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SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD
MEETING
May 27, 2010

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MINUTES OF THE
SANTA FE COUNTY
LODGERS' TAX ADVISORY BOARD

May 27, 2010

The regular meeting of the Santa Fe County Lodgers' Tax Advisory Board was called to order at 10:36 a.m. at Rancho de Chimayo, County Road 98, #300, Santa Fe, New Mexico on the above date by Chairman John Berkenfield.

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

Board Members Present

John Berkenfield, Chairman
Florence Ruth Brown, Vice Chair
Florence Jaramillo
Mary Johnson
Jeff Mahan

Board Members Absent

None

Staff Present

Evelyn Valencia, Santa Fe County Finance Division

Others Present

Michael Koster, Southwest Roots Music, Inc.
Russ Rountree, Impressions Advertising, Inc.
Charles Veilleux, Open Hands
Jo Ann G. Valdez, Stenographer

APPROVAL OF THE AGENDA

The agenda was reprioritized (Item V – Financial Report) was moved down on the agenda.

Ms. Brown made a motion to approve the agenda as revised. Mr. Mahan seconded the motion, which passed unanimously by voice vote.

APPROVAL OF MINUTES: March 18, 2010

Ms. Jaramillo made a motion to approve the minutes of the meeting of March 18, 2010, as submitted. Mr. Mahan seconded the motion, which passed unanimously by voice vote.

NEW BUSINESS

- **Funding Request from Michael Koster from Southwest Roots Music, Inc. for the Thirsty Ear Festival**
(Copies of the funding request were distributed in the members' packets.)

Michael Koster, Director, Southwest Roots Music, Inc. presented the request. Southwest Roots Music, Inc. is requesting \$10,000 for the 11th Annual Thirsty Ear Festival scheduled for June 12th and June 13th at the Eaves Movie Ranch in Santa Fe County. The Festival showcases dozens of internationally renowned folk, blues, bluegrass, alt-country, Cajun, zydeco, roots rock, reggae, Native, and world music artists, as well as lectures and demonstrations.

Mr. Koster said that the outdoor festival has grown from a small event of 400 local music lovers to a nationally recognized festival drawing up to 4,000 attendees nationwide. However, the poor economy continues to have an impact on attendance at all events in the state. To combat this, they have striven to "cram" each of the festival days with value (music, demonstrations, kids' programming, local artist showcases, local beer, wine and food, etc.). In 2010, they cut their overall festival budget significantly without affecting overall quality, in part because they have lowered their ticket prices in an attempt to gain an audience. However, their marketing budget has *not* been cut. They have streamlined cuts by dropping "locals day" that historically was the least successful element of the festival. This results in a 2-day festival, rather than a costlier 3-day event.

Mr. Koster reported that they conduct exit surveys and one segment of it has to do with lodging. The surveys consistently show that more than half of attendees are visitors from outside the Santa Fe area and most of those (60%) purchase some kind of overnight lodging for multiple days. He explained that it is difficult to ascertain exactly how many festival goers stay in the county and how many stay in the city. However, the festival's economic impact on Santa Fe County is significant. Because the festival runs for two days and nights, most audience members who need lodging either camp, stay in RV parks, or use B&Bs or hotels for multiple nights. In 2009 the festival resulted in 958 room nights (some in the city and some in the county). This year they expect roughly 3,000 attendees for a total of approximately 900 room nights, which should generate approximately \$81,900 in revenue from room sales (3,000 attendance x 50% x 60% = 900 room nights x \$90 = \$81,000). Mr. Koster said that they tend to fill a lot of rooms at the Inn at Santa Fe in the county.

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Mr. Koster noted that they received \$6,000 in LTAB funding in 2009 and they are requesting \$10,000 in funding for this year's festival. He said that the marketing plan for this year's festival is similar to what it has been in the last several years: a mix of newspaper advertisements (most of them are located inside New Mexico), radio advertisements from southern California to New Mexico and posters will be posted in Durango, Telluride, Silver City and Albuquerque. They will also do a web campaign. They have a partnership with KSFR public radio who did a live national broadcast at last year's festival.

Referring to the posters, Mr. Mahan suggested that they try to focus on some of the B&Bs, i.e., Sunrise Springs.

Chairman Berkenfield noted that they had a substantial drop in both revenue and expenses in FY09-10 and a huge drop in grants and sponsorships-from \$35,000 to \$15,000 this year. He asked Mr. Koster to explain this.

In response, Mr. Koster said that cash sponsorships continue to fall, however in-kind sponsorships remain steady. He noted that they receive a grant from the Department of Tourism and they will be making this an annual grant that they will use for other things throughout the year.

Ms. Brown moved to fund the Thirsty Ear Festival at the same level as the prior year at \$6,000. Mr. Mahan seconded the motion, which passed unanimously by voice vote.

- **Funding Request from Charles Veilleux from Open Hands for the Renaissance Fair Event**

(Copies of the funding request were distributed in the members' packets.)

[Mr. Berkenfield recused himself from discussion and voting on this agenda item having declared a conflict of interest.]

Ms. Brown Co-Chaired the meeting for this agenda item.

Charles Veilleux, Events Coordinator, Open Hands presented the request.

Open Hands is requesting \$7,000 for the Third Annual Santa Fe Renaissance Fair. If granted, these funds will be used for advertising and promotion of the event. The Santa Fe Renaissance Fair will take place over two days, on September 18 and 19, 2010, from 10:00 a.m. to 6:00 p.m. at El Rancho de las Golondrinas. They believe that this event makes a significant contribution to tourism in Santa Fe County, and will make a considerable contribution to the richness of the area arts and culture.

In 2009, the Santa Fe Renaissance Fair drew an attendance of 5,102 in its second year, up 20% over 2008, which makes it one of the largest events in Santa Fe County-appealing to both tourists and locals. It is a green, family-oriented event, with the purpose of raising funds for Open Hands, Inc., a Santa Fe-based charity that has helped the elderly and disabled to live with dignity and independence since 1977. The funds

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raised from this event will go towards the continuance of Open Hands' many community services. Open Hands presents this event in cooperation with El Rancho de las Golondrinas Living History Museum. Tickets for the fair are priced reasonably, so that whole families can enjoy the event. Children under the age of three are admitted free.

Mr. Veilleux reported that they advertise in New Mexico, Colorado and Arizona, primarily in a specialty-focused magazine for Renaissance Fairs. They are also planning to advertise in national and regional Renaissance Fair magazines.

Mr. Veilleux noted that they are getting calls as far away as California inquiring about the fair. He explained that during the last two decades, interest in Renaissance Fairs has grown exponentially across the country. The largest and best-established "Renfairs" on the West and East Coasts boast a daily attendance of over 20,000 people a day, and there are dozens more of varying sizes scattered throughout the nation, spawning a whole subculture populated by "Rennies". Renfairs are usually popular and well-attended events, producing fairly reliable profits for the organizers. Rennies are known to travel hundreds of miles in order to attend Fairs with good reputations. The Santa Fe Renaissance Fair is a unique event whose only nearby competition in Refairs take place in November in the city of Las Cruces.

Mr. Veilleux said, to their knowledge, they are the only Spanish theme Renaissance Fair in the country. By adopting an event-wide Spanish Renaissance theme, it will allow them to utilize the afterglow of the Santa Fe Fiesta. He noted that a professional performer/queen from Louisiana is coming to this year's fair, free of charge.

Mr. Veilleux mentioned that they are doing a couple of new things this year; they are trying to build partnerships with the lodging properties that are located within the county - on offering some package deals. They are also strategizing a sponsorship partnership where sponsors can have their logos/names on banners, t-shirts and tickets. Mr. Veilleux said this is going well.

Mr. Veilleux reported that they also do surveys and are pleased to report that 65% of their audience came from places other than Santa Fe; with 59% of attendees coming from other cities in New Mexico and 6% come from out of state or out of the country. A significant number of the vendors and participants stayed at nearby lodging in Santa Fe County. He said, as a result of the unpredictable nature of word-of-mouth publicity, it is impossible to accurately determine in advance the number of out of state visitors and expected room nights. The early indications are that the 2010 Renaissance Fair will easily surpass last year's numbers.

Mr. Mahan asked if they have gone to the City Occupancy/Lodgers Tax Board for funding. Mr. Veilleux said no.

Ms. Jaramillo made a motion to fund Open Hands for the Third Annual Renaissance Fair at \$7,000 that will come out of *next fiscal year's budget*. Ms. Johnson seconded the motion, which passed unanimously by voice vote.

FINANCIAL REPORT

- **Santa Fe County Finance Division-Lodgers Tax Financial Report-
May 26, 2010 (Pro-Forma)**

Ms. Valencia distributed and reviewed the Lodgers Tax Receipt Report through May 26, 2010 noting total receipts of \$11,518.82 for February, \$22,938.05 for March and \$11,487.69 thus far for April 2010 (these are not due until the 25th); total receipts to date are \$285,678.24. There was a 56% decrease when compared to the month of April of the prior year.

Ms. Valencia distributed and reviewed the Facility Fund report through May 26, 2010, which showed a beginning cash balance of \$624,792.37 and total lodgers' tax receipts reported of \$125,566.28 and expenditures of \$86,191.97 for FY'10 Advertising Contract, \$13,676.62 for FY'09 Advertising Contract, and outstanding encumbrances in the amount of \$30,965.12, leaving an anticipated cash balance of \$619,524.94.

Ms. Valencia distributed and reviewed the Advertising Fund report through May 26, 2010 identifying the beginning cash balance of \$847,575.93, total lodgers' tax receipts reported of \$209,276.98, \$4,000.00 State Coop, expenditures of \$26,597.16 for FY'09 Advertising Contract, \$143,653.25 for FY'10 Advertising Contract, \$1,727.50 for FY'09 audit contract, \$333.00 for subscription and dues, \$240.70 for newspaper advertising, \$20,500.00 for FY'09 Commitments and Other Fees, \$22,900.00 for FY'10 Commitments and Other Fees, \$1,355.08 for FY'10 Reporting and Recording, outstanding encumbrances in the amount of \$67,084.18, leaving an anticipated cash balance of \$776,462.04.

Ms. Valencia was asked if she knew how much funding LTAB would receive (in FY10-11) to fund entities. Ms. Valencia said between \$30,000-\$35,0000.

OLD BUSINESS

Mr. Mahan noted that Keith Toler, the Executive Director of the Convention and Visitors Bureau called him regarding the possibility of doing a combined (city/county) advertising campaign.

In response, Chairman Berkenfield said that Keith Toler would be the speaker at the Hospitality Industry Network meeting next week and he has been asked to talk about the city's advertising and marketing plans.

ADVERTISING AGENCY REPORT

- **Rocky Mountain Lodging Report (February, March & April)**

[Copies of the Rocky Mountain Lodging Report for the months of February, March and April were distributed and reviewed. A handout/spreadsheet on tracking Santa Fe Occupancy Tax was attached.]

Mr. Rountree reported that Santa Fe's hotel occupancy rate for the April had increased by 7.02% over April of the previous year.

- **Brochure**

Mr. Rountree said that the Advertising Agency would like to print the brochures in the next couple of weeks. Two samples (two color schemes) for the brochure were distributed and reviewed.

Chairman Berkenfield asked how the brochures are distributed. Mr. Rountree said that they are sent to the Department of Tourism and they distribute them to the welcome centers and various locations. They also have a contract with a distribution company.

Chairman Berkenfield asked how many brochures would be printed. Mr. Rountree said 10,000-15,000 brochures. The current brochure is also available on the website.

Feedback or comments on the brochure should be forwarded to Russ Rountree within the next two weeks.

- **Old Items**

- **NMTD "Day of Enchantment" promotion**

- Mr. Rountree reported that the Advertising Agency sent this information to the businesses that they had contact information on.

- **NMTD Co-op**

- Mr. Rountree reported that they submitted reimbursement for the current fiscal year and the application for the upcoming fiscal year is due June 9th. The Agency will submit the application on behalf of the County Lodgers Tax Advisory Board.

- **Other**

- **Plaza Blanca Temporary Closing**

- Mr. Rountree referred to the letter to hotel concierges from SciWest Productions, LLC that stated that filming will soon begin on the motion picture "Cowboys and Aliens". A key location for the film project is based at Plaza Blanca in Abiquiu. Due to extensive site preparation activity, public access to this area will be closed beginning June 1, 2010. Access to Plaza Blanca will be restricted through the end of August. {Copies of the letter will be forwarded to the county lodging facilities.}

- **Articles**

- [Copies of various articles were distributed.]

- An article regarding Buffalo Thunder Resort and Casino's bond payment was distributed. It indicates that this will be the third time the pueblo has missed a payment on the \$245 million bond.

An article about Eddy County's lodger's tax was distributed. The Eddy County Commission is moving ahead on a proposal to repeal the 5% lodger's tax in unincorporated areas because it does not raise enough money to serve its primary purpose.

An article about Ten Thousand Waves was distributed – Ten Thousand Waves was named among the top spas (ranked 31st) in the country by *Conde Nast Traveler*. The Inn and Spa at Loretto was ranked 13th among hotel spas nationwide.

ADMINISTRATIVE

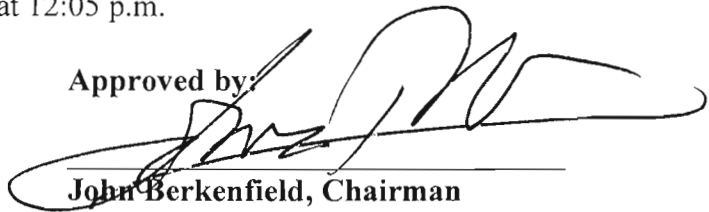
Next meeting date and location

The next meeting was scheduled for July 22, 2010 at 10:00 a.m.

ADJOURNMENT

Ms. Johnson made a motion to adjourn the meeting. Ms. Brown seconded the motion and the meeting was adjourned at 12:05 p.m.

Approved by:


John Berkenfield, Chairman

Respectively submitted by:

Jo Ann G. Valdez, Stenographer

Attest:


Valerie Espinoza



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 24TH Day Of August, 2010 at 09:21:41 AM And Was Duly Recorded as Instrument # 1608621 Of The Records Of Santa Fe County

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



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