



April 5, 2023

Karen Osburn
City Manager, City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

Dear Karen,

On Monday, April 3, 2023, the Board of Directors of the Sedona Chamber of Commerce & Tourism Bureau unanimously voted not to renew the Tourism Promotion & Visitor Services Agreement with the City of Sedona for FY24. The SCC&TB is committed to the FY23 program of work through June 30, 2023.

As you know, the Chamber has operated in Sedona as a nonprofit membership organization since 1960, 28 years before Sedona's incorporation. We have been a certified Destination Marketing and Management Organization (DMMO) for nine years. Today, visitors generate 77 percent of the city's sales and bed tax revenues.

With the end of our service contract with the city, we will aggressively pursue new avenues in professional tourism marketing and management, consulting our statewide industry partners, local business members, visitors and residents in attracting the kinds of visitors Sedona needs to sustainably support our local businesses and economy.

We will continue to welcome and educate visitors at our Visitor Center and manage VisitSedona.com and other SCC&TB assets as usual, in partnership with our members.

In 2013, the Sedona Lodging Council suggested increasing the bed tax an additional 1% to fund marketing and promotions to boost tourism in Sedona. The SCC&TB took this message to the city and the result was an increase of .5% to the bed tax, taking it to 3.5%. It was agreed to dedicate 55% of the 3.5% total to destination marketing managed by the SCC&TB. The Council has not used this formula in accordance with the original intent and has not indicated its commitment to future marketing. The SCC&TB and its lodging partners therefore expect the city to rescind the .5% increase, which has been an unfair burden on the lodging industry without the benefit promised in return.

As the region's only certified DMMO and within the terms of our contract, the SCC&TB had made many good faith efforts to advise Council on best practices and courses of action, as well as to attempt to comprehend and fulfill Council's direction. We are confident that moving forward outside the confines of a tourism management contract with the city is the best way to fulfill our mission of making Sedona the best place, to live, work, play and visit.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Conway".

Michelle Conway
President/CEO

A handwritten signature in blue ink, appearing to read "Jennifer Perry".

Jennifer Perry
Board Chairperson

