Other

9:15 a.m.

IV. Final Reports:

- a. St. Vincent Hospital Foundation – Karl Ferguson
- b. Parallel Studios – Frank Ragano

V. Meeting Schedule:

The next regularly scheduled meeting will be held on September 25, 2014 at 8:30 a.m. in the City Hall Council Chambers

9:15 a.m.

VI. Adjournment

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520, five (5) working days prior to meeting date.

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CITY OF SANTA FÉ
Occupancy Tax Advisory Board
August 28, 2014

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MINUTES OF THE
CITY OF SANTA FÉ
OCCUPANCY TAX ADVISORY BOARD

August 28, 2014
8:30 a.m.

I. PROCEDURES

a. CALL TO ORDER

A regular meeting of the City of Occupancy Tax Advisory Board was called to order by Vice-Chair Mary Bonney on this date at approximately 8:40 a.m. in City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé, New Mexico.

ROLL CALL

Roll call indicated the presence of a quorum as follows:

Members Present:

Mary Bonney, Vice-Chair
Jon Hendry
Terrell White

Members Absent:

Miguel Castillo, Chair
Paul Margetson

Staff Present:

Randy Randall, Executive Director
Cynthia Delgado, Director of Marketing
David Carr, Sales Director
Cyndi Catanach, TSF Staff

Others Present:

David Tapia
Karl Ferguson
Frank Ragano
Simon Brackley
Elizabeth Martin, Stenographer

b. APPROVAL OF AGENDA

Mr. Hendry moved to approve the agenda as presented. Mr. White seconded the motion and it

passed by unanimous voice vote.

c. APPROVAL OF MINUTES - June 26, 2014

Mr. White moved to approve the minutes of June 26, 2014 as presented. Mr. Hendry seconded the motion and it passed by unanimous voice vote.

II. LODGERS TAX UPDATE - David Tapia

Mr. Tapia said his written report was in the packet. The City was looking at \$20,000 to the good over last year. With Indian Market, the additional show did bring additional revenue and occupancy to hotels. He felt they were going to do well going into the winter with lodging.

Occupancy is up 1-2% and rates are up \$5 more per room.

Mr. White asked if all lodgers were current on their payments.

Mr. Tapia said one hotel is behind one month and he was working with them.

Mr. Randall noted that the footer of his report had a wrong date.

Mr. Tapia said he would correct that.

Mr. Hendry was curious when looking at figures. If the City added more properties the pie should get bigger. He asked when Drury would come in.

Mr. Tapia said he would look at that.

Vice-Chair Bonney said their numbers were not in this report, to clarify the matter.

Mr. Tapia agreed. Drury started renting rooms in mid-July. The Board will see full numbers in September.

Mr. White noted their press coverage says Drury will bring in loyal folks from around the country.

Mr. Tapia said, hopefully, they will not take occupancy away from other hotels.

Mr. Randall said it was an increase of 5 points downtown and 4.5 points city wide. Revenue increased by \$28 or 16% in the Rocky Mountain report. It was a strong month for Santa Fe.

Vice-Chair Bonney said they were also getting a little more per room as well.

Mr. Randall said in the department he was able to see the breakdown in lodger's tax by hotel. We will

be able to see the Drury impact but cannot make it public.

III. CVB (TSF) Activity Reports:

a. Sales Report – David Carr

Mr. Carr gave the sales report. They were seeing a bit more movement and a lot more leads coming in. They were going after business now. They have closed 13 groups and he was seeing a momentum building.

Vice-Chair Bonney asked how he defined a “social event.”

Mr. Carr said it was a one-time event.

Mr. Carr said there was a FAM Trip at the end of July. BIC joined us and signed a contract with La Posada. There were other good leads.

Mr. Carr included a proposal template in report. He said the new template was a little easier to read and has some images that will entice them to come to Santa Fé.

Mr. Carr talked about the team deployment. They were now tracking each person's accomplishments in a monthly production report. He instituted action plans for each of the sales managers and he shared the most current draft.

Mr. Hendry said that he had not heard why the Convention Center did not provide liquor since the City had a liquor license. He felt it would bring revenue there for the City. He would also like, of course, to see union people and others being able to serve it there. It could create jobs. He was still looking for a definitive answer as to why we can't revive the city liquor license.

Mr. Hendry said Mr. Randall has convinced him of the value of Mr. Carr's job as more of a sales arm for the City. He thought it should include the MRC and market it aggressively, including the golf course. They should send buses with tourists out to the golf course.

Mr. Carr said he and Mr. Randall have been in conversations about getting that license activated.

Mr. Randall explained that the entire facility is covered by a license we suspended. At this point we have unsuspended the license for the community building but have not activated anything yet. He didn't think they were prepared yet to get into the service of alcohol at a large scale in the Convention Center facility. He had also learned the TSF would not be able to put any servers on as employees. It would have to be done through a relationship with certified servers. That brings up the question of whether they have to be in the union if they work for TSF on an occasional basis.

Mr. Hendry thought so.

Mr. Randall said there were lots of issues. Serving alcohol is one of the things that makes us more attractive to vendors but it was fairly involved. It is a great idea. He would continue to look at it but it was not quite there yet.

Vice-Chair Bonney asked if it would also increase the basic expenses like insurance.

Mr. Randall said they were already covered since we have the license and the City insures itself. So there would be no extra expense.

Mr. Hendry assumed the city employees would be responsible on the sale of alcohol and give preference to local products. He thanked Mr. Randall for the explanation.

Vice-Chair Bonney asked if they were offering incentives to groups to come here.

Mr. Carr said currently they were not. They were driving traffic to their booth at trade shows but otherwise not. He would look at occupancy holes and try to push those.

Vice-Chair Bonney thanked him for a great report.

Mr. Randall said the key was to get a good sales program going. If we have an incentive it is probably to hide the fact that we did not have a good sales program going. We are in the stages of getting incentives in place for our sales people. And we will provide certain things to large groups like transportation.

Mr. White commended Mr. Carr on how much progress he has made thus far.

Mr. Carr thanked him.

Mr. Carr said in regards to soccer tournaments, it is something we will be looking at and provides a good opportunity.

b. Marketing Report – Cynthia Delgado

Ms. Delgado reported on marketing for June and July. She noted that traffic to the website is up over 20% with a three-minute average time on-site. Popular pages are things to do, the events calendar and lodging options. Social media were going well with the green chili cheese burger smack down among others. She is seeing greater engagement in business partners.

She said visitor traffic to the Convention Center is also up. Air traffic into Santa Fé is up 36%.

Ms. Delgado said it was very exciting to have a director of sales on board.

Vice-Chair Bonney asked if Steve Lewis was still with us or if we are in transition.

Ms. Delgado said his last day was the end of July. City Council gave approval for bringing part of the

PR functionality in as a city employee. We will have a new public relations manager position in Tourism Santa Fé (TSF). The vacancy notice just closed yesterday with over 40 applicants for the position.

Ms. Delgado had an interesting writer in looking at a story on Zozobra for the Huffington Post.

Ms. Delgado reported on the highlights of her June and July report, all of which were in the packet.

c. Executive Director Report – Randy Randall

- **Listing of Resolutions impacting TSF**

Mr. Randall shared a list of accolades that have gone out for the past three years. They were buried in the website. He gave copies to the Mayor and will give copies to City Council.

He also shared a listing of resolutions that impact TSF funds or the Community Convention Center. One of the two was \$150,000 given for Fiesta Council which was not funded by Council. The second one is for the Rodeo de Santa Fé.

- **Short Term Rentals**

Mr. Randall is taking a look at this issue. Out of the total lodgers tax collected, \$300,000 were categorized as short term rentals and from rental agencies. So the City is collecting some revenue. We have reason to believe that there are some that are not paying lodgers tax or gross receipts tax. He has some documentation. Councilor Lindell has volunteered to work with him on this problem and find a way next year to hold people accountable. If they are collecting it from their lodgers and not paying it to the City, it is fraud. And if they are not collecting it, we will see what we can do. He thought that at least \$500,000 in lodger's tax and same amount of gross receipts tax was not being paid.

Mr. White asked how he would get an enforcement agency with the City to take this on.

Mr. Randall said currently there is a person who is in charge of short term rentals with inspection and enforcement authority through Land Use. He intended to work with her. If they could prove there is \$1million out there uncollected, maybe they will be successful to expand her department in Land Use.

Mr. Hendry said some people were here before the City began using the code enforcement officers. He didn't know if they had accepted this as a priority. It should have some publicity through water bills.

Mr. Randall said he was in touch with Portland on their success with B and B's. They had a "three bedroom rule." Below that they didn't have to pay lodgers tax but did have to pay gross receipts. They were looking at changing the legislation to do away with the three bed rule.

- **Public Relations**

The Chamber of Commerce created an ex officio position that he is filling. The Arts Commission is also looking for people to serve in one of three positions. No one from the lodging industry has come forward. They are now planning for the Santa Fe Guide (formerly travel planner).

Mr. Randall said there was discussion about transportation going to Santa Fé Ski Area through the RTD. There was an appearance of support but chances of approval were slim in the near term. The MPO has a 5-year transit plan being put together and he attended the meeting to talk about TSF being part of it.

- **Other**

Mr. Randall is looking at the possibility of a visitor's center on the plaza and trying to figure out how to staff it. He is working with the union and others as well as 70 volunteers.

Mr. Hendry said he would happy to work with Mr. Randall on it. He mentioned pay toilets as a need.

Vice-Chair Bonney agreed. That was also a need on Canyon Road.

Mr. Randall said it was an unfortunate situation. The City paid extra money to expand the size of bathrooms but not making them available to public because of additional maintenance required.

Mr. Randall said the state per diem rate was announced. Last year for Santa Fé it was \$88, and this year is \$94. Statewide stayed at \$83. Taos is up to \$92. Carlsbad last year was \$105, and this year is at \$127.

Mr. Randall mentioned that we need to work on an open rate and is going to work with the paper to see if we can get a tourism column once a month or something like that.

Vice-Chair Bonney said the budget for grants for the new fiscal year is not in here. She asked if it was still \$70,000.

Mr. Randall said there is a budget of \$70,000 for which we will be discussing how much we want to make available and firm it up. The records are not the best. This area needs a hard look.

IV. Final Reports

a. St. Vincent Hospital Foundation – Karl Ferguson

Mr. Ferguson, Foundation Manager of the St. Vincent Hospital Foundation and sponsor of the Bike and Brew, thanked the Board for their support of their efforts the year before. He introduced Chris Goblet, Director of Cycle Santa Fe, to show a video.

Mr. Goblet said he hired a local videographer whom he had used at shows. He said the event was

great fun and the team did a great job. They had lots of video to share and have been sharing.

He put together five pages of photography. The vent drew 8,500 people and we did our best on economic impact, managing to raise \$120,000 to put the project on. \$30,000 came from OTAB, \$5,000 from the City, \$7,500 from the County, \$500 from County Economic Development Department, \$20,000 from the State Tourism Department and the rest from the public. \$50,000 was spent in marketing. He had been attending other festivals around the country and felt Santa Fé's is unique. The goal for next year is 20,000 participants.

The OTAB funds were spent on print advertising, radio ads in Colorado, and SF Century directed advertising.

Mr. Ferguson said most of the Century ride takes place in the County. For the Santa Fé Century, we tracked the number of room nights from last year and ridership.

Mr. Hendry said this is exactly what OTAB talked about for three years regarding new events. He would love to see the City make a 100% commitment on this. The City should close downtown to vehicles for three days. The footage they got would make a great half-hour show.

Mr. White said when we have our full committee here we could formulate a resolution that states our full support and give it to City Council.

Mr. Hendry suggested also a presentation to the Governing Body.

Ms. Delgado commended this group because they followed the intent of what OTAB was looking to do.

Mr. Hendry suggested a 3-year commitment.

Vice-Chair Bonney said OTAB needed to figure out what funds remained.

Mr. Randall added that the policy does require them to come back and re apply.

b. Parallel Studios – Frank Ragano

Mr. Ragano handed out material and the report was in the packet.

Vice-Chair Bonney suggested to Mr. Randall that they should discuss moving these finals reports earlier on the agenda so they didn't have to listen and wait through the whole meeting.

Mr. Ragano, Co-Executive Director with Parallel Studios reported on the Currents Arts event which was a 17-day festival. He handed out the program as part of Digital Latin America in which New Media New Mexico partnered. They were going after the younger demographic with media arts and landscape of New Mexico. They would create a tour including the Anderson Museum and the UNM Art Museum. Santa Fé would be the hub.

This year in the city-wide partners, the new partner is Lensic Theater. All events are free to the public except at the Lensic, who want to be involved next year. They had 5,800 visitors, up 1,000 from last year. Based on the questionnaire given when people come in, they were able to get 835 completed. Based on that, 61% of New Mexico visitors were from Santa Fé, 16% were outside Santa Fé. They brought in 40 artists and half of the show is local artists.

Mr. Ragano outlined what was spent in marketing and promotion on the website. They produced 12,000 copies of program and had Pandora ads.

Mr. Ragano estimated an \$118,000 impact into the City. A big development for next year was a couple from Albuquerque who put on the Motion Conference are moving their conference from Albuquerque to Santa Fé to coincide with Currents opening three- day conference. Their conference is in the industry creating special effects. This is how we envisioned the direction going.

Mr. Hendry asked who their band was.

Mr. Ragano said it was Storming the Beaches.

Mr. Hendry said they were great.

V. Meeting Schedule: Next scheduled meeting is on September 25, 2014 at 8:30 a.m.


VI. Adjournment

Having completed the agenda and with no further business to come before the Board, the meeting was adjourned at 10:20 a.m.

Approved by:


Miguel Castillo, Chair

Submitted by:


Carl Boaz for Carl G. Boaz, Inc.