



Agenda

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OCCUPANCY TAX ADVISORY BOARD

AUGUST 25, 2011

8:30 A.M.

CITY COUNCIL CHAMBERS – CITY HALL

8:30 a.m.

Regular Meeting

I. Procedures:

- a. Call to Order
- b. Approval of Agenda
- c. Approval of Minutes: July 28, 2011

II. Lodgers Tax Update –

- a. Lodger's Tax update - David Tapia

III. CVB Activity Reports:

- a. Jim Bradbury – SFCVB Executive Director
- b. Christine Madden – SFCVB Sales
- c. Steve Lewis - SFCVB Public Relations

IV. Request for Funding:

- a. Santa Fe Fiesta Council - Presented by Herman Lovato, President
- b. Santa Fe Film Festival – Presented by Diane Schneler, Executive Director

VII. Meeting Schedule:

The next meeting will be held on September 29, 2011 at 8:30 a.m. in the City Hall Council Chambers.

VIII. 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.

**CITY OF SANTA FE
OCCUPANCY TAX ADVISORY BOARD MEETING
August 25, 2011**

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c. Approval of Minutes: July 28, 2011	Approved [as submitted]	2
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III. CVB ACTIVITY REPORTS:		
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TKO ADVERTISING PRESENTATION	Informational	8-9
V. MEETING SCHEDULE		
The next meeting will be held on September 29, 2011 at 8:30 a.m. in the City Hall Council Chambers.		9
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**MINUTES OF THE
CITY OF SANTA FE
OCCUPANCY TAX ADVISORY BOARD
August 25, 2011**

I. PROCEDURES

a) CALL TO ORDER AND ROLL CALL

A regular meeting of the Occupancy Tax Advisory Board was called to order on August 25, 2011, at approximately 8:45 a.m. by Miguel Castillo, Chair in the City Council Chambers, City Hall, Santa Fe, New Mexico.

Roll indicated the presence of a quorum for conducting official business as follows:

MEMBERS PRESENT:

Miguel Castillo, Chair
Mary Bonney
Jon Hendry

MEMBERS ABSENT:

Paul Margetson, excused
Terrell White, excused

STAFF PRESENT:

Cyndi Catanach, Administrative Assistant
Jim Bradbury, interim SFCVB Executive Director
Steve Lewis, SFCVB Public Relations
Christine Madden, SFCVB Sales

OTHERS PRESENT:

Herman Lovato, President, Santa Fe Fiesta Council
Diane Schneler, Executive Director, Santa Fe Film Festival
Michael Shea
Sara Simms, TKO Advertising
James Walker, TKO Advertising

NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file at the City Clerk's Office.

b) APPROVAL OF AGENDA

The following two items were added to the agenda:

- 1) TKO Advertising Presentation
- 2) Michael Shea

Ms. Bonney moved to approve the agenda as amended. Mr. Hendry seconded the motion. The motion passed unanimously by voice vote.

c) APPROVAL OF MINUTES – JULY 28, 2011

Ms. Bonney moved to approve the Minutes of the July 28, 2011 meeting as submitted. Mr. Hendry seconded the motion. The motion passed unanimously by voice vote.

II. LODGER'S TAX UPDATE (DAVID TAPIA)

- a) A copy of "Lodgers Tax Report "is incorporated herewith to these Minutes as Exhibit "A".

Mr. Tapia reviewed the information in Exhibit "A". Please see Exhibit "A" for specifics of this presentation.

Mr. Tapia said the City ended the fiscal year with a 6% gain, when compared to the prior year. However, the City saw a sharp decline of 7% for the month of July (2011), when compared to the month of July in the prior year.

Chair Castillo asked what the City is going to do about this.

Mr. Tapia said the City will do a marketing campaign to increase the number of visitors and generate revenue. He explained that the fluctuation of the market is the City's concern right now.

Mr. Bradbury said the report shows an average occupancy rate of 49.31% for the month of June. He said this is approximately a 24% difference from the other statistical reports, such as the Rocky Mountain Report and the Star Report that are done for Santa Fe. The Rocky Mountain Report for Santa Fe for the month of June indicates that there was an occupancy rate of 73.9%. He asked if this means that there are some properties/hotels that are "under-reporting" or not reporting at all.

Mr. Tapia said yes, there have been some who were under-reporting. He explained that the cash flow for July included some delinquencies that came in for the

month of June. He offered to re-run the numbers given the 24% difference in the numbers.

Michael Shea:

Mr. Shea said he did not know if this is the correct venue to present his issue. He explained that something happened this summer that he thinks needs to be brought to City Council's attention.

Mr. Shea said he runs a business in Santa Fe and an organization that receives grant monies from OTAB approached him about producing a product for them for their event. He did not want to provide the name of organization because he said he is trying to address the principle. He said the organization asked him if they could bring in people that he could train, which he did, but he never heard back from them. He expressed concerns that the organization had the media work done in Albuquerque. He said there are six other businesses like his in town that could have produced this work.

He feels that there should be a stipulation that would state that a certain percentage of OTAB funding has to be spent locally. He said he did not see that the City supports the concept of buying local. He feels that OTAB funding is not being used properly and is being taken out of town. He said he is seeing this happen all the time.

Mr. Shea said his business has been in town for over 22 years and this does not promote business in Santa Fe or a healthy market.

Chair Castillo agreed and said it is imperative that the Board does this. He also supports buying local and said the Board will take note of Mr. Shea's concern and will emphasize that organizations should buy local.

Mr. Shea asked if there was any instrument in the charter or the documentation of this organization to add this in- to require that a certain percentage of the monies that organizations receive be spent locally.

Mr. Hendry explained that the purpose of OTAB is to address occupancy tax. The intent of funding special events from Lodgers Tax proceeds is to bring overnight visitors into Santa Fe, and thus increasing tourism for the City of Santa Fe.

Mr. Hendry noted that the City is presently working on re-vamping the procurement codes. He suggested that Mr. Shea address his concerns to the City Attorney, so that they could include this in the Procurement Code. He offered to also pass on Mr. Shea's concern to the City Attorney.

Ms. Bonney said there is a level of accountability when organizations receive OTAB funding; for example, they have to bring in their receipts.

Chair Castillo said he would be happy to meet with the organization to discuss this further.

III. CVB ACTIVITY REPORTS:

a) Jim Bradbury (Interim SFCVB EXECUTIVE DIRECTOR)

[Copies of the *Santa Fe Convention and Visitors Bureau Marketing Plan for FY12 {Exhibit B}* were distributed to the Board.]

Mr. Bradbury introduced Sara Simms and James Walker of TKO Advertising. Ms. Simms and Mr. Walker reviewed the information from Exhibit B further down on the agenda.

Mr. Bradbury noted that Steve Lewis is starting to do stories on Santa Fe and the film stories will be included.

b) CHRISTINE MADDEN – SFCVB SALES

[Copies of *Santa Fe Convention and Visitors Bureau Sales Activities for period: July-August 24, 2011 {Exhibit C}* were distributed. Copies of *Monday Mailer Report – 7/1/2011-8-24-11* were attached.]

Ms. Madden reported as follows:

- The CVB is still waiting for a decision from the International Mountain Bicycling Association on whether or not they will be here in October 2012.
- The CVB has received a tentative booking for the American Folklore Society Annual Meeting scheduled for November 2014.
- There was a dynamic Hotel Director of Sales meeting last week. Most of the directors are becoming tired of the same old and the lack of results. They decided as a group that they have to do something very different to fill the Convention Center and to create “compression” in the city. They came up with an idea for groups that book a minimum of 500 rooms per night. The City of Santa Fe will offer: Complimentary welcome reception with Santa Fe Cultural Entertainment; Complimentary Transportation to and from hotels to the Convention Center; Complimentary Meeting Space at the Convention Center; and the entire site visit costs will be refunded if the meeting is booked. *Some restrictions will apply.

There will be another Director of Sales meeting next Wednesday, August 31, 2011 at 10:00 a.m. at the Inn and Spa at Loretto. They will finalize the above and set it into motion. They will also be setting up a phone bank starting the end of September to talk about this program and offer. They will be making two trips to Washington, DC and Chicago to do some sales blitzes.

Ms. Madden will keep the Board apprised of the outcomes and developments of this program, as they develop.

c) STEVE LEWIS- SFCVB PUBLIC RELATIONS

Mr. Lewis reported as follows:

- The "Clip Book" for this FY was available for the Board to review. This included a web piece that was done by a writer who was here last fall; various Indian Market stories that were put in *LA Times*; a piece in *Work Magazine* from Lou Hammonds on getting away to Santa Fe; a story in *Food and Wine* and a feature in *Star Telegram*- a special from Encantado, which is part of the special outreach campaign.
- Upcoming press: A pending piece in *Travel Leisure* that will come out in September on the fall (time) in Santa Fe; a piece coming out in *Smart Meetings* next month that will feature Ms. Madden; a piece in *Meeting Planners Guide* that will come out in September and a *Boston Globe* report that will be coming in September.
- Mr. Lewis did a radio interview with the American Bus Association and he talked about tourism in Santa Fe.
- Mr. Lewis is still working with a group of 20 press writers from Region 5 who are coming into town next month.
- Mr. Lewis was asked to sit on the NM Department of Tourism Region 5 Board.
- A press release on the Aids Impact Conference was put out. A call was made last month for a call of registrants for the Conference.
- A piece on Winter Fiesta was done.
- The Image/Photo Library is almost done.

Mr. Hendry noted that Steve Lewis has been very helpful with contacts, as well as the Chamber of Commerce. He said the traffic numbers are great.

IV. REQUEST FOR FUNDING:

a. Santa Fe Fiesta Council – Presented by Herman Lovato

Mr. Lovato presented the information regarding the request for funding, from the Application, which was distributed in the members' packets.

Santa Fe Fiesta Council is requesting \$30,000 in OTAB funding to advertise the Santa Fe Fiesta.

Mr. Lovato explained that the Santa Fe Fiesta has been held annually since 1712 to celebrate the "peaceful resettlement" of the city in 1692 by Spanish colonists led by General Don Diego de Vargas. The Fiesta commemorates Don Diego de Vargas' promise to La Conquistadora, the oldest Marion figure in the United States, that if he could peacefully resettle the City of Holy Faith in 1692, he would honor her annually with a fiesta. On September 16, 1712, the Santa Fe City Council issued a proclamation establishing Fiesta de Santa Fe. The decree was signed by General Juan Paez Hurtado, president in the place of Lord Marquis de La Penuela-the captain, Alfonso Rael de Aguilar. The Fiesta honors the religious, cultural and social traditions of our community.

Santa Fe Fiesta, Inc.'s responsibility is to organize the annual "Fiesta de Santa Fe", America's oldest and most continuous community celebration. Mr. Lovato said here we are 299 years after the proclamation was established and signed. Commemorating the 299th anniversary in 2011, Santa Fe Fiesta, Inc. continues to feature events that bring the community at large together to celebrate and commemorate the Fiesta, as outlined in the original proclamation issued by the Santa Fe City Council on September 16, 1712.

Mr. Lovato said as discussed at the June OTAB meeting, they have developed a marketing and strategic plan. They also conducted a number of surveys with individuals who attend the Fiesta, as well as vendors. They will also do an economic impact study following this year's fiesta.

Mr. Lovato said as part of the marketing plan that UNM conducted a year ago, they advised Santa Fe Fiesta Council to focus on advertising the Fiesta, outside of Santa Fe, particularly in Albuquerque, which they have done. They have also done a lot of international marketing as well. They placed advertisements in a variety of magazines (*Santa Fean Magazine*, *Albuquerque Magazine* & *New Mexico Magazine*). They recently purchased ads in the *Indian Market* publication. In addition, they published 30,000 Fiesta brochures that get distributed throughout the state of New Mexico. They also do a large postcard campaign that goes out to their subscribers. They will be doing two live remotes from La Fonda Hotel with KANW 89.1 out of Albuquerque through Labor Day weekend.

Mr. Lovato reported that they receive funding from the City of Santa Fe Arts Commission; the City of Santa Fe CVB; the New Mexico Tourism Department and the Santa Fe Rotary Club. He mentioned that they have over 150 members.

Chair Castillo noted that the Board has recommended to the Governing Body that this event be placed in the City's budget, as it is a very important event for the City of Santa Fe.

Mr. Lovato said he remembered that staff was directed to look into this further, however, did not know the status of this.

Mr. Hendry moved to fund the request from the Santa Fe Fiesta, Inc. at \$15,000. Ms. Bonney seconded the motion. The motion passed unanimously by voice vote.

b. Santa Fe Film Festival – Presented by Diane Schneier Perrin, Executive Director

Ms. Schneier Perrin presented the information regarding the request for funding, from the Application, which was distributed in the members' packets.

The Santa Fe Film Festival is requesting \$10,000 to promote the Festival to out-of-town guests. .

Ms. Schneier Perrin explained that the years 2010 to 2011 have been a time of transition for the Santa Fe Film Festival. As with most organizations, the Festival has had to adjust its sights and focus on a festival in tune with both the financial realities of our times and the stated mission of the organization. Having made significant strides in 2010-2011 towards addressing both its organizational structure and fiscal stability, the Festival continues in the direction set by the Executive Directors-that of a boutique festival with a manageable number of film titles, yet great access to filmmakers and other artists. They feel that this approach gives them a great appeal to tourists; particularly those who travel the film festival circuit.

Ms. Schneier Perrin said their appeal to the traveler will always be to feature Santa Fe – the city, its beauty, its ambiance and quality of experience. They will focus on the film festival traveler and the leisure tourist coming to Santa Fe. They rely heavily on social media and their website to dispense the information about the festival.

Ms. Schneier Perrin said that film festivals are all about the “buzz” and the buzz for their Festival will always be about the total Santa Fe experience. In 2010, the Festival schedule was altered to make it part of Santa Fe’s tourist “shoulder season” and this will continue in 2011. The Festival will also be a major attraction of the Santa Fe Arts Festival promoted in conjunction with *The Santa Fean Magazine*. The Festival will also continue its strong tradition of free, world-class panels and workshops, such as those that were presented in 2010. They will continue to present some of these in alternative space, including art galleries.

The Festival will run from September 20th to September 23rd.

Mr. Hendry asked where the filmmakers' lodge will be.

Ms. Schneier Perrin said they have not decided this as of yet.

Chair Castillo asked Ms. Schneier Perrin if she was involved with this last year.

Ms. Schneier Perrin said no.

Chair Castillo asked if it was the same organization.

Ms. Schneier Perrin said yes.

Mr. Hendry moved to fund the Santa Fe Film Festival at \$7,500. Ms. Bonney seconded the motion. The motion passed unanimously by voice vote.

TKO ADVERTISING PRESENTATION

Chair Castillo asked where TKO Advertising is located.

Mr. Walker said they are based out of New Mexico and have an office in Santa Fe. He noted that he was born and raised in Santa Fe and he moved back to Santa Fe about five years ago. He said they have been in business since 1995 and they are very happy to have Santa Fe as a client.

Ms. Simms and Mr. Walker presented the information from Exhibit "B". Please see Exhibit B for the details of this presentation.

Mr. Walker noted that Santa Fe is a drive-to destination- approximately 60% of 2010 visitors drove. 94% of 2010 visitors were 40 and older. The average visitor in 2010 was 57, and in 2007 it was 54.

Mr. Walker said one of their goals is to reach Generation X (1965-76) and young boomers (1955-1964) to come and travel to Santa Fe. He said the top reasons that people come to Santa Fe are: cultural adventure, R&R, scenic beauty and Art. He said that non-visitors have extremely low awareness of Santa Fe in general. Non-visitors often perceive Santa Fe lacking in fun things to do, interesting people and good food.

Mr. Walker reported that the top five states they will target include: Texas, New Mexico, California, Colorado and Arizona. The top 20 cities they will target are: Albuquerque, Las Cruces, Dallas, Houston, Austin, San Antonio, El Paso, Denver, Colorado Springs, Boulder, Los Angeles, San Diego, San Francisco, San Jose, Oakland, Phoenix, Tucson, Scottsdale, Tempe and Portland.

Chair Castillo asked what happened to Illinois.

In response, Mr. Walker said it has become a budget and monetary gain and trying to be the best steward of the money.

Mr. Bradbury said these are the top markets.

Chair Castillo said he understands this but he remembers a lot of groups used to come from Chicago.

Ms. Madden noted that a lot of the CVB's business comes from associations out of Illinois, Chicago and Washington.

Mr. Walker said they want to focus their database marketing on return visits, particularly during off-peak season. They want to prioritize their marketing on proven seasons. He noted that on average travelers plan 8 weeks in advance. They want to market to a range of income levels and level social media for word of mouth.

Mr. Walker reported that they want to target top markets based on vicinity, visitation history, target concentration and media cost. They want to emphasize things to do and value. They will increase spending on existing media performers like Trip Advisor, Madden Newspaper inserts, Pandora. They want to build online media impact with video and add targeted travel magazine advertising that blends branding and travel planning, such as *National Geographic*, *Conde Nast*, *Travel and Leisure*.

Mr. Walker said they want to build upon grassroots momentum - "seed" markets of special interest with special promos, i.e. Santa Fe Chili Challenge. They want to integrate industry support with getaway packages and participation in grass roots events. They want to activate "Santa Fe with Friends and Family Centennial Coop". This is a grassroots campaign inviting friends and family to visit.

Mr. Walker briefly reviewed the Santa Fe Marketing Strategy, tactics and advertising highlights. He noted that the total Santa Fe marketing budget is \$560,000, of which 85% will be spent on leisure travel and 15% on meetings and conventions.

Mr. Hendry suggested that they do not charge for the Convention Center, as a way to bring in revenue for the local businesses. He also feels that the City should promote/support the filming industry.

V. MEETING SCHEDULE

The next meeting will be held on September 29, 2011 at 8:30 a.m. in the City Hall Council Chambers.

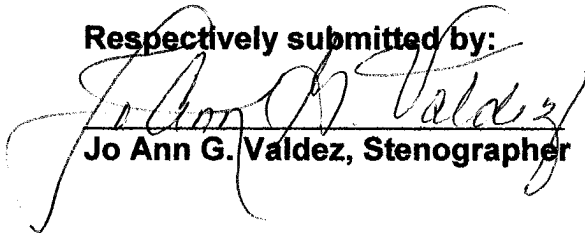
VI. ADJOURNMENT

Its business being completed, Mr. Hendry moved to adjourn the meeting, second by Ms. Bonney, the meeting was adjourned at 10:-20 a.m.

Approved by:

Miguel Castillo, Chair

Respectively submitted by:


Jo Ann G. Valdez, Stenographer