

INDEX OF MINUTES
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
October 30, 2014

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE(S)</u>
CALL TO ORDER	Convened	1
ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [as amended]	
• Amendments		
• Tabled or Withdrawn items	None	1-2
 APPROVAL OF MINUTES		
September 25, 2014	Approved [as submitted]	2
 NEW BUSINESS		
• Post-Event Report from Laura Sullivan for the Santa Fe International Folk Art Market held on July 11-13, 2014		3-5
• Post-Event Report from Amanda Crocker for the Renaissance Fair Held on September 20-21, 2014		5-6
• Post-Event Report from Karl Ferguson and Chris Goblet for the Santa Fe Century Bike Ride and Bike and Brew held on May 16-18, 2014		
	*Moved up on the agenda	2-3
	Informational	
 OLD BUSINESS	None	6
 FINANCIAL REPORT		
• Santa Fe County Finance Division- Lodgers Tax Financial Report – October 29, 2014 (Pro-Forma)	Informational	6-7
 ADVERTISING AGENCY REPORT	Informational	7-8
 ADMINISTRATIVE		
• Next meeting date and location		
The next meeting was scheduled for December 11, 2014 at 11:00 a.m.		8
 ADJOURNMENT	Adjourned at 12:00 p.m.	8-9

MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

October 30, 2014

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

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

Board Members Present

John Berkenfield, Chairman
Karen Brown
Florence Jaramillo
Mary Johnson

Board Members Absent

Cindy Racco, resigned

Staff Present

Evelyn Valencia, Santa Fe County Finance Division

Others Present

Amanda Crocker, El Rancho de las Golondrinas
Karl Ferguson, Santa Fe Century
Chris Goblet, Outside Bike and Brew Festival
Russ Rountree, Impressions Advertising, Inc.
Laura Sullivan, Santa Fe International Folk Art Market
Jo Ann G. Valdez, Stenographer

APPROVAL OF THE AGENDA

- **Amendments**

The agenda was amended – the Post-Event Report from Karl Ferguson was moved up on the agenda.

- **Tabled or Withdrawn items**

None

Ms. Johnson 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 25, 2014

Ms. Johnson made a motion to approve the Minutes of the September 25, 2014 meeting. Ms. Brown seconded the motion. The motion passed unanimously by voice vote.

NEW BUSINESS

- **Post-Event Report from Karl Ferguson and Chris Goblet for the Santa Fe Century Bike Ride and Bike and Brew held on May 16-18, 2014**

[Copies of the handout entitled "*Outside Bike and Brew – LTAB Marketing Expenditures*" were distributed and reviewed.]

The Board viewed a video that was done on the Santa Fe Century Bike Ride. Mr. Goblet noted that the video was also shown at other venues.

Mr. Goblet reported as follows:

- The Outside Bike & Brew and Santa Fe Century events ranged from May 14th – 18th, 2014. The total attendance is estimated at over 8,500 participants, local and visitors.
- On Friday, May 16th, approximately 4,500 attended the Railyard opening events. A total of 1,700 tickets were sold for the Craft Beer pavilion.
- On Saturday, May 17th, 516 cyclists participated in organized rides and pro clinics. A total of 180 people attended the "Bike in Movie" at Cowgirl Restaurant.
- On Sunday, May 19th, 2,750 riders participated in the Santa Fe Century. A total of 1,200 tickets were sold for the Marble/LUNA Block Party.
- Bike and Brew staff and the Santa Fe Century team surveyed 835 attendees. Based on survey results, the Outside Bike & Brew generated 560 tourists. Based on survey results, Santa Fe Century generated 1,320 tourists.
- The total attendance visiting from out of state is estimated at 1,880 tourists.
- The average stay was 2.38 nights with an average party size of 2.56.
- The projected hotel revenue at 4,474 total room rights at an average of \$105 per night equals \$469,770.

- \$469,770 @ 7% Lodgers Tax equals \$32,883.
- 17 of the 48 Santa Fe hotels reported that they were 100% full. 24 of the 48 Santa Fe hotels reported that they were 90% or more full.
- The attendance at the Beer Festival was up by 200 attendees, when compared to the prior year. There were approximately 1700 attendees at the Beer Festival.

Ms. Brown questioned the fee for the LOKA Creative WEB APP. She asked if this is for a continuous year.

Mr. Goblet said next year's date is included in there.

Chairman Berkenfield asked if OTAB provided funding for the Festival.

Mr. Goblet said they funded \$30,000.00, which is a three year commitment. He noted that the Department of Tourism funded \$20,000.00 for the event.

Chairman Berkenfield noted that there were no examples of the advertising in the Board Members' packets.

Mr. Goblet said they did not print these. He said they utilized the \$3,000 that LTAB funded exclusively for online advertisements. They ran ads on Facebook, Twitter, etc. He mentioned that there was a large ad on the Rail Runner and 8,000 post cards of the Century Bike Ride were printed.

Chairman Berkenfield was concerned with the fact that the Outside Bike and Brew event is branded as an Outside Magazine event. Because of the name of the event being "Outside Bike and Brew", Santa Fe is not identified in the name of the event.

Mr. Goblet explained that the *Outside Bike and Brew* publication provided many impressions for Santa Fe.

- **Post-Event Report from Laura Sullivan for the Santa Fe International Folk Art Market held on July 11-13, 2014**

[Copies of the promotional material for the 2014 Santa Fe International Folk Art Market were distributed and reviewed. These included the International Folk Art Alliance 2014 Impact Report.]

Ms. Sullivan reported as follows:

- The 11th annual International Folk Art Market took place on July 11, 12 and 13, 2014 on Milner Plaza on Museum Hill. Over 150 artists from 60 different countries were selected by a panel of folk art experts to participate in the Market, attracting 18,822 visitors and involving 1,700 community volunteers, international dignitaries, and numerous representatives from leading international cultural organizations.
- The free community event at the Santa Fe Railyard Park gathered an estimated 6,000 people for a celebration featuring the artist procession, international music, children's art activities and market artist demonstrations.
- Market Week activities, in collaboration with the Museum of International Folk Art attracted 2,064 children and adults.
- The Market provided 1,000 complimentary tickets to families and youth groups from select summer youth programs.
- Over 520 children participated in the *Children's Passport Project* at the Market and interacted with artists from around the globe.
- From the attendance statistics, it is evident that the Market exceeded its goal for attracting visitors from outside of Santa Fe and has successfully positioned Santa Fe as a leader in cultural tourism worldwide. Total attendance remained steady at approximately 19,000. According to zip code responses, 75.3% of the visitors indicated that they were from outside of Santa Fe, for a total of 14,173 out-of-town visitors. This represents a significant increase of 13.7% over the prior year.
- An additional 57.3% (10,823) indicated that they came from out-of-state, and 24.7% (4,500) of the visitors were from Santa Fe.
- Visitors came from at least 37 different states. The majority came from Texas (13%), Colorado (11.2%), California (9.8%), and Arizona (8.6%).
- Of all the respondents who were from outside of the Santa Fe area, 69% stayed at least one night in Santa Fe in either a hotel, motel, bed and breakfast or RV park for an average of 4.8 nights. In 2014, visitors spent on average \$789 on lodging. This generated \$4,065,374 in lodging revenue, which is an increase of 20.3% over 2013.
- This year, visitors filled 2,785 room nights at an average of \$146 per night totaling \$406,537 from room nights, with \$14,898 in lodgers' tax paid to the County.

- The Market paid GRT on artists' sales totaling \$3,025,777, generating \$241,193 in GRT for the State, which is a 12.7% increase over 2013.
 - Of the total respondents, 64.9% indicated that it was their first time to the Market, up from 50.6% in 2013. For those not from Santa Fe, 63.5% indicated that the Folk Art Market was their main reason for visiting Santa Fe, while 89.9% said it was either the main reason or one of the main reasons, up from 49.6% and 75.8%.
 - The Market contracted with Clare Hertel Communications 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 City in February to meet with editors and producers at major media outlets. They also coordinated efforts with the New Mexico Tourism Department as well as the City of Santa Fe's public relations staff.
 - As a result, the Market was featured in over 4.5 million print, online and broadcast stories with billions of impressions, 82 interviews and 20+ national stories, including *New York Times*, *USA Today*, *Huffington Post*, *Wall Street Journal*, *USA Today* and *Associated Press*.
 - The event was featured on the CBS Sunday Morning News, which aired during the month of October and reached millions.
- **Post-Event Report from Amanda Crocker for the Renaissance Fair Held on September 20-21, 2014**

[Copies of the promotional material were distributed and reviewed.]

Ms. Crocker reported as follows:

- LTAB has provided critical and invaluable support to El Rancho de las Golondrinas for Festivals and special events held at the museum in recent years. This support has been of extraordinary significance to Las Golondrinas and has enabled them to effectively promote seven major annual events based at the museum, to measurably increase interest in the programs at Las Golondrinas, and to increase their contributions to tourism in Santa Fe County.
- With the help of LTAB, Las Golondrinas has reached record attendance, an accomplishment of which they are very proud in a challenging and unsettled economy. A record total of 58,351 people visited Las Golondrinas in 2013. In 2014, there were 25,618 attendees at the six LTAB-funded events. This is an increase of 1.5% over 2013.
- The Santa Fe Renaissance Fair has become arguably the largest tourism event in Santa Fe County since its inception in 2008. Attendance at the 2014 event was 8,000 enthusiastic visitors, making it the best attended event in the history of

Las Golondrinas. Many of the participants come to the Renaissance Fair from out-of-state and other cities in the drive market.

- The attendance for the Wine Festival was up 13% when compared to the prior year.
- Las Golondrinas have been surveying visitors since 1991, and in 2013, they estimate that 15% of their total non-student visitors stayed in paid lodging in Santa Fe, as did many performers, demonstrators and other participants in their programs. They are unable to distinguish from their surveys if visitors stayed in county or city lodging, but they believe the average stay in paid lodging during the summer season to be three nights.
- Thus, they conclude that if 15% of their non-student visitors stayed in paid lodging in the Santa Fe area for three nights, this results in 19,350 room nights. If 10% of those room nights were in Santa Fe County lodging facilities, it suggests that their visitors spent more than 1,900 room nights in lodging facilities in Santa Fe County, and paid the appropriate county lodgers' tax as well as gross receipt taxes. Additionally, they have more than one thousand program participants, many of who stay in County paid lodging near the Museum.

OLD BUSINESS

There was no old business.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-October 29, 2014 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through October 29, 2014 noting total receipts of \$56,607.36 for August and \$47,833.41 for September 2014; total receipts to date are \$164,558.71.

Ms. Valencia distributed and reviewed the Lodgers' Tax Receipts Analysis noting that there was a decrease of 9% in the month of September when compared to the prior year, and an 11% decrease in the month of August.

Ms. Valencia distributed and reviewed the Facility Fund report through October 29, 2014 identifying the beginning cash balance of \$855,500.00; total lodgers' tax receipts reported of \$66,944.52; expenditures of \$26,135.34 for FY'14 Advertising Contract; outstanding encumbrances in the amount of \$112,000.01, leaving an anticipated cash balance of \$784,309.17.

Ms. Valencia distributed and reviewed the Advertising Fund report through October 29, 2014, identifying the beginning cash balance of \$910,791.00; total lodgers' tax receipts

reported of \$111,574.17; expenditures of \$44,330.28 for FY'14 Advertising Contract, \$143,107.70 for FY'15 Advertising Contract; \$30,000.00 for FY'14 Commitments and Other Fees (\$500.00 for the Santa Film Festival, May 1-4, 2014; \$6,000.00 for El Rancho de las Golondrinas Wine Festival, July 5-6, 2014; \$7,000.00 for the St. Vincent Hospital Foundation SF Century/Bike and Brew, May 16-18, 2014; \$3,000.00 for El Rancho de las Golondrinas Viva Mexico, July 19-20, 2014; \$3,500.00 for El Rancho de las Golondrinas Summer Festival and Frontier Days, August 2-3, 2014; \$3,500.00 for FY'15 Commitments and Other Fees (International Folk Art Alliance); \$244.34 for FY'14 Reporting and Recording; \$209.50 for FY'14 Reporting and Recording, outstanding encumbrances in the amount of \$221,955.99 (\$2,590.50 for FY'15 Reporting & Recording; \$1,403.47 for FY'14 Reporting & Recording; \$188,000.00 for FY'15 Advertising Contract; \$562.02 for FY'14 Advertising Contract; \$15,000.00 for FY'14 Commitments and Other Fees (\$5,000.00 for the City of Santa Fe Joint Press Tour and \$10,000 for the City of Santa Fe Joint Advertising New Mexico True Campaign; \$14,400.00 for FY'15 Commitments and Other Fees (\$8,000.00 for El Rancho de las Golondrinas Renaissance Fair-September 20-21, 2014 and \$6,400.00 for El Rancho de las Golondrinas Harvest Festival October 4-5, 2014), leaving an anticipated cash balance of \$579,017.36.

ADVERTISING AGENCY REPORT

- **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 said the total occupancy in Santa Fe for the month of September was down slightly (2%), when compared to the month of September in the prior year. However, the ADR continues to surge. The total occupancy for the month of September for Santa Fe was 70.6%, compared to the occupancy for Albuquerque at 65.5%.

- **New Business**

Mr. Rountree said there was no new business to report.

- **Old Business**
FY 2015 Creative Revision

[Copies of the revised creative for FY2015 were distributed and reviewed.]

There was consensus of the Board to accept the revised creative for FY2015.

- **Press Articles**

Copies of an article in the *Santa Fe New Mexican* regarding the ski basin shuttle were distributed. It states that the Ski basin shuttle service is still just talk. The North Central Regional Transit District, which operates taxpayer-subsidized bus routes in Northern New Mexico counties including Santa Fe, continues to meet with stakeholders

and study the possibility of providing transportation along the Hyde Park Road corridor. While talks are ongoing, a new bus route is unlikely to get off the ground this year.

Copies of an article in the *Santa Fe New Mexican* regarding the summer surge for Santa Fe hotels were distributed. It states that this past summer may have been the best ever for Santa Fe hotels, with occupancy and revenue both returning to pre-recession highs. So far in 2014, through September, occupancy is 3.1% ahead of the same period last year and revenue is \$124 million in Santa Fe, a 6.8% jump. Interestingly, that is about the same increase statewide, which indicates hotel occupancy is seeing a healthy boost throughout New Mexico, according to the data. However, the data does not include the month of October, which may have seen a boost in the number of travelers to Santa Fe from the Albuquerque International Balloon Fiesta, according to merchants.

ADMINISTRATIVE

Chairman Berkenfield gave a brief update on the joint Economic Development meeting that was held on October 13th. Members of the Board of County Commissioners and City Council attended the meeting. The County and City Managers were also in attendance.

Chairman Berkenfield noted that Cindy Racco has resigned from the Board. Ms. Racco has been relocated to the Four Seasons Resort in Kono, Hawaii. Ms. Racco was acknowledged for serving on the Board in her tenure at Encantado, a Four Seasons Resort.

The Board discussed some prospective candidates to fill the Board vacancy. Interested candidates can contact Evelyn Valencia.


Next meeting date and location

The next meeting was scheduled for December 11, 2014 at 11:00 a.m. at Encantado, a Four Seasons Resort, Santa Fe, New Mexico.

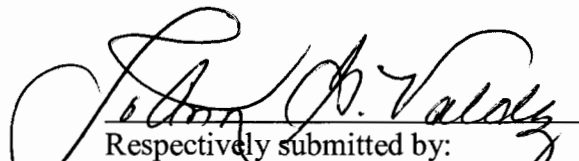
ADJOURNMENT

Ms. Brown made a motion to adjourn the meeting. Ms. Johnson 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



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

LODGERS TAX MINUTES
PAGES: 10

I Hereby Certify That This Instrument Was Filed for
Record On The 30TH Day Of December, 2014 at 04:00:02 PM
And Was Duly Recorded as Instrument # **1754092**
Of The Records Of Santa Fe County

Deputy  Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM

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