

MINUTES OF THE
SANTA FE COUNTY
LODGERS TAX ADVISORY BOARD

October 20, 2017
Santa Fe County Legal Conference Room
Santa Fe, New Mexico

I. Call to Order

This regular meeting of the Santa Fe County Lodgers Tax Advisory Board (LTAB) was called to order by Chair Meredith MacFarlane at approximately 9:04 a.m. on the date cited above in the Bokum Building Conference Room, Santa Fe, New Mexico.

II. Roll Call

The following members were present:

Members Present:

Meredith MacFarlane, Chair
Katherine Fox Ehlert [arriving later]
Laura Hudman, Vice-Chair
Ryan Miller
Thomas A. Romero

Member(s) Absent:

County Staff Present:

Tony Flores, Deputy County Manager
Lisa Katonak, Executive Administrator
Alejandro Cintron, Accountant Senior
Chris Hyer, Economic Development Manager

Others Present:

Stuart Kirk, Northern New Mexico Air Alliance
Beth Hamilton, Children's Museum
Paul Macks, Children's Museum
Michael Gary, The Santa Fe Opera
Dave Hayduk, HK Advertising
Wendy Forbes, HK Advertising
Clarissa Lovato, HK Advertising

Eric Witt, Santa Fe Film Office
Jennifer LaBar, Santa Fe Film Office
Carl Boaz, Stenographer

III. Approval of Agenda

Member Romero moved to approve the agenda as published. Member Miller seconded the motion and it passed by unanimous voice vote. Member Ehlert was not present for the vote.

IV. Announcements

No announcements were made.

V. Approval of August 25, 2017 Regular Meeting Minutes

Member Romero moved to approve the August 25, 2017 meeting minutes as presented. Member Miller seconded the motion and it passed by unanimous voice vote. Member Ehlert was not present for the vote.

VI. Presentations

A. Presentation by Northern New Mexico Air Alliance, Mr. Stuart Kirk regarding Fly Santa Fe

Mr. Kirk reported the Alliance had a couple of false starts and now was on track. What makes the difference is having more flight times and that is impacted by the growing pains at the airport. Time to the gate is much faster than Albuquerque but the facility needs more parking, TSA screening is awkward, and passenger space is limited. But the airlines are interested in Santa Fe. Success will be more flights and more time choices and more destinations for direct flights and that starts by making people more aware. The Alliance is working to make Santa Fe more attractive to other airlines like Frontier and United.

Member Hudman asked how fares compare.

Mr. Kirk explained that there is no base fare and prices change as conditions change. If Albuquerque fills up, the fares are cheaper. With cancellations that open up seats, fares go down. It is unlikely that our fares will be cheaper than SW Air. But with American and United, Santa Fe fares frequently are cheaper.

Member Hudman asked the prognosis on facility improvements.

Mr. Kirk said the federal government will pay about 90% of the improvement costs that are detailed in the Master Plan which he described, and some will start next month for safety improvement on runways and taxiways.

D. Presentation by the Santa Fe Film Office: Film Director Eric Witt and Administrative Manager Jennifer LaBar

Mr. Witt said the Film Office is a joint effort of the City and County and was one year old on July 1st. Film has become an important part of the local economy. Last year was terrific. We do a lot of business with the hotels and hospitality industry. It started because word-of-mouth. They can be a source of information for productions coming in. The volume has grown from \$70 million to \$145 million last year and now about \$450 million in film activity. The vast majority comes in from out of state as new money, and a high percentage stays in the local economy.

In a recent State sponsored study about film-induced tourism, about \$400 million is from people coming here for film related visits or extending their stay because of the filming we have here. He provided several statistics on how it impacts the local economy in lodging and in wages for film crews, etc.

Another goal was to increase visibility and Santa Fe was ranked #2 in North America by Moviemaker magazine for Small Towns to Work and Live in the Film Industry, beating out much larger cities with effective branding. Goals for this year are to maintain levels of film activity - our sound stages were full and production facilities were full as well. The whole state was full last year.

In 2011, a cap was set at \$150 million for State subsidies and credits in excess of that must wait until the following year. That is starting to stack up and will affect production this year. Also, until the State Incentives issue gets fixed, the film industry will be unwilling to make a long-term commitment. So it depends on the elections. They need certainty on the production environment. So goal is to maintain that.

Mr. Witt listed the work that has been done, and the high-profile projects coming in. There were more individual productions this year, but with smaller budgets. Santa Fe is hot right now for travel programs that gives us great exposure.

The industry people live in a place up to six months and the way they are treated makes a big difference. They love the way they are treated here.

Member Ehlert joined the meeting during Mr. Witt's presentation.

Ms. Katonak said the County is working on PR with Darley's PBS travel show and will keep the LTAB members posted.

Mr. Witt said creating promotion materials for hotels is important and lots of people don't know about all the films produced here. Travel productions make promotion materials available. It is expandable to all the County, and neighboring counties, as well. They handle the permits in City and County. So the industry people are face to face with the office.

Member Hudman asked about promotional clips and their procedure for getting new clients.

Mr. Witt said they do have promo clips, but New Mexico is well known - one of top five production sites. Bringing films here is more a personal relationship. They compare budgets of various locations and in 9 out of 10, New Mexico will be one of them.

Member Ehlert thought Santa Fe stages are fewer than in Albuquerque and they get that business. She asked if there are plans to build more.

Mr. Witt said Santa Fe can't do the monster films because they need 5-6 stages at a time. We don't have a facility with 8 stages and that is a challenge.

Member Ehlert asked if more could be added at the Garson Studios.

Mr. Witt said there are many rumors around, but they all maintain Garson Studios, which make a lot of money.

Ms. Katonak thanked Mr. Witt and Jennifer LaBar for the presentation.

B. Final Report by the Santa Fe Children's Museum: Paul E. Macks, Vice-President of the Board of Directors and Beth Hamilton, Development & Marketing Coordinator regarding the Promotion, Advertising and Marketing of the Santa Fe Children's Museum Programs during Fiscal Year 2017

Ms. Hamilton said they had lots of activity in the museum last year. The museum benefitted from the LTAB funding. They remodeled in the last few months. People have history of attending the museum, taking their children or grandchildren.

STEM is a new emphasis in education and that will grow with the partnership with Santa Fe Public Schools. She listed their partnerships for outreach to children at risk which provide free passes for families in transition and a way to celebrate their

birthdays. It is a great component for bringing them in. She discussed the interactive exhibits and outdoor play space. A portable planetarium is being built right now and will exhibit in January. It can be taken to schools for supplementary programming. The images go all around the planetarium. They need funding for it to make the rounds in Santa Fe and beyond. A special preview could include LTAB. Mr. Macks is on the advisory committee for science and will have interns from SFCC participating. Title I provides for free visits to the museum. Since school budgets have been cut and this will strengthen our relationship with the schools. They are collecting data on source of visitors and it has helped. There were 68,575 visitors last year.

The Museum used the LTAB grant for rack cards which they distributed. Their goal is to exceed past numbers, especially with sponsored memberships.

Member Ehlert asked if there is a children's museum in Albuquerque.

Ms. Hamilton said yes, it is Explora. Explora is more formal than the Children's Museum, but they get visitor referrals from them and rotate exhibits with them.

Chair MacFarlane suggested using a concierge as a way to promote Santa Fe Children's Museum so they may suggest activities for children to do.

Mr. Macks described the variety of exhibits and interactives that are offered. It will be exponentially better with the remodeling.

Member Ehlert suggested working with the Convention and Visitors Bureau for bringing kids in and offering their services to them. Perhaps that could include some free passes.

Ms. Hamilton thanked her for all the great tips. She said for their community day event, almost all promotion was on Facebook. She had underestimated the Facebook impact.

She reported the improvements made over the last year and was excited about the new parts of the museum. She thanked the Board for the funding. The rack cards did have an impact for the Museum.

C. Final Report by the Santa Fe Opera, Michael Gary, Director of Institutional Giving for support of the Santa Fe Opera's 2017 Season

Mr. Gary thanked the Board for the \$4,000 grant last year. They utilized the funding for the printing, mailing and insertion of season brochures. In keeping with Mr. Kirk's presentation and the Fly Santa Fe campaign, the Santa Fe Opera (SFO) wanted to attract Phoenix people here. He said this was a best reviewed season in recent years.

And many said it was great overall. The Revolution of Steve Jobs had an extra performance from demand. It was recorded and will have world-wide distribution. 75,724 bought tickets and the \$8.6 million in revenue was slightly up, thanks to Member Hudman's efforts.

In 2017, 49% of attendees were New Mexicans and half of that were from Santa Fe. 50% comes from every state, Puerto Rico, DC and some from foreign countries. Funding reached \$5.6 million which helped a lot with the operating budget.

The season brochures had a 130,000-print run. One cover was specific to Phoenix that featured the flight and they did one for Dallas, also. 11,400 went into the June issue of New York Times in the Phoenix market. They did a list swap with Arizona Opera that provided 6,000 addresses and SFO mailed directly to them. They took out a full-page ad in the Phoenix Home and Garden Magazine with a caption of Flight to Santa Fe. Digital banner ads were on the web site.

Phoenix was the largest investment in any market. The results were not as good as they had hoped. It was roughly the same as the previous year. Every season is different. It is hard to know what Phoenix numbers would have been without the Phoenix advertising efforts.

SFO supports that flight route and was delighted to hear of a second flight daily and wants to continue to market to Phoenix but can't point to any great success.

The LTAB was recognized in all publications and he was grateful for the funding.

Chair MacFarlane asked if they would focus on Phoenix for 2018.

Member Hudman said they planted the seeds and said that perhaps a billboard in Phoenix by the Northern New Mexico Alliance during the top months to increase flying to Santa Fe.

The other members indicated that Phoenix does not have a part of their business.

Chair MacFarlane suggested that it comes down to a perception that Santa Fe has the same weather as Phoenix, particularly in the summer months as Phoenix does. A lot more effort needs to be placed on the difference in weather here.

Member Hudman, Member Romero, and Member Ehlert agreed that the effort is worth the calculated risk.

D. Presentation by the Santa Fe Film Office: Film Director Eric Witt and Administrative Manager Jennifer LaBar

This presentation was made earlier in the meeting.

VII. Financial Report

Santa Fe County Finance Division-Lodgers' Tax Financial Report (Pro-Forma)

Mr. Cintron presented the financial report and commented that the revenues are matching the 2016 numbers with an increase year-to-date of \$23,677 over last year.

The quarterly properties report comparing FY 17 and 18 shows that the majority of larger properties are ahead. Four of the 17 properties are flat and six are below last year. Most of them will drop during the winter and come back up next spring.

The Board briefly discussed reasons for the results in comparison with previous reports. Mr. Cintron attributed some of the difference to occupancy and Bishop's Lodge was a factor.

Chair MacFarlane had heard rumors that Bishop's Lodge reopening might be delayed until the fall of 2018. She drives by daily and has not seen much change there.

Member Romero recalled at the last meeting, the Board talked about a possible slight increase for grants and talked about dedicating it to a county project.

Mr. Flores remarked that the County contributed \$50,000 to the City for marketing efforts for FLY Santa Fe. At some point, the City will report how they utilized the County money. There is still a list of things being proposed for a County project. We do have enough for that.

Chair MacFarlane asked if there are time constraints on when the money is to be utilized.

Ms. Katonak thought they are in good shape. She asked Mr. Flores if the Board could be informed of opening the Notice of Funding Availability for grants or if they need more notice.

Mr. Flores commented on the strategy.

Ms. Katonak suggested December's meeting for considering spring project grants.

VIII. Advertising Agency

Advertising Agency Report - HK Advertising by Dave Hayduk (Pro-Forma)

Mr. Flores reported his comments to the Occupancy Tax Advisory Board, that the

County is a New Mexico True partner.

Chair MacFarlane said she will be presenting at the next Santa Fe Hospitality Breakfast Meeting on November 1st at Site Santa Fe at 8:30 with breakfast.

Member Hudman said she had a meeting with Secretary Latham and heard New Mexico True for the State has been very beneficial).

Mr. Flores added that Secretary Latham is going around the State with that message.

Mr. Hayduk considered the NM TRUE branding as smart marketing. It is steeped in culture. It is the essence of the brand that is so important and connecting with travelers. He got direction from Mr. Flores and Ms. Katonak on next chapter of the marketing and HK has been busy.

He showed the Rocky Mountain Lodgers' Report for the Santa Fe periphery in August. Occupancy was 78.1% in August up from previous year. September is 78% again. Revpar up to 130. He said those numbers are awesome.

Mr. Hayduk said the blog is posted on the website and then to the Santa Fe Tourism site. Farm to Table was the blog for September. will feature Santa Fe Brewing, Santa Fe Independent Film Festival. The Joyce Exhibit @ CCA and El Rancho de las Golondrinas Spirits of the Past. November's blog is El Nido, Equus and Tesuque.

Chair MacFarlane explained that Equus is a horse program located at Four Seasons - Thunderbird Bridge. It deals with professional and personal development by working with horses and is a sophisticated system. They do groups and individual - a whole group of people who come to see them regularly. The executive coach has worked with big corporations.

Ms. Forbes talked about social media and boosting the posts to drive more traffic from Facebook to the web site. They use the blog photos on Instagram which is also driving people to read the entire story and have a theme that fits in on social media. Social Media had 3,996 Facebook hits and 2,405 on Twitter. We have influencers visiting. PBS'Travels with Darley will continue to pay off. In her posts, she tagged Santa Fe County. She did a couple of 360° posts.

The County partnered with the City on an influencer campaign of fashion bloggers experience. Writers about fashion on social media have a large following and they loved the focus on fashion with adobe walls, etc. and got great pictures during their visit.

Ms. Katonak commented on a shared press FAM media tour with Tourism Santa Fe and Cynthia Delgado. She didn't know who was invited until a few days prior nor the

properties to be visited. These are Millennials who love to travel and get sponsorships from companies that sell makeup and hair products, travel destinations like Hawaii, big chain resorts, etc. They take photos and blog on eating, and tourist sights. They are able to target Millennials in a forum that attracts them.

Ms. Forbes said their comments are amazing with many on each one. They were here September 17.

Ms. Katonak said the social influencers spent a night at Sunrise Springs; then went to La Posada and a couple of others.

Chair MacFarlane said if they are coming again they could have dinner with Rancho Encantado.

Ms. Hayduk said the City picked some very good social influencers. Each one has a different and large following.

The Board briefly discussed the followers.

Ms. Katonak said Santa Fe Tourism asked for assistance for FAM tours and to work with David Carr on convention groups to Santa Fe.

Mr. Hayduk reported on print ads - Albuquerque Journal - Balloon Fiesta. Land-Water-People-Time. The Santa Fe Independent Film Festival is going on this week.

The Sunport Airport Fabric Art was changed out in September and he showed the two displays.

He got the LCD Advertising at the baggage claim up before the International Balloon Fiesta.

Member Romero said regarding his magazine that 5,500 copies were printed and out for distribution for the year. There are articles on Flamenco, La Bajada, Manhattan Project; etc.

Mr. Hayduk shared the Visitors' Guide winter cover video/photograph. They just finished a video shoot to capture colors in the mountains. Cerrillos Hills, Blackbird Saloon, Sunrise Springs, Santa Fe Rail Trail, La Tierra Biking, Jeep Tour, Aspen Trail Running and Las Golondrinas. It was a good shoot from October 4 - 11.

He will be at the hospitality breakfast on November 1 to highlight the adventure piece.

Member Romero suggested it would be good to highlight the organizations

represented.

Mr. Hayduk said he will keep everything fresh and show it at the next meeting.

IX. Administrative

Ms. Katonak urged everyone to get their letters of interest for reappointment in by the end of October. Member Hudman and Member Romero's are pending. It can be a letter or email and doesn't need to be lengthy. It will go to the BCC at the November meeting.

She reported that the State Fair booth for the County occurred since the last meeting. Mr. Hyer, Ms. Mihelcic and Ms. Katonak worked the County booth, and it was well received.

The contract with the Albuquerque Journal and with the Santa Fe New Mexican is to have coverage for local ads, which for November is featuring Chimayo in the Santa Fe Film Festival, and Rancho Encantado for winter.

Ms. Katonak met with Children's Museum staff, as well as Joseph Karnes of Santa Fe Thunder regarding their events/ activities, and with Tim Fowler of Outside Bike and Brew, who said they might move Bike and Brew to September or November. Weather is a factor, but the weekend of Santa Fe Century is the same weekend. He will finalize the venue and dates by the end of the month. She thought September would be nice and November may be too late.

Ms. Katonak encouraged LTAB members to attend the meeting at Site Santa Fe.

Member Ehlert updated the history of the Hospitality meetings.

Member Romero announced a conference of Heritage Areas in 2019. There are only 49 Heritage areas so most of the members will come. The Crucible, by Arthur Miller, opens at El Museo starting October 25.

Member Hudman said when she met with Secretary Latham , she mentioned the Governor's Conference on July 16, 2018, as an opportunity to highlight the Santa Fe Opera. All governors from the country with their staffs will participate.

A. Next Meeting Date and Location

Ms. Katonak proposed Friday, November 17 at 9:00 for the next meeting. She will try to get their regular location back.

X. Adjournment

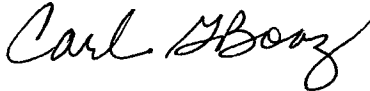
Member Ehlert moved to adjourn the meeting. Member Hudman seconded the motion and it passed by unanimous voice vote.

The meeting was adjourned at approximately 11:30 a.m.

Approved by:


Meredith MacFarlane, Chair

Respectfully submitted by:




COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

LODGERS TAX MINUTES
PAGES: 12

I Hereby Certify That This Instrument Was Filed for
Record On The 2ND Day Of February, 2018 at 04:37:50 PM
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Deputy  Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM

SFC CLERK RECORDED 02/02/2018

DRAFT

SUBJECT TO APPROVAL