Report to the Lodger Tax Board

Shared by Kevin Holsapple
Shared at 2-18-2025 LTAB meeting

I find it quite constraining to be discouraged from sharing email communications with the other LTAB members. This seems related to the concern about limiting discussions about decisions we are making to advertised meetings and avoiding "rolling quorums." I have no issue with adhering to that, but I believe those provisions are meant to apply to discussion (outside of the public meeting) of matters scheduled on the agenda for decision, not to simple sharing of information and questions between the members.

I do wish to share information about research I am doing that is not related to any decisions we are currently considering in case it may be of interest to the other members of LTAB. I am putting it in this report so I can share it with you as an "announcement" during the part of our meeting for that purpose. I suggest that for future meetings, that agenda item be titled "Announcements and Board Communications.".

1. **Datafy Research -** I have been trying to get a better understanding about the capabilities of Datafy and the cost of potential enhancement of that information. There is nothing wrong with the reports we are getting, but in my view they are not all the helpful. The non-underlined text in black are my inquiries to Joanie and Ellyn and the underlined text are Ellyn's responses to date. My follow-up requests sent this morning are in italics. Here is what I have been able to find out so far:

    a. Please provide a detailed description of the data and analysis package that we subscribe to. Joanie and Hilary have given me some insights on things included in our plan, but hopefully, there is a complete "plan description" or something of the sort that you can provide me. If not included in the plan description, please include a list of the standard reports available in our package.
    <u>I am working to get a copy of Sunny505's contract with Datafy then will send it your way to help provide some insight to you. Kelly Stewart and Sunny505 were the ones who decided on this three-year contract after seeing what programs Taos, Tourism Santa Fe, Visit Albuquerque, and others were using. The decision to sign this contract had to do with getting some sort of data to see where people were going when they visited the area (since we didn't have any insight at the time). It was also determined to get this package to stay within the Lodgers' Tax budget for Sunny505's contract, allowed while keeping other advertising/marketing priorities in mind. It should be noted this contract expires in September 2025 and to sign on for another contract, it likely would be a part of the next RFP (since Sunny505's expires around the same time this year), should we choose to continue with the program for insight on where people are visiting.</u>

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b.   It would be helpful to understand the following submarkets and related behavior. Does our Datafy package enable us to generate analysis based on these groupings? If not, could a higher-level package do so, and what would be the added cost?

- Day visitors (leisure) who are staying at lodging at Santa Fe and places other than Los Alamos County. We can see who might be stopping at hotels in Los Alamos County, not Santa Fe.** *Are we prohibited from seeking this info? If Datafy could provide it, what would it costs for that?*

- Leisure visitors who live within 2 hour driving distance from their home (likely day trippers). We can track this. ** *Please provide*

- Leisure visitors from anywhere who might stay overnight in Los Alamos County. This is essentially the same as your first bullet point, unless I'm misunderstanding the difference between the two.** *Not the same -- this would be people staying at LA/WR hotels who also visited attractions.*

- "Business" visitors (for a day, overnight, or limited-term) would include visitors doing business at LANL, with LAMC, and with other businesses and organizations. We can't see who is "doing business" with organizations/etc. that are smaller. However, we do single out people who visit the lab, as we know that impacts our data in terms of whether they're truly a visitor or a contractor, etc. There's a threshold on this timing for days before they aren't included in the visitor data. I would need to check and see what that is if you want more insight. ** *Yes -- please get -- even if only for large work places like Lab or LAMC it would be helpful. For instance, we should be able to tell numbers, portions, trends of multi-day visitors to these places who are staying at our hotels*

- New residents (and prospective residents) in their first 60 days in the community Prospective residents would just be tracked as a visitor. New residents wouldn't be included, as I believe there's a threshold in the Datafy system that takes out numbers if they're here for X amount of time. I can get an answer on what that threshold (same as mentioned in previous bullet) is if you'd like. ** *Please do get the answer.*

When you say analysis, I presumed you meant "generate visitation" for my answers above. If you mean something else, let me know. I'm not sure what all a

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higher-level package would do, as we don't have enough in our budget for that program from my understanding. I can find out what that price point is if you're interested, but I believe it varies based upon offerings.** Analysis is data presented to provide insight helpful to understanding. Please do find out and share the details and pricing for the available options. We may want to recommend changes in the future.

c.   To work on improving economic benefits from tourism and visitation, we need to understand spending behaviors. The metric that comes to mind is "average daily expenditure." Joanie told me that our Datafy package doesn't support this, but a higher-level package may support it. Could a higher-level package do so, and what would it cost? Likewise, can we get data on repeat visits, and if so, how much would that cost? Alternatively, can we already access this kind of info from sources other than Datafy? Could the NMDOT research department help us with this kind of info? The numbers and opportunities would definitely be different for the various sub-segments.

A higher-level package could show expenditure. As for its cost, I would need to check with our representative. We have a call next week that I can get this information on, as she's out this week. This also goes for your question about repeat visits. There are other programs that exist, and it's my understanding at one point we utilized Placer.ai, but this program is more of what we were looking for, which is why they chose it. I'm not sure NMDOT research could help on this, but I can check with them. ** Please do find out and share the details and pricing for the available options. We may want to recommend changes in the future.I have also already inquired with NMDOT Research Department. Also inquired with UNM-BBER and they told me they have nothing.

d.   One question I had was about the expected reliability of the data. Hilary indicated that they are 90% confident that the numbers we get from them are within +/- 10% of actuals. I found this a little hard to follow and want to verify that I understand correctly. I was hoping to clarify and get a simpler, easier-to-explain expression like "LTAB can be confident in the numbers Joannie presents are estimated to be within a +/_ xx% margin of error" or something like that.

Hilary's indication is correct in terms of what the confidence level is in the data we receive. Many places have similar numbers/statistics like this, that they reference, from my understanding. * To be clear, are we correct in saying that we can rely on Datafy numbers within a +/- 10% margin of error?

e.   Joannie told me that our current package provides data that can be presented for the following POI's. If I understand correctly, we can define whatever POI's we want to try to understand, but these are just the currently tracked ones:
   ● Visitors to Los Alamos

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- Visitors to White Rock
- Visitors to the Lab
- Visitors to Downtown
- Visitors to Bandelier
- Visitors to Pajarito
- Visitors to Bradbury Science Museum
- Visitors to the Nature Center/PEEC
- Visitors to the Los Alamos Visitor Center
- Visitors to the White Rock Tourist Information Center
- Visitors to the History Museum
- Visitors to the Valles Caldera
- Visitors to each of the hotels individually

Manhattan Project National Historical Park is also included in the list above, but yes, we can choose our POIs/Clusters. We chose this based on the most frequented places by visitors. It should be noted even some of these can be hard to decipher on occasion due to the size of the space. For example, we couldn't get much data this year on the Nature Center's Bear Fest due to many people being children and the location being such a small area in a short period of time in one day.

f. Joannie also indicated that three "clusters" have been defined as "all visitors", "lab visitors." and "everyone but lab visitors". Presumably, clusters are groupings of POIs, but I wanted to verify that. Please verify for me. If that is correct, please tell me which POIs are tabulated within each current cluster. If not, please explain clusters and how we can define them.

Clusters are the higher level over a POI. Essentially on the back end we need to check certain clusters with the POIs to determine what we're looking at to include/not include Lab visitation. This is something special Datafy set up with us, as Los Alamos is a unique case with lots of people who visit the lab for work but might not live here full time. ** *I understand and agree with the desire to quantify Lab visitation separately. I would like to see it routinely reported on. Please provide.*

This was one of the things I wanted to look at to determine usefulness. As I understand it, the report Joannie presented at the December meeting is based on either a selection of POIs or on the "clusters." (or maybe both) I would like to see a chart with monthly lines for each of these POIs going back as far as we have data.

Much of this is available in the records of Lodgers' Tax minutes available at https://losalamos.legistar.com/Calendar.aspx. I would need to see if the month

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 Joannie indicated one other Datafy idea before our interchange was cut off -- she said that it should be possible to extract data for time-bounded POIs (i.e., location-based events). A question about this is whether we can go back in time to set up POIs and extract data, or can we only get data for a POI after we have already set it up?

I'm not sure if we can go back and set up new POIs to pull that data from past events. I would need to find this out from our representative. I do know if a POI is set up, we can get the data, as we've been able to do annual reports for Pajarito Mountain. ** Please find out

Examples of other clusters/reports I think could be helpful might be things like "visitors to attractions that also visit a hotel," "visitors to the Lab that also visit a hotel," "average number of attractions visited, " "visitors to event(s) that also visit a hotel," "visitors to Los Alamos who also visit the Lab," "visitors to White Rock who also visit the Lab," "visitors to Bandelier and/or Valles Caldera who also visit Los Alamos,"visitors to Bandelier and/or Valles Caldera who also visit White Rock," visitors to Bandelier and/or Valles Caldera who also other attractions," "visitors to Santa Fe-metro (or Santa Fe-metro lodging) who visit our attractions (and each attraction individually), "visitors to Santa Fe (or Santa Fe lodging) who the Lab," etc. etc. etc

I believe we can choose to setup our POIs to show if they went to an attraction and hotel, and the same goes for visiting/not visiting the lab. Some of these other mix/matches you've listed, I'd need to check to see how this reads in the back end, as we haven't looked at correlations to this in the past, just the overarching visitation for the most part. Much of these other questions like "average number of attractions visited," I'd need to see if that's possible in Datafy from our rep. As mentioned, our data is only for Los Alamos County, we can't see if people are staying/visiting Santa Fe, just if they're from there, from my understanding. ** Please find out

g.   As a general (non-Datafy) question for you, what other data and analysis do we have that helps us understand the behaviors of visitors who come here? As I've studied the tourism plan, it correctly identifies the importance of getting greater

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economic benefit from the visitors who come here, so I want to understand everything we know about them and their behaviors/preferences.

Datafy is the only true way to see where people are going when they are here. Other data about visitation that the County receives is what is reported to us in Mel's reports on the top locations people visit along with her visitor center kiosks. Additionally, I track month to month visitation with Valles Caldera each month. I've recently requested to also get information from the Fuller Lodge Arts Center as well, since they are tracking visitors and already have this info as a part of their reporting in their County contract.

I think a key focus for future visitor and tourism investments is to understand and attempt to improve economic benefits through our marketing and promotion efforts. However, as far as I have been able to find out, we have no good idea of what those benefits are currently and no strategy for determining if any of our efforts are "moving the needle." I inquired with the UNM Bureau of Business and Economic Research (BBER) and the NM Department of Tourism Research Department to ask if they have any data that would help with this. BBER indicated that they had nothing and NMDOT has been unresponsive so far. From the responses above, it sounds like Datafy may be able to shed some light on this at additional cost, but we don't clearly know what they could do and what the additional cost would be. I am pursuing additional info from Ellyn to fill in the blanks above.

2. Confusion About the Purview of LTAB - I do not believe we can make useful recommendations about the expenditure of Lodger Tax Funds without a thorough understanding of the overall visitor and tourism programs, the resources available to the effort - financial, people, and talent-wise, and without input into setting goals, defining target markets, and measurement of results.

LTAB is requested to develop and submit a work plan to the County Council. As far as I am aware, this is the only mechanism for the Council to formally affirm and endorse the planned activities of the LTAB. The preamble to the County work plan template states, "The purpose of the work plan is to provide a detailed outline of tasks, activities, timelines, and resources required by the Board or Commission to achieve its annual goals. The purpose of most boards is to gather public input, to review policy recommendations by staff when requested, and to make policy recommendations to the County Council."

A case in point - For this February meeting, I suggested that an agenda item should be to review and discuss the proposed survey response to the required NM Department of Tourism FY26 CoOp Pre-Application Survey, which is due on Feb.26. I suggested that Sunny 505 could prepare a draft that can be distributed with the agenda. Key sections of the Pre-Application Survey that I believe are important for LTAB review/input are:

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- ○ Describing our top tourism-related marketing priorities for FY26 (July 2025-June 2026).
- ○ Indicating which media channels and marketing tactics will be important to our marketing strategy in FY26 (July 2025-June 2026)?
- ○ Ranking our top 3 GEOGRAPHIC target markets in order.
- ○ Ranking our top 3 DEMOGRAPHIC target markets in order.
- ○ Ranking our Top 3 BEHAVIORAL/PSYCHOGRAPHIC target markets in order
- ○ Ranking (in order) our most important seasons to be IN-MARKET with Tourism Marketing (with consideration to travel planning lead time.)
- ○ Once someone lands on our website, how do we define success?
- ○ What is the maximum TOTAL $ amount we estimate may be available to us for TOURISM MARKETING in FY26 (Jul '25- Jun '26)?
- ○ Provide an estimate of the PERCENT of our TOTAL Tourism Marketing budget that is available for potential investment with up to a 2:1 $ match* in the CoOp Marketing program in FY26 (Jul '25 - Jun '26)

I suggested that, as part of the discussion, it would be helpful to hear staff and Sunny505 ideas for how to position the NMDOT partnership to increase the economic benefit our community derives from visitation and tourism, a strategic plan goal. From my understanding of last year's approach, it seemed focused on increasing leisure visitation, which is a related concept but maybe not the most important focus for the future. To the extent practical, I will suggest that our marketing efforts be focused on increasing the economic benefit.

The response I received on Feb. 6 said,

> "Due to a majority of the NMTrue Grant funding coming directly from the County and not the Sunny505 contract, advising on the grant submission has not been a topic for discussion at LTAB. Additionally, Sunny505 and I submitted our response earlier this month. I can tell you that while last year we chose Dallas, Denver, and Phoenix for our target markets, this year we submitted Dallas (ABQ and SF have direct flights to here), Albuquerque, and Denver for our markets, as we recognize day-trippers are an important part of our market, especially if we can get them to spend the night as well."

Other than this, the responses to the NMDOT survey were not shared.

I responded on Feb 6 as follows but have received no response:

> "Ellyn -- Who and what constrains the LTAB purview in the way you describe? I want to get a clear understanding. Maybe I have some fundamental misunderstanding from what was communicated in the interview and at my first meeting. I asked at the December meeting whether LTAB should be looking at Visitation and Tourism "big-picture" and I perceived that the answer was a strong

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"yes." That matched the responses I received when interviewing for the LTAB position.

IMO, to be effective advisors, we need to be privy to and be involved in the big picture so I need to understand where your direction is coming from so I can address it."

At least some of the County Council want LTAB to be providing recommendations about "big picture" visitor and tourism policy and direction. This was discussed at the Council's Feb. 11th meeting. The staff seemed to push back on this and the discussion wasn't resolved. Because of this, I made the following suggestion to our Council liaisons with the hope they will seek clarification (outgoing and incoming):

Kevin Holsapple <cubfansla@gmail.com>   Wed, Feb 12, 3:09 PM (6 days ago)   ☆   ☺   ↩   ⋮
to melanee.hand, David ▾

Hi Melanee & David --

I listened to the somewhat confused discussion about the LTAB at yesterday's (Feb. 11 Council Work Session, and I would like to offer my observations and a recommendation:

When I signed on to the Lodger Tax Board, I was led to believe that LTAB would be advising the Council on the topic of making the most of our visitor and tourism efforts in the County. I understood this was the desire when the tourism task force was disbanded, and its functions were folded into the LTAB responsibilities. I was, and am, aware that the Lodger Tax Board is charged with fulfilling LA County Code and NM State Statute requirements to advise the County on using Lodger Tax funds and there is no problem with that.

1. I have studied the text of both the applicable County Code and State Law. Although the code and law define minimum responsibilities for a Lodger Tax Board, nothing about them precludes the LTAB from being given advisory responsibilities that go beyond those minimums. The idea that State law in any way limits what is possible seems like a red herring.
2. There is considerable room for improvement, transparency, and accountability in County activities aimed at making progress on the Tourism Strategic Plan I have suggested that the LTAB define work plan items to address these needs, but I sense the staff does not welcome that. LTAB hopes to work out its plan at the Feb 18 meeting.
3. I sense some energy among the LTAB members for working on big-picture visitor/tourism issues in addition to advising the Council on Lodger Tax funds.
4. Presumably, the Council is interested in advice about making the most of visitors/tourists in addition to making good use of Lodger Tax funds.

Recommendation: I recommend that the Council clarify the purview of LTAB to include not only the statutory requirements but also to advise the County on the content, updates, and matters related to the implementation of the Tourism Strategic Plan. If the County Code needs to be amended to clarify this, that should be pretty straightforward.

Do you think my recommendation is viable? Is there anything else I can tell you?

best - Kevin Holsapple 505-695-4781📞

Either way, I do not believe LTAB can make useful recommendations about the expenditure of Lodger Tax Funds without a thorough understanding of the overall visitor and tourism programs, the resources available to the effort - financial, people, and talent-wise, and without input into setting goals, defining target markets, and measurement of results.

3. **With respect to target visitor markets**, I suggest that several sub-markets are important to consider and understand. Each could contribute to increasing economic benefit in somewhat different ways and ideally the media channels and marketing tactics would vary between them. Here is my stab at sub-markets for discussion:
  ● Day visitors (leisure) who are staying at lodging at Santa Fe and places other than Los Alamos County.

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- Leisure visitors who live within 2 hours driving distance from their home (likely day trippers).
- Leisure visitors from anywhere who might stay overnight in Los Alamos County.
- "Business" visitors (for a day, overnight, or limited-term) - this would include visitors doing business at LANL, with LAMC, and with other businesses and organizations.
- New residents (and prospective residents) in their first 60 days in the community

4. **At the January LTAB meeting, Kevin was asked to research LT rate limitations and potential sources of additional funding**

In addition to a 5% lodger tax, a tax called a "Hospitality Fee" is authorized by NM 3-38A-1 through 3-38A-12. This kind of tax has been adopted in several NM communities, including Albuquerque, Santa Fe, Las Cruces, Farmington, Roswell, Truth or Consequences.

- Not to exceed 1%

- Proceeds from the hospitality fee shall be used as follows:

  (1) fifty percent of the proceeds shall be used to equip and furnish a municipal convention center; and

  (2) fifty percent of the proceeds shall be used by the municipality to contract to purchase advertising that publicizes and promotes tourist-related attractions, facilities and events in the municipality and the county and tourist facilities or attractions within the area.

https://law.justia.com/codes/new-mexico/chapter-3/article-38a/section-3-38a-1/

Other potential approaches to augmenting funding/resources for tourism initiatives include:

- Los Alamos County can decide to allocate/prioritize additional funding for visitor/tourism initiatives as part of its normal budget formulation process.
- Local Option GRT increment - the local government can bring to ballot a measure to raise the municipal local options gross receipts tax (LOGRT) by 1/8th of 1%. to be used specifically for economic development projects.
- Incremental lodging occupancy either through increasing occupancy rates, increasing rooms generating Lodger Tax, or a combination thereof.
- Public-Private Partnerships

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5. **At a prior meeting we were told that some funds were expended last year to obtain additional photos** for marketing and promo use. I asked Ellen how I can see what photos we have. I was particularly interested in whether any of the photos with the Oppenheimer character depicted business or commerce settings.

Ellen told me they are all available through the "County smugmug" to use. The ones from this year (the ones with the Oppenheimer character) are in a variety of folders based upon the topic they are related to. The 5 "Oppenheimer" photos can be found in the Popular Photo Op Stops folder. Here are some links she shared:

https://losalamoscountyimages.smugmug.com/Los-Alamos-Scenery/Jemez-Mountains-Attractions

https://losalamoscountyimages.smugmug.com/Los-Alamos-Attractions/Bradbury-Science-Museum

https://losalamoscountyimages.smugmug.com/Los-Alamos-Attractions/Popular-Photo-Op-Stops

I think we need more images depicting local business and commerce.

6. **In response to my request, the County has changed the settings on their Granicus website** to allow easier access to linked .pdf documents.

7. **I sought and received demos of "VisitWidget" and GuideGeek"** to better understand these products and how they can be used. These are interesting products and I think it is important to understand their capabilities and limitations

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