

MINUTES OF THE
SANTA FE COUNTY
LODGERS TAX ADVISORY BOARD

July 12, 2016

Santa Fe, New Mexico

I. This regular meeting of the Santa Fe County Lodgers Tax Advisory Board (LTAB) was called to order by Chair Rich Verruni at approximately 9:38 a.m. on the above-cited date at the Santa Fe County Legal Conference Room, Santa Fe, New Mexico.

II. The following members were present:

Members Present:

Rich Verruni, Chair
Meredith MacFarlane, Vice Chair
Katherine Fox Ehlert
Laura Hudman
Thomas A. Romero

Member(s) Absent:

None

County Staff Present:

Tony Flores, Deputy County Manager
Lisa Katonak, County Manager's Office
David Griscom, Economic Development

Others Present:

Chris Goblet, CSV Event Manager
Dave Hayduk, HK Advertising
Clarissa Lovato, HK Advertising
Wendy Forbes, HK Advertising

III. Approval of the Agenda

Chair Verruni stated the financial report would not be reviewed today. With that change, Mr. Romero moved to approve the agenda. Ms. Fox Ehlert seconded and the agenda was unanimously approved.

IV. Announcements

Mr. Romero said the second issue of *Land, Water, People, Time* would be coming out on July 15th.

Chair Verruni said Bishop's Lodge has been having a liquidation sale and construction will start in August.

V. Approval: May 20, 2016 minutes

Ms. Katonak pointed out the title should reflect the correct date, May 20, 2016.

Ms. MacFarlane moved approval as corrected and Ms. Fox Ehlert seconded. The motion carried by unanimous [5-0] voice vote.

VI. Presentation

A. Final Report from St. Vincent Hospital Foundation for the 31st Annual Santa Fe Century & Outside Bike & Brew

Event Manager Chris Goblet stated in the future he will be working with both the New Mexico Winegrowers Association and Expo New Mexico TrueFest, an event that will include food providers, wineries, breweries and tourism destinations. It will take place Labor Day weekend and is intended to be a showcase of New Mexico people, places and performers.

He referred to the economic impact study done by Southwest Planning and Marketing. Participant numbers are up with 5,500 individuals attending the Friday and Saturday events. Additionally, 2,000 cyclists participated in the Century and 325 participated in the Big Mountain Enduro (BME) at Glorieta. The Enduro event brought in 15 to 20 additional sponsors. He said he and David Griscom are recruiting BME to return next year.

Ms. Fox Ehlert asked if vendors are charged to set up booths. Mr. Goblet said BME paid a flat fee for all of their vendors and participants. Other vendors were charged around \$250.

Mr. Goblet said the first year saw 8,500 participants. This number dipped due to bad weather the following year, and this year there were approximately 9,000 participants. These numbers do not include the beer, dinners, films, and music events.

He noted a downside was that many of the BME riders chose to camp at Glorieta for free. However, these could be seen as future visitors. Mr. Griscom pointed out that the professional riders are not the target demographic.

Mr. Goblet said they were able to donate \$5,000 to the Fat Tire Society and recouped some of the loss from 2015. There was increased participation from *Outside* magazine and he listed purchases made for publicity. They will no longer be receiving funds from the City or State. They will need to renegotiate with *Outside* magazine and can compete for competitive grants from Tourism.

Ms. Hudman congratulated Mr. Goblet on the success and asked about lead time on the publicity. Mr. Goblet said lead times have fluctuated, the longest being in *Outside* magazine. Social media campaigns were launched at the end of April.

Chairman Verruni noted there was a 35 percent increase in participants and asked if there was a breakdown between locals versus outsiders. Mr. Goblet said it was hard to say, however the number of rides was scaled back to ensure they would sell out. He noted 90 percent of the BME participants were from out of state.

Chairman Verruni asked about the results of the shift in marketing. Mr. Goblet said they have focused on Albuquerque and are looking to expand the bubble. They would like to get more Coloradans. BME brings in national vendors so they should be able to leverage that for publicity.

Ms. Fox Ehlert suggested seeking out publications in Denver for publicity. Mr. Goblet said they leave the PR to *Outside*. This year they were featured in *USA Today* and the *Washington Post*. They are looking for more national sponsors.

Mr. Romero asked if there were other regional activities that could act as tie-ins to stress the destination aspect. Mr. Goblet said they have talked about having trail running, hiking or geocaching as sidebar events.

VII. Advertising Agency

A. Advertising Agency Report

Dave Hayduk, HK Advertising, gave a presentation on recent activity in publicity. He quoted a report from the travel and tourism industry saying "biking is the new golf." The emphases for the younger set are health and adventure and a desire to share their experience on social media.

He mentioned the May travel numbers are up and the spike in October was probably due to overflow from the Balloon Fiesta.

Wendy Forbes gave a report on social media, noting the various formats were growing at the same rate. There are 114 new fans on Facebook, 63 the result of ads, which amounts to a cost of 60 cents per fan. There was a great deal of activity on Instagram during the Bike & Brew. The total followers were: 882 on Twitter, 1,539 on Facebook and 788 on Instagram. She noted before HK took over in mid-September the account Santa Fe County had a social media presence but it did not have a tourism focus and was mainly government oriented.

Ms. Katonak noted they were contemplating doing a sweepstake promotion to encourage followers. Mr. Griscom asked if there was value in having celebrity Instagrammers. Ms. Forbes said that would be more of an advertising campaign rather than strictly social media.

Mr. Hayduk spoke of activities on *Texas Monthly* including trail maps and material on the opera. An ad came out in July in the Southwest Airlines magazine highlighting Rancho de Chimayo. HK is working on a media plan for next year and there will be a monthly blog on santafe.org. The first launches today and is on Rancho de las Golondrinas. Also underway are plans for LCD screens at the Sunport. He showed slides of the photographs that will be used. Ms. Katonak said there is a screen of 14 slides at the Santa Fe Airport by the baggage claim.

Mr. Flores reminded the Board that they are having to start at ground zero since the previous contractor lost the database. Mr. Hayduk said they are doing fulfillment, passing along the names to Santa Fe Tourism who sends out a visitors guide.

Mr. Hayduk indicated they have had four write ups about day trips – Cerrillos/Madrid, Native American, culinary and culture, and outdoor adventure. Ms. MacFarlane said Rancho Encantado also has day itineraries on the website.

VIII. New Business

A. Letters of Interest and Notice of Funding Availability

Chairman Verruni stated they received letters of interest regarding funding availability and the question before the LTAB is whether to send the organizations applications. Mr. Flores reviewed the budget numbers and at this point it is estimated there will be only \$29,000 to \$40,000 available for grants for the entire fiscal year. There is also the question of whether or not to reserve funds for events in 2017.

Ms. MacFarlane said there needs to be a discussion of increased revenue, potentially through AirB&B. Mr. Flores said it would be up to the BCC to make that decision. There was consensus that the committee was satisfied with the current advertising agency, and Ms. Katonak mentioned that the New Mexico True campaign has been very positive. Momentum has been established.

Ms. Fox Ehlert reviewed the amounts granted last year vis-à-vis the requests. It was recognized that amounts granted would have to be small, but they could still apply. Mr. Flores pointed out that one of the letters of interest, that from the New Mexico Hispano Music Association, was not eligible since the event would take place outside of the county.

There was consensus that there was sufficient interest to send out a NOFA.

Ms. Hudman said she would recuse herself from any decisions regarding the Santa Fe Opera.

Mr. Romero broached the question of whether there should be more emphasis on events and organizations outside of the city. Chairman Verruni noted demand for lodging tends to spill over into the county when events are successful. The city is in the county, and people tend to think of Santa Fe as a unity rather than Santa Fe County as separate. The question of keeping funds in reserve can be decided as the applications come in.

Ms. Hudman suggested one source of revenue could come from the City's OTAB funding and it was agreed to explore additional revenue sources at a future meeting.

It was agreed that a NOFA would be issued for events occurring between September 2016 and July 2017, with a deadline for submission of August 12th, and to meet on August 19th to review the applications.

VIII. B. Proposed Options for Amending Ordinance No. 1999-15, Lodgers Occupancy Tax Ordinance, Increasing the Lodgers Tax Rate and Amending the Lodgers Tax Collection and Recordkeeping Procedures

Mr. Flores said the ordinance should include events, which is what grants are being awarded for, and not attractions, which is what is mentioned in the ordinance. Options should be discussed about alternatives for revenue sources. After the board reviews the ordinance and makes recommendations it will go to the Legal Department for vetting.

Ms. Katonak reviewed Section 5, with the new language including the language “or tourist-related events,” “or to defray costs of,” and mentions additional County facilities such as the Cyclone Center, and open space and trails. Additionally reference is made to expansion of the possible uses, including the Roswell bill that guarantees minimum revenue for air services.

Section 6 would allow for an ex-officio board member from the City of Santa Fe. A discussion ensued as to whether that member would vote. Mr. Flores noted that Mr. Griscom is actively involved in the City’s OTAB committee. The rationale is to promote collaboration and share knowledge.

Ms. Hudman spoke against the City member having a vote since the City provides no funding to the County. Chairman Verruni cited the current positive trend in cooperation and Santa Fe is a blended brand, city and county.

Mr. Flores reminded the board that the County does benefit from the City’s gross receipts tax.

Ms. MacFarlane noted that even if the City member did vote, the County members still has a majority. Chairman Verruni said there has been cooperation in the past and the County is a resource for the City.

Ms. Katonak mentioned the City competed in the County’s RFP for advertising, which could represent a conflict.

In response to questions, Mr. Griscom said he does not have a specific channel for reporting back to the County but he keeps people apprised on issues such as the AirB&B, that this board will eventually weigh in on.

Mr. Romero asked about a pueblo representative on the board, and Mr. Flores noted that the pueblos, as sovereign entities, do not pay lodgers tax.

Mr. Flores listed the joint boards in which the City and County participate.

Mr. Griscom brought up the County’s Arts, Culture and Cultural Tourism Committee that is seeking to expand into an Arts Commission, with an art in public places program. They are exploring funding mechanisms, including tapping into LTAB funds.

Mr. Flores suggested keeping this as an agenda item with a September deadline in order for it to be heard by the Commission by the end of the calendar year.

Mr. Romero asked staff to bring information on how the Roswell bill (5. A. 5, 6, and 7) is working in other communities. He pointed out that giving a guarantee is too open-ended and could deplete their resources.

Ms. Katonak noted that \$50,000 for three years has been set aside for air services, with participation from the City, Taos Ski Valley and Angel Fire and possibly other entities, along with a federal match. It is a verbal commitment at this point. Chairman Verruni said there will be an update on this matter the following day at the Lodgers Luncheon.

IX. Administrative

A. Next meeting: Friday, August 19, 2016 at 9:30 am

X. Adjournment

Having completed the agenda and with no further business to come before the Board, Chair Verruni adjourned this meeting at 12:00 noon.

Approved by:

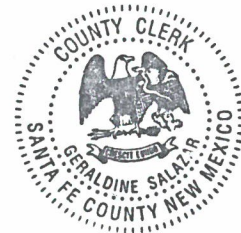
Rick Verruni, Chair
Lodgers Tax Advisory Board

Respectfully submitted by:

Debbie Doyle, Wordswork

COUNTY OF SANTA FE) LODGERS TAX MINUTES
STATE OF NEW MEXICO) ss PAGES: 6

I Hereby Certify That This Instrument Was Filed for
Record On The 31ST Day Of May, 2017 at 11:08:59 AM
and Was Duly Recorded as Instrument # 1827108
of The Records Of Santa Fe County



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