

AGENDA



3:00 P.M.

CITY COUNCIL SPECIAL MEETING

WEDNESDAY, MAY 26, 2021

NOTES:

- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

www.SedonaAZ.gov

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- The decision to receive Public Comment during Work Sessions/Special City Council meetings is at the discretion of the Mayor.

PROCEDURES:

- **It is strongly encouraged that public input on agenda items be submitted by sending an email to the City Clerk at sirvine@sedonaaz.gov in advance of the 3:00 p.m. Call To Order.**
- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES.**
- Submit written comments to the City Clerk.

DUE TO CONTINUED PRECAUTIONS RELATED TO COVID-19, SEATING FOR THE PUBLIC WITHIN THE COUNCIL CHAMBERS IS VERY LIMITED. THOSE WISHING TO COMMENT ON SCHEDULED AGENDA ITEMS MAY BE ASKED TO WAIT OUTDOORS OR IN AN ALTERNATE LOCATION IF THERE IS NOT ADEQUATE SEATING IN COUNCIL CHAMBERS. **COMMENTS IN ADVANCE OF THE 3:00 P.M. CALL TO ORDER ARE STRONGLY ENCOURAGED BY SENDING AN EMAIL TO SIRVINE@SEDONAAZ.GOV AND WILL BE MADE PART OF THE OFFICIAL MEETING RECORD.** THE MEETING CAN BE VIEWED LIVE ON THE CITY'S WEBSITE AT WWW.SEDONAAZ.GOV OR ON CABLE CHANNEL 4.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE
2. ROLL CALL
3. SPECIAL BUSINESS

LINK TO DOCUMENT =

- a. AB 2674 **Discussion/possible direction** regarding the Sedona Chamber of Commerce and Tourism Bureau's (SCC&TB) workplan and budget for FY22.
- b. **Discussion/possible action** regarding future meetings/agenda items.

4. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice regarding matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action regarding executive session items.

5. ADJOURNMENT

Posted: 05/20/2021

By: DJ

Susan L. Irvine, CMC
City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.



**CITY COUNCIL
AGENDA BILL**

**AB 2674
May 26, 2021
Special Business**

Agenda Item: 3a
Proposed Action & Subject: Discussion/possible direction regarding the Sedona Chamber of Commerce and Tourism Bureau’s (SCC&TB) workplan and budget for FY22.

Department	City Manager
Time to Present	1 hour
Total Time for Item	2 hours
Other Council Meetings	February 3 & 4, 2021 Retreat, April 28, 2021
Exhibits	A. FY22 Budget Memo

City Attorney Approval	Reviewed 5-17-21 KWC	Expenditure Required	
		\$	TBD
City Manager’s Recommendation	Discuss and provide direction on the SCC&TB’s FY22 budget and workplan.	Amount Budgeted	
		\$	TBD
		Account No. (Description)	10-5220-72-6731 (Tourism Management & Development) 10-5220-72-6722 (Visitor Services)
		Finance Approval	<input checked="" type="checkbox"/>

SUMMARY STATEMENT

This meeting provides an opportunity for the Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) to present thoughts and approach in anticipation of the preparation of the FY22 budget and workplan, and to obtain City Council direction before finalizing those documents and requesting Council approval.

The SCC&TB has submitted an FY22 Budget Memo discussing budget approach and workplan for the coming year and providing a draft budget and budget options. This is included as Exhibit A.

Background: For the third year in a row, Council’s annual priorities retreat included convening with the SCC&TB’s key staff and Board. At that retreat, Council agreed that the SCC&TB should focus funds and efforts on sustainable tourism, not destination marketing.

The City continues to receive feedback from citizens that the level of tourism is not in balance with the desires of the community. Residents feel that their quality of life is being negatively affected by excessive tourism and the related impacts to trails, traffic, and overall quality of life.

At the April 28th work session, by majority consensus, Council agreed that marketing should be paused for a period of one year with the focus shifted to sustainable tourism efforts. Additionally, Council was in favor of continuing the distribution of the Visitor Guide but agreed that it should contain more information regarding best visitor practices and etiquette.

Community Plan Consistent: Yes - No - Not Applicable

The Economic Development chapter of the Community Plan includes goals to: “support locally owned businesses” and to, “preserve and enhance Sedona’s tourist based economic sector.”

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): N/A

MOTION

I move to: for discussion and possible direction only.



DRAFT Fiscal Year 2021 - 2022 (FY22) Proposed Budget Goals and Assumptions

The Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) is a 501(c)(6) nonprofit membership organization. Acting as the Voice of business, the SCC&TB advocates for its nearly 1,000 member businesses throughout Sedona and the greater Verde Valley and is a catalyst for business growth, a convener of leaders and influencers to get things done, and a champion for a thriving community. In addition, the SCC&TB serves as the official Destination Management Organization (DMO) for the greater Sedona area, working in partnership with the City of Sedona via a contracted services agreement under the guidance of the Sedona Sustainable Tourism Plan (STP), adopted by Council in March 2019. [Click here to view the Sustainable Tourism Plan.](#)

The FY22 budget continues to emphasize carrying out the goals and tactics set forth in the STP while adapting to current market conditions in the aftermath of a global pandemic. The ongoing implementation of the STP is critical to the success of our community and the well-being of its residents, businesses and their thousands of employees, and visitors.

Per the contract between the City of Sedona and the SCC&TB, the SCC&TB receives an annual allocation from the 3.5% Bed Tax to operate the official Destination Management Organization (Tourism Bureau) for the Sedona destination. No public money is used to fulfill the functions associated with the Chamber of Commerce. City bed tax funds are only utilized to operate tourism bureau and visitor services functions.

Each year the SCC&TB creates a Destination Services Plan to guide its activities. Beginning in March 2020, COVID-19 was unleashed on the world resulting in a global pandemic that has decimated the tourism industry 9x worse than the effects of 9/11. As a result, in FY21 a Destination Recovery Plan was instituted. For Sedona's visitor economy, that economic downturn was short lived however, it remains difficult still today to predict the future with continued state-imposed restrictions, our borders closed and outbound international travel very limited, with airports operating at dramatically reduced capacity domestically as well, albeit increasing. Many businesses have been lost forever, and now, those that remain are dealing with a severe workforce shortage connected to lack of affordable housing as the public is beginning to travel once again. The Administration's goal is to have 70% of the U.S. population vaccinated by mid-June which is happening while simultaneously we see the rise of variants here and abroad.

In 2020, 53% of Sedona's visitors were from Arizona as opposed to 40% in 2019. This influx of in-state visitation as a result of COVID-19, combined with the negative impacts of a 2,500+ room hotel with the deregulation of Short Term Rentals in 2017 providing unchecked increased carrying capacity for the City and beyond to host more visitors has Sedonans equating Tourism with traffic, trash and trailhead congestion. This is not a fair assessment being that the root cause for many of these issues lies elsewhere. Yet our role as a Destination Management Organization is to address and mitigate these impacts, therefore this year we present a Destination Resiliency Plan for Sedona as we work to ensure our visitor-based economy remains vibrant while mitigating the impacts of this dramatic unanticipated uptick in visitation.

For FY22, the SCC&TB is proposing the City of Sedona approve the following:

Tourism Bureau Base Allocation of \$1,924,795 which includes new programs but leaves the \$500,000 for an education campaign as a separate discussion, Visitor Services Operations of \$507,290, and a \$330,000 Destination Marketing Contingency only accessible in the event of an EMERGENCY as determined by the SCC&TB working with the City should the economy take a downturn. As of May 2021, FY21 Bed Tax revenues are projected to come in at \$6,448,900. For FY22, Bed Tax projections are \$7,029,300.

The FY22 allocation is derived by zero based budgeting aligning expenses to the scope of work needed for the suggested programs.

FY21 Tourism Bureau Base Allocation	\$1,907,160	
FY22 Tourism Bureau Base Allocation	\$1,837,095	
<u>FY22 Budget Detail</u>		
Tourism Bureau		
Quality of Economy	\$ 790,635	
Visitor Experience	\$ 37,000	
Quality of Environment	\$ 134,250	
Quality of Life	\$ 186,050	
Tourism Bureau Operations	\$ 689,160	(Detailed below)
Total Base Allocation	\$1,837,095	
Visitor Services Operations	\$ 507,290	(Increase=EVG distribution)
TOTAL Tourism Bureau & Visitor Services	\$2,344,385	
Quality of Environment		
NEW - Trash & Trailhead Congestion	\$ 83,000	
Quality of Life		
NEW – Traffic, OHVs, & Arts	\$ 38,000	
FY22 Total Funding Request	\$2,465,385	

NEW Quality of Environment - Education / Recreate Responsibly - \$TBD = Need Council Direction

Destination Marketing Contingency \$ 330,000 EMERGENCY ONLY (Same as FY21)

The Visitor Services Operations at the Uptown Visitor Information Center allocation remains approximately the same as the prior three years, however expenses typically reflected in the Quality of Economy pillar related to the Experience Sedona Guide (ESG) distribution have been moved to this operational budget since the Visitor Center takes the requests for and mails these guides.

The Destination Marketing Contingency allocation is a safety net and will provide flexibility to address changing economic conditions resulting from public health issues and their subsequent impacts on the visitor economy should a drastic downturn reoccur. The SCC&TB and City Council will meet to determine if, and when, the Contingent allocation is to be released.

Overall, the FY22 budget aligns with the short and long-term goals of the Sustainable Tourism Plan and the SCC&TB’s mission: To serve Sedona by making it the best place to live, work, play, visit and do business. The programs in FY22 were developed to achieve the following:

LONG-TERM GOALS

SEDONA CHAMBER OF COMMERCE: Business Partner Services & Community

1. Advocate for a positive business climate on behalf of the Chamber’s member businesses.
2. Provide relevant services and educational resources to help businesses thrive.
3. Engage with the community to increase connectedness and a sense of pride in Sedona.
4. Strengthen partnerships for the betterment of the community.
5. Maintain organizational and financial transparency.
6. Support the City of Sedona Community Plan, Economic Diversification Plan, and forthcoming Climate Action Plan.

TOURISM BUREAU

1. Attract, manage, and monitor sustainable tourism for the benefit of residents, businesses and their employees, and visitors.
2. Make visiting Sedona an extraordinary, safe, and memorable experience.

3. Strive to maintain a balance between a vibrant visitor economy and excellent visitor experience with environment stewardship and quality of life for Sedona’s residents by executing the Sustainable Tourism Plan.

SUSTAINABLE TOURISM PLAN PILLARS

I. Quality of VISITOR ECONOMY

Shape the Sedona visitor economy in ways that balance its long-term sustainability and vibrancy by attracting a High Value Visitor to Sedona who stays longer, spends more, and respects this special place, and driving visitation in lower, off-peak season time periods.

FY22 Programs | KPIs

AT THE DIRECTION OF COUNCIL – PAUSE Destination Marketing for FY22

RENEW: DESTINATION MARKETING - Arizona Office of Tourism-Related Coop Programs \$51,500

KPIs – Industry standard KPIs

Sedona as a destination is part of the larger Verde Valley and state of Arizona tourism ecosystem including that of the National Parks, specifically the Grand Canyon. Information about traveling to our state is shared by the Arizona Office of Tourism (AOT) as well as our brethren in the greater Phoenix area, Tucson, and Flagstaff just to name a few. Each year, AOT provides Coop Programs to the various official DMOs around the state, leveraging their dollars and ours with jointly funded programs. For Sedona, to remove itself from these statewide partnerships would be doing a disservice to those potential visitors seeking to travel to Arizona. How can one provide information on coming here and leave Sedona out of that conversation? With that said, we are respectfully requesting the ability to maintain these commitments in FY22 that have been supported for years, in addition to a very small private program (\$3,000) that required a one-time investment to start up and continues annually. To walk away from it with an upfront investment having been made, would be irresponsible.

RENEW: TOURISM BUREAU Infrastructure Expenses

\$739,135

KPIs – Industry standard

The SCC&TB is contracted by the City of Sedona to function as the official Tourism Bureau | Destination Management Organization (DMO) for the Sedona destination. In 2020, travel generated \$1.5 trillion in economic output and supported 11 million jobs, a drastic decline from pre-pandemic figures but nevertheless, a powerhouse economic driver for our nation. This industry has a global operating framework, and the SCC&TB as the official Tourism Bureau/DMO for Sedona operates within it. This requires foundational assets such as a website, social media channels, technology platforms for supporting these as well as to provide research for reporting on KPIs and analysis, trade events, conferences, media hosting, content, and collateral development (i.e. photography, videography, guides, maps, pamphlets, etc.) These remaining Quality of Economy expenses provide this foundation for the SCC&TB to serve in its role as Tourism Bureau | DMO for the destination.

II. VISITOR EXPERIENCE | Visitor Information Center

Continue to provide an excellent visitor experience that highlights Sedona’s sustainability values and keeps visitors coming back.

EXPANDED: VISITOR MANAGEMENT – A Regional Approach

Sedona Verde Valley Tourism Council

\$20,000

KPIs – Industry Standard

The Sedona Verde Valley Tourism Council was founded more than 20 years ago, and continues today bringing together the (6) communities of Sedona, Camp Verde, Cottonwood, Clarkdale, Jerome, and Yavapai-Apache Nation to celebrate local culture and enhance regional economic opportunities through tourism and visitor dissemination while promoting conservation and stewardship. This visitor disbursement initiative strives to ensure that the more than 3 million visitors who come to Sedona annually seek experiences throughout the greater Verde Valley thus spreading out their consumer spending while attempting to alleviate crowding. A unique website, visitor guide, social media channels and paid advertising support this collaborative regional effort. All partners contribute program support in varying amounts based on budget size and work together to formulate marketing plans with the beginning of the new fiscal year.

EXPANDED: Sedona's Secret 7
\$15,000

Build on the success of Sedona's Secret 7 created in 2017, particularly, Sedona's Secret 7 trails – those less traveled – to distribute visitor impacts and lessen environmental impacts on selected trails and areas. Dispersion is a key tactic for visitor management.

Having worked closely with the Forest Service, the campaign:

1. Redirects visitors to lesser known areas for land preservation
2. Expands the number of visitor experiences which will encourage repeat visitation to Sedona
3. Engages residents with the intent to embrace the quality of life afforded to them by a vibrant tourism industry

Sedona's Secret 7 website – SedonaSecret7.com – provides visitors with information regarding Secret 7 trail sites including directions, trail difficulty, best time to visit, etc. The site features short video overviews of each list category including trails, a 2-3 minute video overview highlighting the diversity of all 49 locations (seven categories with seven locations in each). Trails will be the focus this year, with tear-off maps produced and distributed in market to lodging partners and other key visitor contact points encouraging our hikers to go to less well-known trails for their adventure. Social media influencers who are willing to showcase some of these lesser traveled trails to their audiences will be invited to the destination.

Visitors share their photos and videos showcasing their visits to Sedona's Secret 7 sites under the hashtag #SedonaSecret7.

II. Quality of ENVIRONMENT

Lead the tourism industry in implementing environmental sustainability principles, positioning Sedona as a national and international leader in destination stewardship.

FY22 Programs | KPIs

NEW: Tourism Takes on Trash Removal and Provides Toilets at Trailheads

\$53,000

KPIs – Confirmation of trash collection, installation, and maintenance of toilets

Working with the U.S. Forest Service (USFS) Red Rock Ranger District, the SCC&TB proposes to fund the following:

- \$9,000/year (\$750/month) – **Dry Creek**: The initiation of new trash removal service 2x/week by Waste Management as the USFS institutes a fee structure which will eventually self-fund this service.
- \$39,960/year (\$3,330/month) – **Solider's Pass**: The installation of (3) portable toilets (at least 1 ADA) with service 3-4x/week. No trash service is needed here per the USFS.
- **Cathedral Rock** already has trash service, so nothing is needed here.
- \$3,540 – Signage to share that this service is being provided by the City and SCC&TB.

FOR INFORMATIONAL PURPOSES ONLY – THERE IS NO TRASH COLLECTION SERVICES EXPENSE FOR OAK CREEK CANYON IN THIS LINE ITEM AT PRESENT

- \$2,211.73/1 site for 4 months; \$13,270.40 total cost for (6) sites/4 months (\$829.40/week for 2x/week pickup service of 13 cans) – **TBD Recreation Site(s) in Oak Creek Canyon:** During COVID, the USFS increased the number of trash cans at multiple recreation sites in Oak Creek Canyon to meet increasing demand, but this was made possible only due to the receipt of federal COVID relief funds. These monies will not be available next year. This funding for 4 months (spring/summer) would extend the federal funds and provide 2x/week trash removal service by VMX International (Subsidiary of Waste Management) through next year. These cans are critical to the management of Oak Creek Canyon. These are the (6) Recreation Area sites that require trash removal: **Banjo Bill Day Use Area, Bootlegger Day Use Area, Encinosa Day Use Area, and Halfway Day Use Area plus two others.**

NEW: RECREATE RESPONSIBLY Educational Campaign

EXPANDED: Leave No Trace (LNT) Center for Outdoor Ethics Partnership | “Sedona Cares” Pledge \$53,500 LNT | Take the “Sedona Cares” Pledge

KPIs – Inclusion of LNT and Take the Sedona Cares Pledge messaging in all that we do with paid media and owned media channels including website, e-newsletters, social media channels, blogs, etc. Continued reporting on industry standard statistics. Increased visibility with in-market signage to build awareness via follow up visitor surveys. Number of individuals who have taken the pledge.

NOT INCLUDED \$TBD – Develop a Sustainable Tourism campaign around expectations of visitor behavior and how to respect the special place that is Sedona supported with digital ads, video and social media, to include social media influencers brought to market specifically to emulate the type of behavior we want demonstrated.

Leave No Trace (LNT) is a national movement to protect the outdoors by teaching people how to enjoy it responsibly. The member-driven Leave No Trace Center for Outdoor Ethics teaches people of all ages how to enjoy the outdoors responsibly, and is the most widely accepted outdoor ethics program used on public lands. Through targeted education, research and outreach, the Center ensures the long-term health of our natural world. In 2019 the SCC&TB became a member of LNT Center for Outdoor Ethics to align itself with these principals and carry them forward to Sedona’s visitors and residents. We look to expand this relationship to fully leverage all the benefit the association affords Sedona as a global destination prioritizing recreating responsibly. Most of this messaging will take place once visitors are in market via in-room video and signage about town with some digital media placement.

The “Sedona Cares” Pledge encompasses adhering to the “7 Principals” of LNT and further expands on the expectations that we have as a destination and a community, based on our core values, for those looking to visit. COVID has brought with it a heightened awareness of tourism’s impacts from an environmental perspective, and visitors are more ready and willing to receive and be receptive to how to behave. Our part is to educate them on how to do so. COVID has also created an entirely new audience with a very different visitor profile for Sedona than in the past, that is now looking to engage with the great outdoors, having never done so. The ability of the SCC&TB to provide education on expectations of them and the need to respect this special place we call home is critical now more than ever. This campaign will run utilizing geofencing to the greater Sedona area shape file footprint, triggered by cell phone to serve up a message to take the pledge when you arrive. It will have in-market collateral to reinforce this requested action of our visitors much like the “Mask Up” and “Sedona. Safe.Clean.Ready,” to voice our expectations and desired visitor behavior.

NEW: Master Forest Plan Facilitation \$25,000

The Red Rock Ranger District of the Coconino rivals the size of some of our National Parks, yet funding for this natural asset is nowhere near where it needs to be to support its place consumers while ensuring its preservation. There are a significant number of competing priorities with the forest, and a myriad of plans that address them in the short, medium, and long term. However, many new impacts that have arisen out of COVID, these disparate plans do not capture all that is in need of attention. As a convener, the SCC&TB is suggesting to bring all of the forest’s stakeholders together with the aid of a professional facilitator to review all existing plans, add new challenges to them to fill in the gaps, and to prioritize them so that solutions can be sought based on this process. Currently everyone’s urgency is the USFS’ emergency and this is not productive. Being that so much of

the destination's draw revolves around outdoor recreation in and among our public lands, we are seeking this funding to assist the USFS in mitigating continued and growing impacts from increased visitation.

**NEW: Branded Recycling Containers in High Visitor Trafficked Areas (i.e. behind Visitor Center)
\$15,000**

Purchase and wrap commercial recycling containers (3-5) to place in Uptown at highly trafficked visitor locations, like between the Visitor Center and Chipotle. The SCC&TB recognizes that this small gesture to recycle is a token to taking care of the environment, however it is a visual communication, a testament to the lay person, that we as a destination care about sustainability.

**RENEW: Tourism Funds Trail Improvements – Sedona Trail Keepers (2.0)
\$50,000/annually with a 3-year commitment to continue the program
KPIs – Fundraising match from private businesses, detail of trail improvements**

The Sedona Trail Keepers is a public private partnership between the U.S. Forest Service Coconino National Forest Red Rock Ranger District, Sedona Red Rock Trail Fund (SRRTF), the City of Sedona, SCC&TB and the business community helping to maintain Sedona's 400+ miles of world-famous red rock trails. Since its inception in 2017, Sedona Trail Keeper donations have reached \$370,000 with \$50,000 provided annually by the City and SCC&TB from bed tax dollars, and then matched at \$50,000 by private industry with 50 donating businesses each contributing \$1,000.

These monies are provided to the SRRTF, a 501©(3) nonprofit founded in 2016, to financially support trail maintenance, which underwrites the cost of seasonal workers who construct new and improve existing trails including building retaining walls, rock stairs and drainage structures in the surrounding Coconino National Forest. Officials with the U.S. Forest Service say federal expenditures are insufficient to cover the estimated \$400,000 annual cost of keeping Sedona's trails safe and well-maintained. 100% of Sedona Trail Keeper funds are then donated to the Coconino National Forest Red Rock Ranger District by SRRTF.

**RENEW: Global Sustainable Tourism Council Membership
\$750 annually
KPIs – PR value about Sedona as a destination contributing to the global conversation on sustainable tourism practices; Association with world-renown destinations prioritizing sustainable tourism**

On Earth Day – April 22, 2021, the SCC&TB officially joined the Global Sustainable Tourism Council (GSTC), adding Red Rock Country to destinations around the world committed to sustainable tourism. Applying the GSTC Criteria to a destination's plans and practices means to take a holistic approach to sustainability, relating not just to environmental protections but also social, economic, and cultural aspects of the community and its visitor attractions. The GSTC was created jointly by UN agencies and prominent international organizations to develop global standards for sustainability in travel and tourism – the GSTC Criteria. Being a GSTC member means actively participating in GSTC's global network, contributing to the important work of the GSTC in promoting the widespread adoption of universal sustainable tourism principles. GSTC Members are active drivers for sustainability in travel and tourism. The GSTC's 2016 destination assessment of Sedona led to the creation of the Sedona Sustainable Tourism Plan (STP), an Arizona first. Led by the SCC&TB in partnership with the City of Sedona, Nichols Tourism Group, Arizona State University's Center for Sustainable Tourism, and adopted by the Sedona City Council in March 2019, the STP commits Sedona to balancing a thriving tourism economy and amazing visitor experiences with environmental stewardship and resident quality of life and forms the foundation of the relationship between the City and the SCC&TB.

IV. RESIDENT QUALITY OF LIFE

Protect and enhance the quality of life for Sedona's residents by mitigating impacts of tourism.

Programs | KPIs

NEW: Tourism Funds Transit to Alleviate Trailhead Congestion and Traffic – Sedona Shuttle Marketing Support
\$20,000

KPIs from City of Sedona Transit Administrator related to ridership

With the proposed pay off of the Jordan Road property and transfer to the City, subsequent renovation of the facility to accommodate a public transit station, the SCC&TB, working with the City’s new Transit Administrator, will support the proposed roll out of (2) pilot transit programs in March 2022 aimed at alleviating trailhead congestion at some of Sedona’s busiest trailheads and mitigating traffic on the 89A corridor with an on-demand micro transit program. This entails an in-destination marketing campaign including digital ads to geofenced area (greater Sedona shape files from the City), radio, signage, rack cards to lodging partners and retailers, and via SCC&TB’s owned media channels to encourage visitors and residents to use the public transit services.

- Trailhead Shuttles: (6) trailhead shuttles capable of carrying 20 passengers each will service the following trailheads moving into the 2022 Spring Break timeframe (can be up to 6 weeks depending on when the Easter holiday falls)
- On-demand Micro Transit Program: Proposed Sedona on Demand or “SAM” micro transit (4) vehicles will be available on demand by downloading an app to your phone to call for pick you up / drop off at your requested location along a designated corridor of 89A.

NEW: Tourism Takes on Outdoor Recreation (OHVs) Education and Mitigation Efforts
\$15,000

Utilizing the model of public-private-philanthropic partnership, the SCC&TB is working with the USFS Red Rock Ranger District and the National Forest Foundation (NFF) to address visitor management issues and the escalating conflict among the various stakeholders accessing greater Sedona’s public lands, including within City limits at Schnebly Hill and elsewhere as well as out at the 525/152C area. Projects funded by the SCC&TB will be identified by USFS Red Rock Ranger District and executed by the NFF related to repair and improvements of the natural landscapes. The SCC&TB will work with private partners to educate visitors on how to recreate responsibly and to find matching private support for preservation of the habitat like the Trail Keepers model.

NEW: Short Term Rental Research to Paint the Full “Tourism” Picture
\$30,000 (\$15,000 annually | \$15,000 one-time report)

KPIs – Monthly reports to Council on Short-Term Rental Rate/Occupancy comparable to Smith Travel Research for the traditional lodging industry

\$15,000 – The SCC&TB has contracted with Key Data, the #1 trusted Vacation Rental data source for Destination Management Organizations. Key Data provides 100% accurate, real-time vacation rental and resort data to tourism organizations around the globe. Unlike other data providers in the space, the data is sourced directly from vacation rental companies and resorts in the destination through a real-time information data feed from the properties’ reservation systems. The result: the most accurate, real-time vacation rental market data available. This technology was selected due to its compatibility with the City of Sedona’s LODGING Revs technology platform, the industry standard in short-term rental compliance, automated business licensing and tax remittance for municipalities.

\$15,000 – In addition to the annual Short-Term Rental monthly reporting, the SCC&TB would like to commission a one-time report by a third-party vendor specific to the Short-Term Rental industry in greater Sedona working with the City staff. The goal would be to determine how much property tax residents are saved annually due to the contribution of the visitor economy to the City’s budget. Currently, the City of Sedona does not have a property tax, however residents do pay Coconino or Yavapai County property taxes depending on their county of residence, so the tax savings already garnered here with provision of services would also be examined. Residents are making money as a part of the tourism industry themselves with their residential home ownership

being utilized like a business offering short term rental, on top of the City and County services afforded to them by this industry, yet many of them are up in arms about the visitor economy’s negative impacts to their quality of life.

EXPANDED: Love Our Locals Community Engagement Initiative
\$42,500

In the words of Frank Cuypers, Destination Think!s Strategic Consultant *"There can be no city branding without citizens and no destination branding without residents."* Today in Sedona, Tourism=Traffic, Trash, and Trailhead congestion even though the root cause of most of these issues is being driven by a global pandemic, state de-regulation of short term rentals, past local policy choices highly influenced by residents, and Sedona’s geography. Sedonans, many who came to town as visitors themselves, recognize that Sedona is a destination and her lifeblood is our visitor economy, but feel enough is enough and want mitigation of tourism impact. Both the City and the SCC&TB spend a lot of time and effort doing for our residents, but not enough time sharing the work done to improve their quality of life. We can do better and that is what this program proposes. It includes a marketing campaign geared toward locals, and a new 2x/year event, *Eggs&Issues*, to begin a conversation around pain points while bringing forth solutions. The topics of Short-Term Rental Impacts on our community and Workforce Housing are being proposed as they are interconnected and dramatically impact the quality of life in Sedona. The new Hometown Guide – a relocation guide for new residents will help shape this conversation and be a foundation upon which this dialogue can build. This also includes the continuation of a “Locals Night Out” program which will be revised for the new fiscal year.

EXPAND: Events Contribute to a Vibrant Destination (and Community)
\$78,000

KPIs – Number of Event Attendees, PR, Occupancy

COVID-19 completely shuttered events across the nation and around the globe, and in Sedona the story is the same. Many of our annual signature events found themselves hosting a virtual version of their event or postponing indefinitely. With light at the end of the tunnel, many events are coming back in either a blended fashion or completely in person, however some with capacity limitations. The SCC&TB wants to ensure that many of our cherished events don’t perish from this hardship, and therefore we are proposing continued, and in some instances, expanded support of the following events in FY22. Events that personify Sedona’s DNA as a sustainable outdoor recreation destination; health, wellness, and spiritual community; and arts and culture, that occur mid-week, or in off-peak seasons that draw overnight visitation are a focus.

Event Date	Event	Funding
August 12-15, 2021	Photography Symposium	\$ 2,500
August TBD, 2021	Dark Sky Star Party	\$ 3,000
2-Oct-21	Sedona Airport Family Fun Day	\$ 2,500
November 9-14, 2021	Wolf Week	\$ 1,000
November 12-14, 2021	Sedona Mountain Bike Festival	\$ 7,500
2-Dec-21	Tlaquepaque Tree Lighting	\$ 10,000
January 29-30, 2022	VegFest	\$ 4,000
March TBD, 2022	Illuminate Film Festival	\$ 5,000
March 4-6, 2022	Sedona Mountain Bike Festival	\$ 7,500
June TBD, 2022	PhotoFest	\$ 2,500
TBD	Sedona Yoga Festival	\$ 5,000
TBD	TedX	\$ 2,500
TBD	City of Sedona Events	\$ 15,000

June TBD, 2022	Tailgate Quick Draw - Sedona Arts Center Event	\$ 5,000
NEW Event Funding	SCC&TB always has new event producers seeking funding	\$ 5,000
TOTAL		\$ 78,000

RENEW: Regional Transit for Our Workforce - Verde Shuttle
\$16,500

KPIs from City of Cottonwood Transit Administrator related to ridership

This is a continuation of the transit marketing of the Verde Shuttle from FY21. Due to delays in supply chain, the buses to provide shuttle service were severely delayed and thus marketing could not begin. At the time of this memo, the buses are supposed to arrive in June so marketing is slated to begin before FY21 year's end however will require support into the new FY22 fiscal year.

RENEW: Walksedona.com Website | Roundabout and Bike Etiquette
\$14,000

WalkSedona.com strives to get visitors out of their vehicles and walking to many of Sedona's key experiences. The Walk Sedona program positions Sedona as a walk-friendly destination in effort to mitigate the effects of vehicle traffic. By gallery and lodging stakeholder recommendation, the SCC&TB focused the first phase of this program on luring those visitors already in-market into the galleries via a "Sedona Gallery Art Walk" program intended to drive business through the doors of the numerous galleries in Sedona as one of our goals to elevate the arts.

Plus, the map is mobile at WalkSedona.com! This GPS-enabled web map has several filters including restaurants, recycling drop-off locations, bus stops, public art locations, parks, trailheads and real-time traffic conditions. The map is becoming more and more robust and allows the user to navigate Sedona via their smart phone. The newest feature is ParkinSedona.com which points to the version of WalkSedona.com that is pre-populated with parking locations – a tool that both visitors and residents can appreciate as we work towards properly navigating visitors off the streets and alleviating traffic congestion. Future enhancements for ParkinSedona.com may even include connecting to the City's sensors to show the actual number of parking spaces available (the viability of this feature is currently being investigated for the future).

Communications to visitors about navigating roundabouts and the proper bike etiquette continue to be needed so these programs will continue.

V. OPERATIONS (SPECIFICALLY SALARIES & BENEFITS DETAIL)

The Sedona Chamber of Commerce & Tourism Bureau albeit considered two separate entities is really one organization with a scope of work with different functions funded via public and private sources. However, it should be pointed out, that there is (1) President & CEO for example and time is allocated among the functions. Neither function is carrying the cost of a full 1.0 FTE President & CEO yet getting that executive level leadership at an apportioned cost. This is true for a number of positions, while there are also staff dedicated solely to Chamber or Tourism Bureau. In the past, this allocation was determined by the City Manager and President & CEO, neither one is here any longer. We are asking for Council to look at the cost of delivering the Tourism Bureau and Visitor Services and to fund it based on today's costs with the acute labor shortage, the increases required to bring on new staff with turnover, the continued escalation of cost of living here in Sedona and around the Verde Valley, and fierce competition.

Overall, Tourism Bureau Salaries & Benefits are budgeted to increase \$343,000 compared to the FY21 budget.

Visitor Center Salaries & Benefits are budgeted to decrease \$29,000 compared to the FY21 budget.

The combined increase is \$314,000 detailed as follows:

- FY21 budgeted amounts for Salaries & Benefits were reduced \$220,000 to balance to the FY20 Bed Tax allocation amount (TB \$205,000, VC \$15,000). No such reduction has been made for FY22.

- \$68,000 increase from RETURN of (2) pre-COVID TB staff positions
- \$20,000 increase for part time Visitor Center staff employees due to reduced volunteer hours as a direct result of COVID with volunteers not wanting to return. Currently we have 55 of the 80 volunteers who are willing to come to the Visitor Center to work and we anticipate this will remain constant.
- \$19,000 decrease due to changes in allocating staff member salaries among Chamber – Tourism Bureau – Visitor Services
- A salary increase for a key Tourism Bureau staff member (FY21)
- Corresponding increase (decrease) in payroll taxes and health insurance related to the above
- The effect of reallocating staff time amongst divisions increased Tourism Bureau Salaries \$38,000, reduced Visitor Center Salaries \$57,000, and increased Chamber Salaries \$19,000.

SHORT-TERM GOALS FY22

DESTINATION SERVICES

Education, Marketing & Communications

1. Support Sedona’s underpinning visitor economy by positioning Sedona as a premier destination for responsible and sustainable outdoor recreation; health, wellness, and spirituality; and arts and culture to generate a sense of community pride.
2. Utilize SCC&TB owned media channels to support pre-COVID levels of visitor spending with a focus on our high value visitor profile as well as mid-week and off-peak season visitation, supported in part by business travel, meetings, and events.
3. Conduct research and utilize technology platforms to inform decision-making and to measure KPIs for the destination, the organization, and its stakeholders.
4. Engage in executing the Sustainable Tourism Plan to contribute to the quality of life for residents, enrich the tourism experience, and mitigate visitor impacts.

Group/Meeting and Travel Trade Industry Sales

1. Position Sedona as the premier destination for small meetings and incentives, including luxury group travel working closely with the Sedona Airport and various meeting venues with a focus on mid-week and off-peak seasons.
2. NEW IDEA: Consider a unique, multi-use meeting venue within City limits to draw more mid-week business travelers during off-peak seasons while providing a permanent unique venue for homegrown events saving them monies on recurring rentals.
3. Position Sedona as a top leisure destination for domestic and international travelers through travel trade tour programs working with group tour operators.

Visitor Services

1. Provide the highest level of customer service at the Uptown Visitor Center sharing “The Sedona Way” with our visitors.
2. Educate our visitors on destination stewardship, sustainability, and how to recreate responsibly by encouraging them to Take the “Sedona Cares” pledge and adhere to the “7 Principals” of Leave No Trace.
3. Maintain a trained, engaged, and vibrant volunteer core to help the small paid staff support the Uptown Visitor Center and visitors to Sedona. COVID-19 has impacted this dramatically with our numbers going from 80 volunteers to 55 over the last year.
4. NEW IDEA: Consider additional Visitor Center locations to serve our growing destination. To begin, the SCC&TB will create a visitor services kiosk at our administrative offices in West Sedona, as opposed to sending the visitors who stop here to Uptown. However, a second official visitor center location is greatly needed with upwards of 600/people a day during peak periods under COVID, and pre-COVID it could go as high as 1,500/day being seen.


Full program of work and Destination Resiliency Plan can be viewed here: [To be finalized following the Wednesday, May 26th Joint City-Chamber FY22 Budget Work Session for June City Council meeting.](#)



Fiscal Year 2022 Tourism Bureau & Visitor Center Budget **DRAFT 05.14.21**

	Tourism Bureau			Visitor Center			Total Tourism Bureau & Visitor Center				
	FY21 Budget	FY22 Budget	% Change	FY21 Budget	FY22 Budget	% Change	FY21 Budget	FY22 Budget	\$ Change	% Change	
1	Bed Tax Revenue	\$ 1,907,160	\$ 1,958,095	3%	\$ 538,900	\$ 507,290	-6%	\$ 2,446,060	\$ 2,465,385	\$ 19,325	1%
2	Quality of Economy Programs										
3	Advertising Outside Sedona	\$ 683,500	\$ 51,500	-92%				\$ 683,500	\$ 51,500	\$ (632,000)	-92%
4	Marketing Support (in-Sedona, support services)	\$ 225,000	\$ 279,480	24%				\$ 225,000	\$ 279,480	\$ 54,480	24%
5	Marketing Collateral	\$ 37,900	\$ 28,200	-26%				\$ 37,900	\$ 28,200	\$ (9,700)	-26%
6	Media & Communications	\$ 77,000	\$ 79,100	3%				\$ 77,000	\$ 79,100	\$ 2,100	3%
7	Meetings Sales	\$ 63,360	\$ 149,650	136%				\$ 63,360	\$ 149,650	\$ 86,290	136%
8	Research	\$ 20,500	\$ 62,125	203%				\$ 20,500	\$ 62,125	\$ 41,625	203%
9	Trade Shows & Sales Missions	\$ 83,400	\$ 122,705	47%				\$ 83,400	\$ 122,705	\$ 39,305	47%
10	Dues & Subscriptions	\$ 13,200	\$ 14,575	10%				\$ 13,200	\$ 14,575	\$ 1,375	10%
11	Postage, Delivery & Distribution	\$ 3,300	\$ 3,300	0%	\$ 128,900	\$ 107,000	-17%	\$ 132,200	\$ 110,300	\$ (21,900)	-17%
12	Total Quality of Economy	\$ 1,207,160	\$ 790,635	-35%	\$ 128,900	\$ 107,000	-17%	\$ 1,336,060	\$ 897,635	\$ (438,425)	-33%
13	Total Quality of Visitor Experience	\$ 27,250	\$ 37,000	36%				\$ 27,250	\$ 37,000	\$ 9,750	36%
14	Total Environment Programs	\$ 94,000	\$ 217,250	131%				\$ 94,000	\$ 217,250	\$ 123,250	131%
15	Total Quality of Life Programs	\$ 229,800	\$ 224,050	-3%				\$ 229,800	\$ 224,050	\$ (5,750)	-3%
16	Operations										
17	Storage & Handling	\$ 6,400	\$ 3,000	-53%	\$ 4,700	\$ 3,000	-36%	\$ 11,100	\$ 6,000	\$ (5,100)	-46%
18	Building & Grounds Maintenance	\$ 9,300	\$ 4,800	-48%	\$ 16,000	\$ 44,980	181%	\$ 25,300	\$ 49,780	\$ 24,480	97%
19	Commercial Package Insurance	\$ 2,400	\$ 2,400	0%	\$ 2,400	\$ 2,400	0%	\$ 4,800	\$ 4,800	\$ -	0%
20	Computer & Technology	\$ 8,500	\$ 10,300	21%	\$ 3,600	\$ 7,000	94%	\$ 12,100	\$ 17,300	\$ 5,200	43%
21	Credit Card & Bank Charges	\$ 3,250	\$ 600	-82%	\$ 4,910	\$ 600	-88%	\$ 8,160	\$ 1,200	\$ (6,960)	-85%
22	Equipment Lease & Repair	\$ 8,800	\$ 8,250	-6%	\$ 5,950	\$ 6,050	2%	\$ 14,750	\$ 14,300	\$ (450)	-3%
23	Professional Fees	\$ 13,400	\$ 13,380	0%	\$ 5,600	\$ 4,540	-19%	\$ 19,000	\$ 17,920	\$ (1,080)	-6%
24	Property Tax, License, Permits	\$ 2,300	\$ 2,200	-4%	\$ 3,150	\$ 3,100	-2%	\$ 5,450	\$ 5,300	\$ (150)	-3%
25	Supplies	\$ 10,700	\$ 9,750	-9%	\$ 8,700	\$ 9,000	3%	\$ 19,400	\$ 18,750	\$ (650)	-3%
26	Phone, Internet	\$ 13,800	\$ 22,500	63%	\$ 12,700	\$ 9,000	-29%	\$ 26,500	\$ 31,500	\$ 5,000	19%
27	Utilities	\$ 6,650	\$ 5,800	-13%	\$ 15,750	\$ 14,700	-7%	\$ 22,400	\$ 20,500	\$ (1,900)	-8%
28	Volunteer Services & Training				\$ 24,000	\$ 24,000	0%	\$ 24,000	\$ 24,000	\$ -	0%
29	Mortgage Interest	\$ 7,250	\$ 6,500	-10%	\$ 11,700	\$ 10,600	-9%	\$ 18,950	\$ 17,100	\$ (1,850)	-10%
30	Salaries & Benefits	\$ 256,200	\$ 599,680	134%	\$ 290,840	\$ 261,320	-10%	\$ 547,040	\$ 861,000	\$ 313,960	57%
31	Total Operations	\$ 348,950	\$ 689,160	97%	\$ 410,000	\$ 400,290	-2%	\$ 758,950	\$ 1,089,450	\$ 330,500	44%
32	Funded by Bed Tax Revenue	\$ 1,907,160	\$ 1,958,095	3%	\$ 538,900	\$ 507,290	-6%	\$ 2,446,060	\$ 2,465,385	\$ 19,325	1%
33	Postage, Delivery & Distribution - FY2021 \$128,900 reclassified from Tourism Bureau to Visitor Center to match FY22 classification										

PLEASE NOTE: THE ONE SHEET EXCEL FILE ABOVE AND BELOW HAVE NEW PROGRAMS ADDED IN TO SHOW THE FULL TOTAL IF ALL NEW PROGRAMS WERE FUNDED.

		Fiscal Year 2022 Tourism Bureau Budget Detail			
		FY21 Budget	FY22 Budget	% Change	PROPOSED NEW Programming
1	Quality of Visitor Experience				
2	Regional Programs	\$ 19,250	\$ 22,000	14%	
3	Secret 7 Dispersion	5,000	15,000	200%	
4	StarParty	3,000		-100%	
5	Total	\$ 27,250	\$ 37,000		
6	Quality of Environment				
7	Trail Trash Collection & Toilets		53,000	New	\$ 83,000
8	Forest Plan Facilitator		25,000	New	
9	Trails & Land Voluntourism		5,000	New	
10	Leave No Trace	\$ 12,000	36,000	200%	
11	Sedona Cares Pledge	15,000	17,500	17%	
12	Waste & Recycling	8,000	15,000	88%	
13	Water Testing & Voluntourism	9,000	15,000	67%	
14	SRRTF/Trail Keepers 2.0	50,000	50,000	0%	
15	Global Sustainable Tourism Council		750		
16	Total	\$ 94,000	\$ 217,250		
17	Quality of Resident Life				
18	Sedona Bus Launch Marketing		\$ 20,000	New	38,000
19	OHVs Mitigation		15,000	New	
20	Sedona Arts Research		3,000	New	
21	Local Event Support	\$ 23,800	78,000	228%	
22	STR Research	5,800	30,000	417%	
23	Resident Communications	20,000	42,500	113%	
24	Verde Shuttle (Lynx) Marketing	30,000	16,500	-45%	
25	Roundabouts & Bike Etiquette	9,000	9,000	0%	
26	Locals Nite Out	18,000	5,050	-72%	
27	Walkability Programs	31,000	5,000	-84%	
28	Business Education Forums	18,000		-100%	
29	Jordan Property	71,700		-100%	
30	STP Planning/Reporting	2,500		-100%	
31	Total	\$ 229,800	\$ 224,050		
32	TOTAL NEW FY22 PROGRAMMING				\$ 121,000