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SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
April 19, 2012

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The next meeting was scheduled for May 24, 2012 at 10:00 a.m.		9
ADJOURNMENT	Adjourned at 12:00 p.m.	9

MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

April 19, 2012

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 in the First National Bank Conference Room, 62 Lincoln 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
Florenceruth Brown, Vice Chair
Lydia Frank
Mary Johnson

Board Members Absent

Florence Jaramillo, excused

Staff Present

Teresa Martinez, Santa Fe County Finance Division Director
Evelyn Valencia, Santa Fe County Finance Division

Others Present

Luca Ceccarelli, HDNM Entertainment
Karen Brown, Santa Fe Skies RV Park
Russ Rountree, Impressions Advertising, Inc.
Eileen Street, HDNM Entertainment
Jo Ann G. Valdez, Stenographer

Chairman Berkenfield and the Board Members expressed gratitude to First National Bank for hosting this meeting.

APPROVAL OF THE AGENDA

The agenda was reprioritized. (Item IV b-*Funding Request from Santa Fe County Economic Development (Shoot Santa Fe)* was moved up on the agenda.

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

APPROVAL OF MINUTES: February 22, 2012

The following change was made to the Minutes of the February 22, 2012 meeting:

Page 8, 8th paragraph, 1st sentence was changed to read: “*Board Member Florenceruth Brown has submitted her letter of resignation.*”

Ms. Johnson made a motion to approve the Minutes of the February 22, 2012 meeting, as amended. Ms. Frank seconded the motion. The motion passed unanimously by voice vote.

NEW BUSINESS

- **Funding Request from Santa Fe County Economic Development, Teresa Martinez for Shoot Santa Fe in Los Angeles, CA Association of Film Commissioners International Annual LA Expo**

Ms. Martinez presented the information regarding the request for funding, from the Application, which was distributed in the members’ packets. The packet included promotional material for the South by Southwest Festival and the Sundance Film Festival.

Santa Fe Economic Development is requesting \$7,000.00 for *Shoot Santa Fe* to attend two events in Los Angeles in conjunction with the LA Expo that is held in mid-June. *Shoot Santa Fe* is modeled after a public-private partnership. Most of the cash-flow for the special events comes from the City of Santa Fe, Santa Fe County, and other municipalities surrounding Santa Fe (Espanola, Los Alamos, Rio Arriba, Taos). Concomitantly, a series of private companies and organizations contribute in-kind, or with cash, including local film production company HDNM Entertainment, LLC, Santa Fe Studios, Santa Fe University of Art and Design and Garson Studios.

A 2010 study of film and television industry growth indicates that there are only two other states where film related job growth has a bigger impact on the local economy than New Mexico, that is California and New York.

Ms. Martinez noted that *Shoot Santa Fe* has successfully attended two other major industry events. This includes the Sundance Film Festival in January and South by Southwest Festival in March. At these events, *Shoot Santa Fe* was able to promote the region and raise awareness as to the viability of producing films and television in the Santa Fe region.

Ms. Martinez reported that the total budget for this event is \$15,500. She said this request would be in line with the Lodgers’ Tax Board’s mission and intent. The Expo event in Los Angeles will be the largest and most important of these events, as it is the

prime event site selectors' use in learning about locations and availabilities and incentives.

Ms. Martinez explained that the County recognizes that this is a huge endeavor and that it is going to need a budget of its own. Therefore, the County is trying to formulate a budget for the next fiscal year-to deal with economic development overall. She asked the Board to think about establishing some criteria for future funding requests, as they develop a budget for economic development. These can be emailed to Ms. Martinez or Ms. Valencia.

Chairman Berkenfield asked if this is something that is done parallel with the Film Office. It seems to him that this is a function that the State would do.

Ms. Martinez said no. She explained that due to budget constraints and policy changes, the State of New Mexico has reduced the resources available for promoting New Mexico and the Santa Fe region to the international film industry. This has resulted in a decrease of productions in the pipeline. To address this issue, several regional governments, including the City of Santa Fe, Santa Fe County, Los Alamos County, Rio Arriba, Santa Fe Studios, IATSE, Regional Development Corporation and other entities formed the *Shoot Santa Fe* initiative to promote the region to production site selectors and to increase visibility for the greater area as a work and travel destination.

Mr. Ceccarelli said it is not the Film Office that it used to be. It has become more of a welcoming committee. They are not going out to the world and advertising what Santa Fe is, and has to offer. He said they took it upon themselves to attend key events where independent film makers are to represent the state, this region and to get people working again. However, they do work closely with the Film Office.

Ms. Street said when the film incentives changed last year, there was a perception in the industry that the State of New Mexico was done offering incentives. This has been one of the main jobs of this program – to remind people that Santa Fe still has great incentives, crew and locations.

Chairman Berkenfield explained that this Board is charged with the responsibility of increasing tourism in the County of Santa Fe; and the funding is directed at those efforts. He said support of events in the County has a tourism component, but in this case, it seems to be more of economic development rather than tourism. He asked Ms. Martinez to help the Board find the bridge for this project.

Ms. Martinez said with respect to this funding request, there were discussions about advertisements in publications such as *Daily Variety*. She said the money that is allocated from lodgers' taxes would have to be used strictly for advertisement of this event. She suggested that *Shoot Santa Fe* show numbers for possible leads from the event. She said they will bring in people associated with film productions into New Mexico and Santa Fe and these people will stay within the community, eat within the community and contribute from a gross receipt respective.

Chairman Berkenfield asked if there was any way that this could be measured-how would you measure that this money has been well spent.

In response, Ms. Street said they could measure the attendance at the events and the booths.

Ms. Florence Ruth Brown said being close to Santa Fe Studios, Santa Fe Skies gets people from the film industry. She said the other fact is that the County is a partner in this project; and they are not necessarily obligated to get this Board's approval.

Ms. Karen Brown said this also gives the tourists more to see while they are here.

Chairman Berkenfield said there is a potential for positive impact on tourism, if the films depict the State of New Mexico.

Ms. Frank said unfortunately the film industry did suffer with the rebate change; and that perception is out there, and anything that we can do to get the word out would be beneficial to all of us.

Chairman Berkenfield said the Board is certainly behind this effort but he questions how the Board can make this consistent with their mission. He asked if there was a match from the City.

Mr. Ceccarelli said yes, OTAB funded them \$7500.

Chairman Berkenfield said if the request is approved by the Board, the applicant must submit a written report within 90 days following the event and an oral report must be given to the Board.

Ms. Brown moved to approve the funding request in the amount of \$7000.00. Ms. Johnson seconded the motion. The motion passed unanimously by voice vote.

- **Funding Request from Amanda Crocker, Programs & Marketing Director for El Rancho de las Golondrinas for yearly events**

[John Berkenfield recused himself from voting and discussion on this agenda item, having declared a conflict of interest. Ms. Florence Ruth Brown co-chaired this portion of the meeting.]

Ms. Crocker thanked the Board for the past support. She said the support of LTAB in prior years has been critical to the success of their efforts in Santa Fe County. This support has been of extraordinary significance to the museum, and has enabled them to effectively promote major annual events held at the museum.

Ms. Crocker presented the information regarding the request for funding, from the Application, which was distributed in the members' packets. The packet included promotional material on the six events.

El Rancho de las Golondrinas is requesting \$24,400 for advertising and promotion of six events: Santa Fe Wine Festival (July 2012), Viva Mexico! (July 2012), Summer Festival, Frontier Days and Horses of the West (August 2012), Harvest Festival (October 2012), Battlefield NM: The Civil War and More (May 2013) and the Spring Festival and Children's Fair (June 2013). Las Golondrinas requests that LTAB continue its support for FY2012-2013 by granting \$24,400, an increase of \$1,000 over FY2011-2012, in support of the advertising, promotion and marketing of six major events during the period.

Ms. Crocker said with the help of LTAB, Las Golondrinas reached record attendance in 2011 for the third successive year. Three events in 2011 exceeded 5,000 visitors in attendance for a total of 55,970 visitors to Las Golondrinas in 2011. The total attendance at the five events supported by LTAB in 2011 was 14,117 visitors, an increase of 17% over the prior year. Approximately 26% of the visitors were from out-of-state and international, and an additional 23% were from cities in New Mexico, other than Santa Fe and Albuquerque.

Ms. Crocker said they are requesting the continued support of LTAB, and ask that the support be extended to include Viva Mexico!, the second largest event held at the museum, and one that has dramatically grown in popularity and attendance since it began in 2008. There were 5,250 attendees at Viva Mexico in 2011; an eight-time increase in four years. Las Golondrinas is proposing to reduce the current support for the Civil War program and "divert" some of that money to the Viva Mexico! event.

Ms. Crocker noted that El Rancho de Las Golondrinas is a unique and unduplicated attraction in Santa Fe County, and one of its principal tourist attractions. They have a positive impact on tourism in the County, as well as contributing to the reputation of Santa Fe County as a unique tourism destination.

Ms. Crocker reported that Las Golondrinas has been surveying visitors since 1991, and in 2011 they surveyed 7,259 visitors for information regarding their visit. Las year, 15% stated in paid lodging in Santa Fe, as did many performers, demonstrators and other participants in their programs. However, they were unable to distinguish from their surveys if visitors stayed in the county or city lodging. They believe the average stay in paid lodging during the summer season is three nights, which resulted in 1800 room nights in lodging facilities in Santa Fe County.

Ms. Crocker mentioned that they advertise in both English and Spanish.

Ms. Crocker said as far as marketing, they are augmenting it with social media. Since they are located 15 miles from the Santa Fe Plaza, advertising and promotion plays

a major role in their efforts to bring visitors to the museum. During this period of economic challenge, they believe that advertising, promotion and marketing of the events is more important than ever, and they have no plans to reduce those efforts, but rather to increase diversity them.

Ms. Johnson moved to approve the funding request at \$24,400. Ms. Frank seconded the motion. The motion passed unanimously by voice vote.

Chairman Berkenfield chaired the meeting from here forward.

OLD BUSINESS

Chairman Berkenfield asked for an update on the PR Co-Op Program with CVB- the request for the County to consider funding \$5,000 for the joint venture (press tour) to bring in 10 to 12 press writers to Santa Fe for four to five nights in September. The City would contribute \$5,000 and they would like the County to contribute \$5,000. This would be in lieu of not getting co-op funds from the New Mexico Tourism Department. The \$10,000 would go towards the costs of air fare (round-trip transportation) for the writers.

Mr. Rountree said they are working on getting clarification from the New Mexico Tourism Department regarding the reason that the County and City's co-op application was denied.

Mr. Rountree noted that he and Steve Lewis discussed whether or not Geiger and Associates would consider being the public relations service agency and they would contract directly with them. Steve Lewis will be contacting Geiger and Associates to see if they are interested in this.

Chairman Berkenfield noted that Steve Lewis mentioned at the last meeting that he would be approaching the Gallery Association to see if they would be interested in being a financial partner. Chairman Berkenfield suggested that Mr. Lewis be invited to the May meeting to give an update on this. He said he would like the Board to consider getting this in the budget for 2012-2013.

Ms. Valencia said she put in a request for this and it is currently being reviewed.

Chairman Berkenfield asked Ms. Valencia for an update on the two properties (Raven Ridge and Terrain-Santa Fe) that are in the County and may be operating as a bed and breakfast; and therefore should be paying lodgers' tax.

Ms. Valencia reported that she sent an email to the Assistant County Manager and the County Manager regarding this because she has not heard back from the Land Use Department.

Ms. Johnson asked about an environmental and health standpoint if they are serving food.

Ms. Valencia said this is why she sent an e-mail to the Assistant County Manager and the County Manager.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-April 18, 2012 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through April 18, 2012 noting total receipts of \$11,494.56 for February and \$1,534.93 thus far for March 2012 (these are not due until April 25th); total receipts to date are \$274,757.58.

Ms. Valencia noted that the County received a letter from Hacienda Las Barrancas that the business has been closed. Also, Crystal Mesa Farm B&B, LLC have indicated that they only have two rooms that they are using at this time.

Ms. Valencia distributed and reviewed the Lodgers' Tax Receipt Analysis noting that there was a 10% increase when compared to the month of February of the prior year.

Ms. Valencia distributed and reviewed the Facility Fund report through April 18, 2012 identifying the beginning cash balance of \$698,141.00; total lodgers' tax receipts reported of \$118,845.18; \$1,391.95 interest; and expenditures of \$8,210.15 for FY'11 Advertising Contract and \$62,451.78 for FY'12 Advertising Contract, outstanding encumbrances in the amount of \$49,548.22, leaving an anticipated cash balance of \$698,167.98.

Ms. Valencia distributed the Advertising Fund report through April 18, 2012 identifying the beginning cash balance of \$823,514.48; total lodgers' tax receipts reported of \$191,157.78; \$1,625.54 interest; \$2,100 State Coop for last FY; expenditures of \$15,658.14 for FY'11 Advertising Contract, \$104,086.31 for FY'12 Advertising Contract, \$165.11 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 for Southwest Roots Music Thirsty Ear Festival; \$3,500 for El Rancho de las Golondrinas Spring Festival and Children's Fair and \$7,500 for the SF International Folk Art Market; \$17,900 for FY'12 Commitments and Other Fees (\$3,500 for El Rancho de las Golondrinas Summer Festival and \$6,400 El Rancho de las Golondrinas Harvest Festival and \$8,000 for Open Hands for Renaissance Fair); \$169.58 for FY'11 Reporting and Recording, \$869.94 for FY'12 Reporting and Recording, outstanding encumbrances in the amount of \$98,286.11, leaving an anticipated cash balance of \$758,262.61.

ADVERTISING AGENCY REPORT

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

[Copies of the Rocky Mountain Lodging Report for the month of March were

distributed and reviewed. A spreadsheet on tracking Santa Fe Occupancy Tax was attached.]

Mr. Rountree reported that occupancy rates for the month of March were off by 4%. The occupancy rates for the downtown properties were off 5% for the month of March; the Cerrillos Road properties were off 10% and the periphery properties were up by almost 20%. The average daily rate (ADR) continues to escalate.

Mr. Rountree reported that the City's gross receipts collected show a 9% increase for the months of March and April.

- **Old Items**

- **FY'13 NMTD Co-Op Program**

Mr. Rountree reported that the deadline to apply for the FY'13 Co-Op Program is April 27th.

- **New Mexico Tourism New Campaign**

Mr. Rountree explained that the New Mexico Tourism Department is launching a new advertising campaign to bolster tourism and aims to communicate the State's true offerings. The New Mexico Tourism Department intends to put an end to misconceptions and highlight the authentic experiences New Mexico offers to visitors with its new advertising campaign, "New Mexico *True*." The campaign is part of a \$2 million branding effort designed to attract new tourists to New Mexico. The campaign was created by Vendor, Inc., an Austin, Texas-based advertising agency. The campaign kicks off this week in Tucson, Arizona; Colorado Springs, Colorado; and El Paso, Lubbock, Midland-Odessa and Amarillo, Texas. The New Mexico Tourism Department plans to expand the campaign to additional markets later this year.

- **Press**

[Copies of various press articles were distributed.]

Copies of several articles about the proposed Retreat Center in Chimayo were distributed. A community group that has led the fight against plans for a retreat center near El Santuario de Chimayo is requesting approval from the Santa Fe County Commission to develop a community plan for Chimayo's traditional community area. The Commission is scheduled to consider a resolution supporting the process.

Copies of an article regarding the closing of the Real Food Nation restaurant/cafe were distributed. In messages to friends, the owners suggested they had reached a tipping point and could not continue putting their money into a losing venture.

A copy of an article from *Travel Pulse.com* was distributed. It indicates that a U.S. Travel Survey finds Americans are still tentative about leisure travel.

SFC CLERK RECORDED 08/19/2012

ADMINISTRATIVE

a. Next meeting date and location

The next meeting was scheduled for May 24, 2012 at 10:00 a.m.

b. Executive Session-Personnel Issue

Board Member Florenceruth Brown has submitted her letter of resignation. Ms. Brown will remain on the Board until the Board of County Commissioners appoints a new member to replace her.


Ms. Brown requested that the Board consider her daughter-in-law, Karen S. Brown, as her successor. Ms. Brown handles the advertising of Santa Fe Skies Park and has attended several meetings with Ms. Brown. Ms. Brown has submitted a copy of her resume to the Board.

There was consensus of the Board to recommend that Karen Brown be appointed to the Board. Chairman Berkenfield will write a letter to the Board of County Commissioners recommending the appointment of Karen Brown to the Board.

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



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
LOGGERS TAX MINUTES
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I Hereby Certify That This Instrument Was Filed for
Record On The 29TH Day Of August, 2012 at 04:15:19 PM
And Was Duly Recorded as Instrument # 1679832
Of The Records Of Santa Fe County

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

