

INDEX OF MINUTES
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
October 28, 2010

ITEM	ACTION	PAGE(S)
CALL TO ORDER	Convened	1
ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1
• Amendments		
• Tabled OR Withdrawn items	None	
APPROVAL OF MINUTES August 26, 2010	Approved [as amended]	1-2
NEW BUSINESS		
• Presentation from Laura Sullivan, Director of Development for the Santa Fe International Folk Art Market regarding the results of the 2010 Folk Art Market	Informational	2-3
• Presentation from Michael Koster, Director of Southwest Roots Music regarding the results of the Thirsty Ear Festival	Informational	3-4
FINANCIAL REPORT		
• Santa Fe County Finance Division- Lodgers Tax Financial Report – October 27, 2010 (Pro-Forma)	Informational	4-5
OLD BUSINESS	None	5
ADVERTISING AGENCY REPORT		5-6
ADMINISTRATIVE		
• Next meeting date and location The next meeting was scheduled for December 16, 2010 at 11:00 a.m.		6
ADJOURNMENT		6

Page 4, 2nd paragraph, was changed to read: "Chairman Berkenfield asked what they would use as a measurement/criterion of success and what their expectations are for the project."

Ms. Brown made a motion to approve the Minutes of the meeting of August 26, 2010, as amended. Ms. Johnson seconded the motion, which passed unanimously by voice vote.

NEW BUSINESS

- **Presentation from Laura Sullivan, Director of Development for the Santa Fe International Folk Art Market regarding the results of the 2010 Folk Art Market**

Ms. Sullivan thanked the Board for the past support of the Santa Fe International Folk Art Market. She noted that this was the seventh year of the Folk Art Market. She reported that close to \$23,000 of their budget was applied towards their television advertising for the 2010 Folk Art Market.

Ms. Sullivan said that they received a lot of media coverage for this year's market. The Market dominated local media, including 15 cover stories in regional press. *New Mexico Magazine* published a six-page feature, along with an online video. They also advertised in the *Alibi*, and extensively in the *Santa Fe New Mexican*.

The Market also contracted with Clare Hertel Communications (CHC) to heighten visibility for the market through international, national, regional, and local press coverage. CHC worked to build relationships with national media and traveled to New York and Washington, D.C. to meet with editors and producers at major media outlets. CHC also coordinated efforts with the New Mexico Tourism Department as well as the City of Santa Fe's public relations and marketing staff.

Ms. Sullivan reported that CHC placed 70 feature stories that resulted in such prestigious media as *O, the Oprah Magazine*. The Market was published in key syndicated travel stories that ran in *The New York Times*, *USA Today* and *The Chicago Tribune*. The Associated Press ran four stories that appeared in more than 200 outlets.

Ms. Sullivan reported that the Market had over 132 artists from 50 countries this year. She mentioned that they already have over 400 applications for the 2011 Market; they are reviewing the applications and acceptances will be made by the end of this year.

Ms. Sullivan noted that they had international dignitaries visit the Market, including the Ambassador from the Sultanate of Oman to the U.S. and the International Specialist from the Ministry of Culture in Cuba. This was the first year that the Market had representation from this country.

Ms. Sullivan said that they had a Folk Art Week leading up to the Market this year and they had over 2,500 people at the exhibition opening. She reported that the Market worked with Outside In Productions and the City of Santa Fe to present a free concert on the downtown plaza prior to the Market. The Market was also advertised on the screens at the Santa Fe Community Convention Center and internet advertising was done as well on Santafe.org, the Convention and Visitors Bureau website. The Market also participates in the CVB's new collaborative on-line advertising initiative, *The Santa Fe Art Party*, which helped attract visitors to Santa Fe to attend a variety of arts and cultural events taking place during the summer.

Ms. Sullivan noted that the Market expanded its parking and shuttle service to two locations to help improve or monitor the traffic and parking at the Market. She mentioned that the ridership on the Rail Runner was up 53% over 2009.

Ms. Sullivan reported that visitors came from at least 26 different states. The total attendance for this year's Market was 22,000, an increase of 6.6% over 2009. Of those visitors, 56.5% indicated that they were from outside of Santa Fe for a total of 12,524 out-of-town visitors. According to zip code responses, 47.2% (10,463) came from out of state, which is an increase of 9% over 2009. In addition, 36.8% of the visitors were from Santa Fe (8,157), with 16% (3,547) coming from other communities in New Mexico. Of the total respondents, 42.4% indicated that it was their first time at the Market. 70.6% of the out of state visitors indicated that the Folk Art Market was their primary reason for visiting Santa Fe. The majority came from Texas, California, Colorado and Arizona. Of the respondents who were from outside the Santa Fe area, 42.9% stayed at least one night in Santa Fe either in a hotel, motel, bed & breakfast for an average of 4.5 nights. In 2010, there was a significant increase (12.5%) of those who stayed in hotels, motels or bed & breakfast over 2009.

Ms. Sullivan said that based on lodging statistics, they estimate that the Market generated \$243,486 in gross receipt taxes (\$37,173 County portion) and an additional \$17,128 in Lodgers' Tax for a total tax benefit of \$451,657 from room nights alone (\$54,301) went directly to the County.

{Copies of the promotional material were reviewed.}

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

Mr. Koster reported that the Thirsty Ear Festival is in its 11th year now and going to its 12th year. He noted that they started with 400 local people in 1999 and last year they had over 4,000 attendees from outside the Santa Fe area.

Mr. Koster said that the Thirsty Ear Festival was held on June 12th and 13th. Traditionally the festival was held for three days but they cut it down to two days this year.

Mr. Koster explained that they had a problem with weather this year with an extreme heat wave and dust, which, combined with the poor economy, made for a poor turnout. Overall, it was a poor festival year for Thirsty Ear, far short of their projections of 3,000 attendees.

Mr. Koster reported that they had about 2,027 attendees this year, which was very disappointing. He noted that they did the same amount of advertising but again, a combination of the weather and the poor economy hurt them.

Mr. Koster said since the attendance went down, the projected revenue and room nights also went down. Based on exit surveys, roughly 50% of attendees are visitors from outside the Santa Fe area. Of those, roughly half stayed in Santa Fe area hotels for a total of approximately 507 room nights. This is a decrease of 400 room nights from the projected 900 room nights. They also estimate that they placed an additional 100 room nights in the Santa Fe area for artists in 2010. The estimated hotel revenue generated this year was \$54,630. However, they are unsure how many hotel rooms were in the city versus the county.

Mr. Koster reported that they had approximately \$26,565 of in-kind media exposure and spent roughly \$20,000 in cash, for a total of \$46,915 of media exposure.

He said according to exit surveys, roughly 57% of attendees heard about the festival through reputation or having previously attended, 18% through print media, 15% through the internet and web-based marketing, 8% through radio advertising, and 2% through community partners.

Mr. Koster said in 2011, they are determined to find a better venue that is closer to town, more affordable, and less affected by bad weather. Leaving Eaves Ranch, where they have held the festival for 10 to 11 years, will be bittersweet; however, infrastructure costs should be cut significantly by leaving the venue. They are exploring some ideas to include the Lensic Theatre and intend to hold steady the media promotion outside the state of New Mexico; in particular radio and print exposure in southern Colorado, which has a long history of supporting music festivals.

Mr. Koster thanked the Board for their support noting that it is very important for them.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-
October 27, 2010 (Pro-Forma)**

Ms. Valencia distributed the Lodgers Tax Receipt Report through October 27, 2010 noting total receipts of \$61,933.61 for July, \$58,003.23 for August and \$26,087.05 thus far for September 2010; total receipts to date are \$146,023.89.

Ms. Valencia distributed the Facility Fund report through October 27, 2010, which showed a beginning cash balance of \$651,490.19 and total lodgers' tax receipts

reported of \$67,144.60, and expenditures of \$20,037.96 for FY'10 Advertising Contract and \$9,905.73 for FY'11 Advertising Contract, outstanding encumbrances in the amount of \$86,837.04, leaving an anticipated cash balance of \$601,854.06.

Ms. Valencia distributed the Advertising Fund report through October 27, 2010 identifying the beginning cash balance of \$817,952.30, total lodgers' tax receipts reported of \$111,907.45, \$2,850.00 State Coop, expenditures of \$18,971.99 for FY'10 Advertising Contract, \$33,396.60 for FY'11 Advertising Contract, \$68.31 for Newspaper Advertising, \$11,100.00 for FY'10 Commitments and Other Fees, \$6,000.00 for FY'11 Commitments and Other Fees, \$215.58 for FY'10 Reporting and Recording, \$169.58 for FY'11 Reporting and Recording, outstanding encumbrances in the amount of \$168,662.09, leaving an anticipated cash balance of \$694,125.60.

OLD BUSINESS

None presented.

ADVERTISING AGENCY REPORT

- **CVB/County Joint PR Update**

- a. **Review of solicitation letter**

- [Copies of the Solicitation Letter to the Santa Fe County Lodging Properties were distributed in the members' packets.]

The letter explains the public relations partnership between the Santa Fe Convention and Visitors Bureau and Santa Fe County.

Mr. Rountree reported that he and Chairman Berkenfield met with Steve Lewis earlier this week. He noted that Mr. Toler is going to New York next week to do some initial meetings with the new agency (Lou Hammonds and Associates). They also have some media meetings scheduled.

Mr. Rountree noted that a dedicated account executive, Terry Gallagher, will be visiting Santa Fe sometime in mid November. Details of this visit are still being worked out. Lou Hammonds and Associates will be learning about Santa Fe County, its attractions and activities by touring County businesses to see what they have to offer. Mr. Steve Lewis, the CVB's longtime public relations specialist continues to be the local person that generates press releases for distribution to the media, coordinator of activities by journalists visiting the area and responds to press inquiries that are directed to the CVB. Likewise, Impressions Advertising will continue providing similar duties for Santa Fe County.

Mr. Rountree said that businesses were asked to supply releases/details on any promotions, events or activities to both Steve Lewis and Impressions Advertising.

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

- [Copies of the Rocky Mountain Lodging Report for the months of August and September were distributed and reviewed. A handout/spreadsheet on tracking Santa Fe

Occupancy Tax was attached.]

Mr. Rountree noted that occupancy was up for the months of July, (8%), August (1%) and September (6.5%). The ADR was up slightly in the last two months.

- **Network Presentation (October 6, 2010)**

Mr. Rountree reviewed the presentation that he made on October 6, 2010, to the Hospitality Industry Networking Association.

- **Articles**

[Copies of various articles were distributed.]

Several articles on the Renaissance Fair were distributed.

Two articles were distributed about the boost that the International Balloon Fiesta had on Santa Fe's tourism and restaurant industries.

An article about El Rancho de las Golondrinas Harvest Festival was distributed. There was also an article about El Rancho de las Golondrinas walking movie tours.

An article from STR Global was distributed. The U.S. hotel industry reported increases in all three key performance metrics during summer 2010.

ADMINISTRATIVE


Next meeting date and location

There will be no meeting in November. The next meeting was tentatively scheduled for December 16, 2010 at 11:00 a.m.

ADJOURNMENT

Ms. Johnson made a motion to adjourn the meeting. Ms. Brown seconded the motion and the meeting was adjourned at 12:00 p.m.

Approved by:

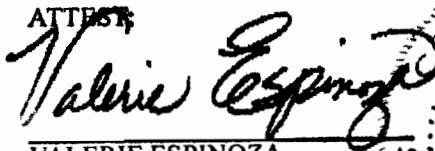


John Berkenfield, Chairman

Respectively submitted by:

Jo Ann G. Valdez, Stenographer

ATTEST



VALERIE ESPINOZA
COUNTY CLERK

