

# Tourism revenue increases

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Within the city limits of Sedona live a little more than 10,000 residents. But on almost any given day that population more than doubles as a result of the area's No. 1 industry — tourism.

Hundreds of business owners, residents and invited guests filled the ballroom at the Poco Diablo Resort on Tuesday, Sept. 20, to get an update on tourism in the area and its impact on the local economy during the Sedona Chamber of Commerce's annual meeting.

“As a nonprofit agency we differ from other organizations because by fulfilling our mission we generate revenue for other public agencies and the destination as a whole,” Sedona Chamber President and CEO Jennifer Wesselhoff said. “Speaking of generating revenue, tourism is a \$600 million industry in the Verde Valley. Sedona visitors add \$10 million in local tax dollars that provide vital services that you and I as residents have come to expect. In fact, visitors generate 65 percent of the city’s general operating budget.”

She said that during fiscal year 2016 Sedona continued to improve in several tourism indicators including:

- 3 percent increase in occupancy.
- 8.3 percent increase in average daily rate
- Nearly 12 percent increase in revenue per available room
- 16 percent increase in bed tax revenues
- More than \$1.4 million more collected in sales tax compared to the final 11 months of the previous year.

“In order to generate that additional \$1.4 million, that means that \$46 million more was spent in Sedona than the previous year,” Wesselhoff said. “That’s an extra \$46 million floating through Sedona’s economy.”

Keith Watkins, senior vice president for economic and rural development for the Arizona Commerce Authority, touched on several topics, including the need for improved broadband throughout the state. In fact, he said it’s become a weakness throughout the state.

“It’s really holding back a lot of rural communities,” he said. “Sedona was affected with the outage a year or two ago when Suddenlink went down. That is not good, not only for all the individuals who live in the area but for employers. With the advent of telemedicine, online education as well as emergency response systems, it’s really leaving us vulnerable.”

He said the state has been working with the utility companies as well as the state legislature in the hopes that broadband will be readily available in the near future to individuals and business owners.

As a state, where are the visitors coming from? According to Debbie Johnson, the director of the Arizona Office of Tourism, a large percentage are homegrown. Roughly 10.2 million visitors are from Arizona while 7.8 million come from California, 1.9 million travel from Illinois and another 1.6 million from Texas. In all, \$21 billion is spent in the state by visitors, generating \$3 billion in federal, state and local taxes.

And while the vast majority of tourists to Arizona are from the United States, Johnson said they continue to see an increase in foreign visitors. While Canada and Mexico make up the bulk of the foreign tourists, last year there was a 22.7 percent increase from those visiting from China and 13 percent jump from South Korea.

“Those are markets we’re now focusing on,” she said in regard to Asia. “We have a brand new focus in China with some international representation that we’ve never had before. The international visitor tends to stay longer so they want more to do and more to see.”

This year the state has spent quite a bit of money focusing not only in the Asian market but in U.S. cities like Seattle where it touts the number of sunny days here or Chicago and Minneapolis and this state’s warmer weather. Johnson said in 2017 they will increase their marketing in San Francisco as well.

“I get asked all the time, ‘Where do you advertise? We don’t see your advertising,’” she said. “If you travel to some of our target cities, or travel internationally, you will absolutely see our advertisements.”

At the end of the meeting, chamber members hitting milestones were recognized for their years of being in business. Former Sedona Main Street Program Executive Director Holly Epright was presented the Sedona Ambassador Award while the Sedona Public Library won the annual Customer Service Excellence Award. In addition, Wesselhoff was recognized by her peers and the board for her 15 years at the chamber.