Village of Ruidoso Lodgers Tax Committee

Notice of Regular Meeting May 12, 2016

Distributed May 9, 2016

In This Issue

Notice of Regular Meeting May 12, 2016

Notice is hereby given that Kathy Yeager, Chair of the Lodger's Tax Committee for the Village of Ruidoso, has scheduled the regular meeting of the Lodger's Tax Committee for **Thursday May 12, 2016 at 1pm**. The meeting will be held at the Village of Ruidoso Administrative Center Council Chambers, 313 Cree Meadows Drive, Ruidoso, New Mexico. The agenda for the meeting is as follows:

1. Call to Order
2. Approval of Minutes Regular Meeting March 10, 2015 Draft Meeting Minutes April 14,2016
3. Financial Report: Judi Starkovich
4. Directors Report: Gina Kelley Director's Report May 12 2016
5. Discussion & Possible Action: Ruidoso Downs Racetrack request for sponsorship funding of $15,000 to help televise live the Trials of the Ruidoso, Rainbow and All American Futurity and Derby and also televise the finals of each of these races on RIDE TV.
6. Discussion & Possible Action: Short Term Lodging Audit results and follow up to be undertaken Preliminary Short Term Lodging Audit

7. Adjourn

Gina Kelley

Director of Tourism

Posted: May 9, 2016

Time: 1:00pm

The Fine Print

Any amendments to the minutes need to be made and posted at least 24 hours prior to the meeting.

This communication is information generated by the Village of Ruidoso Lodgers Tax Committee (an advisory committee to local government). It is often in first draft form and not checked for syntax or spelling. Any views expressed do not necessarily represent those of the Village of Ruidoso.

Gina Kelley, Director of Tourism

I certify that notice has been given in compliance with Sections 10-15-1 through 10-1 5-4 NMSA 1978 and Resolution 2014-01. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Village Clerk at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the Village Clerk if a summary or other type of accessible format is needed.

Irma Devine, Clerk, Village of Ruidoso

Village of Ruidoso Lodgers Tax Committee
Regular Meeting April 14, 2016
Draft Meeting Minutes

Meeting Attendees: Sunny Hirschfeld, Alan Riches, Steve Tally

1. **Call to Order:** Vice-Chair Steve Tally called the meeting to order at 1:07 pm

2. **Approval of Minutes Regular Meeting March 10, 2016:** Sunny motioned to approve the minutes as submitted, Alan seconded the motion, motion passed unanimously.

3. **Financial Report**: Judi Starkovich, Village Finance Director reported that year to date lodgers tax collections are over 11.27% ahead of last year with an increase of $120,449.00. We are at 91.51% collected at 75% through the fiscal year. Total expenditures YTD are $689,797 with $371,014 encumbered.

4. **Discussion Item:** Bradford Dyjak, Planning Administrator at the P&Z Dept. updated the committee and public on the short term lodging issue. Bradford provided a memo detailing proposed solutions for the registration of short term rentals. This memo is attached to the meeting minutes. The issues as P & Z sees them are administration and enforcement and payment of lodger's tax.
    - Staff reported that any proactive enforcement will need additional resources and asked that the Lodgers Tax Committee consider funding a defined term, contracted position to assist the Village with monitoring, processing and enforcing permits.
    - Gina advised Bradford prior to the meeting that the preliminary report issued by Southwest Planning identified 442 properties that are not currently registered as short term rentals with the Village. Gina mentioned at this point that she has asked Southwest Planning to sort the rental property addresses by zip code, as several of the rentals are listed under Ruidoso but are actually located in the County.
    - Steve asked what the next step is. Bradford responded that staff needs to produce recommended changes to ordinances & schedule public comment. Steve recommended that they form the short term rental task force to develop recommendations to council. Brad feels that 2-3 public hearings will be required and this will take 2-3 months.
    - Steve asked "who will put together the task force?" Greg Cory responded that P & Z will do that administratively. Sunny asked "who approves the task force?" Greg replied that the Village Manager will approve.
    - Bill Hirschfeld, audience member: "We have an ordinance, why do we need a public hearing? We are not enforcing the existing ordinance". Greg responded that now that Gina will have a list of illegal properties we can act on it. Bill pointed out that short term rentals are hurting our neighborhoods & our legal local businesses.
    - Cindi Clayton-Davis, Condotel, audience member: the issue with the ordinance is that there are no teeth to enforce it. The issue of turning off the water for non-payment was brought up. Greg responded that the Village can't do that if their water bill is current". Cindi suggested daily penalties, Greg felt that was doable. Steve responded "now we are back to a court-driven solution".
    - Sunny brought up public education on the issue. Would that be something that the task force would take on? Brad responded that it will take a coordinated effort to educate the public.
    - Tom Wood, audience member: we need to address this to protect the image of the Village. Illegal rentals can ruin the stay of other guests in the neighborhood – and our residents.

    Steve asked if there was a consensus to move ahead; the committee said there was.

5. **Quarterly Reports**
   - **Media Planning:** Cheri Kofakis presented her report.
     - **a.** A study of google analytics over the first 3 quarters of the year has provided a great deal of information that will help us plan FY17. Adjustments to the plan will enable us to do more of the eBlasts that have proven so effective. We will be able to dabble in the PHX and Dallas markets at a nominal rate.
     - **b.** The May eBlast to San Antonio, Houston & Austin will have individual UTM codes for each market, so we will have click thru rates by market.
     - **c.** eBlast to San Antonio, Houston & Austin drove more unique traffic to our website over 3 days than any other time. The bounce rate was 27.1%, which is indicative of how important and interested the users are who visited as a result of the eBlast. The eBlast delivered 320,000 impressions with an 11.09% open rate, 1.7% clicks, and the click to open rate was 15.90%.
     - **d.** FY17 will cut back on outdoor and digital, and we will work on incorporating video footage in the digital that we keep. Print advertising that we keep will go to ½ page.
   - **Creative Design:** Kerry Gladden presented her report. Creative for this quarter ran the gamut from winter recreation to lifestyle and events, as our print deadlines are typically 3 months out.
   - **Public Relations:** Kerry Gladden presented her report. This quarter has the fewest # of events so the majority of efforts were on Village PIO efforts.
     - **a.** Regarding social media: videos get more likes & shares that static images so we will be doing more video in the future.
     - **b.** Moon Mountain Fire: handled 370 media calls during the fire; 4 PIO's were assigned to the fire; Kerry's focus was on social media and eBlasts. Over 4 days logged almost ½ million impressions on the fb page – again, Ruidoso's fb page was the go to page for info; 75% more traffic than even the Ruidoso news. Many local businesses told Kerry that they printed up the eBlasts & put them on the counter, front desk etc. so that employees would have the most current info.
     - **c.** Every event like this we add 100-200 new signups for alerts.
   - **Ruidoso & Billy the Kid Visitor Centers:** Becky Brooks presented her report. The Visitor Center budget is in good shape. Steve asked where the donations to the Visitor Center go? Becky responded that they go in the Visitor Center bank account. Becky brought up the poor condition of the BTKVC roof; the paint is peeling off & it looks terrible. It needs to be power washed & repainted with the paint baked on. There is soffit work that needs to be done, Billy needs repainting. Rodney advised that when the Village managed the VC, they set up a donation account for displays/improvements that has $5000 in it. The MOU says if capital repairs have to be made the Village is responsible. Becky will check to see how much is left in the budget for building maintenance. Becky asked for guidance, Steve responded that she should get guidance from someone who knows metal roofs & go from there. In the meantime, Becky said that they need to fix the stuff that is deteriorating the building.
   - **Ruidoso Convention Center:** Gail Bailey presented her report. The budget is on track, the revenue report submitted did not include the NM Respirator Care conference, once that is added in she made budget for January. She made 2 sales trips to Santa Fe this quarter, calling on the NM Municipal League, Rural Electric, Mine and Realtors Associations. The lodgers reception was held on Tuesday, about 20 attended. Gail wanted to let the committee know that in addition to her sales duties, she is also the conference coordinator, works with planners on set ups, a/v, menus, invoicing for f&b, collecting payment & is the "kitchen police".
   - **Parks & Recreation:** Rodney Griego presented his report. Projects are complete at 2 Rivers Park, Grindstone signage & the White Mountain storage shed. Rockwork at Pavilion #3 at 2 Rivers is still pending. Most events this quarter were geared toward locals, but the 12 Hours in the Wild West last weekend saw an increase from 170 participants last year to 250 this year. Over 70% had never been to Ruidoso. Next year they anticipate 300 participants. The race had nationally ranked riders, despite the rain on Friday night the riders were very happy. The Ruidoso is now looking at doing a fall event. Mark Stambaugh has given permission for us to use his photos of the event for promotion. Sunny thanked Rodney for the email that went out to the community letting them know about the event; she suggested that they do one for the softball tournaments as well.

- **Director's Report:** Gina Kelley presented her report. She supplemented her written report with new information
    - **a.** we are working to obtain :90 video vignettes from the production company that shot our spots to use on social media & our website that may be shared with local businesses
    - **b.** She attended the lodger's reception & discussed the TV spots, the vignettes idea, and the short term lodging issue. All reported outstanding winter occupancy levels.
    - **c.** Charles Meeks at IMG had sent her a list of bands looking for lodging Thu-Sun throughout the spring & summer, which she shared with the lodgers (2 responses).
    - **d.** She updated the committee with new load factor numbers for the ROW-PHX route: the load factor in March was 63.5%, but in April it has dropped to 41.9%. She also discussed the dismal response to the marketing effort and that she & Lisa Boeke from Carlsbad are planning a sales trip to PHX to promote the route.
    - **e.** Short Term Rental Property Audit: stressed that this is preliminary, but we do have the numbers of lodging units. 1,915 properties were researched, after duplicates were eliminated, there are 1,041. Total properties identified that have a license: 578. There are 442 properties on line that are not currently registered with the Village. Gina advised Southwest Planning that for their report they need to sort properties by zip code, provide potential GRT revenue and lodgers tax revenue.

6. **Discussion & Possible Action:** approval of contract amendment with Target Media increasing contract amount by $1000. Cheri Kofakis advised the committee that her travel costs used to be $99-$150 per trip to Ruidoso; this year they are $255-$300 & up. It has become a hardship for her. In addition to attending our quarterly meetings, she attends the Governor's Conference on Tourism to meet with reps & negotiate rates for the coming fiscal year. The committee had no questions for Cheri. Alan motioned to approve increasing the contract with Target Media by $1000, Sunny seconded, motion passed unanimously.

7. **Adjourn:** Meeting adjourned at 3:12pm

Meeting Minutes Approved:

Kathy Yeager, Chair Date

Attachment

VILLAGE OF RUIDOSO

LODGERS' TAX COLLECTIONS REPORT

FOR THE TEN MONTHS ENDING APRIL 30, 2016

(UNAUDITED)

MONTH of Distribution	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FINAL TOTAL
										% FY Completed	83.33%
July	$ 114,772	$ 142,666	$ 90,559	$ 143,287	$ 127,947	$ 93,208	$ 104,080	$ 104,674	$ 105,330	$ 119,923	$ 1,228,742
August	179,081	171,349	167,235	178,868	247,473	258,814	218,264	156,101	172,033	193,149	2,094,467
September	130,443	141,777	209,007	133,182	124,741	153,968	134,493	162,158	159,129	165,111	1,614,620
October	111,105	129,965	111,406	118,259	105,161	111,790	98,704	99,073	99,344	150,128	1,234,622
November	65,966	71,985	49,151	67,956	79,118	80,488	87,360	65,003	91,695	93,865	808,050
December	51,890	54,156	88,867	46,496	49,956	59,480	61,583	66,977	68,525	75,262	663,404
January	139,690	143,591	129,852	126,238	130,312	149,102	144,751	148,476	163,021	182,301	1,567,133
February	80,629	81,668	93,760	98,048	77,842	70,774	93,360	89,242	123,103	119,952	977,599
March	65,456	67,036	57,948	70,388	65,340	87,176	62,115	70,584	86,980	89,918	787,037
April	97,998	93,152	64,937	91,768	75,031	79,509	88,845	86,267	110,401	127,561	983,451
May	57,013	45,386	53,587	49,060	53,023	60,647	49,904	54,723	64,823	-	544,054
June	96,577	81,122	79,138	69,249	76,007	75,079	81,285	95,057	101,765	-	826,485
GRAND TOTAL	$ 1,190,620	$ 1,223,853	$ 1,195,447	$ 1,192,799	$ 1,211,951	$ 1,280,035	$ 1,224,744	$ 1,198,335	$ 1,346,149	$ 1,317,170	$13,329,664
FY % Change	25.52%	2.79%	-2.32%	-0.22%	1.61%	5.62%	-4.32%	-2.16%	12.33%	-2.15%	
Historical AVG:	$ 99,218	$ 101,988	$ 99,621	$ 99,400	$ 100,996	$ 106,670	$ 102,062	$ 99,861	$ 112,179	$ 109,764	$ 1,110,805
Historical Ratio:	8.93%	9.18%	8.97%	8.95%	9.09%	9.60%	9.19%	8.99%	10.10%	9.88%	90.12%

	FY 2016	$ 1,317,170	$ 1,300,000	Total Budget
	FY 2015	1,179,561	101.32%	% Collected
Increase/(Decrease) from PY		$ 137,609		
		11.67%		

	Month	YTD	Budget
Penalties	$ -	$ 1,832	$ 4,000
Interest	59	1,122	500
	$ 59	$ 2,954	$ 4,500

NOTE 1: Tax is on a month lag (i.e., tax collected by lodgers in July and paid to the Village in August).

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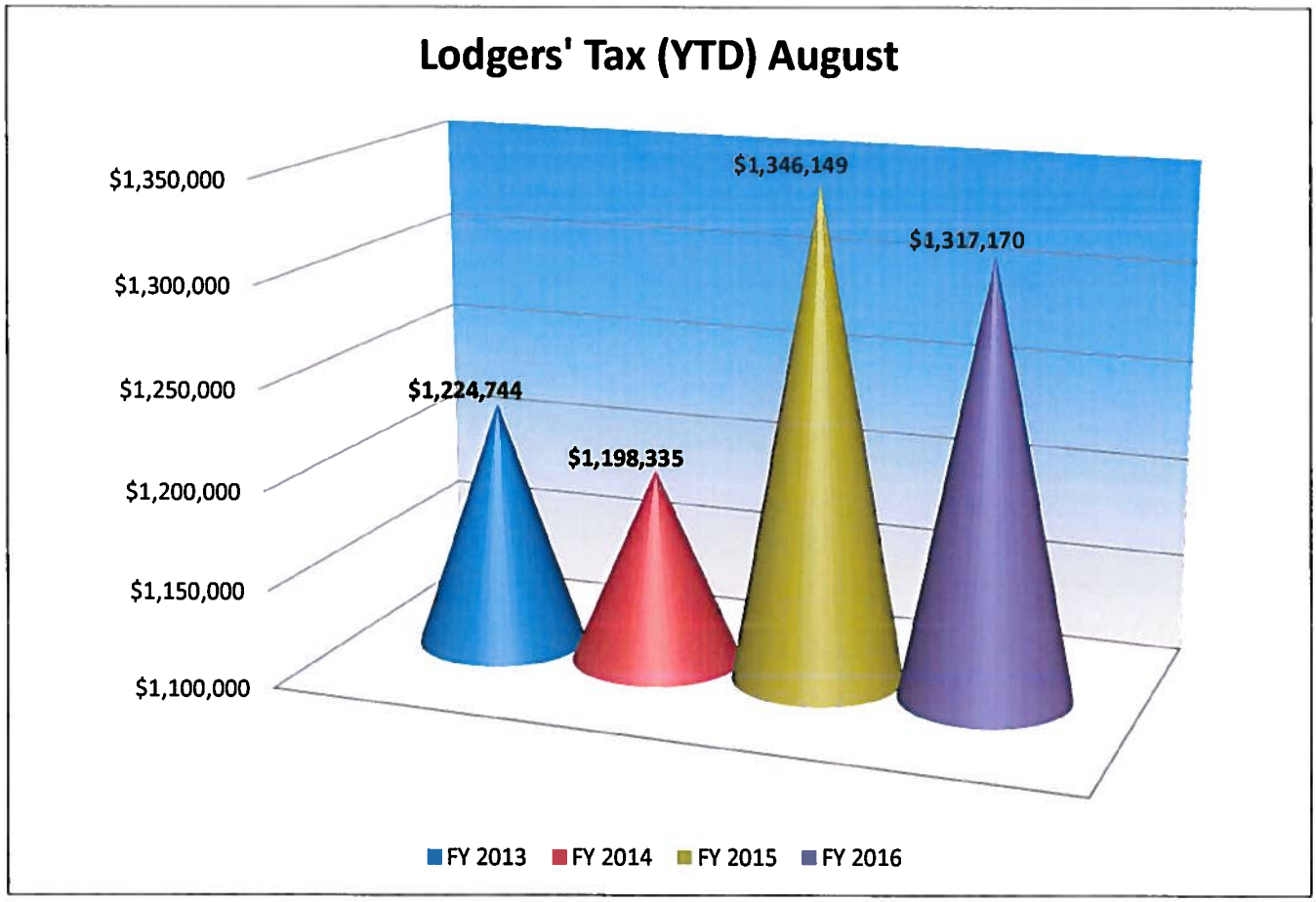
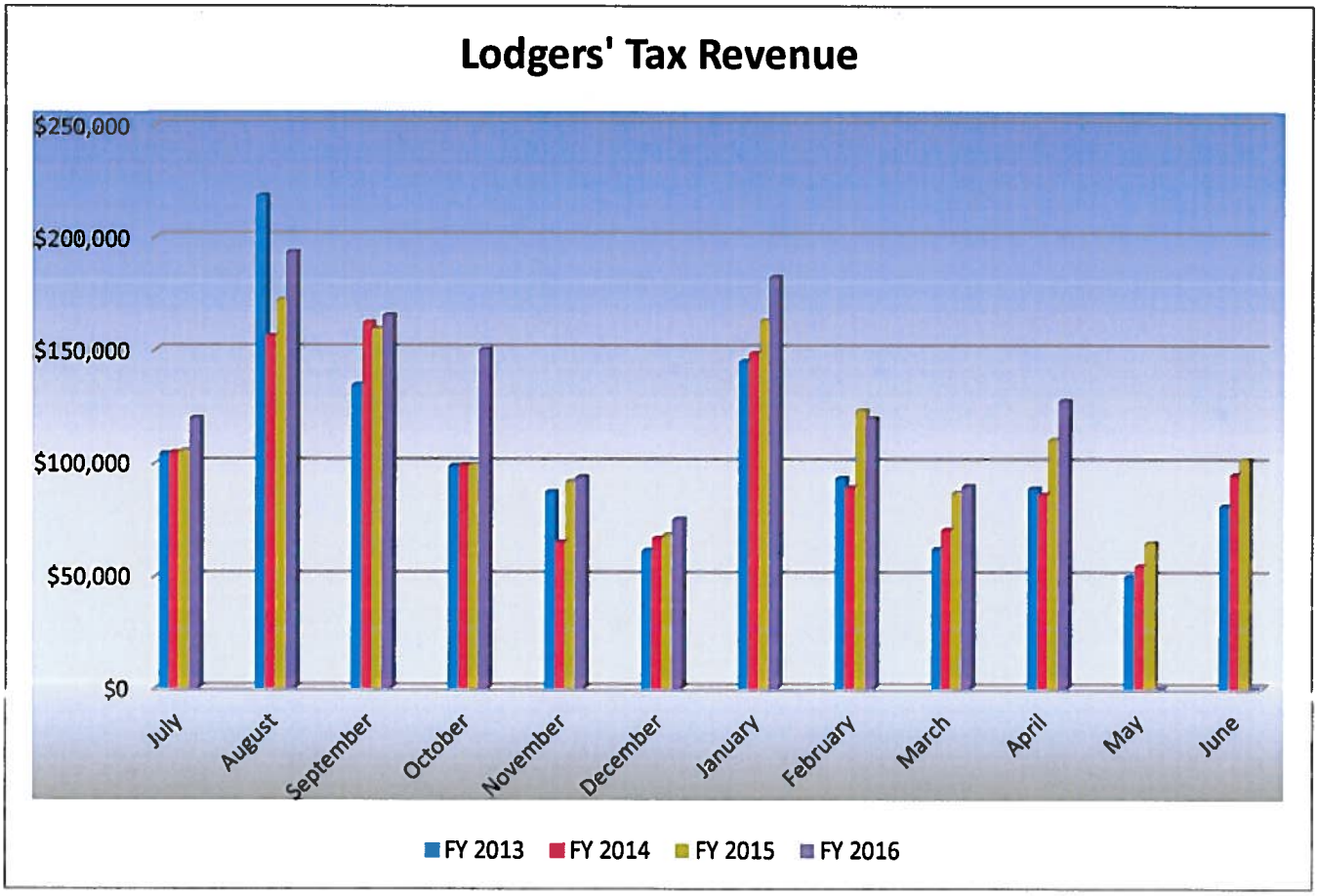

Lodgers' Tax (YTD) August
$1,350,000
$1,300,000
$1,250,000
$1,200,000
$1,150,000
$1,100,000
$1,224,744
$1,198,335
$1,346,149
$1,317,170
FY 2013
FY 2014
FY 2015
FY 2016


Lodgers' Tax Revenue
$250,000
$200,000
$150,000
$100,000
$50,000
$0
July
August
September
October
November
December
January
February
March
April
May
June
FY 2013
FY 2014
FY 2015
FY 2016

VILLAGE OF RUIDOSO

LODGERS' TAX EXPENDITURES

FOR THE TEN MONTHS ENDING APRIL 30, 2016

(UNAUDITED)

	ORIGINAL BUDGET	AMENDED BUDGET	YTD ACTUAL	ENCUMBERED	REMAINING BUDGET	% USED
EXPENDITURES						
PROMOTIONAL SUPPLIES						
Postage and Telephone	$ 10,200	$ 10,200	$ 5,612	$ 4,588	$ -	100.00%
Ruidoso Pins	3,000	3,000	3,000	-	-	100.00%
Contingency	10,000	10,000	-	-	10,000	0.00%
SUBTOTAL	23,200	23,200	8,612	4,588	10,000	56.90%
PROMOTIONAL SERVICES						
Contractual Services	-	43,860	6,858	-	37,002	15.64%
Media Planning	103,180	103,180	80,520	22,655	5	100.00%
Visitors Center	170,000	170,000	127,388	42,612	-	100.00%
Convention Center	80,000	80,000	57,400	14,061	8,539	89.33%
BTKSB Visitors Center	-	-	-	-	-	#DIV/0!
Brochures/Tradeshow	50,000	38,417	26,621	8,440	3,356	91.26%
Tourism Director	70,610	82,193	67,603	13,675	915	98.89%
Marketing and Advertising	400,000	416,926	303,836	113,018	72	99.98%
Special Advertising	75,000	41,074	35,224	-	5,850	85.76%
Special Events	25,000	25,000	17,660	-	7,340	70.64%
Military	42,000	34,000	31,274	2,117	609	98.21%
Convention Center Maintenance	65,000	65,000	5,274	-	59,726	8.11%
Parks Improvement Project	65,000	65,000	55,135	9,404	461	99.29%
Police Overtime	35,670	49,000	11,532	-	37,468	23.53%
SUBTOTAL	1,181,460	1,213,650	826,325	225,982	161,343	86.71%
TOTAL EXPENDITURES	**1,204,660**	**1,236,850**	**834,937**	**230,570**	**171,343**	**86.15%**
TRANSFERS						
Transfer Out GF - Admin Fee	65,350	65,350	59,899	-	5,451	91.66%
Transfer Out - Debt Service	115,050	124,640	104,480	-	20,160	83.83%
TOTAL TRANSFERS	**180,400**	**189,990**	**164,379**	**-**	**25,611**	**86.52%**
GRAND TOTAL	**$ 1,385,060**	**$ 1,426,840**	**$ 999,316**	**$ 230,570**	**$ 196,954**	**86.20%**

BUDGET RECAP:		
Beginning Cash Balance	$ 376,619	
Cash Reserve	(115,000)	
Available cash to rebudget	***261,619***	
+ Budgeted revenues	1,307,000	
Less: Budgeted expenditures + transfers	(1,426,840)	(119,840)
Ending Cash Balance	$ 141,779	

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VILLAGE OF RUIDOSO

LODGERS' TAX STATEMENT OF CASH FLOWS

FOR THE TEN MONTHS ENDING APRIL 30, 2016

(UNAUDITED)

Cash flows from operating activities:	
Cash received from lodgers	$ 1,319,002
Cash received from other sources	5,471
Cash paid to suppliers and grantees	(889,986)
Net cash used for operating activities	434,487
Cash flows from investing activities:	
Interest received	1,122
Cash flows from non-capital financing activities:	
Transfer for General Fund operations	59,899
Transfer for Debt Service Payments	(164,379)
Net cash used for non-capital financing activities	(104,480)
Net increase in cash and cash equivalents	331,129
Cash and cash equivalents, beginning of year	376,619
Cash and cash equivalents, end of year	707,748
Less: Reserves (Committee)	(115,000)
Available cash and cash equivalents	**$ 592,748**

Reconciliation of operating loss to net cash provided by operating activities:	
Operating income/(loss)	$ 489,536
Adjustments to reconcile operating loss to net cash used for operating activities:	
Increase in accounts payable	(55,049)
Net cash provided by operating activities	$ 434,487

Summary of Significant Noncash Activities:

There are no significant noncash activities during the first month of the year ending June 30, 2016.

Ruidoso
NEW MEXICO

Director of Tourism

Director's Report

May 12, 2016

Short Term Lodging Issue: after receiving the report from Southwest Planners identifying unregistered short term lodging properties, I worked on identifying these property addresses, owners and mailing addresses so that P & Z is able to follow up with letters to the owners advising them to get in compliance with our ordinance. This is a very time consuming effort that will continue throughout May.

Preliminary findings of the report follow. Note that these findings are subject to revision after property locations are identified (out of the 1st 57 property addresses, I determined that about 12 may be located outside of VoR limits)

ROW-PHX AA Route Update: the route's performance continues to improve. We do not expect to receive a financial report on the route until late July or early August. At that time, if the route has not made the MRG, we will be invoiced for our share.

March origination & destination statistics show the following top 10 markets that have booked the flight:

1) 42% - PHX (no connections to other destinations)
2) 9.1% - Las Vegas
3) 7.7% - Los Angeles
4) 4.7% - San Diego
5) 4.3% - Seattle
6) 3.8% - Orange County
7) 2.6% - Salt Lake City
8) 2.1% - Sacramento
9) 2.0% - Fresno
10) 1.9% - Denver

New Mexico Hospitality Assn: I am on the legislative affairs committee & attended a meeting last month to set legislative positions. We developed the following:

- Guiding Principles: NMHA takes positions and advocates for legislation and policy that align with five guiding principles:
  - Build the Tourism Industry
  - Promote the Tourism Industry
  - Foster a business-friendly environment for tourism
  - Increase opportunities for tourism development
  - Preserve tourism resources and funding mechanisms
- Positions on Key Issues: NMHA Supports
  - A state tourism department with a cabinet position that only focuses on growing New Mexico's tourism market share and supporting tourism-related businesses.

- Increased state investment for the NMTD that is 1) research based and 2) increases tourism promotion/advertising in fly and/or drive markets.
- Policies that provide for the commercially viable development of tourism including roads, broadband, internet, cell service and capital investments.
- Fair and equitable contribution to lodger's tax for all lodging establishments, including the short term rental segment.
- Preserve the integrity and intent of the lodger's tax statute to grow tourism in NM.
- The evaluation of the entire liquor license code for recommendations to create a fair, equitable and responsible solution without a disproportionate burden to those already owning liquor licenses.

El Paso Travel & Tourism Day: Ruidoso & Carlsbad shared a booth at this outdoor event that was held at the Convention Center Plaza. Aside from the El Paso CVB, we were the only destination. Other exhibitors were local & regional Texas attractions. This event was formerly held in the downtown plaza during Al Fresco Friday's; this new location resulted in considerably less attendance. I don't recommend participating in this event in the future.

TripAdvisor, SkiNewMexico.com & NewMexico.org: updated these DMO pages with new content, photos, events, video.

New Mexico True TV: as we have budgeted for sponsoring NM True TV in FY17, the show will be running both our summer & fall spots for May & June at no cost to us. Note that effective July 1, the show will be airing on Comcast & the Dish Network.

Upcoming trips:

- Governor's Conference on Tourism May 15-18 in Las Cruces
- Roswell Air Service Marketing Meeting May 24 in Roswell
- Fort Bliss Newcomer Orientation May 26 at Fort Bliss

April 25, 2016

To: Ruidoso Village Council, Village Manager, Tourism Director and Lodger's Tax Committee

From: Ruidoso Downs Race Track and Casino

We see this as a unique marketing opportunity for Ruidoso and Ruidoso Downs.

To summarize the plan, what we're requesting is $15,000 to help televise live the Trials of the Ruidoso, Rainbow and All American Futurity and Derby and also televise the finals of each of these races on RIDE TV. All of these races compose the Triple Crown of Quarter Horse Racing. There will be nationwide attention on this series. For the first time ever all 6 races will have estimated purse of more than $1,000,000. The All American Derby is est. at $2,500,000 and the All American Futurity is est. at $3,000,000. The eyes of race horse fans and Horse lovers in general will be on these races.

There will be two days of trials for each of the Futurities, six days total of 12 to 15 races. There will be three days of trials for the Derbies of 10 to 12 races each day. The Derby and Futurity trials are on the same weekends. There are six days of Finals with Derbies on Saturday and Futurities on Sunday of the same weekend. The Finals are two weeks after the weekend of the trials. All of this spread out over the summer from Memorial Day weekend to Labor Day weekend.

RUIDOSO DOWNS RACE TRACK & CASINO
P. O. Box 449 • 26225 U S Highway 70
RUIDOSO DOWNS, NEW MEXICO 88346 (575)378-4431 • FAX (575)378-8525

RIDE TV will provide for all production and broadcast costs. Ruidoso Downs will provide all video feeds and hosting of the RIDE TV broadcast and production staffs during the race days. Both RIDE TV and Ruidoso Downs will market these broadcasts through their own advertising programs to drive people to the broadcasts.

In return for the Village's participation, they will receive 250 thirty seconds ads spread out over these fifteen days. The six Finals shows will each be approximately a 2 hour show with the usual race build up. The trials will be broadcast a little different. The race day for trials is approximately 5-7 hours with races going off about every half hour. RIDE TV will show each race live beginning with the post parade right through the finish, approximately 8-12 minutes. They will then show other horse appropriate programming between the trial broadcasts, approx. 20 minutes.

We have never had all of these races broadcast live and available to a nationwide audience before. We see this as a great opportunity to expose race and horse fans to the Ruidoso Area in a visual medium. They may know the name of Ruidoso Downs from its results in the newspaper but not really know what the greater Ruidoso area really is and has to offer not just with horse racing but with all the Vacation and Recreational experiences that exist here. This is an opportunity to expose nationally what we as a community have to offer to horse and outdoor oriented people that may have little knowledge of us.

Please let me know anything we need to do and I am available for any questions that you might have.

Sincerely,

Robert Donaldson
Public Relations Specialist
Ruidoso Downs Racetrack and Casino

RUIDOSO DOWNS RACE TRACK & CASINO
P. O. Box 449 • 26225 U S Highway 70
RUIDOSO DOWNS, NEW MEXICO 88346 (575)378-4431 • FAX (575)378-8525

RIDE TV

RIDE TV is the nation's first and only 24-hour, high definition equestrian network that is dedicated to the equestrian lifestyle and culture by promoting all breeds, all disciplines, all the time. RIDE TV has been evolving since its inception in 2011. The company started as a team of one cutting horse rider with a passion for the equestrian industry, and one media guru with an extensive background in television and broadcast, who felt that equestrian community was a market underserved by television. Ideas began to flourish, programming began to take shape, and a fan base started to grow. Today, RIDE TV is the only network of its kind, being watched by viewers across the United States passing through almost 12 million homes, based on recent television industry data.

While our target market is horse enthusiasts ages 25-54, we feel that our diverse programming, such as our reality shows, documentaries, cooking shows and even children's programming, for every member of every household to enjoy RIDE TV. Another dynamic aspect of RIDE TV is our competition coverage. There is no other network that strives to provide coverage for every breed and discipline of the equestrian industry, unifying its diverse culture, but RIDE TV does. We are especially passionate about Quarter Horse Racing, and there is no better place to watch that action than at Ruidoso Downs in Ruidoso, New Mexico. We are working closely with the team at the racetrack to provide avid consumers of the sport, and our general audiences, with live coverage of the Triple Crown Races at Ruidoso Downs in 2016.

The trials and finals races will be broadcast LIVE from Ruidoso Downs Race Course. Trials will consist of about nine days of racing with a broadcast day running an average of six hours per day. We will break up the race day with

some short programming that will air in between the races, along with regular commercial breaks. The finals for each of the major races will consist of six days of racing (as currently scheduled) and each day will be about a two hour broadcast day. The same format will apply where we add in some short programming along with commercials to fill in the race day.

RIDE TV will be partnering with the American Quarter Horse Association, United States Equestrian Federation, National Cutting Horse Association, World Series of Team Roping, PATH, Horseshows In The Sun, HIPICO Santa Fe, National Reined Cow Horse Association and other equine organizations, along with magazines and websites dedicated to the equine industry across the county, to promote these events. We will be running promos on the channel for several weeks leading up to the races and throughout the racing season, along with a dedicated series, *Thousand to One,* that has begun airing on the channel, which highlights the Quarter Horse racing industry as well as New Mexico racing and Ruidoso Downs.

At this time, the series will consist of seven episodes, with each episode having up to fifty rerun airings by the time the racing season has ended. We feel that this will help to put a better face on New Mexico racing and increase tourism as well as participation in horse racing for New Mexico.

RIDE TV is spending hundreds of thousands of dollars to air these races, as well as vast amounts of political capitol with the other organizations to help promote the sport of horse racing and New Mexico tourism. We will be working hand and glove with all of our broadcast partners (DISH, Century Link, Armstrong, Windstream, etc..) to make sure that their subscribers get the full experience of horse racing from Ruidoso, as well as majesty and beauty of New Mexico.

Village Of Ruidoso

Ruidoso Short Term Rental Property Audit

Prepared for:

Village of Ruidoso
313 Cree Meadows Dr.
Ruidoso, NM 88345

Prepared by:

Southwest Planning, LLC
P.O. Box 1506
Santa Fe, NM 87504

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Southwest Planning
P.O. Box 1506
Santa Fe, NM 87504
www.southwestplanning.com

SOUTHWEST PLANNING
Winning Strategies Since 1977

Executive Summary

Findings

250 properties with 699 available rooms for rent that are not currently registered with the Village of Ruidoso as a short-term rental and not paying lodger's tax to the Village of Ruidoso were identified. This equates to 255,135 available room nights.

Estimated Revenues Generated:

SWP estimated the number of bedrooms that were rented in the Village of Ruidoso annually using five different occupancy rates. Next, SWP divided the average nightly property price by the average number of bedrooms per property in order to identify the average room rate of $72.62 per bedroom for short-term rentals in the Village of Ruidoso. Finally, SWP multiplied the nightly room rate by the total number of room nights available under each of the scenarios to determine the revenue generated from the rentals.

Revenues generated from short term rentals not currently paying lodger's tax, range from a low of $1.9 million (based on $72.62 room rate at 10% occupancy) to a high of $9.2 million (based on a $72.62 room rate at 50% occupancy).

Estimated Tax Revenues:

In order to determine estimated tax revenues lost from short term rentals not currently registered as a short-term rental, SWP multiplied the aforementioned revenue estimates by the lodger's and gross receipts tax rates.

Lost revenues from short term rentals not currently paying lodger's tax range from a low of $92,640 (based on 10% occupancy) to a high of $463,198 (based on 50% occupancy).

Lost revenues from short term rentals not currently paying gross receipts tax (GRT) range from a low of $156,320 (based on 10% occupancy) to a high of $781,600 (based on 50% occupancy). Of the $156,320, $6,948 was lost in county GRT, $54,416 in village GRT, and $94,956 in state GRT. Of the $781,600, $34,740 was lost in county GRT, $272,082 in village GRT, and $474,778 in state GRT.

Total lost tax revenues range from a low of $248,959 to a high of $1,244,797.

Generally speaking, the Village of Ruidoso has 4 months per year during its rental high-season. As a result, **SWP estimates that the Village of Ruidoso likely has, on average, 30% short-term rental occupancy. This equates to $277,919 in unreported lodger's tax, $468,960 in unreported GRT, and 746,878 in total unreported tax revenue. Of the $468,960 in unreported GRT, $20,844 came from the county, $163,249 from the village, and $284,867 from the state.**

Overview

Southwest Planning conducted an audit in order to estimate the loss to the Village of Ruidoso in uncollected lodger's tax. The focus was short term rental properties in the Village of Ruidoso. The main objectives were to:

Conduct an analysis of the number and occupancy of private residences in the Village of Ruidoso that offer short-term rentals within the Village of Ruidoso and provide an estimate of the number of properties, the number of room nights and the taxation implications if these properties were subject to lodger's tax.

Appendix A – contains a listing of owners with unregistered properties with available contact information

Appendix B – contains a listing of all unique identified properties

- $72.62 – Average price per bedroom for properties
- $202.91 – Average rental price for properties

Step 8: **Determine Revenue and Tax Implications for Unregistered Rentals.** In order to determine the revenue and tax implications of unregistered rentals, SWP first multiplied the total unregistered available room nights by different occupancy percentages to provide a number of different possible rented room scenarios. Then, SWP multiplied the different possible rented room scenarios by the average room rate to determine total revenue generated, by the lodger's tax rate to determine lodger's tax generated, and by gross receipts tax rate to determine gross receipts tax generated.

The table below provides the impact of varying occupancy and room rate scenarios

Room Nights (Total Available 255,135)	Room Nights	Net Revenue Generated (avg. $72.62 per room night)	Revenue Generated from Lodger's Tax @ 5.0%	Revenue Generated from State Gross Receipts Tax @ 5.125%	Revenue Generated from County Gross Receipts Tax @ 0.375%	Revenue Generated from City Gross Receipts Tax @ 2.937%	Total revenue generate dfrom Gross Receipts Tax	Total Tax Revenue Generated
Average Occupancy (10%)	25,514	$ 1,852,790	$ 92,640	$ 94,956	$ 6,948	$ 54,416	$ 156,320	$ 248,959
Average Occupancy (20%)	51,027	$ 3,705,581	$ 185,279	$ 189,911	$ 13,896	$ 108,833	$ 312,640	$ 497,919
Average Occupancy (30%)	76,541	$ 5,558,371	$ 277,919	$ 284,867	$ 20,844	$ 163,249	$ 468,960	$ 746,878
Average Occupancy (40%)	102,054	$ 7,411,161	$ 370,558	$ 379,822	$ 27,792	$ 217,666	$ 625,280	$ 995,838
Average Occupancy (50%)	127,568	$ 9,263,952	$ 463,198	$ 474,778	$ 34,740	$ 272,082	$ 781,600	$ 1,244,797