

MINUTES OF THE
SANTA FE COUNTY
LODGERS TAX ADVISORY BOARD

December 8, 2016

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 Rich Verruni at approximately 9:00 a.m. on the date cited above in the Santa Fe County Legal Conference Room, Santa Fe, New Mexico.

II. Roll Call

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, Executive Administrator
Alejandro Cintron, Senior Account Manager
Kristine Mihelcic, Communications Coordinator

Others Present:

Dave Hayduk, HK Advertising
Clarissa Lovato, HK Advertising
Wendy Forbes, HK Advertising
Joseph Kames, Global Running Culture
Liesette Paisner, Independent Santa Fe Film Festival
Jack Paisner, Independent Santa Fe Film Festival

Tim Fowler, Bike and Brew

III. Approval of Agenda

Member MacFarlane moved to approve the agenda as published. Member Ehlert seconded the motion and it passed by unanimous voice vote.

IV. Announcements

Ms. Katonak introduced Tim Fowler, Executive Director of Bike and Brew, to make a presentation.

Mr. Fowler said he is Executive Director of the Outside Bike and Brew and soon to become the executive director of a new nonprofit that will promote bicycling in the State of New Mexico. The Bike and Brew will still continue on the 3rd week in May. The event is moving to the Railyard for more visibility and better use of space. Ft. Marcy and not conducive to the event and they lost a lot of visibility at that location.

Mr. Fowler briefly described his experience and activity in bicycling events and his work with the Festival. He offered to answer questions the Board might have.

Member Romero asked about the activities for the coming event.

Mr. Fowler said it would focus on Paseo around the Farmer's Market, the park itself, and the area where films are shown.

Member Romero noted that May 14 is Mother's Day.

Mr. Fowler said the Bike and Brew will be May 18-21 and they are collaborating a lot more with the Santa Fe Century. Mike McCullough is the new Century Director. Bike and Brew will help grow Century participation which has been declining lately.

Chair Verruni asked if the IMBA Silver designation has helped.

Mr. Fowler agreed. Biking had been a well-guarded secret in Santa Fe and we are doing our best to not have it as a secret.

Member Hudman announced that SFO has been nominated for a couple of Grammy's. One is for composer Nathan Bates, who composed Revolution (about Steve Jobs). She also announced the concert tomorrow at the Cathedral. She shared copies of the latest issue of Crescendo with the members.

Member Ehlert announced that the Community College is open for registration this week for the spring semester.

V. Approval of November 15, 2016 Regular Meeting Minutes

Member Ehlerl moved to approve the November 15, 2016 minutes as presented. Member MacFarlane seconded the motion and it passed by unanimous voice vote.

VI. Presentations

A. Global Running Culture, Inc., for the 2016 Santa Fe Thunder Half Marathon. Joseph Karnes, Director

Mr. Karnes reported the Santa Fe Thunder half marathon was held September 18th and was a successful event. He appreciated LTAB support which was spent on magazine advertising (650,000 print circulation), two billboards on interstates and www.Active.com for registration and Facebook posts and 1,400 runners and the economic impact analysis by Southwest Planning and Marketing and survey on-site with 500 responses. Copies were furnished to the Board members.

The attendance was down a little this year but had 37 states represented and attendance from out-of-state was up this year. They marketed at the Oklahoma marathon and got 100+ entrants from that event. They are working hard this year for more registration. September 17th is the date for the 2017 race.

Member Hudman congratulated them on doing list trades. She noted that the race in Steamboat Springs is a downhill run in May or June.

Mr. Karnes said they are going to Ft. Worth in February in hopes of trading lists. Lots of people are not willing to trade lists but we can put flyers in their registration bag.

Chair Verruni asked for the top five states participating.

Mr. Karnes said they are New Mexico, Colorado, Arizona, Texas, and Oklahoma and most of them drive. The target population is recreational runners and females 35-55. Having a vacation in the same place makes it work. We try to make sure they are all connected to hotels and restaurants in Santa Fe. The race is 100% nonprofit and funds help with youth recreation in Northern New Mexico and the Tarahumara Indians from Copper Canyon. They are building a school there this year and bought a tractor that is now in Houston, ready to be shipped. Global Running Culture has a great relationship with Native Americans and a Facebook group with 60,000 members. There were over 250 tribal members participating in the race. Kenya participated also.

Member Ehlerl referred to page 26 for the breakdown and asked why Buffalo Thunder and Cities of Gold together made up 30.8% of the lodging.

Mr. Karnes explained that the race starts at Fort Marcy and finishes at Buffalo Thunder but they did promote the Santa Fe hotels.

The Board thanked Mr. Karnes for his report.

B. Santa Fe Independent Film Festival. Liesette Paisner, Festival Director

Jack Paisner and Liesette Paisner reported on the Festival. He was excited about the celebrities who were there, including movie star Jacqueline Bisset and director Jay Roach who was a graduate of Eldorado High School. He had a great time and wants to make his next movie here and attend again next year. There were many good foreign films. They sold out on opening night and on closing night and used all five local independent theaters.

With the great attendance, the survey was overwhelmingly positive - best year ever. The programming stands out above all and compares with those festivals with 40 years' experience and \$2 million budgets.

Ms. Paisner said the survey showed an average stay of 4.9 days. So, they come for a few days of films and exploring Santa Fe and New Mexico. The survey numbers were lower than actual numbers; gross revenue was steady with a return for the County of about \$44,000.

Mr. Paisner said their return on investment was about a thousand percent. Lots of people donated their time which helped. The Denver Post did a sponsorship ad with a one for one match. For next year, they will decrease local press and do \$5,000 nationally.

Chair Verruni asked about their drive market.

Mr. Paisner said they saw significant growth in last few years from Colorado and Texas. A lot of people fly from LA and New York, like associate producers. We fit the bill for a Jay Roach or Jackie Bisset. A large group from Colorado volunteer at the Festival.

Ms. Paisner said a surprising number of film makers fly into the Santa Fe Airport.

Member Hudman asked if the report breaks out lodging locations.

Ms. Paisner agreed. She said the 2017 Festival will be October 17-22, right after balloon fiesta.

Ms. Katonak asked if the report mentioned the number of attendees. Ms. Paisner agreed. It is over 11,000 with 26% from over 50 miles away. It is an increase over 2015.

Member Ehlert found it interesting that the average age is 55 and 68% are female.

Mr. Paisner noted the average age attending the other film festivals is 65. They will continue to push for younger attendees at this Festival. They plan to double down on Colorado newspaper marketing. They

are also targeting Austin and Dallas but Austin has a very good film festival, making it harder to draw them. When the timing is right, they could raise awareness in Austin. They also work closely with Robert Redford's assistant (Milagro Foundation).

Chair Verruni said it was a great report and the date right after the Balloon Fiesta really is a great time for Santa Fe County.

Member Romero asked where they would like to have local help that they didn't get.

Ms. Paisner said hospitality and sponsored rooms would help greatly. Mr. Paisner said they had to say no to several directors because they didn't have a room for them. It was very crowded Thursday night.

VII. Financial Report

Santa Fe County Finance Division - Lodgers' Tax Financial Report (pro forma)

Mr. Cintron presented the financial report which this month was higher than it was over the last two years at \$40,992.83 Lodgers' Tax revenue, compared with approximately \$26,000 in 2015, so we continue to do quite well. For the year to date, 2016 is just a little behind budget despite having a major contributor off line. So the trending is good.

Mr. Cintron commended all who are reporting and was pleased that the County is not significantly behind, despite the loss of Bishop's Lodge. There were also a few additions - Del Norte Vineyard and Piñon RV Park who contributed again this month. Some facilities contribute monthly, some quarterly and some semi-annually. They have that option, based on their size.

The Board thanked him for a good financial report.

Mr. Flores noted that January is coming up and the election of Chair and Vice-Chair is required. We keep getting questioned on lodgers' tax but still maintain a good number so we are doing something right. He proposed having a strategic planning session in January to look at economic impact, how the Board spends its money and where it is going for the next budget cycle and prepare a presentation for the BCC. Budget preparations will happen in February and March. He preferred doing the strategic planning at an off-site location with maybe one or two Commissioners.

Member Hudman suggested an email for available dates and volunteered the Santa Fe Opera to host it.

VIII. Advertising Agency

A. Advertising Agency Report - HK Advertising by Dave Hayduk

Mr. Hayduk presented his report, commenting on the nice gathering yesterday at La Fonda. La Fonda is number one for hospitality; has the manager of the year; and is the national historic winner.

He reviewed the Rocky Mountain Lodgers' Report which was for October which showed 85% occupancy. Revpar up and ADR were up not only for month but also YTD overall.

The Agency is keyed more into the assets that travelers can see. Advertising is effectively spread across media channels and directed to Santa Fe County.

Chair Verruni asked if all lodgers in the peripheral area are reporting. He noted that Buffalo Thunder should be in here.

Mr. Hayduk said he would reach out to them and also the B&Bs.

Member Romero asked if there is any way to know if the Film Festival and the Thunder Half Marathon and other events like that bring better results for lodgers' tax revenue - any correlation.

Mr. Hayduk said he had not budgeted for that kind of correlation information. These numbers are heads and beds and visits to the website. Almost all of it is either social driven or web driven.

Mr. Flores said Staff have dealt with that. It is not just staying at local hotels but also the money spent off-site. Lodging may be a small percentage and the other is not reflected in the Rocky Mountain report. But there is a direct economic impact there.

Chair Verruni was interested in analyzing what LTAB has supported for bicyclists, runners, movie goers for any overlap in demographics. There seems to be some overlap and perhaps Mr. Hayduk should look at that in the plan for next year.

Mr. Hayduk reported a 28% increase in the website hits over October and it is now getting over a thousand hits per month and over 28,000 for this year.

Ms. Katonak said what the County had with the previous vendor was not user friendly and the visitors would just leave the site. At the end of May, we revamped design to be more user friendly and are getting more traffic.

Member Hudman asked if those were unique visitors.

Mr. Hayduk didn't have that information.

Ms. Forbes gave the social media report. With Twitter, we see bumps that are unusual for Santa Fe. One happens in July and the other around the holidays. Twitter is bringing an average of four new followers per day and that is high. There were 1,510 followers in November with 132 new followers for the month. Facebook is up 7.8% over the previous month with 206 new fans. The videos attract the growth and will

continue to see that grow for December. Instagram has 1,401 followers for November. Evolution is much greater. Facebook is paying more attention to product and prompting people to follow accounts. Instagram is all photos and videos. A small percentage of news gets out to our accounts but we are targeting the hashtags to know what the daily trends are. The weekly content falls into the niche categories. There will be a lot of user-generated photos for the holidays. We spend about 50 cents per like for the target audience so it is better than expected.

Mr. Hayduk said they are continuing with Texas Monthly placements and the Christmas supplement in the December 27 Santa Fe New Mexican with distribution to the regional hotels.

Member Romero said the cover this year is his wife's design.

Mr. Hayduk said they just changed out one of the Sunport LED screens for Winter and dropped outdoor adventure hikes, keeping the day trips and bring in a new cuisine video. At the Santa Fe Airport, they added some winter scenes in the baggage claim.

Ms. Mihelcic reported they are coming up on one year of the County's contract at the airport. The County was first to pick the site so at the first, they had a lot of screen time. They are working now with the Airport to see if they will limit clients in the new year. The loop cycles every 15 minutes while they are waiting for luggage. Right now, the package is set up without a limit of rotations. It also shows at the restaurant in a separate contract. There are eight slides on the restaurant rotation with 30 second duration.

Chair Verruni asked if there was any consideration of having a screen at the transportation area.

Ms. Mihelcic wasn't sure they could break it up like that.

Member Hudman thanked her for staying on top of it.

Mr. Flores said the Santa Fe County marketing at the airport doesn't come through Lodgers' Tax and that needs to be discussed in the strategic planning.

Mr. Hayduk is working on the fulfillment piece which will be very content rich and hopefully have it to look at in January. It will be 20 pages, covering activities, day trips, lodging and annual events.

Ms. Katonak recalled that before, the County only had a tri-fold and more generic landscaped piece about locations in the County. It didn't direct people to the web site.

Mr. Hayduk said it will be content-rich, deeper than photo images to dig deeper in the website to educate visitors and the attraction is helping them understand something broader and deeper. He also mentioned the County contribution to the monthly blog at SantaFe.org.

Mr. Hayduk believed the great story today is with New Mexico True. Santa Fe County got a \$49,685 grant. They will pick up D Magazine and advertising at DFW airport with spectacular rates.

Mr. Flores thanked Ms. Katonak for her long days and Mr. Hayduk's assistance to get that additional \$50,000 leverage.

Ms. Katonak explained how the plan works and how they are saving money. Linking with New Mexico True opens new venues and targets for our audience. And they were able to pick publications or media outlets that New Mexico True and the New Mexico Tourism Department also have targeted. The County Plan dovetails with theirs so we will saturate in Texas and picked up D/FW digital prestige screens at the airport.

Member Ehlert agreed. And D/FW is a hub so millions around the country will see it.

Member Romero asked if any of it is applicable to the new Phoenix service.

Ms. Katonak clarified that the County doesn't need approval from New Mexico Tourism but to submit ads to Tourism to make sure it is a New Mexico True depiction with approved message, colors, and logo placement. Mr. Hayduk has worked with them since its inception to get Tourism to review our work to make it New Mexico True. So pretty much everything is already New Mexico True.

Ms. Lovato reported they added nine new placements and reallocated some for the Phoenix market.

Member Hudman commended the team. Connecting with State Tourism so early had a definite successful impact on success and congratulations to staff also.

Mr. Flores said it was beneficial to link with the HK team.

Chair Verruni pointed out that Phoenix also is a hub.

Mr. Hayduk agreed and makes a much bigger reach. The inaugural trip is next Thursday to Phoenix with the Mayor and is important for us to work with economic development at the airport. Nine million people live in Phoenix so the door is now open. Next is Los Angeles and then Chicago. The difference is the community buy-in and promoting it to see rewards from it.

Mr. Hayduk described the photo shoots now scheduled, including stills and videos and also a presentation for BCC new Commissioners in February.

Ms. Lovato reported on work on the annual lead generator program with AARP California in February through April for the opera market. Texas is already saturated with matching funds so they went to California to partner.

Member Hudman confirmed that SFO is willing to partner in California for leads in the spring.

Chair Verruni asked about stimulating spring break. That has been huge for them in the past.

Mr. Hayduk said it is mostly a digital push.

Mr. Flores said the logo project was addressed at the November 29th BCC meeting where unfortunately, Ms. Mihelcic and Staff did not have a successful approval and the County will continue with the current logo. No one has used that futuristic logo in marketing, so nothing is being impacted.

Mr. Flores said the logo design was driven from trying to design what reminds us of Santa Fe County: mountains and scenes, etc.

Ms. Mihelcic said the research supported it. Santa Fe County has shifted more into outdoor adventure and feelings of outdoors - peace, spirituality, all focused on outdoors. It is a huge shift. There were several options considered.

Mr. Flores thought they were headed in the right direction with marketing through the NM True brand and were involved with the BCC on that.

Chair Verruni agreed that focusing on New Mexico True has helped. The Santa Fe County logo has a lot of components and usually is too small to see it.

IX. Administrative

A. Next Meeting Date and Location

Chair Verruni asked about the offer of SFO as the location for the January meeting.

Mr. Flores explained that the regular LTAB meeting must be held here by ordinance. So, the strategic planning would have to be a separate meeting and could be held anywhere.

Chair Verruni reasoned that it would be two meetings and keep the monthly LTAB meeting at the County offices.

Mr. Flores added that if no actions are needed, the Board wouldn't need to have to a regular Board meeting in January and just have a strategic planning session. He proposed working on some dates and send them out for consideration.

Member MacFarlane will be out of town during the last two weeks of January.

Member Ehler mentioned the Tourism conference in January.

Chair Verruni noted that January 17 is the start of the legislative session.

Mr. Flores suggested the first week in February.

Chair Verruni agreed to research it to see what would work.

X. Adjournment

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

The meeting ended at 11:15 a.m.

Approved by:



Rich Verruni, Chair

Respectfully submitted by:



Carl G. Boaz for Carl G. Boaz, Inc.

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

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I Hereby Certify That This Instrument Was Filed for
Record On The 14TH Day Of November, 2017 at 01:14:01 PM
And Was Duly Recorded as Instrument # **1841348**
Of The Records Of Santa Fe County

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

