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SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
October 27, 2011

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MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

October 27, 2011

The regular meeting of the Santa Fe County Lodgers' Tax Advisory Board was called to order at 10:00 a.m. on the above date by Chairman John Berkenfield at the Bokum Building, Finance Conference Room, 142 W. Palace Avenue, 2nd Floor, Santa Fe, New Mexico.

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

Board Members Present

John Berkenfield, Chairman
Florenceruth Brown, Vice Chair
Lydia Frank
Florence Jaramillo
Mary Johnson

Board Members Absent

None

Staff Present

Kristine Mihelcic, Media Production/Public Relations for Santa Fe County
Evelyn Valencia, Santa Fe County Finance Division

Others Present

Karen Brown, Santa Fe Skies RV Park
Amanda Crocker, El Rancho de las Golondrinas
Jeanette Alt-Romero, Open Hands/Renaissance Fair
Russ Rountree, Impressions Advertising, Inc.
Jo Ann G. Valdez, Stenographer

APPROVAL OF THE AGENDA

The Agenda was amended (the presentation and funding request from Southwest Roots) was postponed.

Ms. Jaramillo made a motion to approve the agenda as amended. Ms. Brown seconded the motion. The motion passed unanimously by voice vote.

APPROVAL OF MINUTES: September 22, 2011

Ms. Jaramillo made a motion to approve the Minutes of the September 22, 2011 meeting, as submitted. Ms. Brown seconded the motion. The motion passed unanimously by voice vote.

NEW BUSINESS

• Presentation from Amanda Crocker, El Rancho de las Golondrinas

Ms. Crocker presented the information from their report. She said they appreciate the Board's continued support for their five events: the Civil War weekend, the Spring Festival and Children's Fair, the Wine Festival, the Summer Festival (Frontier Days and Horses of the West) and the Harvest Festival.

[Copies of the advertisements and photos of the events were distributed and reviewed.]

Ms. Crocker said attendance for all of the five events was up from the prior year. They had over 14,000 people attend the events, which is up by 2,220 attendees- a 19% increase.

Ms. Crocker said there are a couple of reasons that they were successful:

- 1) El Rancho de las Golondrinas' focus on affordability – affordable fun for the whole family for less than a cost of a movie.
- 2) There was no admission charge for everyone under the age of 13.
- 3) Increased marketing: El Rancho de las Golondrinas utilized television, the internet, social media (Face Book and Twitter) and the *Albuquerque Journal* to reach more people. The Lodgers Tax Advisory Board is credited in the advertisements.

Ms. Crocker noted that 28% of the attendees come from places in New Mexico, but outside of Santa Fe and Albuquerque, and 24% of the attendees come from outside of the state. 40% of the attendees indicated that they knew about the events through the internet.

- 4) The programs at El Rancho de las Golondrinas continue to get better and better. Visitors like the “hands-on” tourism approach.

Ms. Crocker said that they do surveys on their visitors and over 20% indicated that they stay at lodging facilities in the County.

- **Presentation from Jeanette Alt-Romero, Open Hands regarding results of the Renaissance Fair**

Ms. Alt-Romero presented the information from their report. She thanked the Board for their support of the Renaissance Fair. She mentioned that this is the third year that LTAB supports the Renaissance Fair with the marketing efforts. She noted that the Renaissance Fair is the main fundraiser for Open Hands, which is an organization that helps elderly and disabled people.

[Copies of the advertisements and photographs of the Renaissance Fair were distributed and reviewed.]

Ms. Alt-Romero said the Renaissance Fair was the largest single tourism event in Santa Fe County.

Ms. Alt-Romero explained that the Renaissance Fair is a partnership between Open Hands and El Rancho de las Golondrinas. Open Hands is responsible for marketing the event.

Ms. Alt-Romero said that attendance was remarkable for this year's event. There were 6402 attendees, an increase of 1402 when compared to the prior year. There is a 50% increase in attendance in the four years that they have had the Renaissance Fair. In addition, there are hundreds of volunteers and performers.

Ms. Alt-Romero reported that they conducted a survey during the Renaissance Fair this year and 45% of the attendees indicated that they heard about the Fair primarily from the internet and 50% of the attendees follow other renaissance fairs in the country.

Ms. Alt-Romero said 20% of the attendees indicated that they stayed in paid lodging, 10% of the lodging properties are in Santa Fe County.

Ms. Alt-Romero said they also received a lot of support from the community and they helped make the event successful.

Ms. Alt-Romero concluded her report noting that they credited LTAB in their advertisements. There were also banners that named all of the sponsors.

- **Presentation from Michael Koster, Director of Southwest Roots Music regarding the results of the Thirsty Ear Festival**

This agenda item was postponed.

- **Funding request from Southwest Roots Music by Michael Koster, Director**

This agenda item was postponed.

OLD BUSINESS

Ms. Brown asked if Chair Berkenfield sent the letter to the Director of the Land Use Department, as discussed at the September Board meeting. This is in regards to the two properties (Raven's Ridge and Terrain-Santa Fe) that are in the County that may be operating as a bed and breakfast and therefore should be paying lodgers' tax.

Chair Berkenfield said he sent the letter to Mr. Larranaga, the Director of the Land Use Department. He offered to send a copy of the letter to the Board Members. He asked Ms. Valencia if she had an update on this.

Ms. Valencia said that Mr. Larranaga received the letter and is looking into this.

Chair Berkenfield noted that the Board also discussed the fact that there does not seem to be anything in the County Ordinance that gives the County authority to retroactively go back and collect lodgers' tax; or any kind of penalty for not paying lodgers' tax.

In response, Ms. Valencia said she did not get a chance to review the Ordinance for language regarding this.

Ms. Brown asked if the two businesses are licensed and permitted to operate as a bed and breakfast.

Ms. Valencia said there is nothing that reflects that these businesses are operating as a bed and breakfast. Therefore, the County cannot collect lodgers' tax; however, the County is working on getting them in compliance, if they are not in compliance.

Chair Berkenfield asked if the Board should suggest that the Ordinance be evaluated to see if a penalty would make sense.

Ms. Brown said they would have to check with the County Attorney on this.

Ms. Mihelcic added that the County is presently rewriting the Sustainable Growth Management Plan (Land Development Code) and there has been an ongoing public input process and meetings. She said if the Board has any suggestions, they can contact Robert Griego. She noted that the County only has three Code Enforcement Officers.

Ms. Valencia offered to give Chair Berkenfield Mr. Griego's phone number and e-mail address. Chair Berkenfield will write a letter to Mr. Griego.

Chair Berkenfield said in the absence of a penalty clause in the Ordinance, there is no motivation for businesses that are operating as a small bed and breakfast to pay lodgers' tax until they are caught, i.e. found in violation.

Mr. Rountree suggested that the Board get a copy of the Ordinance and Ms. Brown could review it. He noted that he could not find the County Lodgers' Tax Ordinance or statute on line.

Ms. Valencia offered to get a copy of the Ordinance for Ms. Brown to review.

Ms. Johnson said there was also discussion at the last meeting that these types of businesses need to be regulated.

Chair Berkenfield said there was a concern brought up at the last meeting about the fact that there could conceivably be a liability risk exposure for the County, if businesses are serving tainted food and someone gets sick, for example.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-October 26, 2011 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through October 26, 2011 noting total receipts of \$56,209.21 for July 2011; \$59,272.06 for August and \$45,191.07 thus far for September; total receipts to date are \$160,672.34.

Ms. Valencia distributed and reviewed the Lodgers' Tax Receipt Analysis noting that there was a 9% increase when compared to the month of September of the prior year.

Ms. Valencia distributed and reviewed the Facility Fund report through October 26, 2011 identifying the beginning cash balance of \$698,141.00; total lodgers' tax receipts reported of \$59,095.02; \$93.85 interest; and expenditures of \$8,210.15 for FY'11 Advertising Contract and \$24,026.48 for FY'12 Advertising Contract, outstanding encumbrances in the amount of \$87,973.52, leaving an anticipated cash balance of \$637,119.72.

Ms. Valencia distributed the Advertising Fund report through October 26, 2011 identifying the beginning cash balance of \$823,514.48; total lodgers' tax receipts reported of \$98,491.64; \$110.00 interest; \$2,100 State Coop for last FY; expenditures of \$15,658.14 for FY'11 Advertising Contract, \$40,044.15 for FY'12 Advertising Contract, \$52.99 for Newspaper Advertising, \$23,000.00 for FY'11 Commitments and Other Fees (\$6,000 for El Rancho de las Golondrinas Wine Festival; \$6,000.00 for Southwest Roots Music Thirsty Ear Festival; \$3,500.00 for El Rancho de las Golondrinas Spring Festival and Children's Fair and \$7,500.00 for the SF International Folk Art Market); \$3,500 for FY'12 Commitments and Other Fees (\$3,500.00 for El Rancho de las Golondrinas Summer Festival) \$169.58 for FY'11 Reporting and Recording, \$144.99 for FY'12 Reporting and Recording, outstanding encumbrances in the amount of \$164,566.52, leaving an anticipated cash balance of \$677,079.75.

ADVERTISING AGENCY REPORT

- **New Creative Executions**

Mr. Rountree distributed and reviewed copies of the new creative advertisements.

Mr. Rountree noted that they dropped the tag line “*Only in Santa Fe County*” as suggested by Chair Berkenfield at the prior meeting.

Chair Berkenfield said it seems to him that the ads drive the visitors to the 800 number rather than the website because the font is bolder and a different color for the phone number. He said based on earlier conversations and reports from the two organizations that reported to us today, people are primarily getting information from the websites.

Mr. Rountree said they could drive them primarily to the website and then to the 800 number.

Ms. Brown noted that *Conde Nast Traveler* listed Ten Thousand Waves as one of the top five spas.

Mr. Rountree added that Encantado Resort was ranked as the 103rd resort – almost made the top 100 resorts.

- **Rocky Mountain Lodging Report (September)**

[Copies of the Rocky Mountain Lodging Report for the month of September were distributed and reviewed. A spreadsheet on tracking Santa Fe Occupancy Tax was attached.]

Mr. Rountree reported that the average daily rate and occupancy rates were up for the last two months, when compared to the months of July and August of the prior year.

Mr. Rountree said that the Rocky Mountain Lodging Report shows that the periphery properties are doing pretty well. Occupancy for the Santa Fe periphery was up 30%, when compared to the prior fiscal year.

Mr. Rountree noted that the City has not updated their lodgers’ tax or GRT reports on the website since March of 2011. He asked Ms. Mihelcic if she could check with the City regarding this. Ms. Mihelcic agreed to check with Carla Lopez at the City.

There was brief discussion about the fact that the rates for the Community Convention Center are not affordable enough to motivate the locals to hold or book their functions there.

- **Old Items**
New Mexico Tourism Department 2011-2012 Co-Op Program
Mr. Rountree said there is no update on this.

- **Press**
[Copies of various press articles were distributed.]

An article about the Santa Fe County Fair was distributed.

Several articles about the Santa Fe Renaissance Fair were distributed.

ADMINISTRATIVE

Next meeting date and location

The next meeting was scheduled for December 15, 2011 at 10:30 a.m. at the Encantado Resort.

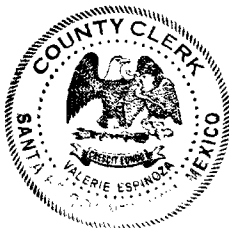
ADJOURNMENT

Ms. Johnson made a motion to adjourn the meeting. Ms. Brown seconded the motion and the meeting was adjourned at 11:45 a.m.

Approved by:

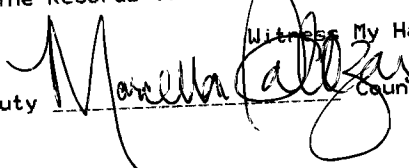

John Berkenfield, Chairman

Respectively submitted by:
Jo Ann G. Valdez, Stenographer



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
LODGERS TAX MINUTES
PAGES: 8

I Hereby Certify That This Instrument Was Filed for Record On The 20TH Day Of December, 2011 at 12:53:21 PM And Was Duly Recorded as Instrument # 1654950 Of The Records Of Santa Fe County

Deputy  Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM