

AGENDA



3:00 P.M.

CITY COUNCIL SPECIAL MEETING

WEDNESDAY, NOVEMBER 9, 2022

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

THE MEETING CAN BE VIEWED
LIVE ON THE CITY'S WEBSITE AT
WWW.SEDONAAZ.GOV OR ON
CABLE CHANNEL 4.

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.
- No disruptive behavior or profane language will be allowed.

PROCEDURES:

- 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.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

2. ROLL CALL

3. SPECIAL BUSINESS

LINK TO DOCUMENT =

- a. AB 2760 **Presentation/discussion/possible direction** regarding the status update from the Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) on the FY23 work program and budget.
- b. AB 2760 **Discussion/possible direction** regarding the future relationship between the City and the SCC&TB, possible request for organizational restructuring of the SCC&TB to better delineate between the chamber of commerce and destination management divisions of the organization, and the use of the proceeds of the 1/2 cent bed tax increase that was added in 2014.
- c. **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: 11/03/2022

By: DJ

Cherise Fullbright

Deputy 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 2760
November 9, 2022
Special Business**

Agenda Item: 3a

Proposed Action & Subject: Presentation/discussion/possible direction regarding the status update from the Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) on the FY23 work program and budget.

Agenda Item: 3b

Proposed Action & Subject: Discussion/possible direction regarding the future relationship between the City and the SCC&TB, possible request for organizational restructuring of the SCC&TB to better delineate between the chamber of commerce and destination management divisions of the organization, and the use of the proceeds of the 1/2 cent bed tax increase that was added in 2014.

Department	City Manager's Office
Time to Present	1 hour
Total Time for Item	3 hours
Other Council Meetings	March 23, 2022, June 15, 2022, June 29, 2022
Exhibits	A. SCC&TB Presentation B. DMO Organizational Structure Summaries C. Notes from other jurisdictions

City Attorney Approval	Reviewed 11/01/22 KWC	Expenditure Required
		\$ 1,670,211 (FY23 contract amount)
City Manager's Recommendation	For discussion and direction only.	Amount Budgeted
		\$ \$1,670,000
		Account No. 10-5245-72-6722 (Description) (Visitor Services) 10-5245-72-6731 (Tourism Management/ Development)
		Finance Approval ☒

SUMMARY STATEMENT

Background:

On June 29, 2022 the City Council approved a program of work and budget for contractual services from the Sedona Chamber of Commerce and Tourism Bureau (SCC&TB) for fiscal year 2023. The total contractual services budget for FY23 was set at \$1,670,211.

Item A. During the November 9, 2022 work session the SCC&TB will make a presentation on the year-to-date progress towards the activities, programs and projects included in the FY23 work program. The SCC&TB will also have an opportunity to provide information and data regarding the state of the local economy and local business sector performance. The presentation outline from the SCC&TB is included as Exhibit A.

Item B. As part of the June 29, 2022 Council direction and based on a recommendation made by the Council work group established during the 2022 Council retreat (Kinsella, Lamkin, Ploog, Osburn) the second part of the November 9, 2022 work session provides an opportunity for the City Council to discuss the future relationship between the City and the SCC&TB and the possible request for organizational restructuring of the SCC&TB to better delineate between the chamber of commerce and destination management divisions and functions of the organization. The specific recommendation from the Council work group made at the June 29 meeting was:

“Clearer separation of the Chamber of Commerce from the Tourism Bureau would provide a better avenue to attain the City’s directed goals. The work group encourages pursuit of this separation during FY23.”

Enclosed you will also find a document (Exhibit B) that outlines the various organizational models typical of destination marketing organizations (DMOs), their relationships to the local government (city or county) and notes related to when and why each is most often used. Staff also reached out to the seven destinations identified in Exhibit B that use the joint Chamber/Tourism Bureau model, as this is the model currently utilized in Sedona, to find out if they are experiencing similar issues and/or how they manage their relationships with the local funding agency. Staff hoped the information could provide additional insight and/or lessons learned from other destinations using this model. Four responses were received. Those notes are attached as Exhibit C. The information contained in Exhibits B and C is provided to help facilitate the conversation regarding future relationship and organizational structure.

This agenda item also provides the opportunity for the City Council to discuss the use of the bed tax funds for destination management, specifically the collection and use of the ½ cent bed tax increase which was implemented in 2014 for use for tourism promotion purposes.

Climate Action Plan/Sustainability Consistent: ☒Yes - ☐No - ☐Not Applicable

One of the items in the Climate Action Plan is sustainable tourism outreach, which includes engaging visitors on climate change initiatives and ensure visitors are aware of climate-related policies or actions. The Sustainable Tourism Plan identifies specific objectives towards these goals, and certain sustainability related scope of work items related to destination management are included in the FY23 program of work.

Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s):

MOTION

I move to: for presentation, discussion and possible direction only.



FY23 | Q1 PROGRAMS UPDATE

IN PROUD
PARTNERSHIP WITH



FY23 PROGRAM GOALS



ENCOURAGE **POSITIVE VISITOR BEHAVIOR**



LESSEN DENSITY OF VISITORS AT BUSY LOCATIONS



ASSIST IN **PRESERVING SEDONA'S NATURAL RESOURCES**



HELP ENSURE FUTURE **ECONOMIC HEALTH**



EASE NEIGHBORHOOD BURDENS AND **SUPPORT WORKFORCE**



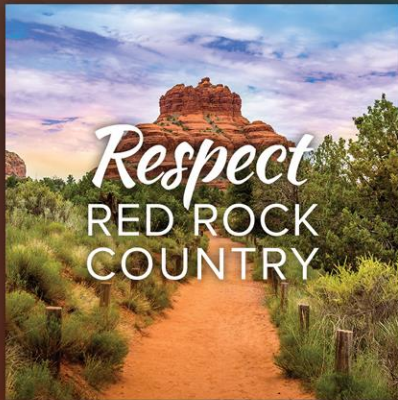
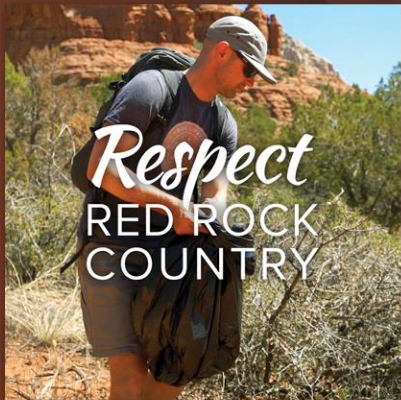
DEEPEN ENGAGEMENT WITH **SHORT-TERM RENTAL** SECTOR

GOAL: ENCOURAGE POSITIVE VISITOR BEHAVIOR

- ✓ GEOFENCING
- ✓ IN-ROOM VIDEOS
- ✓ OFFICIAL UPTOWN VISITOR CENTER
- ✓ CONCIERGE CONNECTION
- ✓ AOT RURAL CO-OP PROGRAMS
- ✓ OHV AND TREAD LIGHTLY! VISITOR EDUCATION
- ✓ SEDONA CARES PLEDGE

GEOFENCING

IN-MARKET VISITOR EDUCATION



✓ Q1 **ACCOMPLISHMENTS**

- RespectRedRockCountry.com created
- Banner ads have been created, approved and added to RespectRedRockCountry.com web page
- Blogs created for Respect Red Rock Country
- Launched: October 2022 to address Sedona's busier timeframe
- Runs through June 2023

UPCOMING: Regular monitoring and optimizing as needed

IN-ROOM VIDEOS

IN-MARKET VISITOR EDUCATION

ACTIVITY KPI:

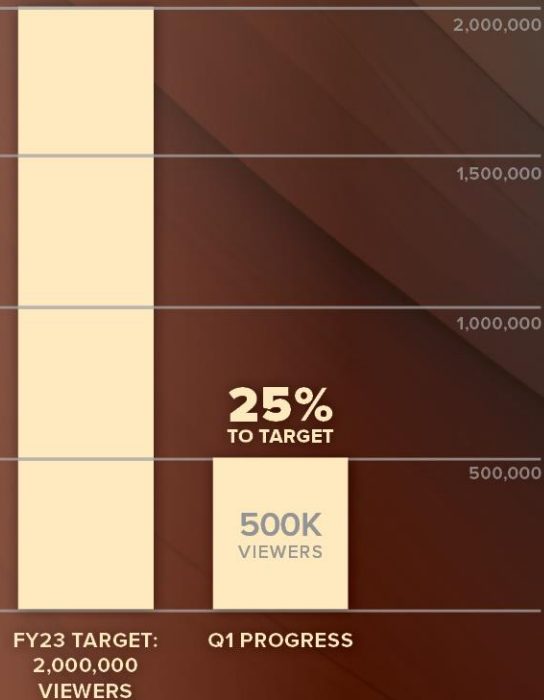
Number of viewers:
target 2,000,000/year

✓ Q1 ACCOMPLISHMENTS

IN-ROOM VIDEOS AIRING

- Visitor Center
- Respect Red Rock Country
- Leave No Trace
- Navigating Roundabouts
- Bicycle Etiquette

UPCOMING: Implement in smaller lodging properties and short-term rentals vis Smart TVs and Red Rock TV program



OFFICIAL UPTOWN VISITOR CENTER

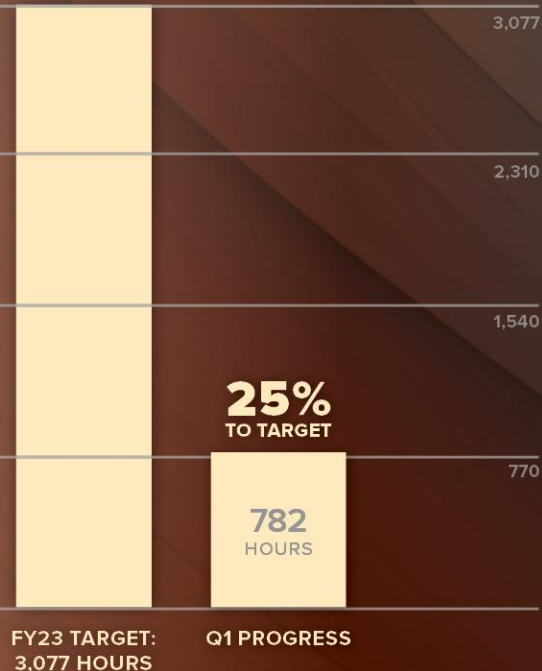
IN-MARKET VISITOR EDUCATION

ACTIVITY KPI:

Manage Visitor Center 7 days/
week, 59.5 hours: target 3,077

✓ Q1 ACCOMPLISHMENTS

- Provided useful maps and information including Sedona's Secret 7 to help disperse visitors to less traveled areas
- Educated visitors on Leave No Trace principles and voluntourism opportunities in the area
- Sedona Cares sign-ups at the visitor center average 20 per week
- Visitor center coordinated 3 volunteer familiarization tours (FAM), however one was canceled due to weather



OFFICIAL UPTOWN VISITOR CENTER

IN-MARKET VISITOR EDUCATION

ACTIVITY KPI:

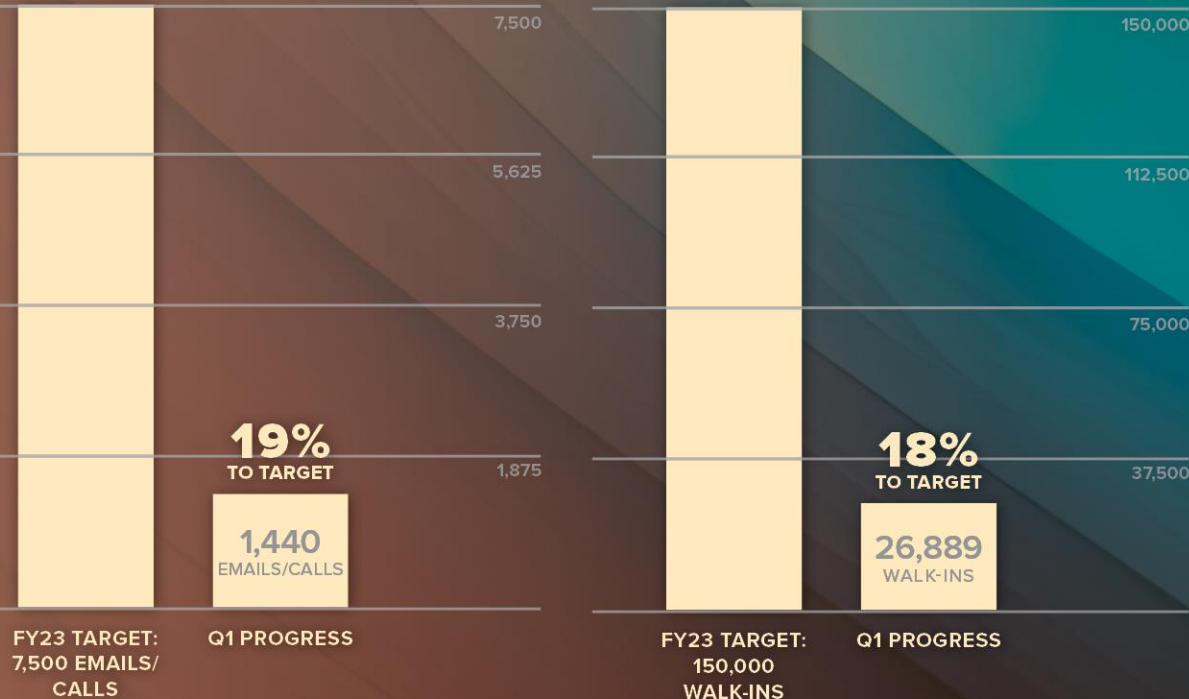
Manage and assist visitor inquiries via phone/email: target 7,500

ACTIVITY KPI:

Manage and assist walk-ins: target 150,000

✓ Q1 ACCOMPLISHMENTS

- Visitor center provides a one-stop physical location to connect in-market visitors to destinations, businesses and services in the Sedona area
- As many as 500 visitors assisted per day
- While managing the second busiest visitor center in the state, the visitor center is additionally managing inquiries by phone and email of approximately 110 per week



OFFICIAL UPTOWN VISITOR CENTER

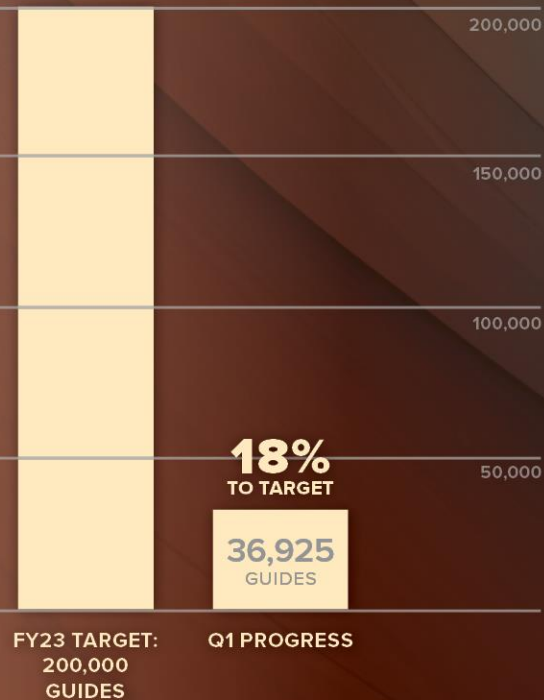
IN-MARKET VISITOR EDUCATION

ACTIVITY KPI:

Distribute printed ESG:
target 200,000

✓ Q1 ACCOMPLISHMENTS

- 2022-2023 Experience Sedona Guides (ESG) completed and printed
- 200,000 versus 250,000 quantity printed
- Continue to leverage this important guide for visitor education



OFFICIAL UPTOWN VISITOR CENTER

IN-MARKET VISITOR EDUCATION

✓ Q1 ACCOMPLISHMENTS

- Maintaining high visitor satisfaction ratings even with added challenges of small volunteer staff and high walk-in rate at the visitor center



David Wilson
88 reviews



★★★★★ a month ago

While visiting there they gave me a lot of valuable information. It made my trip a lot more pleasant and memories were created for my first time out there. Have a blessed day.



Lindsey Thompson
9 reviews · 4 photos



★★★★★ a month ago

This is a place any new visitor should stop before hiking and exploring the Sedona area. Valuable information was given to us about hiking areas, how the parking works, and general recommendations on the area to make the most of our trip. Don't forget to play with the interactive art outside after visiting!

CONCIERGE CONNECTION

IN-MARKET VISITOR EDUCATION

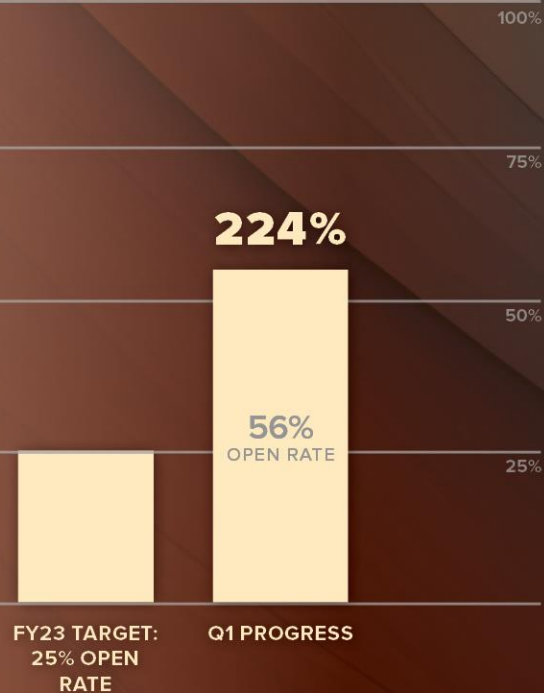
ACTIVITY KPI:

Ensure high open rate on Frontliner e-Newsletter: target 25%

✓ Q1 ACCOMPLISHMENTS

- Ongoing delivery to concierge of sustainability collateral, including Sedona Shuttle, Leave No Trace, Tread Lightly and Sedona Secret 7
- Continue building Frontliner e-Newsletter subscriber list

UPCOMING: Assess collateral needs



SEDONA CARES PLEDGE

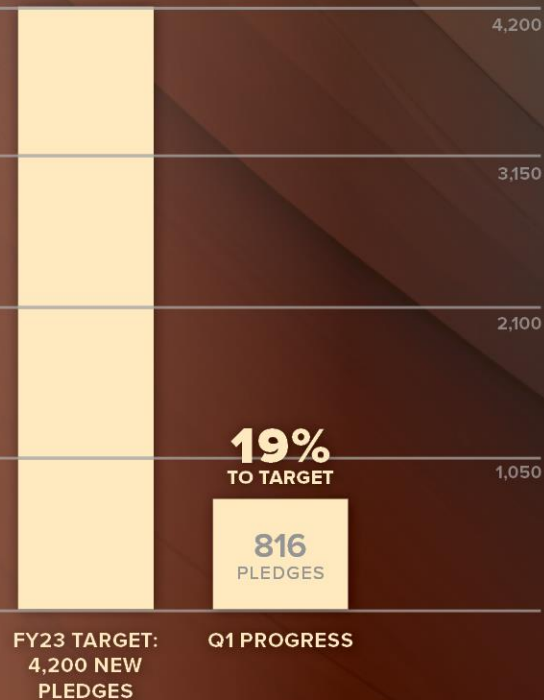
IN-MARKET VISITOR EDUCATION

ACTIVITY KPI:

Number of new pledges taken:
target 4,200

✓ Q1 ACCOMPLISHMENTS

- Added Sedona Cares Pledge to the visitor center registration form
- Visitor center front door displays Sedona Cares Pledge messaging and QR code for instant sign up
- Pledge info is included in the geofencing messaging to further encourage sign up
- Social media channels are being leveraged to push the Sedona Cares Pledge to residents, businesses and visitors



AOT RURAL CO-OP PROGRAMS

SEDONA TRAVEL INTENDERS

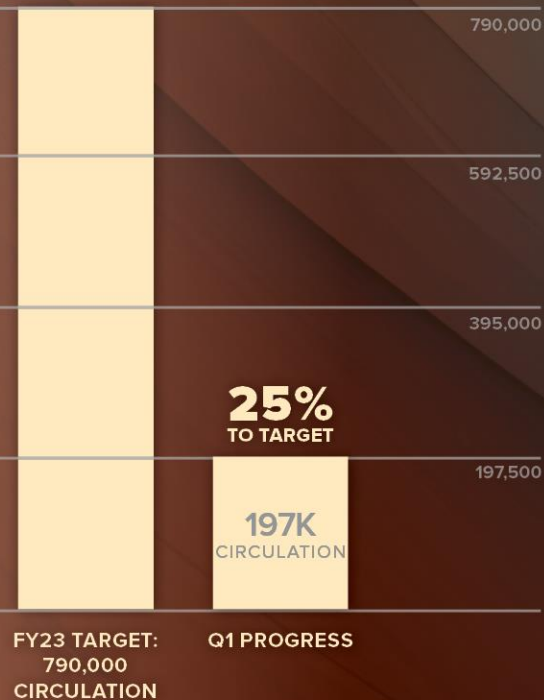
ACTIVITY KPI:

Total publication circulation:
target 790,000

✓ Q1 ACCOMPLISHMENTS

ADVERTISEMENTS EMBODYING THE SUSTAINABLE TOURISM MESSAGE HAVE BEEN PLACED

- Arizona State Visitors Guide
- Phoenix Visitor Guide
- Tucson Official Travel Guide
- Grand Canyon Journal
- Pride Guide



AOT RURAL CO-OP PROGRAMS

SEDONA TRAVEL INTENDERS



Sedona Ignites All Five Senses.
Six if You Count Your
Sense of Responsibility.

 **GSTC**
MEMBER

 **LEAVE
NO TRACE**
Proud Partner

 **RECREATE
RESPONSIBLY**

ARIZONA
GRAND CANYON STATE
[ExploreMoreAZ.com](https://exploreMoreAZ.com)

SEDONA
CHAMBER OF COMMERCE
& TOURISM BUREAU

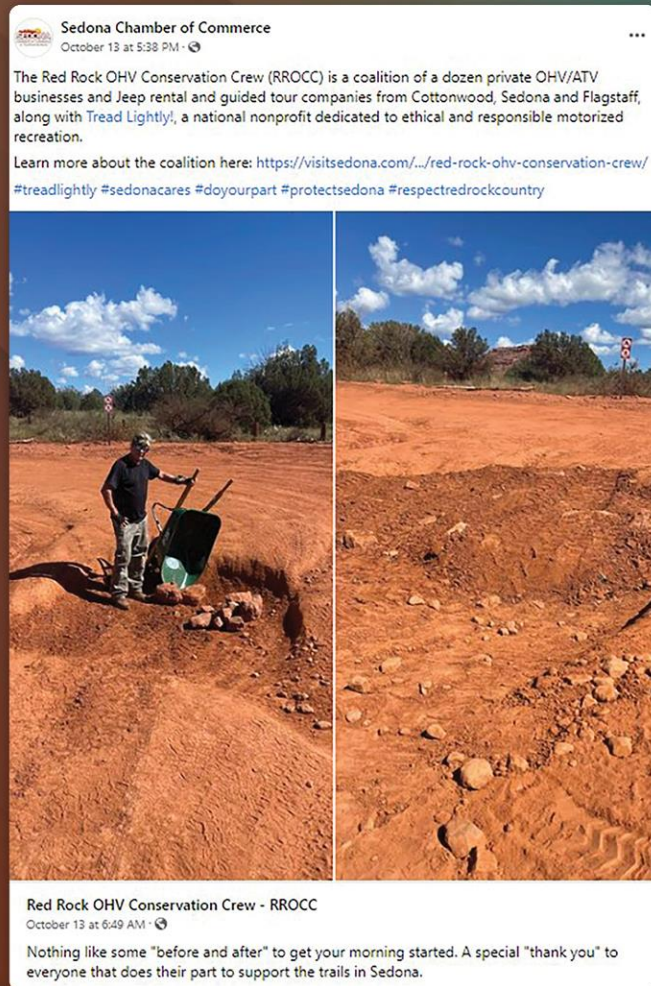
 **SEDONA
CARES**

Sedona, Arizona is a place of unspoiled, spiritual wonder. To ensure Sedona's sustainability for generations to come, we place a great deal of emphasis on the importance of preserving our unique landscape. Together, we can ensure the soul of Sedona is preserved, and that her beauty continues to stir the soul of all who visit.

Make Your
Promise at  **SedonaCares.com**

OHV/TREAD LIGHTLY VISITOR EDUCATION

SEDONA TRAVEL INTENDERS



✓ Q1 ACCOMPLISHMENTS

- Social media posts on Chamber platforms sharing updates made by Red Rock OHV Conservation Crew (RROCC) and Tread Lightly
- Hosted Tread Lightly at Community Pulse event in which they were featured on multiple landing pages on Sedona Chamber websites and events calendar
- Ongoing generation of RROCC and Tread Lightly content being created for our channels

GOAL: LESSEN DENSITY OF VISITORS AT BUSY LOCATIONS



SEDONA'S SECRET 7

SEDONA'S SECRET 7

DIVERSIFY TRAIL USAGE

ACTIVITY KPI:

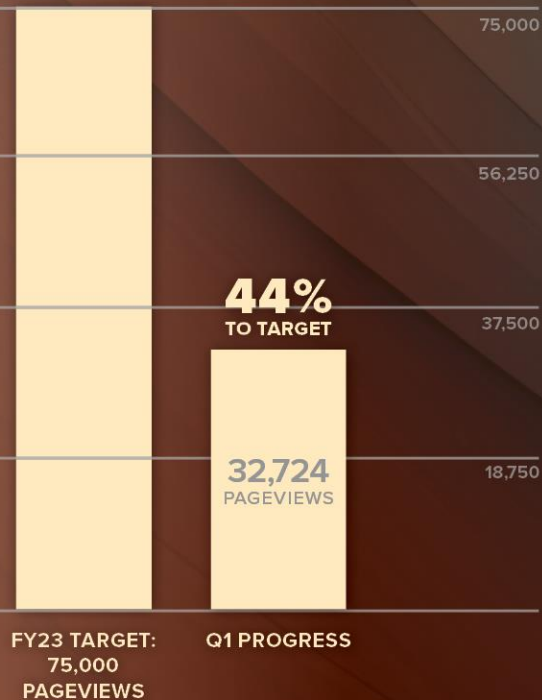
SedonaSecret7.com pageviews:
target 75,000

✓ Q1 ACCOMPLISHMENTS

- Concierge and front desk staff enjoy offering guests less traveled options
- Visitor center volunteers have done a good job of presenting these opportunities to visit 'like a local'
- Ongoing social media posts highlighting Sedona's Secret 7 continue to be added
- Regular inclusion in consumer e-Newsletter to 160,000+ opted-in subscribers

UPCOMING: Brochure revision and printing

UPCOMING: “Did You Know” **new program** that helps us share insight into Arts/Culture and Wellness



GOAL: ASSIST IN PRESERVING SEDONA'S NATURAL RESOURCES

- ✓ LEAVE NO TRACE
- ✓ SUSTAINABILITY ALLIANCE
CERTIFICATION EXPANSION
- ✓ SEDONA TRAIL KEEPERS 2.0
- ✓ FLY FRIENDLY PROGRAM
- ✓ STP ENVIRONMENT PILLAR UPDATE

LEAVE NO TRACE

EXPAND SUSTAINABILITY COMMUNICATIONS AND ENCOURAGE ACTION

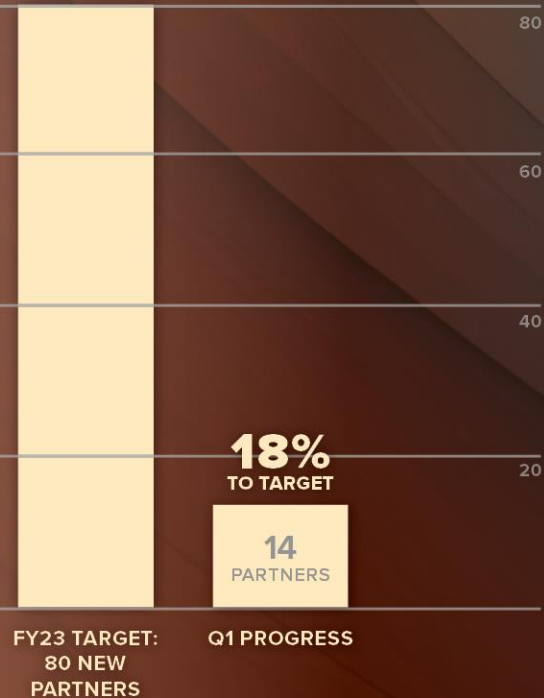
VISITOR COMMUNICATIONS AND PROUD SUPPORTER PROGRAM

ACTIVITY KPI:

SedonaLNTToolkit.com:
target 80

✓ Q1 ACCOMPLISHMENTS

- Significant communication of Leave No Trace (LNT) principles using multiple channels including geofencing, in-house videos, social media and consumer e-Newsletters
- Assisting multiple organizations in extending their reach on social media channels with LNT sustainable messaging



LEAVE NO TRACE

EXPAND SUSTAINABILITY COMMUNICATIONS AND ENCOURAGE ACTION

VOLUNTOURISM PROGRAM DEVELOPMENT

✓ Q1 **ACCOMPLISHMENTS**



- Meetings conducted with LNT which resulted in the preparation of a partner survey to further bolster new partnerships
- Preparation of stakeholder survey to further bolster action items and voluntourism opportunities using LNT guiding principles
- Research begun with LNT regarding a Sedona voluntourism plan where the Sedona Chamber of Commerce would take a leadership role

SUSTAINABILITY ALLIANCE CERTIFICATION EXPANSION

ENCOURAGE BUSINESS INCORPORATION OF SUSTAINABILITY OPERATIONS

✓ Q1 ACCOMPLISHMENTS

- Administrative changes to this partnership as the Sustainability Alliance has recently been absorbed into Verde Valley Regional Economic Organization (VVREO); public announcement made November 4, 2021
- Responsibilities are being evaluated and re-assigned through VVREO in Q2
- The Chamber has representation on the committee that will be assigned to partnership acquisition
- At end of Q1 there were 99 active partners; representing a loss of 6 partner businesses and does include members who are due for renewal:
 - 56 - Sedona
 - 11 - Village of Oak Creek
 - 14 - Cottonwood
 - Remaining spread throughout Sedona and Verde Valley as well as outside the area
- New businesses certified will be acknowledged in the monthly VVREO board report

SEDONA TRAIL KEEPERS 2.0

CONTINUE CONNECTING COMMUNITY STAKEHOLDERS TO CAUSE

ACTIVITY KPI:

Number of participating businesses:
target 50

✓ Q1 ACCOMPLISHMENTS

- Target of 50 participating businesses exceeded
- Sponsors are showcased on social media twice monthly
- Sedona Trail Keepers has seen over 3,100 volunteer hours over 49 public trail work events

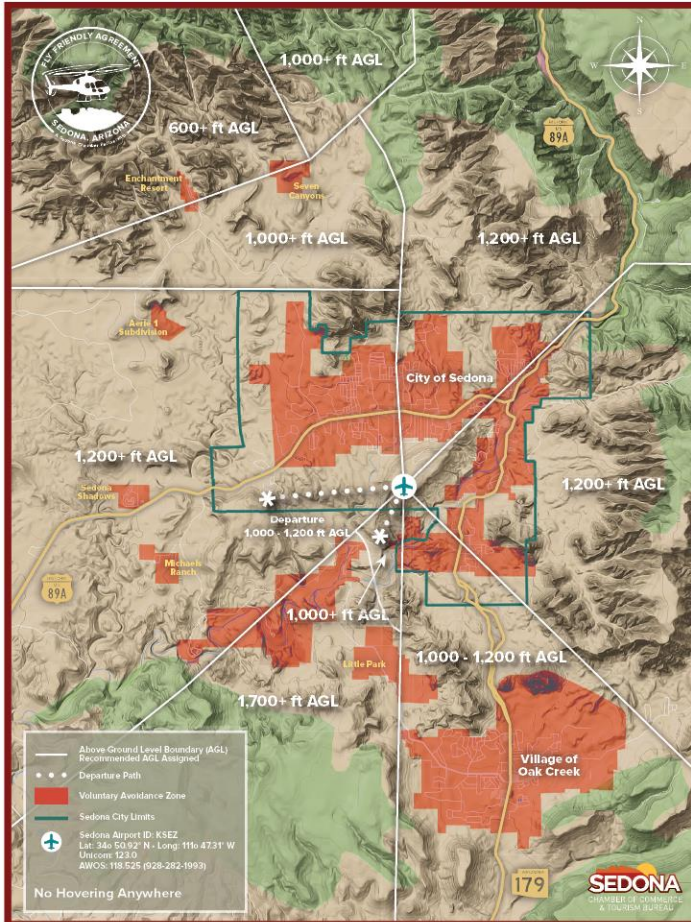


FLY FRIENDLY PROGRAM

CONTINUE CONNECTING COMMUNITY STAKEHOLDERS TO CAUSE

✓ Q1 ACCOMPLISHMENTS

- Continuing adherence to the program
- Presentations such as August 2022 Community Pulse Event



SUSTAINABILITY TOURISM PLAN

ENVIRONMENTAL PILLAR PROGRAMS PROGRESS

PROGRAMS

- **Voluntourism Programs**

– *Water*

- **Single Use Plastics**

- **Public Land Advocacy**

- **Dark Sky**

- **Eliminate Pesticides/
Herbicides**

✓ Q1 ACCOMPLISHMENTS

- Oak Creek Watershed Council has held 3 public cleanup events and has removed over 1,100 lbs of litter and waste
- KSB has appointed a trustee to focus on single use plastics and is developing a plan for moving forward on this tactic
- KSB is working hard on protecting public lands and has submitted information to Yavapai County emphasizing the imperative to protect public lands
- KSB has received a grant of \$10,000 to help in retro-fitting grandfathered businesses and residents with Dark Sky compliant lighting
- KSB continues to look for candidates committed to non-toxic pesticides to fill positions at Red Rock Enhancement Maintenance District

Sedona Sustainable Tourism Plan

Connecting Sedona visitors to
long-term destination sustainability



GOAL: MAINTAIN FUTURE ECONOMIC HEALTH

- ✓ GROUP/MEETING SALES
- ✓ TRAVEL TRADE INDUSTRY

GROUP/MEETING SALES

UNDERTAKE ECONOMIC VITALITY INITIATIVES

ACTIVITY KPI:

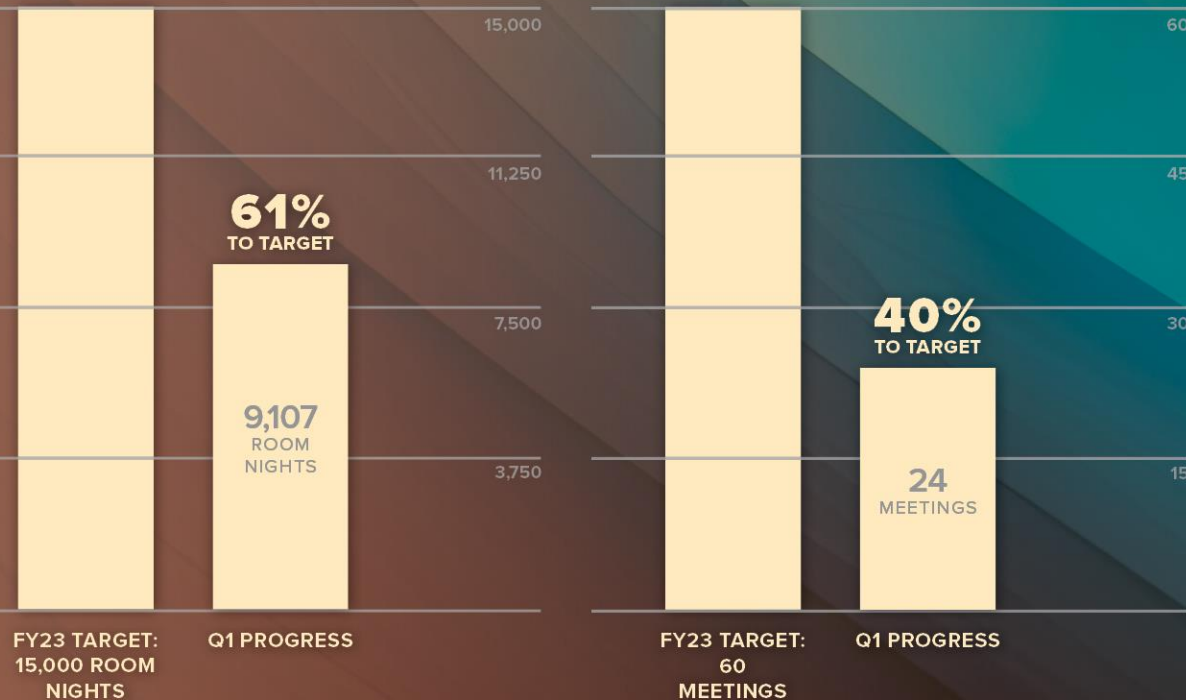
Generate leads for 15,000 room nights

ACTIVITY KPI:

Meet with 60 planners to generate midweek, off-peak season business

✓ Q1 ACCOMPLISHMENTS

- Attended Today Live West: 24 meeting planners at pre-scheduled appointments
- Group/Meeting quarterly e-Newsletter sent out to 3,069 subscribers (*open rate: 28.4%, click rate: 1.4%*)



GROUP/MEETING SALES

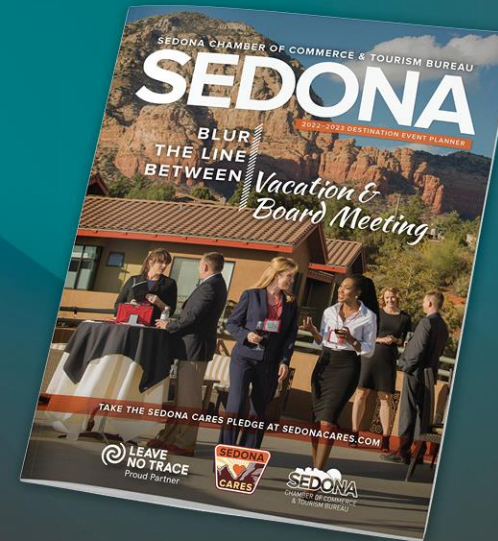
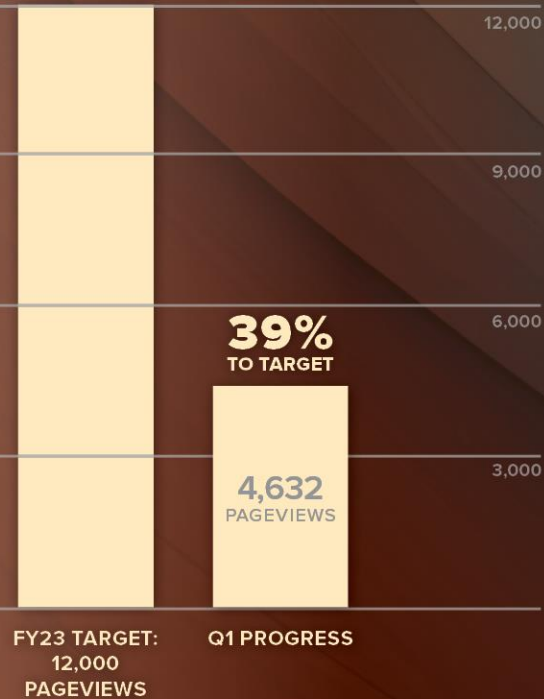
UNDERTAKE ECONOMIC VITALITY INITIATIVES

ACTIVITY KPI:

Generate 12,000 pageviews for Group/Meeting web pages and online DEP

✓ Q1 ACCOMPLISHMENTS

- 2022-2023 Sedona Destination Event Planner (DEP), a supplemental tool for Experience Sedona Guide designed for meeting planners was printed



TRAVEL TRADE INDUSTRY SALES

UNDERTAKE ECONOMIC VITALITY INITIATIVES

ACTIVITY KPI:

Generate 22 domestic and international hotel and service request leads

✓ Q1 ACCOMPLISHMENTS

- Travel Trade quarterly e-Newsletter sent out to 2,433 subscribers (*open rate: 45.1%, click rate: 1.5%*)
- FAM tour organized for a Belgian tour operator that is expanding Arizona products
- Site Visit organized for receptive operator that needed to experience their Sedona tour offerings and to meet with new Sedona service providers



TRAVEL TRADE INDUSTRY SALES

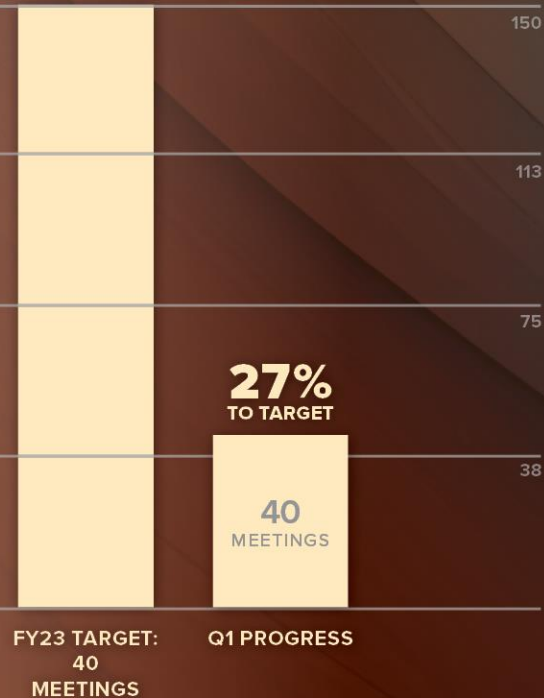
UNDERTAKE ECONOMIC VITALITY INITIATIVES

ACTIVITY KPI:

Meet with 40 Travel Trade professionals at tradeshow and other sales events

✓ Q1 ACCOMPLISHMENTS

- Attended Brand USA Travel Week: 130 buyers representing 12 countries and 127 exhibitors representing U.S. destinations/attractions gathered for appointments
- Connected with 40 product managers and tour operators whose clients often travel during Sedona's need times



Brand USA Travel Week



NTA Travel Exchange

TRAVEL TRADE INDUSTRY SALES

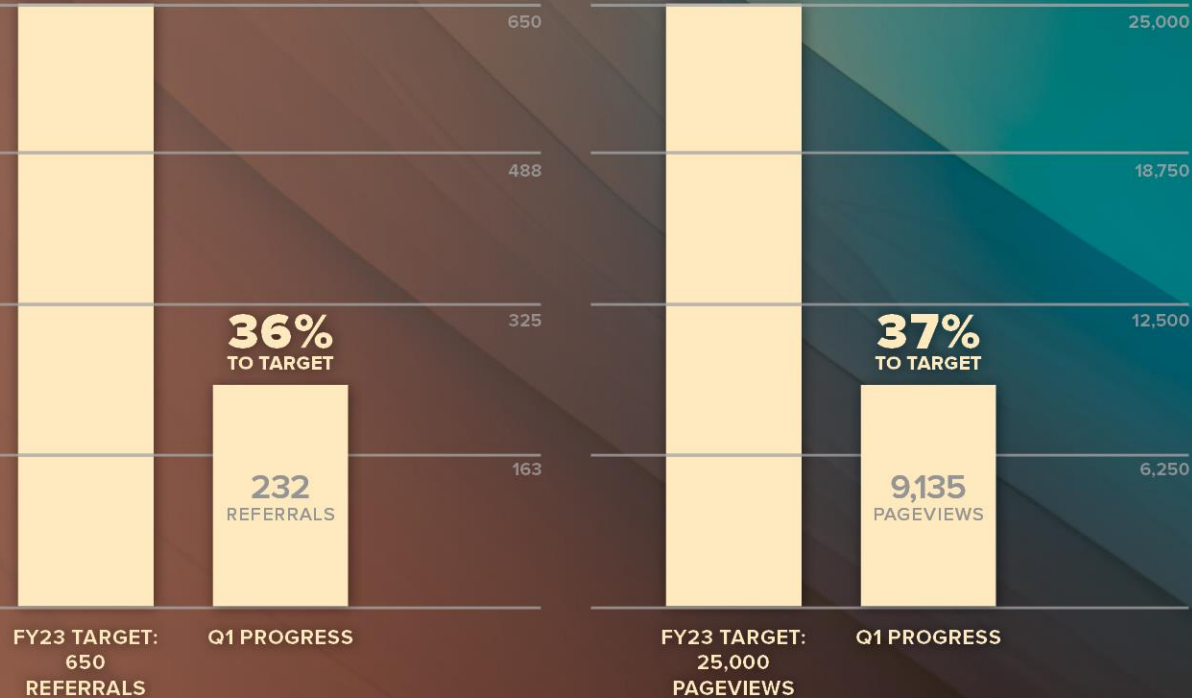
UNDERTAKE ECONOMIC VITALITY INITIATIVES

ACTIVITY KPI:

Produce 650 service request referrals for Sedona partners

ACTIVITY KPI:

Generate 25,000 pageviews for travel trade web pages on VisitSedona.com



Arizona Office of Tourism France Travel Trade FAM

GOAL: EASE NEIGHBORHOOD BURDENS AND SUPPORT WORKFORCE

- ✓ SEDONASHUTTLE.COM
- ✓ VERDESHUTTLE.COM

TRANSIT MARKETING PLAN

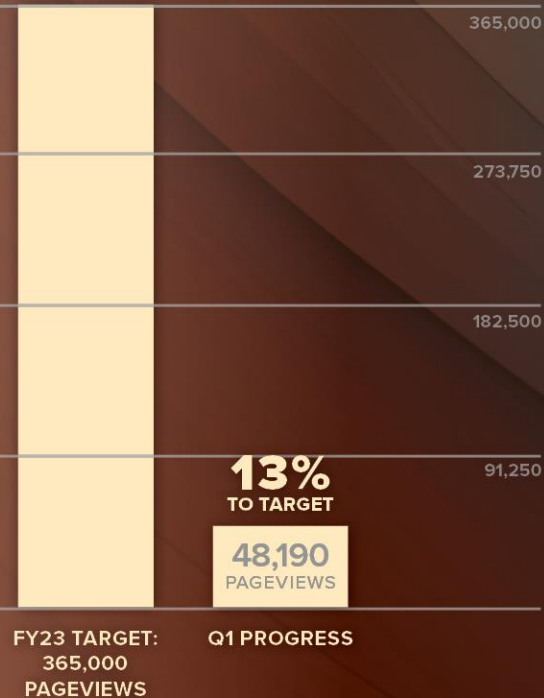
BUILD SUPPORT FOR TRANSIT UTILIZATION - SEDONA SHUTTLE

ACTIVITY KPI:

SedonaShuttle.com pageviews:
target 365,000

✓ Q1 ACCOMPLISHMENTS

- Multiple email campaigns with toolkit links, including the Sedona Chamber Business Bulletin e-Newsletter
- Shuttle toolkit added to SedonaChamber.com
- Worked with committee including Red Rock Trail Fund and USFS to develop alternate trail maps for kiosk displays at shuttle Park & Rides
- Sedona Shuttle e-Newsletter sent out to 780 subscribers (*open rate: 57%, click rate: 2%*)
- Updated and printed passenger information and promotional materials



TRANSIT MARKETING PLAN

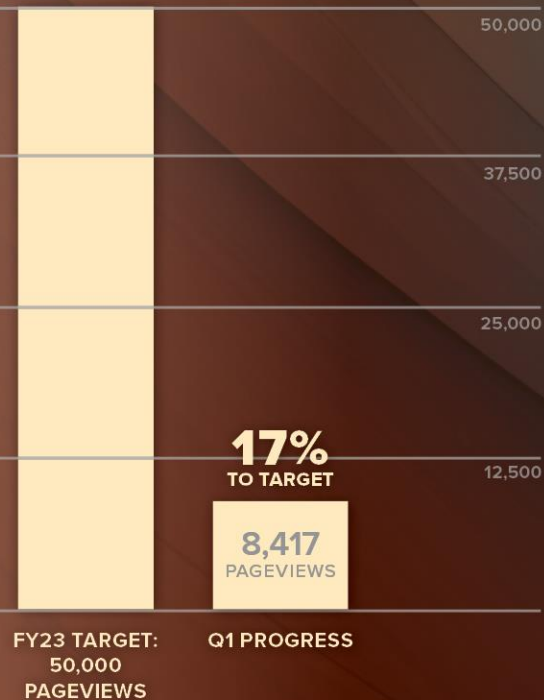
BUILD SUPPORT FOR TRANSIT UTILIZATION - VERDE SHUTTLE

ACTIVITY KPI:

VerdeShuttle.com pageviews:
target 50,000

✓ Q1 ACCOMPLISHMENTS

- Communicated reinstatement of evening service
- Updated passenger information for route and schedule changes
- News release for service change implemented
- Revisions to website to reflect temporary new schedule
- Updated employer toolkit - service change, removed face mask
- Initiated update of video
- Ridership has grown significantly - averaging 185 riders per day
- Implementation of messaging across Chamber e-Newsletters and social media channels



GOAL: DEEPEN ENGAGEMENT WITH SHORT-TERM RENTAL SECTOR



SHORT-TERM RENTAL PROGRAM

SHORT-TERM RENTALS

ENGAGE SHORT-TERM RENTAL PROPERTY MANAGERS AND OWNERS

✓ Q1 ACCOMPLISHMENTS

- Research conducted for discovery of how best to engage short-term rental (STR) sector
- We are working with city of Sedona to further discover
 - Smaller prospective partners
 - Opportunities to better engage STR owners and/or managers with programs and community
 - Engage the community with STR owners and/or managers
 - Larger management companies have expressed interest in programs to work within the community

UPCOMING: We will be further exploring with the city of Sedona how a partnership looks and works to continue to educate and give voice to both the market segment and the community

UPCOMING: Leveraging benefits of joining Key Data research platform to recruit STRs

FOUNDATIONAL ASSETS

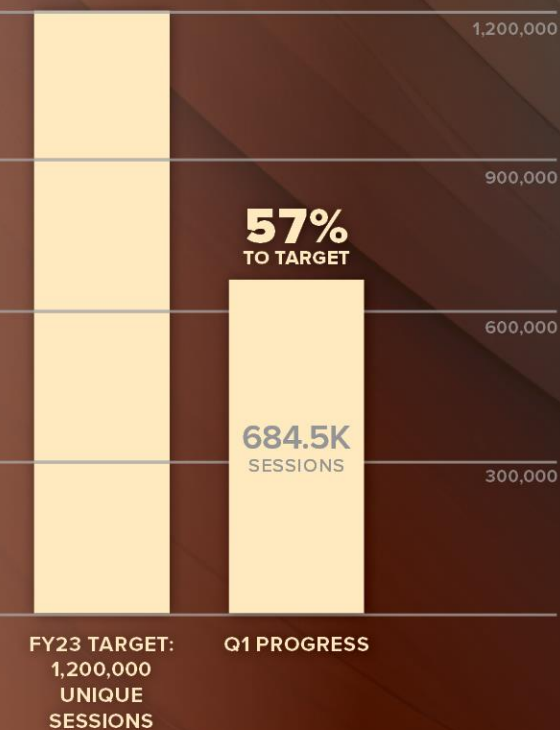
- ✓ GENERATE UNIQUE VISITORS/SESSIONS TO VISITSEDONA.COM
- ✓ ENSURE POSITIVE OPEN RATE ON MONTHLY CONSUMER E-NEWSLETTER
- ✓ INCREASE TOTAL NUMBER OF SOCIAL MEDIA FOLLOWERS

FOUNDATIONAL ASSETS

VISITSEDONA.COM

ACTIVITY KPI:

Generate 1,200,000 unique visitors/
sessions to VisitSedona.com



SEDONA CARES PLEDGE

To assure Sedona's sustainability as a natural, spiritual wonder for generations to come, we invite you to join our culture of respectful care for our environment and way of life. Please take the Pledge.

[TAKE THE PLEDGE](#)



SEDONA SECRET 7

To experience the Sedona trails that only the locals know, you need the right guide. The Sedona Secret 7 reveals some of our more secluded spots just waiting to be explored.

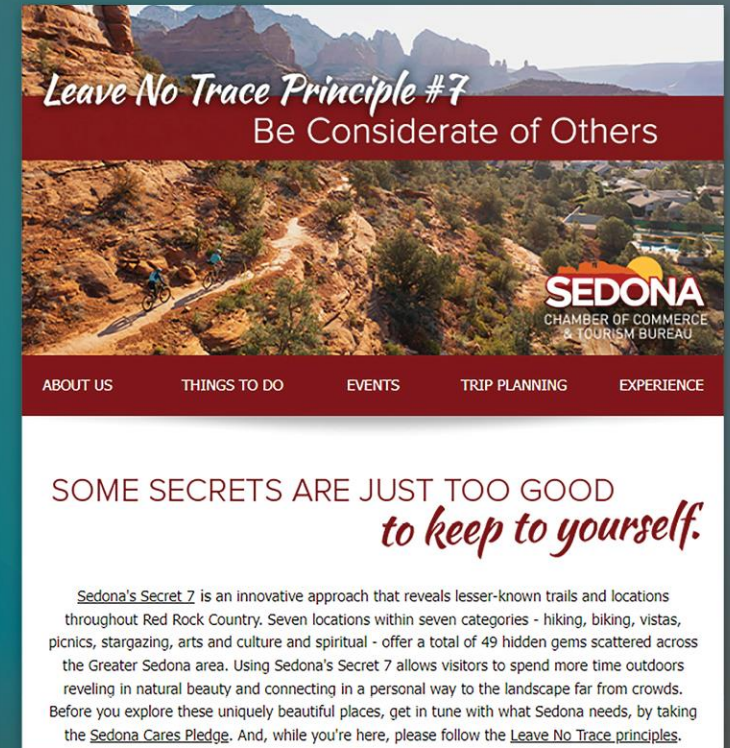
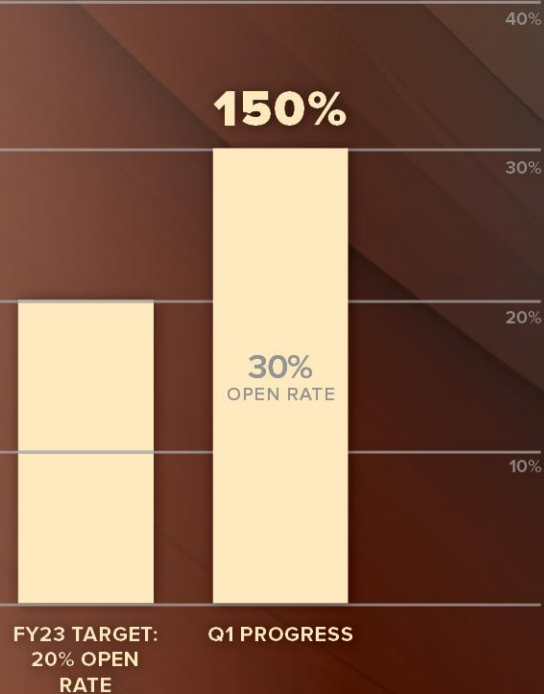
[EXPLORE NOW](#)

FOUNDATIONAL ASSETS

CONSUMER E-NEWSLETTER

ACTIVITY KPI:

Ensure a minimum of 20% open rate on monthly consumer e-Newsletter

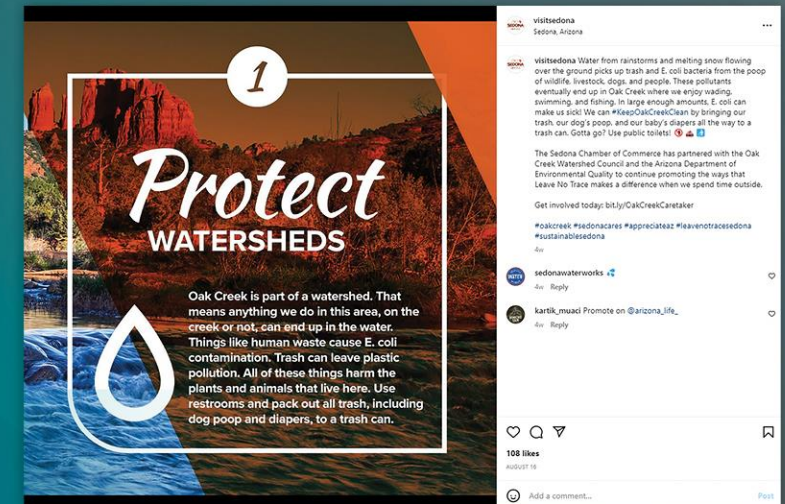
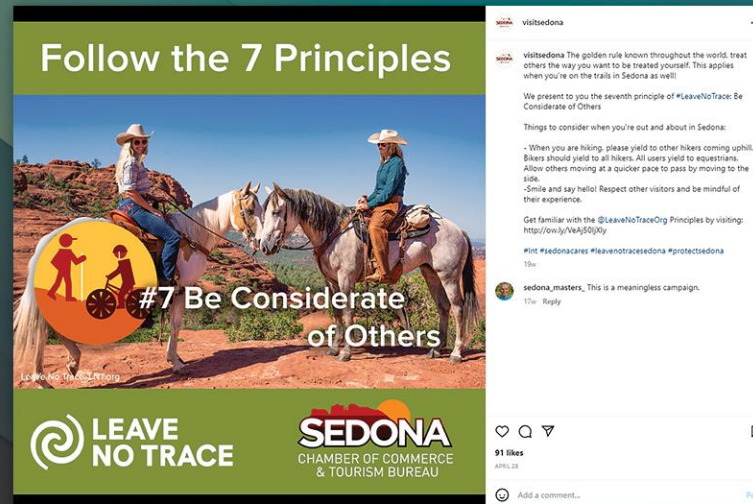
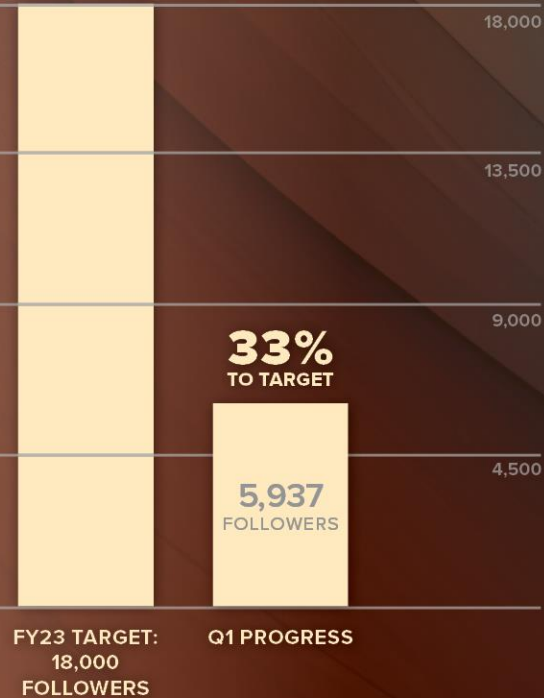


FOUNDATIONAL ASSETS

SOCIAL MEDIA

ACTIVITY KPI:

Increase total number of social media followers by 18,000



HOW DOES TOURISM IMPACT OUR ECONOMIC WELL-BEING?

- ✓ ONE OF THE STATE'S LARGEST INDUSTRIES
- ✓ BASE SECTOR, MEANING MONEY COMES TO AZ
- ✓ CAN HELP TO STABILIZE THE BUSINESS CYCLE
- ✓ NEEDS INVESTMENT

MAJOR ECONOMIC CONTRIBUTORS/STABILIZERS

2021 ARIZONA TOURISM DIRECT TRAVEL ECONOMIC IMPACTS



TRAVEL SPENDING

+58.3% Year-over-Year
\$23.6 Billion Total



JOBS

+6.7% Year-over-Year
167,000 Total



TAX REVENUES

+28.4% Year-over-Year
\$3.4 Billion Total

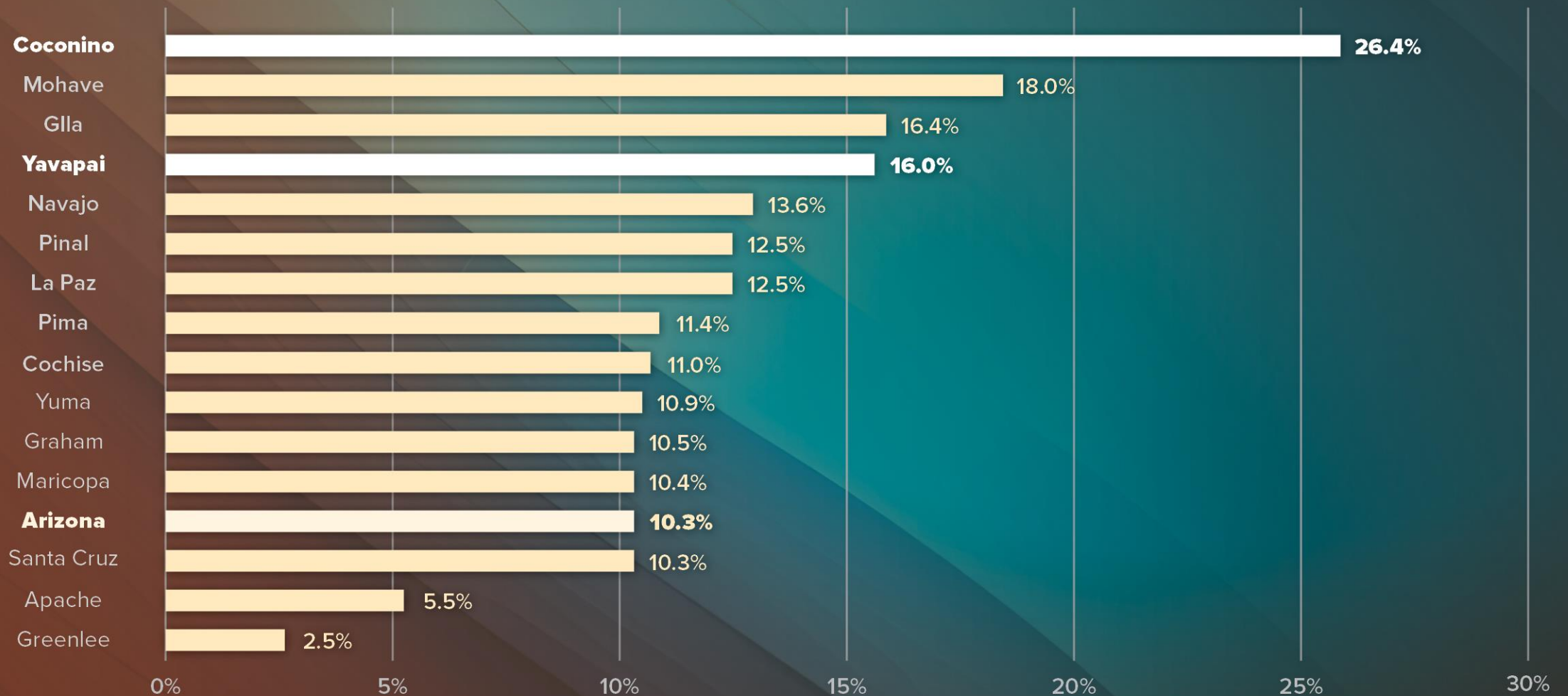


TRAVEL EARNINGS

+8.8% Year-over-Year
\$6.8 Billion Total

TOURISM INDUSTRY IS CRITICAL TO RURAL ARIZONA

TOURISM EMPLOYMENT BY COUNTY



SEDONA'S TOURISM INDUSTRY

Tourism is a
 **\$1B**
Industry in Sedona

Visitors Generate
 **77%** =  **\$32M**
of the City's Sales and Bed Tax Revenues in Local Tax Dollars (FY22)



Tourism Supports Over
 **10,000** Jobs in Sedona

Sedona Tourism Generates Over
 **\$240** Million in Wages

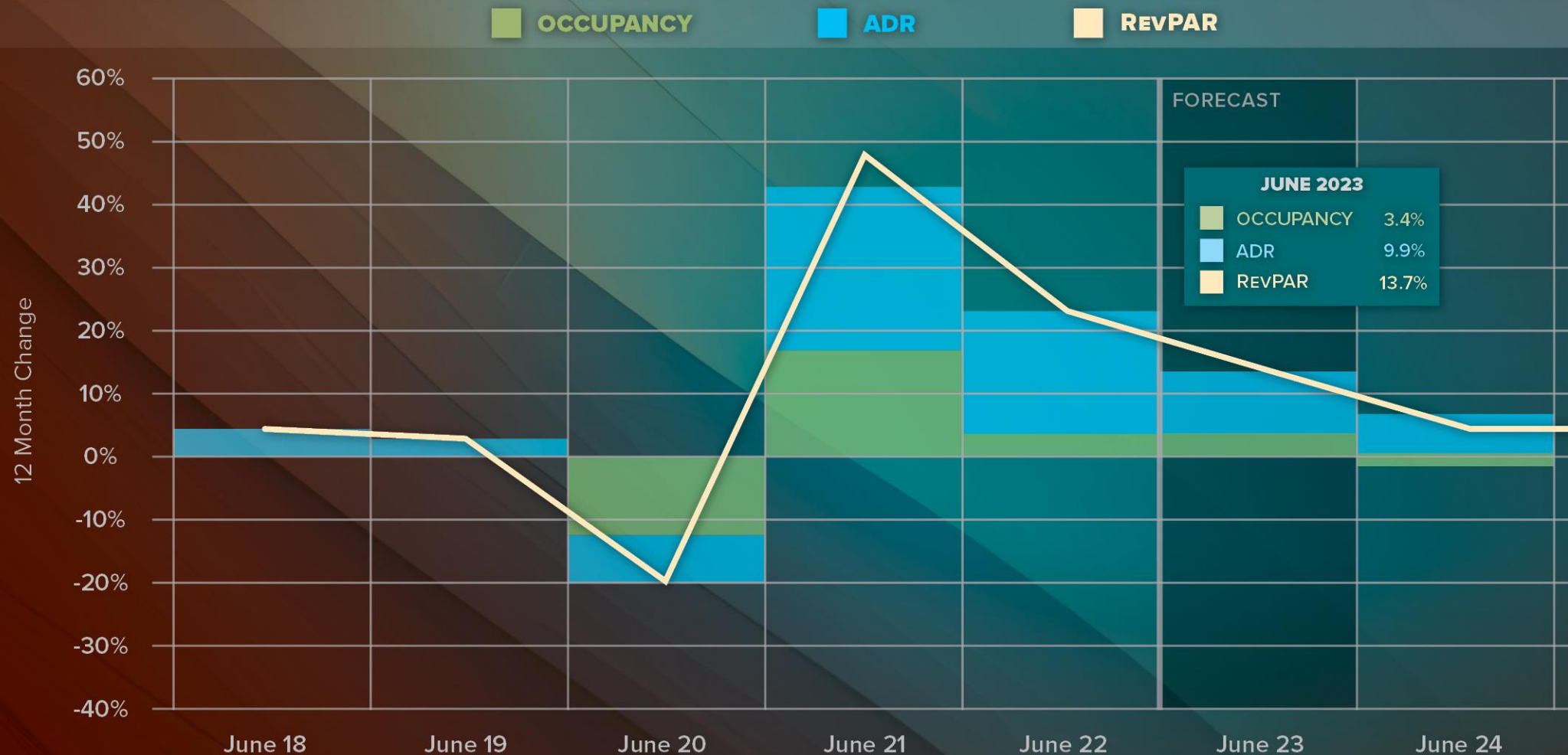
NATIONAL TRAVEL FORECAST

U.S. TRAVEL FORECAST - SPENDING % OF 2019 LEVELS (ADJUSTED FOR INFLATION)

	ACTUAL			FORECAST				
	2019	2020	2021	2022	2023	2024	2025	2026
Total Travel Spending	100%	62%	76%	90%	98%	103%	106%	107%
Business	100%	33%	40%	73%	88%	94%	94%	93%
Leisure	100%	72%	88%	95%	101%	106%	110%	112%
Domestic	100%	69%	85%	95%	102%	105%	106%	107%
Leisure	100%	82%	101%	103%	106%	108%	110%	111%
Business	100%	34%	43%	74%	91%	95%	95%	94%
Transient	100%	40%	51%	79%	93%	96%	96%	96%
Group	100%	26%	31%	68%	87%	93%	93%	92%
International	100%	22%	22%	60%	78%	93%	103%	109%
Leisure	100%	23%	23%	60%	80%	95%	107%	115%
Business	100%	22%	19%	61%	72%	84%	85%	85%
Transient	100%	22%	19%	67%	76%	87%	88%	86%
Group	100%	20%	19%	50%	66%	80%	80%	84%

REGIONAL TRAVEL FORECAST

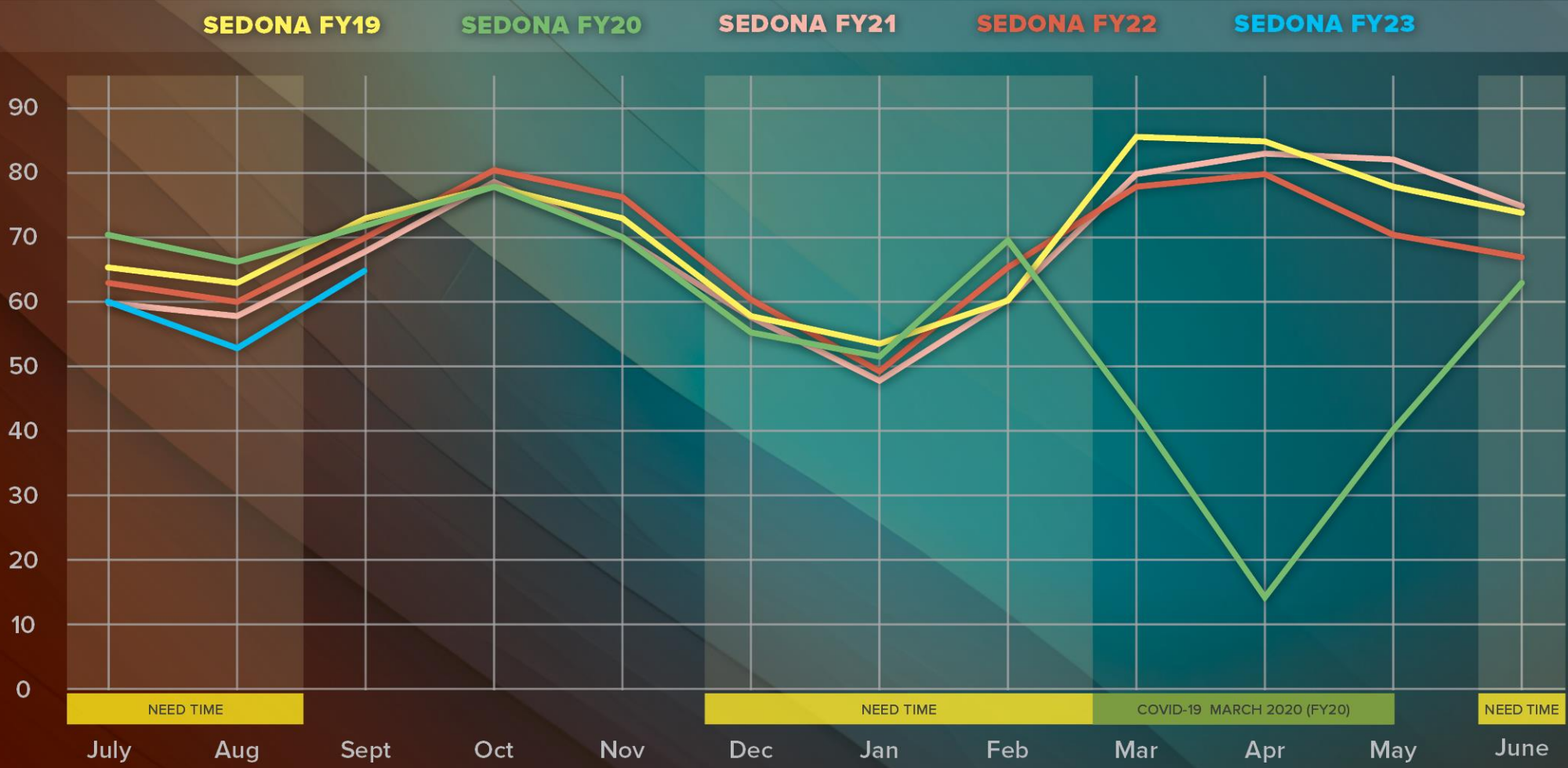
PRESCOTT AND SEDONA RevPAR GROWTH DRIVEN PRIMARILY FROM ADR



Source: Smith Travel Research

SEDONA AREA TRADITIONAL LODGING PERFORMANCE

OCCUPANCY % COMPARISON FY23 YTD (JULY – SEPTEMBER 2022)



Source: Smith Travel Research

SEDONA AREA TRADITIONAL LODGING PERFORMANCE

2021 AND 2022 ADR % CHANGE FROM 2019 LEVELS



SEDONA AREA TRADITIONAL LODGING PERFORMANCE

REVENUE PER AVAILABLE ROOM (RevPAR)

FY22 v FY19	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
	2021 v 2018	2021 v 2018	2021 v 2018	2021 v 2018	2021 v 2018	2021 v 2018	2022 v 2019	2022 v 2019	2022 v 2019	2022 v 2019	2022 v 2019	2022 v 2019	2022 v 2019
	32.8%	34.1%	37.8%	55.2%	53.7%	42.8%	29.1%	66.2%	42.8%	48.0%	35.0%	31.3%	43.2%

FY23 v FY19	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
	2022 v 2018	2022 v 2018	2022 v 2018	2022 v 2018	2022 v 2018	2022 v 2018	2023 v 2019	2023 v 2019	2023 v 2019	2023 v 2019	2023 v 2019	2023 v 2019	2023 v 2019
	23.5%	10.0%	24.4%										19.9%

NEED TIME

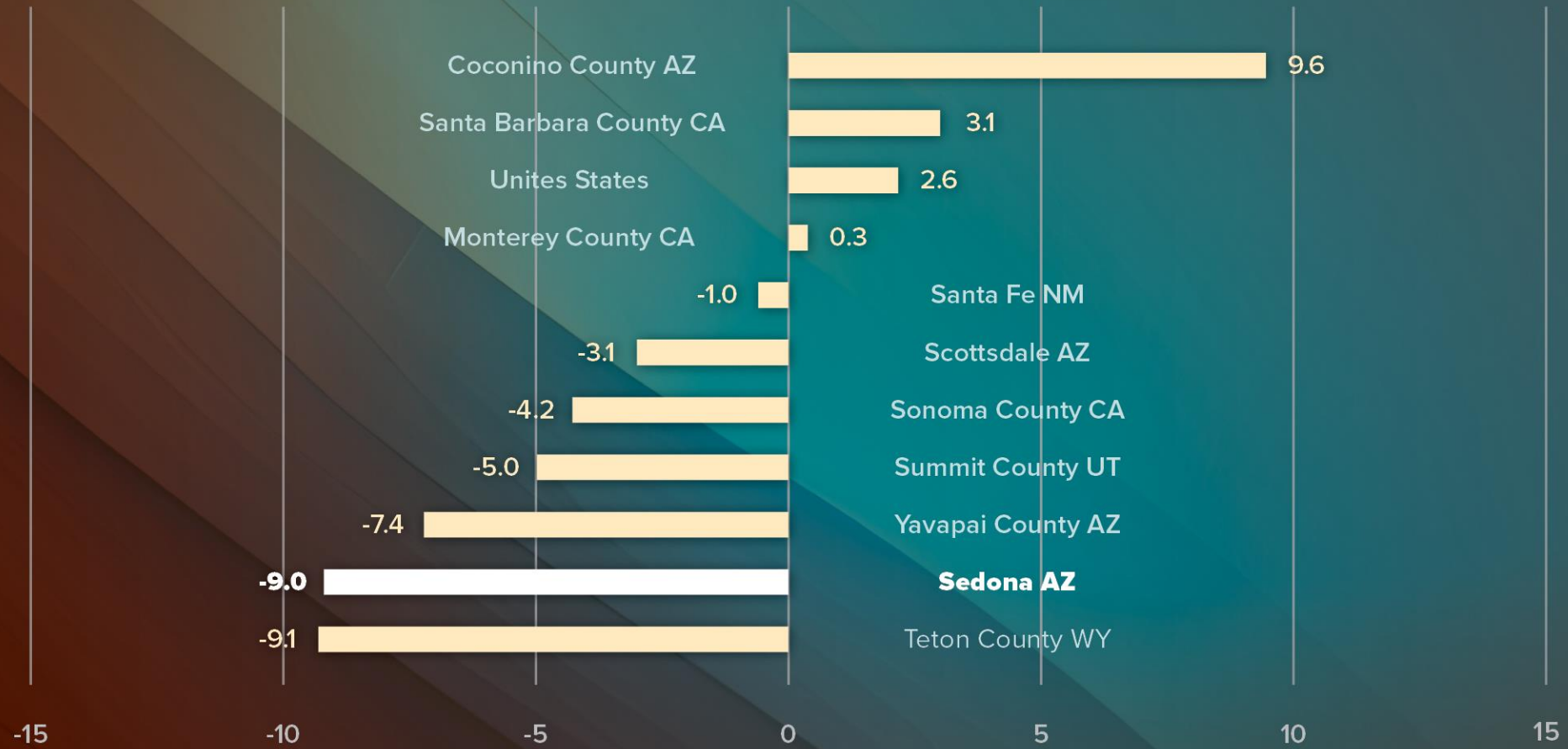
NEED TIME

NEED TIME



COMPETITIVE DESTINATIONS

FY23 OCCUPANCY % CHANGE FROM FY22





SANTA BARBARA

RETREAT & RESTORE WITH 25% OFF IN SANTA BARBARA

Retreat to one of the most tranquil seaside destinations along the California Coast this fall and winter. When you book by Oct. 30, 2022, you'll receive 25% off your overnight accommodations for trips November 2022 through February 2023. Whether it be a weekday, weekend or *weeklong* stay in Santa Barbara, a well-deserved restorative vacation is calling your name.

COMPETITIVE DESTINATIONS

EXAMPLE ADVERTISING FROM SEDONA'S COMPETITORS

**Visit Jackson Hole**
Sponsored
ID: 3263653793895716

Sneaking in a few more bike rides before the fall weather completely gives way to winter? Remember to ride only on designated trails. Biking off-trail destroys vegetation and encourages erosion. Stay on designated bike trails so Jackson Hole can #StayWild



**Experience Scottsdale**
Sponsored
ID: 1986342141564893

The latest additions to Scottsdale's culinary gems continue to cement the city as a foodie destination. Here are six of Scottsdale's best new(ish) restaurants:

[@noburestaurants](#)
[@the_americano_restaurant...](#)



**Visit Santa Fe, New Mexico**
Sponsored
ID: 628481192107599

Find and lose yourself all at once.

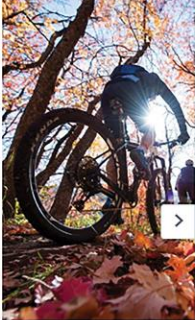


SANTAFE.ORG
Uncover your different.
Book a trip.

[Learn more](#)

**Visit Park City**
Sponsored
ID: 394648619537163

Whether wowed by boundless adventures or a charming downtown, when you love Park City like we do, you're on the right trail.



VISITPARKCITY.COM
450 miles of trails.
Visit With Care

[Book Now](#)

VISITPARKCITY.COM
Gold-Level Riding.
Visit With Care

Visit With Care

CITY REPORTS

QUARTERLY SCHEDULE

CITY REPORT #	ACTIVITY/RESULTS PERIOD	CITY REPORT DUE TO CITY
CITY REPORT 1	Q1: JULY - SEPTEMBER	OCTOBER 31
CITY REPORT 2	Q2: OCTOBER - DECEMBER	JANUARY 31
CITY REPORT 3	Q3: JANUARY - MARCH	APRIL 30
CITY REPORT 4	Q4: APRIL - JUNE	JULY 31

Thank You!



SedonaChamber.com | VisitSedona.com

DMO Organizational Structures

Insights into the structural orientation of Destination Management Organizations (DMOs) around the country can be gained by investigating findings from Destinations International (DI), the main U.S. travel trade association for DMOs. DI is also the association who provided the SCC&TB's accreditation as an official DMO through the intensive DMAP process. In their Organizational Performance Report, they identify trends by the budget range of the DMO. The following information relates to organizations with budgets in 3 ranges: \$500,000 to \$1,500,000, \$1,500,001 to \$300,000,000 and \$300,000,001 to \$5,000,000. It should be noted that while DI has a wide range of memberships from around the country, smaller destinations with limited budgets are less likely to be represented in their reporting processes.

Organizational Structure

The vast majority of DMOs (87-97%) are structured as a standalone private or public sector non-profit, with over 90% of these non-profits registered as a 501c (6) entities. A small number (2-5%) are positioned as an agency within a city or county entity. It should be noted that while DI represents a wide range of membership organizations from around the county, smaller destinations with limited budgets (and more likely to be an agency within government) less frequently invest in membership and thus are less likely to be represented in their reporting processes. Very few of the entities were positioned solely as a Chamber of Commerce.

Organizational Structure	\$500,001 to \$1,500,000	\$1,500,001 to \$300,000,000	\$3,000,001 to \$5,000,000
Chamber of Commerce	-	1%	-
State/Regional/Provincial Government Agency	-	-	-
City/County Government Agency	2%	5%	4%
Private/Public Sector Non-Profit	97%	93%	87%
Corporation/LLC/Joint Venture	-	-	2%
Other	1%	1%	7%

Contracting Process

The process for contracting with these entities varied with only 14- 24% going through a formal RFP process. The largest percentage (50-68%) were contracted directly with the Government Authority and 18-28% operated with no contract with the primary funding source (often these could be entities with direct funding from some form of a Tourism Improvement District.)

Process Used to Award Destination Contracts	\$500,001 to \$1,500,000	\$1,500,001 to \$300,000,000	\$3,000,001 to \$5,000,000
Request For Proposal (RFP)	24%	14%	17%
Government Authority (No RFP)	50%	68%	55%
No contract with primary funding source	26%	18%	28%

Contract Term

Between 20 to 58% of these contracts were for a period of only a single year, with larger funded organizations often having terms extending for 5 or more years.

Contract Term	\$500,001 to \$1,500,000	\$1,500,001 to \$300,000,000	\$3,000,001 to \$500,000,000
1 Year	40%	58%	20%
2 Years	10%	-	20%
3 Years	20%	-	20%
4 Years	10%	-	-
5 or More Years	20%	42%	40%

Board Composition

The DMO Board averaged 13 to 15 members and incorporated a mix of representatives from the visitor industry, as well as non-industry and government sector representation.

Board Composition	\$500,001 to \$1,500,000	\$1,500,001 to \$300,000,000	\$3,000,001 to \$500,000,000
Attractions Industry	2	2	3
Government Sector	2	3	3
Hotel Industry	2	4	4
Restaurant Industry	1	1	1
Sports Industry	1	1	0
Non-Hospitality Industries	3	4	3
Other Hospitality Leadership Industry	1	2	2
Total Board Members	13	15	15

Bed Tax Allocation

The average bed/occupancy tax at a city level ranged from 4 to 7.5%. Proceeds from these resources were deployed with 43 to 54% directed to the DMO.

Occupancy Tax – City	\$500,001 to \$1,500,000	\$1,500,001 to \$300,000,000	\$3,000,001 to \$500,000,000
Tax Rate	7.50%	7.00%	4.00%
Flat Fee	-	-	-
Destination Organization Funding Allocation	50.00%	43.18%	54.07%

Memberships/Partnership Types

Between 29 to 48% of organizations were structured with dues paying members. The larger funded organizations were less likely to have memberships or partnerships.

Membership/Partnership Types	\$500,001 to \$1,500,000	\$1,500,001 to \$300,000,000	\$3,000,001 to \$500,000,000
Dues-Paying Members	29%	40%	48%
Partnership Program	32%	33%	45%
We don't have memberships/partnerships	48%	40%	34%

Looking more specifically at the structural orientation of key Arizona and western region DMOs, they can be generally oriented into three main categories:

1. **A standalone DMO** – the most typical structure, including those that are funded by some form of “Tourism Improvement District”,
2. **An agency of a city or county** – while there are exceptions, these are typically favored by smaller communities/destinations with more limited budgets,
3. **A combination of Chamber/Economic Development roles and a DMO** – favored by destinations where tourism is “the primary driver of the economy” and there is significant cross over in membership of the various entities.

Examples of each type of structure are noted on the following pages, along with the associated approximate population base.

Standalone DMO

Experience Scottsdale (241,000)

Visit Phoenix (1,610,000)

Sonoma County Tourism (489,000)

Visit Napa Valley (138,000)

Visit Santa Barbara (89,000)

Visit Greater Palm Springs (45,000)

Visit Monterey (Salinas 164,000)

Visit Lake Tahoe and North Lake Tahoe (South Lake Tahoe 21,000 – Incline Village north 10,000)

Explore Ashville (95,000)

Visit Sun Valley (1,500)

An Agency of a City or County

The Prescott Office of Tourism (46,000)

Discover Flagstaff (77,000)

Tourism Santa Fe (88,000)

Grand County Economic Development (10,000)

Town of Pagosa Springs (1,800)

Chamber and DMO Combination

Vail Valley Partnership (5,300)

Aspen Chamber Resort Association (7,000)

Jackson Hole Chamber (11,000)

Park City Chamber and Convention and Visitors Bureau (8,400)

Discover Kalispell (25,000)

Show Low Chamber of Commerce (12,000)

Pinetop Chamber of Commerce (4,000)

Standalone DMO



Experience Scottsdale is a 501(c)(6) nonprofit, private company that has contracts with the City of Scottsdale and Town of Paradise Valley to conduct destination marketing efforts on behalf of these municipalities. Given the broad composition of Scottsdale's economic base, there is a separate Chamber of Commerce that represents the full range of business entities in the City.



Visit Phoenix is a non-profit organization that promotes the Greater Phoenix community. In partnership with nearly 900 member businesses, Visit Phoenix brings business to Greater Phoenix that would not otherwise come—from leisure visitors to group meetings to popular sports events. Similar to Scottsdale, given the broad diversity of business in their economic base, a separate Chamber of Commerce exists.



Sonoma County Tourism is the official destination stewardship organization dedicated to promoting overnight stays and creating a sustainable hospitality economy in Sonoma County, California. It is a private, non-profit 501(c)6 organization, staffed by professionals in the fields of sales, marketing, communications, and administration. It is governed by a volunteer board of directors, with input from committees, stakeholders, and the general public. Sonoma County Tourism funding comes from two sources: The Business Improvement Area assessment (BIA), and the Transient Occupancy Tax (TOT). While wine visitors are an important element of the county's economic base, the diverse business community is represented by a number of separate chambers of commerce, with Santa Rosa and Sonoma Valley being the largest. It is important to recognize that resources derived from a BIA are typically restricted to activities that market and promote a destination.



Visit Napa Valley® is the official destination management organization for Napa County. We promote the region as an attractive travel destination and enhance its public image as a dynamic place to visit, live and work. Primary funding for our activities and programs comes from a Tourism Improvement District (TID) special assessment on lodging. Additional funding is provided through partnerships with visitor-serving businesses throughout Napa County. As with Sonoma County, resources derived from the Napa TID are typically restricted to marketing and promoting a destination. There is a separate Napa Chamber of Commerce.



Visit Santa Barbara is a non-profit 501(c)(6) organization jointly funded by the City of Santa Barbara, the County of Santa Barbara, the South Coast Tourism Business Improvement District (TBID) and by a membership of hospitality-related businesses. The primary mission of Visit Santa Barbara is to enhance the economies of the City of Santa Barbara, South Coast communities and Santa Barbara County areas through tourism marketing that increases business revenue, tax revenue and creates jobs. There is a separate Napa Chamber of Commerce.



Visit Greater Palm Springs is the official tourism marketing agency for the Coachella Valley. Founded in May 1989 by a Joint Powers Authority comprising the cities of Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta and Indio, Visit Greater Palm Springs was created as a public-private partnership to help grow the region's tourism economy. The mission of Visit Greater Palm Springs is to positively affect the destination's tourism economy and quality of life for its citizens, serving more than 5000 GPSTBID partners and providing sales, marketing and public relations support targeting potential leisure travelers from around the world as well as event, meeting and convention groups. There is a separate Chamber of Commerce.

MONTEREY

GRAB LIFE BY THE MOMENTS®

Monterey County Convention and Visitors Bureau mission is to generate community prosperity for Monterey County through the responsible promotion and growth of the tourism economy. Its Visit Monterey brand is the main tool used to connect and engage prospective visitors. There is a separate Monterey Peninsula Chamber.

Lake Tahoe Visitors Authority



Two associations represent the Lake Tahoe region.

The Lake Tahoe Visitors Authority markets the southern regions of the lake through their “Visit lake tahoe” brand. The mission of the Lake Tahoe Visitors Authority is to market the South Shore of Lake Tahoe as a unique, world-class, year-round destination to the regional, national, and international marketplace, and to favorably impact the South Shore economy through overnight stays and tourism spending.

North Lake Tahoe is a DMMO encompassing both the California and Nevada sides of the region and is operated through a cooperative of two organizations: North Lake Tahoe Resort Association and the Travel North Tahoe Nevada. Both organizations enhance North Lake Tahoe’s vibrancy and visibility by advocating for a sustainable year-round economy, building midweek and shoulder season visitation, supporting transportation and workforce housing solutions, sponsoring business education and providing visitor information services.

Buncombe County TDA



The **Buncombe County TDA** is the public authority created in 1983 by an act of the North Carolina Legislature to oversee the collection and investment of occupancy taxes paid by travelers who stay overnight in commercial lodging establishments. They oversee the work of the Explore Asheville Convention & Visitors Bureau, which develops and carries out advertising, marketing, public relations, and group sales plans to inspire leisure and business travelers to visit here.

The CVB's focus to support economic vitality for our community by working to deliver balanced recovery and sustainable growth, encouraging safe and responsible travel, engaging and inviting more diverse audiences, and promoting and supporting our community's creative spirit. There is a separate Napa Chamber of Commerce.

VISIT SUN VALLEY

Visit Sun Valley is a 501c6 nonprofit destination management and marketing organization (DMMO) for the greater Sun Valley area including Ketchum, Sun Valley, Hailey, Bellevue and beyond. In March 2022, Visit Sun Valley, changed its business name of 11 years from the Sun Valley Marketing Alliance to the Sun Valley Tourism Alliance. Visit Sun Valley is adapting and evolving with the current environment of the Wood River Valley, committing to the needs of community stakeholders and residents. With the pandemic transforming tourism, increasing the desire for vacation/second homes, and attracting remote workers, the group's efforts have shifted to communicating and collaborating with local agencies to focus on the entire visitor journey. With this new environment, the group has identified that it does not need to create additional demand but rather shift to managing the level that is appropriate for the community, including its business owners, infrastructure and quality of life. There is a separate Sun Valley-Ketchum Chamber of Commerce.

An Agency of a City or County



The Prescott Office of Tourism and operates as a division of Economic Development within the City of Prescott, with Experience Prescott.com as the official website. The Office of Tourism acts as the official destination marketing organization for the City of Prescott. There is a separate Prescott Chamber of Commerce representing the mix of businesses in the region.



Discover Flagstaff is part of the Economic Vitality Division of the City of Flagstaff. Economic Vitality also includes the Flagstaff Pulliam Airport and the Community Investment Section, which consists of the Economic Development, Community Design and Redevelopment Programs. There is a separate Greater Flagstaff Chamber of Commerce.



TOURISM Santa Fe is one of the larger examples of a DMO housed within the City of New Mexico and works to promote economic development through tourism by positioning Santa Fe, New Mexico as a destination offering travelers world-class contemporary amenities in an authentic, beautiful, culturally and historically significant setting. They also assist in operations of the Community Convention Center and the area's three visitor centers. There is a separate Chamber of Commerce supporting the broader business community.



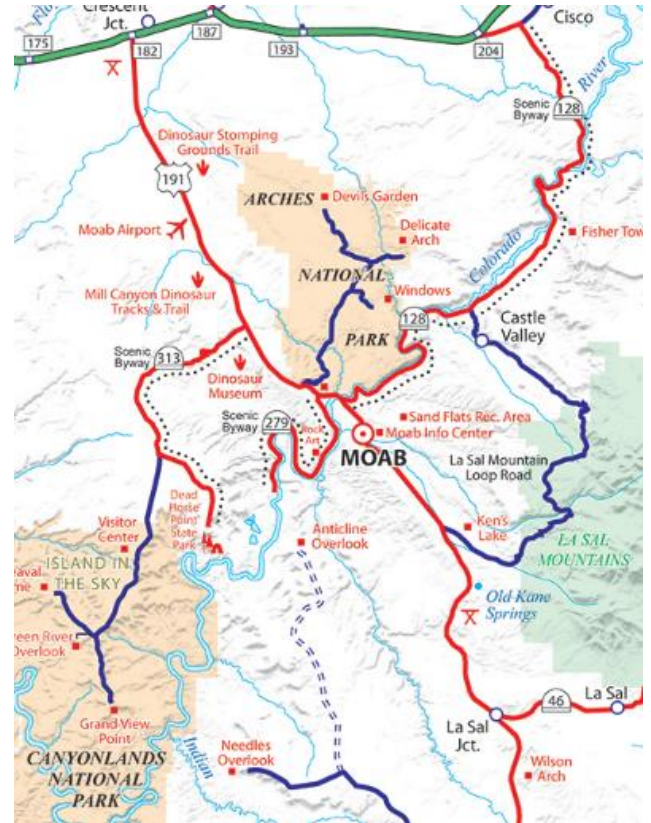
NICHOLS TOURISM GROUP
Advisory services for an evolving tourism industry



Grand County Economic Development – is a Department within Grand County and works to ensure economic diversification, tourism destination management, and film related activities. This entity has the responsibility to convene private, public, and community stakeholders to support a robust, resilient, sustainable, and equitable economy in Grand County.



Tourism promotion and management is directed through the **Tourism Department of the Town of Pagosa Springs**. The Town also has a Pagosa Springs Area Tourism Board which is a citizen's advisory committee to the Pagosa Springs Town Council and Archuleta County Board of County Commissioners. The purpose of the Tourism Board is to make specific recommendations relative to expenditures of the 4.9% Lodging Tax in Town and the 1.9% Lodging Tax in the County. There is a separate Pagosa Springs Chamber of Commerce.



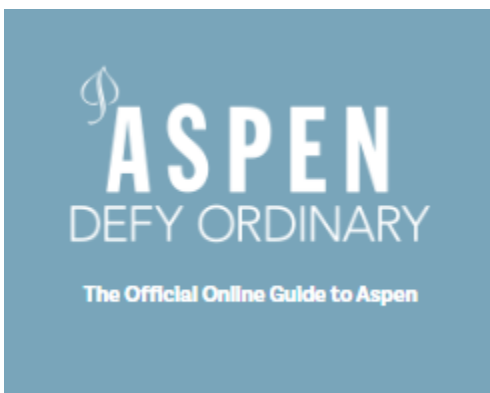
Chamber and DMO Combination



Vail Valley Partnership - with a membership of 880+ organizations that spans the Vail Valley and beyond and which represents 80% of the local workforce, Vail Valley Partnership is dedicated to ensuring local business success and fostering regional economic vitality by offering local business tools & resources, promoting the Vail Valley to destination guests, and initiating economic development efforts.

Beyond their expertise as a Chamber of Commerce, specific to tourism Vail Valley Partnership contracts with the City for defined deliverables such as group and meeting sales, data and research, and as a consultant on strategic partnerships. They also develop and host the main digital visitor's guide to the region.

The Town of Vail and its Vail Marketing District handles summer and shoulder season destination marketing which is funded by the bed tax. Vail Valley Partnership acts as a consultant to Vail Marketing District. Winter ski related marketing is supported heavily by the Vail Resorts Management Company.



Aspen Chamber Resort Association (ACRA) - is a 501 c (6) that functions as a hybrid chamber of commerce and destination marketing organization. ACRA is dedicated to supporting the Aspen business community, attracting visitors to the resort, and enhancing the visitor experience.



The Jackson Hole Chamber of Commerce - is organized to advance the general welfare and prosperity of the Jackson Hole area so that its citizens and all areas of its business community shall prosper, including but not limited to expanding marketing and outreach through public relations and events, maximizing member value, facilitate exceptional visitor experiences, and strengthening strategic alliances with City, County, State, and Federal bodies and agencies.



The Park City Chamber and Visitor's Bureau - is a community leader in Summit County, Utah, serving residents, businesses, employees, visitors, our natural environment, and our government and non-profit partners. We **Convene** important community conversations, **Implement** educational programs for visitors, residents, and businesses that support a vibrant economy, **Market**, promote, and initiate sales efforts that draw visitation aligned with the Sustainable Tourism Plan, and Collaborate on visitor management efforts that influence visitor behavior, enhance education, and leverage relationships in the community to mitigate tourism impacts.



Discover Kalispell, the Kalispell Convention & Visitor Bureau, is a destination marketing and stewardship organization. As a division of the Kalispell Chamber of Commerce it is funded through Kalispell's share of the 8% state accommodations tax (Bed Tax) and the \$2/rm night Tourism Business Improvement District (TBID) fee. Discover Kalispell is governed by Kalispell Chamber Board of Directors and the Montana Tourism Advisory Council that approves the allocation of the bed tax funds, and the Kalispell TBID Board of Directors and the Council of the City of Kalispell that approves the allocation of the TBID funds. The annual Discover Kalispell marketing plan serves to direct the initiatives and spending for the Kalispell CVB/TBID and inform and educate the board of directors, community stakeholders, Tourism Advisory Council and the City of Kalispell.



The Show Low Chamber of Commerce and the Pinetop Chamber of Commerce – are the main organizations charged with tourism promotion and management within the White Mountains of Arizona. The two organizations, along with Navajo County and Summit Healthcare collectively showcase the region through the AZWM website. They each also individually showcase individual assets on their own websites and operate visitor centers.

AB 2760 Exhibit C. Hybrid Model Chamber of Commerce / Destination Management Organizations

Questions & Answers

Respondents

Chris Romer, President & CEO

Vail Valley Partnership

Edwards, Colorado (population: 5,300)

Eliza Voss, Vice President Destination Marketing

Aspen Chamber Resort Association

Aspen, Colorado (population: 7,000)

Diane Medler, Executive Director

Discover Kalispell

Kalispell, Montana (population: 25,000)

Jennifer Wesselhoff, President & CEO

Park City Chamber and Convention & Visitors Bureau

Park City, Utah (population: 8,400)

1. What do you feel are the advantages of operating as a joint Chamber of Commerce/ Destination Management Organization model versus operating as a standalone Convention and Visitors Bureau with a separate Chamber of Commerce to support business needs?

Vail Valley Partnership: It is a complete no-brainer for us. We used to be separate; our chamber and DMO merged in the late 90's, and we took over economic development around 2008-ish. It's a no-brainer in that we're asking the business community for one investment instead of three, ditto our special district and municipal partners. The economies of scale – one operation, one board, one membership, one voice – far outweigh any negatives. We have been very intentional about how we operate and how we communicate, which has helped tremendously. In my experience, we would be spinning our wheels and wasting a LOT of money on overhead, staff, and other allocated costs by having separate organizations. We'd also be asking our partners (public and private) for more money to cover these allocated costs – that's money that could be spent on mission work such as workforce programming, business retention, etc.

Aspen Chamber: Advantages to operating as a joint Chamber & DMO have been many in the case of our organization. Primarily with the business member database as a result of the Chamber side, we have a direct conduit to hear from businesses and understand the opportunities and successes in regard to tourism. Of course, we promote and engage businesses that aren't chamber members on the DMO side, but it was a tremendous advantage to have the established Chamber organization, well known and respected within our community, be the overarching organization to house the DMO. I could see the advantage of separate organizations in larger cities where there is more diverse economic activity and drivers, but in

a town with a primarily tourism driven economy (now rivaled by real estate/construction) it is good business sense to have the DMO & Chamber combined as the health of the business community is intrinsically tied to visitors.

Discover Kalispell: We are a division of the Chamber but both organizations operate under one brand, Discover Kalispell (Discover Kalispell as the CVB/TBID and Discover Kalispell Chamber). We know that tourism lays the groundwork for attracting residents, industries, businesses, and talent to our area. We also understand that Kalispell is poised for growth, it's important to align each industry that drives our economy, with the needs of our community and be intentional about the growth.

Park City: There are many advantages of operating a joint Chamber / DMO, especially in towns where tourism is the main economic generator. Some advantages include:

- Cost savings related to operating one organization under one umbrella compared to two organizations. With two organizations, you'd have to budget for two CEOs, two administrative people, two finance people, etc. You're basically duplicating all operational and administrative costs. Plus, you have the additional costs of operating two office buildings.
- Synergies in programming and ability to get business buy in. The TrailKeeper program is a good example. That program would not have happened without the chamber leading, providing marketing and incentives to sponsors, brand development, collateral, signage, the administrative and financial management, and the solicitation to get business buy in to the program. The SCCTB also provided synergies with businesses and marketing exposure through their channels which gave incentives to businesses to participate. Without the close synergies to the business community, that program most likely would not have gotten off the ground
- Cost savings for businesses who would potentially have to pay membership dues to both organizations. One organization is stronger than two.
- Under one organization, it shows that tourism and general businesses are wholly intertwined. The dentist (who many not naturally see themselves connected to tourism) benefits from his patient who works at Pink Jeep, for example. It's a more inclusive approach.
- With one organization, we don't compete for grant funding, attention in the community, private sector investment, etc.

2. Is your primary funding source from your local governing body, or do you have other dedicated sources that provide funding?

Vail Valley Partnership: Our funding is about 31% membership dues, 36% programming revenue (including grants), and 33% contract for services (this is our tourism and economic development funding). Our grant funding through our foundation continues to grow and I expect the programming revenue to reach 40% or more in the near future and probably maintain around 50%. Obviously, membership and grants and programs are not dedicated funding. For that matter, neither are our contracts – they are all annual contracts (per state law) and we have specific deliverables and measurables that we must report on.

Aspen Chamber: We are funded by 75% of a 2% lodging tax. We do collect about \$175K in additional income from Group Sales Participation Fees, Co-Op Fees, Event Management, Sponsorship and Interest; however, the bulk of the budget (\$3.9M) comes from lodging tax revenues, collected by the city and passed thru to ACRA per our contract.

Discover Kalispell: CVB's funding is primarily from a Tourism Business Improvement District fee collected per room night, and also Kalispell's share of the state lodging tax.

Park City: Yes, we get over 90% of our funding from the government through transient room taxes (or bed taxes) approximately \$13 million this year. We are a countywide destination marketing and management organization and we are funded through the Summit County Transient Room Tax. By state law, Summit County is required to invest a minimum 66% of the TRT to "establish and promote" tourism in the County. Summit County invests a little more than that with us, 70%. The other 33% by state statute can be used for tourism related infrastructure. We also receive some grant funding and private sector revenue, but 90% of our budget comes from the county's tax collections.

3. Has your local governing body/funding organization expressed concern regarding your organizational structure as a joint Chamber/DMO and the private membership aspect of that? If so, what have you done to respond to conflict, and has it been successful?

Vail Valley Partnership: No, but to be clear our DMO funding comes from contracts with entities such as the Town of Vail (via Vail Local Marketing District) and Beaver Creek Resort Company (special district) with specific scope of work. We execute against this scope. These groups historically have seen benefit to our chamber connection as a conduit to the business community and the ability to engage businesses across industry sector for awareness and opportunities within various DMO activities. We have had some conflict regarding the Chamber's role in advocacy. Nothing significant, and we work through it. There are as many positive encounters (the town appreciating our voice on state and national issues) as there are perceived negative encounters (the town less appreciative of our advocacy at a local level, of which we're probably 75% supportive of town initiatives and 25% opposed to their actions). It becomes a reminder that our chamber advocacy efforts are unrelated to our tourism efforts.

Aspen Chamber: We have not had any concern/push back or frustration in regard to our model.

Discover Kalispell: No concerns expressed by governing body or organizations board of directors. Chamber and CVB have separate bylaws and annual plans and budgets. Chamber is a membership-based organization. The CVB does not have a separate membership, we work with the Chamber member businesses.

Park City: No. Not at all. This is not a concern in our area. The elected officials see the value that the Chamber brings to influence business behavior and programming and see the structure as an overall benefit to the entire county. It should be noted that many DMOs (who are not under a chamber) also have a membership/partnership model. Our elected officials see value in having the business community buy in to the programs, information and resources of the chamber/bureau.

4. Have residents expressed concern or frustration regarding the impact of increased tourism on your town based on your marketing strategies? If so, how have you responded to meet the needs of residents, business owners, and tourists?

Vail Valley Partnership: Yes, this has happened around the west and the mountain region (as you well know in Sedona). The Town of Vail recently started the Engage Vail and Vail Stewardship process, and our role was to help promote and encourage business owners to engage in these processes. We have served primarily as the convener and the town has led the initiatives. I would encourage you to check out the Vail Stewardship effort – it is a good example and case study for destinations.

Aspen Chamber: Yes, as a well-established destination we have always have ebbs and flows in regard to residents' frustrations in regard to tourism. About 12 years ago the directive from the community was to try and extend the summer season, but marketing to get people to come earlier in the shoulder season and stay mid-week during fall foliage. Recently through a 7 month engagement process (1299 resident surveys, 2 tourism town halls, 2 co-creation labs, 10 one-on-one stakeholder interviews and deskside research) that ultimately led to the creation of our Aspen Destination Management Plan, the requests of the community has shifted to protect shoulder season as a down time for residents, we have pivoted to that model, and of course are now getting some push back from a few businesses that would like to see more marketing during shoulder season. We are engaging destination analysts to do stakeholder and resident surveys on regular quarterly intervals so that we can establish if this is just a loud minority of business who failed to participate in the initial engagement sessions, or if the needs have indeed shifted again. It's extremely important to note that much of the visitor pressure our area has felt in the past 2 years is actually a result of new residents, and part time residents spending more time in their second homes as a result of covid travel restrictions. We are cognizant that pressure longtime residents experience is not just from a single cause.

Discover Kalispell: Residents are concerned about overall growth. Much of that angst gets directed towards tourism even though the growth is larger than increased visitations. CVB has expanded our operations and mission to include destination stewardship and destination development initiatives. Working alongside the Chamber we are in the middle of a Community Engagement Study, providing opportunities for residents and business leaders to provide input to help our organizations develop strategies to balance economic needs with our community's long-term health and vibrancy.

Park City: Yes. Periodically residents express concerns about feeling outnumbered, but generally they recognize that the quality of life and amenities that we enjoy are largely because of the taxes and visitors spend. To address concerns, our organization works cooperatively with the City and the County to mitigate impacts of tourism. As the experts in tourism, and with our connections to visitors, potential visitors, businesses, and employees, we can play a unique role in celebrating the power of the good of tourism and using our influence to mitigate the pinch points. We underwent an 18-month process to create a sustainable tourism management plan,

that included a resident sentiment survey in that process, along with a tremendous amount of public input and engagement. The Plan was launched just last month to tremendous support.

5. How do you create a “firewall” between each side of your model’s functions (traditional COC vs. DMO)? For example, do you have separate budgets, or do you co-mingle certain funds and positions? Are there other areas in which you have separation?

Vail Valley Partnership: We do not have a firewall. Our staff are shared across our organization – some dedicated to tourism, some shared, some dedicated to workforce, etc. We report out based on the scope of work (contract) with the town and our districts and are held accountable to the results and not the organizational structure. The allocated costs (rent, benefits, internet, phone, etc.) are split across the entire organization and we allocate by headcount, not department.

Aspen Chamber: Our budgets are separate and distinct. The funds are never co-mingled. The DMO budget does pay a 2% administrative fee of the total budget to the Chamber side to compensate for the time the CEO and Office Manager handles on DMO initiatives, HR, and administrative work, but we receive an invoice for this monthly and pay a due to/due from invoice to transfer the funds between the budgets. We have a finance committee that meets quarterly to review both the Chamber and DM budgets, they then report into the Board of Directors, and once approved the city manager’s office receives a memo with the P&L and variance report for that quarter specific to the DM budget.

Discover Kalispell: The TBID and Bed Tax budgets are separate from the Chamber’s, no co-mingling of funds. CVB operates separate and covers our share of cost for rent, office equipment, etc. TBID funds are overseen by a local board of directors (hotel representatives) and the City of Kalispell. Bed Tax local oversight is the Chamber BOD then at the state level by the Tourism Advisory Council. There are strict guidelines on how the TBID and Bed Tax funds can be spent and many layers of oversight.

Park City: There is no separation. We operate one budget because so much of what we do is interrelated to the tourism economy, business education, and community building.