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SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
April 24, 2014

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ROLL CALL	Quorum	1
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• Funding Request from El Rancho de las Golondrinas for the 2014-2015 events by Amanda Crocker, Director of Programs and Marketing	Approved [funded @ \$32,400]	5-7
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• Next meeting date and location	The next meeting was scheduled for July 24, 2014 at 10:00 a.m.	9
ADJOURNMENT	Adjourned at 12:10 p.m.	9

MINUTES OF THE

SANTA FE COUNTY

LODGERS' TAX ADVISORY BOARD

April 24, 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 Santa Fe Skies RV Park, 14 Browncastle Ranch, 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

Mary Johnson

Board Members Absent

Florence Jaramillo, excused

Cindy Racco, excused

Staff Present

Evelyn Valencia, Santa Fe County Finance Division

Others Present

Florence Ruth Brown, SF Skies

Amanda Crocker, El Rancho de Las Golondrinas

Heather Tanner, SF International Folk Art Market

Russ Rountree, Impressions Advertising, Inc.

Jo Ann G. Valdez, Stenographer

Chairman Berkenfield noted that he received an e-mail from Board Member Florence Jaramillo as a voting proxy - to approve funding for the Santa Fe International Folk Art Market and El Rancho de Las Golondrinas requests.

[A copy of the email from Ms. Jaramillo is hereby incorporated to these Minutes as Exhibit "A".]

APPROVAL OF THE AGENDA

- **Amendments**

The agenda was amended – Item V (*Funding Request for the 2014 Santa Fe International Folk Art Market*) was presented by Heather Tanner (not Laura Sullivan).

- **Tabled or Withdrawn items**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: March 27, 2014

Ms. Brown made a motion to approve the Minutes of the March 27, 2014 meeting. Ms. Johnson seconded the motion. The motion passed unanimously by voice vote.

NEW BUSINESS

- **Funding Request for the 2014 Santa Fe International Folk Art Market by Heather Tanner, Associate Director of Development**

Heather Tanner presented the information regarding the request for funding, from the Application, which was distributed in the members' packets. Promotional material was included in the packets.

The Santa Fe International Folk Art Market Inc. dba International Folk Art Alliance is requesting \$10,000 in LTAB funding for public relations and marketing efforts to attract out-of-town visitors to attend the 2014 Santa Fe International Folk Art Market scheduled for July 11-13, 2014. This will be the eleventh annual Folk Art Market, formerly known as the Santa Fe International Folk Art Market. The Market will take place on Milner Plaza on Museum Hill adjacent to the Museum of International Folk Art. This has grown to become the largest venue for authentic international folk art in the world.

The Board Members viewed the public relations video for this years' Market.

Ms. Tanner said for this year's market, they have selected over 170 master folk artists from 60 different countries to sell their original folk art in Santa Fe. The 2014 Market aims to highlight the importance of artisan work in the world; improve the guest experience; and raise Santa Fe's visibility as the international folk art capital of the United States and as a world leader in cultural tourism.

She said the Santa Fe International Folk Art Market extends Santa Fe's major tourist season to include the entire month of July and solidifies the City's outstanding reputation as the "City of Markets" by joining the City's existing culturally authentic markets, the Indian and Spanish Markets as a world-class destination for arts and culture.

Ms. Tanner reported that they are anticipating a 6% increase in attendance over last year, which is approximately 22,000 visitors. They anticipate that the percentage of out-of-town visitors will remain at approximately 62%; 45% of those visitors come from outside of New Mexico. Last year, visitors came from at least 26 different states with the majority

coming from Texas, California, Colorado, and Arizona.

Ms. Tanner noted that the economic impact from these visitors is great. Last year they saw a \$3.5 million economic impact. This is according to the statistics from the study that was conducted by Southwest Planning and Marketing in 2013. Southwest Planning and Marketing, a professional marketing research firm, administered an on-line survey and received 533 valid respondents. They anticipate again that visitors will come in an average party size of 2.8, stay on average 4.8 nights and spend approximately \$704 on lodging during their stay in Santa Fe this year.

The total GRT and Lodger's tax expected from the out-of-town visitors on lodging is \$520,806; \$56,578 would come to the County. In addition, to the GRT generated by out-of-town visitors on lodging, the Market is estimating approximately \$2,800,000 in artists' sales for 2014, yielding an additional \$229,250 in total GRT. Total tax benefit will include taxes from room nights (\$520,806) plus GRT from artists' sales (\$229,250) and will equal \$750,056. The County would receive GRT from artists' sales (\$35,000) plus GRT and Lodger's Tax from room nights (\$56,578), totaling \$91,578 tax benefit from out-of-town visitors.

Ms. Tanner said in order to continue the success of the event, they are planning a similar marketing and PR strategy that they have done in the past few years. The Market has contracted with experienced publicist, Clare Hertel Communications, to approach editors, writers, and producers who specialize in such areas as travel, entertainment, art, business, parenting/family, home décor, women's issues, and lifestyles and people profiles. She will develop targeted national and regional media lists of producers, editors, and reporters in order to generate a variety of features, profile, and event calendar listings.

Ms. Tanner mentioned that the Market was featured on the *CBS Sunday Morning* show. As a result, the Market received 2,000 requests [on their website] from people who wanted to receive additional information about the Market.

Clare Hertel will approach editorial contacts at the *New York Times*, the *Washington Post*, the *Wall Street Journal*, the *Boston Globe*, the *Chicago Tribune*, the *Los Angeles Times*, the *San Francisco Chronicle*, *USA Today*, the *Dallas Morning News*, the *Denver Post* and many others. She will also approach syndicated outlets including the Associated Press, Knight-Ridder Gannet and others.

Ms. Tanner said this year there will be a second annual conference of the Alliance for Artists and Enterprise here in Santa Fe. This is an alliance that is hosted through the Aspen Institute and the US State Department and was formed a few years ago. The Market is a member of the Alliance.

Chairman Berkenfield noted that the Executive Director of the Market (Shawn McQueen-Ruggeiro) has announced that she will be leaving and this will be her last Market. He asked Ms. Tanner to explain what the impact of this would be, if any, on the Market this year; and what the plans are for replacing her.

Ms. Tanner said Ms. McQueen-Ruggeiro is moving back to San Diego because of her husband's job. However, she is very committed to the organization and will be available until a new Executive Director has been selected and the Board is projecting that her final day of employment would be September 30th. A team is being put together now to do a search for an Executive Director.

Chairman Berkenfield asked Ms. Tanner how they would use the funding, if their request is granted, and would the funding be a part of their Marketing budget.

Ms. Tanner said yes, it would be a part of their Marketing budget. She said they could ensure that the funds are used for whatever Lodgers Tax Advisory Board would be interested in underwriting, otherwise the funds would be restricted for the marketing dollars in general.

Chairman Berkenfield referred to the budget and asked Ms. Tanner what the \$40,000 state grant expense was for.

Ms. Tanner said she believes that is the cultural collaborative funding that they received from the State Legislature through a Memorandum of Understanding with the Department of Cultural Affairs. They put funding in the budget for an international folk art Market and a leading performing arts venue to create collaborative cultural programming that would promote museum exhibitions. They are now in the planning process to do this.

Chairman Berkenfield noted that the International Folk Art Market has a high payroll. He asked Ms. Tanner how many employees they had.

Ms. Tanner said they have 11 full-time permanent positions, and a number of contracts who work seasonally, however the Market relies mainly on volunteers to make the Market possible. They are projecting that there will be another 1,500 volunteers at this year's Market and 780 have already signed up.

Ms. Brown moved that the Board discuss the funding application to support the 2014 Santa Fe International Folk Art Market. Ms. Johnson seconded the motion. The motion passed. (Ms. Jaramillo sent her voting proxy via email.)

After discussion, the following motion was made:

Ms. Brown moved to fund the 2014 Santa Fe International Folk Art Market at \$10,000.00 as requested. Ms. Johnson seconded the motion. The motion passed. (Ms. Jaramillo sent her voting proxy via email.)

- **Funding Request from El Rancho de las Golondrinas for the 2014-2015 events by Amanda Crocker, Director of Programs and Marketing**

[John Berkenfield recused himself from voting and discussion on this agenda item

having declared a conflict of interest. Vice-Chair Mary Johnson chaired this portion of the meeting.]

Amanda Crocker presented the information regarding the request for funding, from the Application, which was distributed in the members' packets. Promotional material was included in the packets.

El Rancho de las Golondrinas is requesting \$32,400 in LTAB funding to support the advertising, promotion and marketing of seven major events during the period for FY2014-2015.

Listed below are the events for which support is requested:

Program	2013 Attendance	FY14-15 request
Santa Fe Wine Festival (July 2014)	4,859	\$6,000
Viva Mexico! (July 2014)	4,327	\$3,000
Summer Festival & Frontier Days (August 2014)	1,065	\$3,500
Santa Fe Renaissance Fair (September 2014)	8,472	\$8,000
Harvest Festival (October 2014)	3,756	\$6,400
Battlefield New Mexico: The Civil War & More (May 2015)	1,007	\$2,000
Spring Festival & Children's Fair (June 2015)	<u>1,774</u>	<u>\$3,500</u>
Totals:	25,260	\$32,400

The total attendance at the five events supported by LTAB in 2013 was 25,260 visitors, and they anticipate attendance will be comparable during this grant period. This estimate excludes approximately 1,000 program participants, some of whom will stay in paid lodging in the area. Of the 25,260 visitors, only 25% came from Santa Fe and the remainder of the visitors came from Albuquerque, out-of-state and international, and other cities in New Mexico.

Ms. Crocker said 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. With the help of LTAB, Las Golondrinas has reached record attendance in 2013 for the fifth successive year, an accomplishment of which they are proud in a challenging and unsettled economy. A record total of 58,351 people visited Las Golondrinas in 2013.

Ms. Crocker noted that 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.

Ms. Crocker noted that El Rancho de las Golondrinas is program-driven, and the largest tourism attraction in Santa Fe County. They are open from April 1st to October 31st. She said they have never remained static in its programming. Every year their programs are evaluated and changed in order to maintain appeal to their audiences.

In addition to the seven major events noted above, Las Golondrinas offers four special-themed weekend programs including a Fiber Arts Festival, a Fiesta de los Ninos, an Herb and Lavender Fair, and Survival: New Mexico. All programs reflect the rich arts, culture, history and traditions of our part of New Mexico. El Rancho de las Golondrinas is a unique and unduplicated attraction in Santa Fe County. They have a long and successful record of presenting the best of the history, cultural traditions and arts of northern New Mexico to more than 57,000 visitors annually.

Ms. Crocker mentioned that the Santa Fe Renaissance Fair has become arguably the largest tourism event in Santa Fe County since its inception in 2008. Attendance at the 2013 event was 8,472 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.

LTAB support of the Santa Fe Renaissance Fair was originally provided to Open Hands, the first partner in this event. When Open Hands closed its doors in 2012, LTAB continued its support of the event while Las Golondrinas looked for a new partner.

Las Golondrinas has now established a partnership with the Santa Fe Interfaith Community Shelter, a local organization providing vital social program support to the underserved and needy in our community, particularly in feeding and offering shelter to the homeless. They tested the partnership in 2013, it worked well and they plan to continue with them in the future.

El Rancho de las Golondrinas is requesting that LTAB continue its support of the Santa Fe Renaissance Fair by making a grant to Las Golondrinas, rather than the Interfaith Community Shelter. This request comes from both organizations and is made in acknowledgement that the Interfaith Community Shelter does not have the funds to spend on media buys before the event, and which cannot be reimbursed until after the event itself. Additionally, Las Golondrinas has favorable insertion rates for advertising from the media, which are not available to Interfaith Community Shelter. If LTAB funding is granted for the Renaissance Fair, it will be used for advertising and marketing of the event.

After discussion, the following motion was made:

Ms. Brown moved to fund El Rancho de las Golondrinas at \$32,400 as requested. Ms. Johnson seconded the motion. The motion passed.
(Ms. Jaramillo sent her voting proxy via email. Chairman Berkenfield abstained from voting having declared a conflict of interest.)

OLD BUSINESS

There was no old business.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-April 23, 2014 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through April 23, 2014 noting total receipts of \$14,806.93 for February and \$15,493.74 thus far for March 2014 (these are not due until April 25, 2014); total receipts to date are \$300,636.22.

Ms. Valencia distributed and reviewed the Lodgers' Tax Receipts Analysis noting that there was a decrease of 37% in the month of March when compared to the prior year, and a 2% decrease in the month of February.

Ms. Valencia distributed and reviewed the Facility Fund report through April 23, 2014 identifying the beginning cash balance of \$804,254.00; total lodgers' tax receipts reported of \$123,430.80; \$1,342.99 in interest (through January 2014); expenditures of \$13,331.59 for FY'13 Advertising Contract; \$65,009.06 for FY'14 Advertising Contract, outstanding encumbrances in the amount of \$46,990.94, leaving an anticipated cash balance of \$803,696.20.

Ms. Valencia distributed and reviewed the Advertising Fund report through April 23, 2014, identifying the beginning cash balance of \$890,586.00; total lodgers' tax receipts reported of \$205,451.03; \$1,443.98 in interest (through January 2014) expenditures of \$23,283.67 for FY'13 Advertising Contract, \$108,348.40 for FY'14 Advertising Contract, \$1,605.00 for FY'13 Audit Contract; \$94.18 for Newspaper Advertising; \$23,000.00 for FY'13 Commitments and Other Fees (\$6,000 for El Rancho de las Golondrinas Wine Festival, \$9,000.00 for the Santa Fe International Folk Art Market; \$8,000.00 for the Santa Fe Renaissance Fair); \$12,900.00 for FY'14 Commitments and Other Fees (\$3,000 for El Rancho de las Golondrinas Viva Mexico July 20-21, 2013; \$3,500 for El Rancho de las Golondrinas Summer Festival and Frontier Days Aug. 3-4, 2013 and \$6,400 for El Rancho de las Golondrinas Harvest Festival Oct. 5-6, 2013); \$244.34 for FY'13 Reporting and Recording; \$907.69 for FY'14 Reporting and Recording, and outstanding encumbrances in the amount of \$94,043.91, leaving an anticipated cash balance of \$833,053.82.

ADVERTISING AGENCY REPORT

Chairman Berkenfield asked when the contract for the Advertising Agency (Impressions Advertising Inc.) expires.

Ms. Valencia said in June of 2015, and the Request for Proposals will have to go out around March of 2015.

- **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 said the total occupancy in Santa Fe for the month of March was 63%, which is down slightly over the total occupancy in Albuquerque for the month. However, it was up slightly over the state-wide average of 61.8%. The year-to-date numbers for the periphery properties was up approximately 3%, when compared to the month of March in the prior year.

- **New Business**

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

- **Old Business
Las Campanas**

At the prior Board meeting, Mr. Rountree noted that Las Campanas may possibly be offering stays at the casitas, which will be short-term rentals again. Since the last meeting, he clarified with the General Manager of the Las Campanas Club that the casitas are owned by the development and they will not be available to the general public. They will only be available to potential buyers and therefore excludes them from the responsibility of lodgers' tax.

City/County Fam Trip

Mr. Rountree reported that the first FAM trip is scheduled for May 8th through May 12th, which is Mother's Day weekend. Five writers will participate in the Fam Trip. Copies of the itinerary for the first trip were included in the Board Members' packets. The second FAM trip is scheduled for June 19th through June 23rd, 2014.

Chairman Berkenfield asked if they have a plan for the second Fam trip.

Mr. Rountree said yes, the plans for the second Fam trip are presently being finalized.

Mr. Rountree mentioned that Steve Lewis of LOCAS Advertising has decided not to renew his contract with the City CVB. The current contract will expire on June 30, 2014.

- **Press Articles**

An article was distributed about the hiring of Randy Randall as the new Executive Director of the Santa Fe Convention and Visitors Bureau. Mr. Randall has had a 45-year

career in the tourism industry, including 10 years as general manager of the Eldorado Hotel.

An article about the Department of Transportation data was distributed. Large government agencies and trade associations start issuing statistical reports at the first quarter of the year on the prior year numbers, including things like airline traffic and international travel. The article states that the industry is making the most of a “soft travel environment”. This year’s data seems to not support the travel industry’s view on its own performance in 2013. With the notable exception of the cruise industry, most sectors of the travel business are perceived to have been on the rebound in 2013.

An article about South Korea was distributed. It states that in an attempt to attract more international tourism, the Korean government will refund the country’s 10% hotel tax to visitors. The incentive, which began on April 1, and will remain in effect for one year, applies to international visitors who stay in a hotel for more than two nights but fewer than 30. Travelers who book and pay for hotels through tour packages are not eligible for the tax refund.

ADMINISTRATIVE

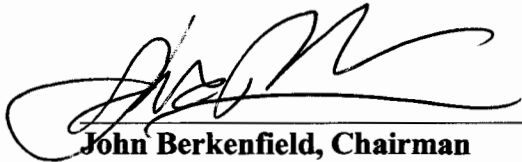
Next meeting date and location

The next meeting was scheduled for June 24, 2014 at 10:00 a.m. at the Bokum Building, Finance Conference Room, 2nd Floor, 142 West Palace Avenue, Santa Fe, New Mexico.

ADJOURNMENT

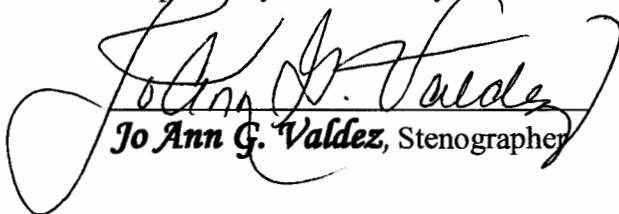
Ms. Brown made a motion to adjourn the meeting. Ms. Johnson seconded the motion and the meeting was adjourned at 12:10 p.m.

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
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I Hereby Certify That This Instrument Was Filed for
Record On The 30TH Day Of December, 2014 at 03:41:00 PM
And Was Duly Recorded as Instrument # **1754087**
Of The Records Of Santa Fe County

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

2014 DEC 30 03:41:00 PM