



## Why does the city promote tourism?



Tourism is Sedona's main industry, representing 10,000 jobs and providing almost 60 percent of the city's General Fund revenues – money that pays for basic services such as police operations, wastewater management, parks development and maintenance, and community events. Without tourism, each Sedona household would need to pay an additional \$3,237 per year to maintain basic services such as police, parks, and road maintenance and repairs at their current levels. (2018 data).

Tourists generate city revenues in three ways: via a 3.5 percent bed tax, another 3.5 percent sales tax on lodging, and by paying sales taxes on purchases during their stay.

Arizona law requires a portion of bed tax revenues to be spent promoting tourism, which can include spending on cultural exhibits and sporting events; contracts with nonprofits such as the chamber; development, improvement or operation of tourism-related facilities; and the planning of tourism attraction and tourist facilities. The bed tax is paid by visitors who stay at lodging facilities within city limits.

## Why does the city have a tourism contract with the Chamber of Commerce?

Sedona hosts more than three million visitors a year, and the city has a contract with the Sedona Chamber of Commerce and Tourism Bureau for management and promotion of tourism, and operation of the Visitor Center.

Such tourism contracts are common nationwide, and many small communities in which tourism is the main industry and economic driver combine the functions of chamber of commerce and tourism management. Examples include Aspen, Colo.; Park City, Utah; and Wickenburg, Ariz.

The city partnership with the chamber is consistent with its funding partnerships with other local, independent organizations that provide services to Sedona residents. These organizations include the Sedona Public Library, Sedona Humane Society and Sedona Recycles.

The city contract with the chamber includes performance measures to ensure accountability.

## Why not issue an RFP for the tourism management contract?

The city does not issue a Request for Proposals – a request for bids – for the tourism contract just as it does not request bids from the providers of library or recycling services, or humane animal care. The chamber has been part of Sedona for more than 60 years, has 850-plus local business partners, and has deep knowledge of Sedona's tourism management needs and historical trends. The chamber is

also an accredited Destination Marketing and Management Organization, one of only five in the state of Arizona.

## Does the contract with the chamber benefit businesses that don't pay Sedona taxes?

The Sedona Chamber of Commerce and Tourism Bureau operates two separate functions: the chamber side is funded by member fees and the tourism side is funded by bed tax revenues paid by guests who stay at Sedona lodging facilities.

Sedona is promoted as a regional tourist destination to maximize marketing return on investment and because it makes sense as a strategy to attract visitors who stay for longer periods and want to experience amenities throughout the region.

Sedona benefits from a healthy regional economy. Businesses throughout the Verde Valley provide local employment and pay county, state, federal and payroll taxes, which also benefit Sedona.

## We have too many visitors. Why don't we stop marketing?

The chamber's marketing strategy is to attract travelers who stay longer in order to limit visitor impacts while maintaining tourism's economic benefits to Sedona.

Many factors contribute to Sedona's visitation rate. They include social media, growth of the Phoenix metro area (which has led the nation in population growth for the past several years), and global trends that include more legal holidays, worldwide transportation improvements, an aging population with more disposable income, and increased prosperity in populous countries such as China and India.

In 2018, in response to concerns about tourism impacts, the Sedona City Council asked the Sedona Chamber of Commerce and Tourism Bureau to dedicate a portion of its funding to investigating ways to balance the city's economic dependence on tourism with a need for long-term community livability and sustainability.

The chamber hired Arizona State University and Nichols Tourism Group to facilitate development of the Sedona Sustainable Tourism Plan. The plan calls for mitigating tourism impacts by supporting environmentally sustainable practices among Sedona's travel, tourism and hospitality businesses and their customers.

We encourage Sedona residents to examine the Sustainable Tourism Plan in its entirety. Documents are available for review and download on the website [sedonasustainable.com](http://sedonasustainable.com).

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