

What City “DMO” Status Means for Business and Residents

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Residents and business owners may have read that the City of Sedona recently appointed itself as Sedona’s official “DMO.” The DMO acronym stands for Destination Marketing Organization. That designation now puts the city in charge of its own tourism marketing and management, and will replace a service contract with the Sedona Chamber of Commerce to function as the City’s Tourism Bureau (SCC&TB).

The City’s action came after the SCC&TB provided written notice of its intent to not renew the service contract between the City and the SCC&TB for the provision of visitor services for fiscal year 2024. The Arizona Office of Tourism (AOT) recognizes only one (DMO) per community and requires that in order to coordinate tourism promotion with AOT, a DMO must be designated via official action by the government entity representing that community. Decisions around tourism issues will now be made directly by the city with the input of those who live and work in our community. The City intends to seek advice from a broad cross section of residents, businesses and partners as our tourism program develops.

In the absence of a service contract the city will now forge a new path in conducting Sedona’s destination marketing and tourism management. It is now up to Sedona to develop a new program.

Other Cities that are their own DMOs include Cottonwood, Williams, Prescott, Flagstaff and Show Low. At its April 12 meeting, the Sedona City Council directed staff to hire a consultant to assist with the process of bringing tourism management in-house, and to bring recommendations back to Council for its consideration.

The bed taxes collected by businesses within the city will support those very businesses. Public money will not be used to discriminate against in-city businesses that are not Chamber members or be improperly used outside our city limits. Bed tax money cannot be restricted to the use of a members’ only organization. Those conflicts have now been removed.

Using public tax dollars for our community puts the City in a better position to partner with neighboring official DMOs in the Verde Valley. A regional approach is key to our success as we represent Sedona businesses to ensure our economic health.

Under state law definitions, bed taxes are to be used for:

1. direct expenditures by the city or town to promote tourism, including but not limited to sporting events or cultural exhibits.
2. contracts between the city or town and nonprofit organizations or associations for the promotion of tourism by the non profit association or organization.
3. expenditures by the city or town to develop, improve, or operate tourism related attractions or facilities or to assist in the planning or promotion of such attractions or facilities.

Sedona spends bed tax dollars collected to support tourism in our city. The city more than meets legal spending requirements and it supports business and tourism with these public funds. Some examples are:

- We continue to invest in a trailhead shuttle program to better access trailheads while removing parking conflicts, reducing traffic, and reducing the emissions related to that traffic. The city provides parking lots to make sure that visitors can access the shuttles without bringing additional congestion into neighborhoods.
- The city pays a portion of the operations of the Verde Shuttle, which provides connectivity between Sedona and Cottonwood, thereby supporting the movement of our tourism workforce.
- An important attraction to our area is Sedona itself: the great outdoors. The City supports maintenance and enhancement of our area trails with direct financial contributions to the Trail Keepers fund and to the US Forest Service and by being a member of the Leave No Trace collaboration.
- The City provides recreation amenities like a bike skills park and a disc golf course that people specifically come here to enjoy. Sedona's recreation and entertainment programs, which serve residents and visitors alike, include a concert venue, free entertainment including movies in the park and recreation events, and even our famous St. Patrick's Parade.
- Investment in public amenities like the SR179 pedestrian underpass that will provide creek access and public art.

Now the City will be looking at what additional programs and initiatives will serve our city. This is a new era.

A healthy economy for our city depends on supporting businesses in our city. Business is the economic engine of Sedona and taxes collected support many of the services that our city provides, from road maintenance and parks, to programs to develop workforce housing, our grants programs for non profit service organizations, and so much more.

Educating our visitors both before and during their time in Sedona is critical. Educating our businesses as to how they can serve residents and visitors in a way that sustains their business throughout the year is also key. Educating residents as to how they can help support local business and partner with them is equally important. Collaboration is critical for success.

The City is the best entity to serve as our DMO. We already represent the community as a whole, including residents, businesses, and our visitors. Together, residents, businesses, tourists, and government make Sedona what it is.