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SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
April 28, 2011

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MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

April 28, 2011

The regular meeting of the Santa Fe County Lodgers' Tax Advisory Board was called to order at 10:38 a.m. on the above date by Chairman John Berkenfield at 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
Florenceruth Brown, Vice Chair
Lydia Frank
Florence Jaramillo
Mary Johnson

Board Members Absent

None

Staff Present

Evelyn Valencia, Santa Fe County Finance Division

Others Present

Amanda Crocker, El Rancho de las Golondrinas
Michael Foster, Southwest Roots Music
Joe Maes, El Rancho de las Golondrinas
Martin Nicholson, General Manager of Encantado, An Auberge Resort
Russ Rountree, Impressions Advertising, Inc.
Jo Ann G. Valdez, Stenographer

APPROVAL OF THE AGENDA

The Agenda was reprioritized (Item VI-B-Funding Request from El Rancho de las Golondrinas) was moved up on the agenda.

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

APPROVAL OF MINUTES: March 31, 2011

Ms. Jaramillo made a motion to approve the Minutes of the meeting of March 31, 2011, as submitted. Ms. Johnson seconded the motion which passed unanimously by voice vote.

OLD BUSINESS

Chairman Berkenfield noted that the City of Santa Fe has appointed Jim Bradbury as the Interim Director of the Convention and Visitors Bureau.

Chairman Berkenfield said that he invited Steve Lewis, the Public Relations representative for the Convention and Visitors Bureau, to the next LTAB meeting. Mr. Lewis will give an update on the joint CVB and County of Santa Fe public relations contract and project.

Chairman Berkenfield also mentioned that Chris Madden has been hired as the Director of Sales and Marketing for the Convention and Visitors Bureau.

Chairman Berkenfield announced that he and Mr. Rountree would be joining the Secretary of Tourism today at a luncheon. Ms. Frank said she would also be attending the luncheon.

Ms. Brown distributed copies of an article in the national trade publication for RV owners with regards to the solar power project at Santa Fe Skies RV Park. Santa Fe Skies RV Park is expecting that the solar installation will provide about 56% of the RV Park's electricity.

The guests were introduced at this point in the meeting.

NEW BUSINESS

A. Funding Request from El Rancho de las Golondrinas by Amanda Crocker
[Chairman Berkenfield recused himself from discussion or voting on this agenda item having declared a conflict of interest.]

Ms. Brown co-chaired this portion of the meeting.

Ms. Crocker thanked the Board for their past support of El Rancho de las Golondrinas. This support has been of extraordinary significance to the museum, and has enabled them to effectively promote five major annual events held at the museum, to measurably increase interest in programs at Las Golondrinas, and to increase contributions to tourism in Santa Fe County. With the help of LTAB, Las Golondrinas reached record attendance in 2010 for the second successive year.

Ms. Crocker presented the information regarding the request for funding, from the Application, which was distributed in the members' packets.

El Rancho de las Golondrinas is requesting \$23,400 in LTAB funding for advertising and promotion of the Santa Fe Wine Festival at Las Golondrinas (July 2011), Summer Festival, Frontier Days and Horses of the West (August 2011), Harvest Festival (October 2011), Battlefield New Mexico: The Civil War and More (May 2012) and Spring Festival and Children's Fair (June 2012).

Ms. Crocker said they believe El Rancho de las Golondrinas is a unique destination, not only in Santa Fe, but in the United States. She explained that El Rancho de las Golondrinas is a program-driven organization.

Ms. Crocker noted that there will be a new program that they will premier this year (in August 2011) called "Survival: New Mexico". This will be a program that will be about the skills that it would have taken to live in territorial New Mexico. Last year, El Rancho de las Golondrinas started a new program called "Fiber Arts Festival" and they will be highlighting their strong weaving program this year.

Ms. Crocker said that Viva Mexico! began in 2008 with an attendance of 750; in 2010 the program attracted more than 5,000 visitors.

Ms. Crocker reported that El Rancho de las Golondrinas has been surveying visitors since 1991, and in 2010 they surveyed 6,494 visitors for information regarding their visit. Last year, 15% of the total non-student visitors stayed in paid lodging in Santa Fe, as did many performers, demonstrators and other participants in their program. However, they are unable to distinguish from the surveys if visitors stayed in city or county lodging. They believe that the average stay in paid lodging during the summer season is three nights; resulting in 17,276 room nights in the Santa Fe area. If 10% of those room nights were in Santa Fe County lodging facilities, it suggests that their visitors spent more than 1,700 room nights in lodging facilities in Santa Fe County, and paid the appropriate county lodgers tax, as well as gross receipts tax.

Ms. Crocker said despite the downturn in the economy in the last couple of years, El Rancho de las Golondrinas has had two fantastic years with record breaking seasons in 2010 and 2009. Last year, El Rancho de las Golondrinas had 53,392 visitors, a new record for attendance. El Rancho de las Golondrinas has never remained static in its programming. Every year, their programs are evaluated and changed in order to maintain appeal to their audiences.

[Examples of the creative/marketing advertisements for the Civil War Weekend and the Wine Festival were distributed.]

In conclusion, Ms. Crocker said that the success of these Festivals was due, in large measure to effective advertising and promotion made possible by the support of the Santa Fe County Lodgers Tax Advisory Board. They work very hard to maintain Las

Golondrinas as the premier tourist attraction in Santa Fe County, and LTAB's support is vital to their efforts and a primary reason for their success.

Ms. Jaramillo moved to fund El Rancho de las Golondrinas at \$23,400, as requested. Ms. Johnson seconded the motion, which passed unanimously by voice vote.

Chairman Berkenfield chaired the remainder of the meeting.

B. Funding Request from Southwest Roots Music by Michael Koster, Director

Mr. Koster presented the information regarding the request for funding, from the application, which was distributed in the members' packets.

Southwest Roots Music is requesting \$10,000 to market and promote the Thirsty Ear Festival that is scheduled for June 10, 11 and 12, 2011. The Thirsty Ear Festival is in its 12th year and has a proven record of attracting out-of-town visitors, which draws audiences throughout the Southwest, nationally and internationally. The Festival showcases dozens of internationally renowned folk, blues, bluegrass, alternative-country, Cajun, zydeco, roots rock, reggae, Native and world music artists, as well as lectures and demonstrations, children's programming and arts and crafts vendors.

Mr. Koster said that the Festival has grown from a small event of 400 local music lovers to a nationally recognized festival drawing up to 4,000 attendees nationwide. The amount of attendees varies between 2,000 to 4,000 people, depending on the weather.

Mr. Koster explained that they are in a transition year – a major change for the Thirsty Ear Festival. The Thirsty Ear Festival has been held at the Eaves Movie Ranch since its inception and they were very much “at the mercy” of the weather, which severely affects their attendance. In an effort to draw a strong and more diverse crowd, this year's festival will take place at a number of Santa Fe's major venues (including the Lensic Theatre, Santa Fe Brewing Company, Corazon, and GiG Performance space) rather than its traditional single venue. This change not only allows more diversity in programming, with significantly more concerts appealing to younger audiences, but alleviates the negative effects of bad weather (3 of the above venues are indoor) that have severely hurt attendance in the past. In addition to expanding from one to four venues, they have also added a third day to the festival.

Mr. Koster noted that the festival's economic impact on Santa Fe County is significant. Because the festival runs for three days and nights, most audience members who need lodging either camp, stay in RV parks, or use B&B's or hotels for multiple nights. Exit surveys consistently show that more than half of attendees are visitors from outside the Santa Fe area and 50% to 60% of those purchase some kind of overnight lodging for multiple days. While it is impossible to ascertain exactly how many festival visitors stay in the County and how many stay in the City, the cumulative effect is significant. Last year's event, despite bad weather, attracted roughly 2,027 attendees for a total of approximately 507 room nights. (Formula: 507 room nights x \$90 = \$45,630 in

room revenue.) They continue to tweak their exit surveys to try to ascertain how many festival goers stay in the County versus the City.

In conclusion, Mr. Koster said they appreciate the support that LTAB has given them in the past and he hopes that they will continue to support them, particularly in this transition year.

Chairman Berkenfield asked Mr. Koster if there is any indication thus far from advance sales or inquiries about what they think the outlook for this year will be.

Mr. Koster said they think that they will have a variety of audiences at the different venues and this will be a wonderful opportunity to increase the attendance and diversity of the audience.

Ms. Johnson moved that LTAB continue to fund Southwest Roots Music at the \$6,000 level. Ms. Jaramillo seconded the motion, which passed unanimously by voice vote.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report- April 27, 2011 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through April 27, 2011 noting total receipts of \$12,743.42 for February 2011 and \$21,947.99 for March 2011; total receipts to date are \$285,451.06.

Ms. Valencia distributed and reviewed the Lodgers' Tax Receipt Analysis noting that there was a 4% decrease when compared to the month of March of the prior year.

Ms. Valencia distributed and reviewed the Facility Fund report through April 27, 2011 identifying the beginning cash balance of \$651,490.19 and total lodgers' tax receipts reported of \$119,543.83; interest of \$1,566.39 and expenditures of \$9,905.73 for FY'10 Advertising Contract and \$75,109.83 for FY'11 Advertising Contract, outstanding encumbrances in the amount of \$31,765.17, leaving an anticipated cash balance of \$655,819.68.

Ms. Valencia distributed the Advertising Fund report through April 27, 2011 identifying the beginning cash balance of \$817,952.30, total lodgers' tax receipts reported of \$199,160.23; interest of \$1,990.22; \$2,850.00 State Coop (last FY), expenditures of \$18,971.99 for FY'10 Advertising Contract, \$125,183.17 for FY'11 Advertising Contract, \$333.00 for subscriptions and dues, \$172.58 for newspaper advertising, \$16,100.00 for FY'10 Commitments and Other Fees (\$3,500.00 for El Rancho de las Golondrinas Spring Festival & Children's Fair June 5-6, 2010; \$6,000.00 for Southwest Roots Music for Thirsty Ear Festival June 12-13, 2010; \$1,600.00 for Chimayo Assoc. of Businesses brochures; \$5,000.00 for SF International Folk Art Market July 9-11, 2010), \$69,400.00 for FY'11 Commitments and Other Fees (\$6,000.00 for Rancho de las Golondrinas Wine Festival July 3-4, 2010; \$3,500.00 for El Rancho de las Golondrinas

for Summer Festival August 6-8, 2010; \$6,000.00 for Open Hands Renaissance Fair September 24-25, 2010; \$6,400.00 for El Rancho de las Golondrinas for Harvest Festival October 2-3, 2010; \$10,000.00 for Santa Fe 400th “Legacy Day Viva” closing event and \$37,500.00 for City of SF CVB MOU for media relations), \$215.58 for FY’10 Reporting and Recording, \$848.51 for FY’11 Reporting and Recording, outstanding encumbrances in the amount of \$69,088.23, leaving an anticipated cash balance of \$721,639.69.

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 handout/spreadsheet on tracking Santa Fe Occupancy Tax was attached.]

Mr. Rountree noted that occupancy in Santa Fe for the month of March was down 2% when compared to this month in the previous year. This is the first down month in occupancy this fiscal year. The City’s Lodgers Tax and gross receipt taxes collected for the month of March were also down 1.04%.

- **Press**

[Copies of various press articles were distributed.]

Two different articles regarding the Tourism Department Secretary’s appearance at the Governor’s Annual Conference on Tourism were distributed. The Conference was held in Las Cruces. The Secretary of Tourism (Monique Jacobson) spoke at the Governor’s Annual Conference noting that the tourism industry needs to do a better job with existing marketing and advertising funds rather than pushing for more. She wants to make sure that they are investing money in the smartest way possible and her department is developing new “branding” for the state. The central theme will be New Mexico’s “authenticity”. Ms. Jacobson also told attendees at the annual Governor’s Conference on Tourism that she has no plans to seek a budget increase from the Legislature, at least for now.

An article regarding the report from Visa, Inc. was distributed. The Visa Report indicates that Visa cardholders seemed optimistic in 2010 and took more trips and spent more on international purchases.

An article about Board Member Florenceruth Brown was distributed. Ms. Brown was recognized for her many accomplishments.

- **Other**

Mr. Rountree said as Chairman Berkenfield reported earlier, Jim Bradbury has been named the Interim Director of the Convention and Visitors Bureau.

ADMINISTRATIVE

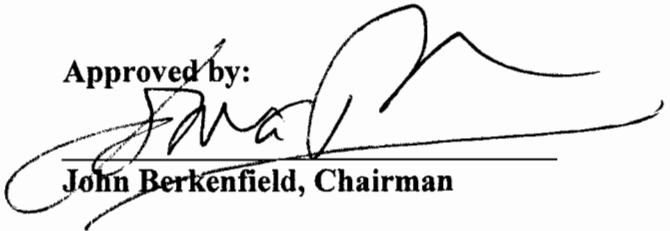
Next meeting date and location

The next meeting was scheduled for May 26, 2011 at 10:30 a.m. at El Rancho de Las Golondrinas.

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 2ND Day Of June, 2011 at 03:32:30 PM
And Was Duly Recorded as Instrument # 1636468
Of The Records Of Santa Fe County

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

SFC CLERK RECORDED 06/02/2011