

Our Mission: The Arlington Convention and Visitors Service (ACVS) promotes Arlington as a dynamic destination to stimulate economic growth.

CONVENTION AND VISITORS SERVICE

ACVS's success is reflected in continually growing shares of the Washington area's meeting, group, business and leisure markets as well as in increased visitor spending and repeat visitation. ACVS strategically targets meeting/group professionals and domestic/international leisure travelers to build awareness of and drive bookings to Arlington hotels – particularly during the off-peak periods of late summer, mid-winter, and weekends year-round. ACVS also partners closely with local hotels, restaurants, stores, attractions, and arts organizations to bring visitors the best and latest information, ensuring they have an excellent local experience that inspires increased spending at local businesses and additional visits. ACVS marketing and client/partner engagement is directly tied to increased Transient Occupancy Tax revenue and Sales and Meals Tax revenues that support County initiatives through the General Fund.

Important Strategic Objectives for ACVS include:

1. **Visitor Attraction:** Aggressively promote Arlington as a premier destination for domestic and international leisure travel, meetings, and conventions, and as the best place to stay, shop, dine, and be entertained when visiting the nation's capital. Apply best practices in destination marketing, destination sales, and small business/arts promotion to attract business travelers, vacationers, meetings, and groups to Arlington resulting in increased hotel occupancy.
2. **Increased Visitor Spending:** Creatively and proactively provide compelling, high-quality visitor information and services to Arlington guests, inspiring them to dine, shop, and be entertained in Arlington's lively, walkable neighborhoods. Strategically inform local guest services employees about Arlington stores, restaurants, arts organizations, and transportation options to drive spending and repeat visitation.

Programs and primary activities of ACVS include:

- Destination marketing and promotion
- Meetings and group sales
- Visitor and convention services
- Small business and arts promotion
- Tourism infrastructure
- Hospitality community engagement

Arlington County's enabling legislation to levy a Transient Occupancy Tax add-on (0.25 percent) to support this fund was reinstated by the Virginia General Assembly in the FY 2019 budget year with a sunset effective July 1, 2021. In the 2020 legislative session, a bill was passed and signed by the Governor to remove that sunset date.

ARLINGTON CONVENTION & VISITORS SERVICE

SIGNIFICANT BUDGET CHANGES

The FY 2025 proposed expenditure budget for the Travel and Tourism Promotion Fund is \$1,546,700, a 42 percent reduction from the FY 2024 adopted budget. The FY 2025 proposed budget reflects:

- ↑ Personnel increases due to employee salary increases, an increase in the County’s cost for employee health insurance, and slightly higher retirement contributions based on current actuarial projections.
- ↓ Non-personnel decrease primarily due to removal of prior year Virginia Tourism Corporation American Rescue Plan Act (ARPA) grant funds (\$1,300,000), partially offset by increases in funding for contracted services (\$170,260) and adjustments to the annual expense for maintenance and replacement of County vehicles (\$2,330).
- ↓ Revenue decreases due to removal of prior year Virginia Tourism Corporation American Rescue Plan Act (ARPA) grant funds (\$1,300,000), partially offset by increased projections of hotel occupancy and rates (\$200,000).

PROGRAM FINANCIAL SUMMARY

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	% Change '24 to '25
Personnel	\$863,861	\$907,932	\$935,342	3%
Non-Personnel	911,696	1,738,768	611,358	-65%
Total Expenditures	1,775,557	2,646,700	1,546,700	-42%
Transient Occupancy Tax	1,135,416	1,100,000	1,300,000	18%
Transfer from the General Fund	246,700	246,700	246,700	-
Grants	406,335	1,300,000	-	-100%
Total Revenues	\$1,788,451	\$2,646,700	\$1,546,700	-42%
Change in Fund Balance	\$12,894	-	-	-
Permanent FTEs (Funded)	7.00	7.00	7.00	
Total Authorized FTEs	7.00	7.00	7.00	

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TRAVEL AND TOURISM PROMOTION FUND
FUND STATEMENT

	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 RE-ESTIMATE*	FY 2025 PROPOSED
Beginning Balance, July 1	-	-	-	-
Transient Occupancy Tax Revenue	\$1,135,416	\$1,100,000	\$1,100,000	\$1,300,000
General Fund Transfer In	246,700	246,700	246,700	246,700
Grants	406,335	1,300,000	2,464,257	-
Other	-	-	16,203	-
Total Revenues	1,788,451	2,646,700	3,827,160	1,546,700
Total Balance, Revenues and Transfers In	1,788,451	2,646,700	3,827,160	1,546,700
Personnel	863,861	907,932	907,932	935,342
Operating	911,696	1,738,768	2,919,228	611,358
Total Expenditures	\$1,775,557	\$2,646,700	\$3,827,160	\$1,546,700
Closing Balance, June 30	\$12,894	-	-	-

*The FY 2024 re-estimate includes FY 2023 closeout carryover funding allocations of \$1,164,257 Virginia Tourism Corporation American Rescue Plan Act (ARPA) grant and \$16,203 fund balance appropriated by the County Board in November 2023.

PERFORMANCE MEASURES

Critical Measures	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Average daily rate of hotel rooms in Arlington	\$148.78	\$110.28	\$145.05	\$178.03	\$180.00	\$180.00
Hotel occupancy	54.4%	29.0%	56.0%	69.9%	70.7%	72.0%
Internet visits to ACVS	235,296	216,169	361,347	463,726	525,000	250,000
Leads for the booking of group room nights	116,018	11,526	22,090	40,488	47,000	50,000

Supporting Measures	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Conversion rate of leads to actual bookings for group room nights	20%	42%	54%	75%	55%	55%
Group room nights booked	23,719	4,874	11,855	30,554	25,850	27,500
Visitor services in-person	12,602	21	2,390	4,796	6,000	7,000
Visitors guides and other distributions	51,342	3,512	65,708	60,130	60,000	66,000
Visitor maps distributed	99,070	2,469	135,410	119,395	125,000	140,000

- FY 2022 actuals, FY 2023 actuals, FY 2024 estimates, and FY 2025 estimates continue to reflect the recovery of Arlington’s hospitality industry from the COVID-19 pandemic. These steady increases also reflect the positive impacts of new marketing and sales investments funded by

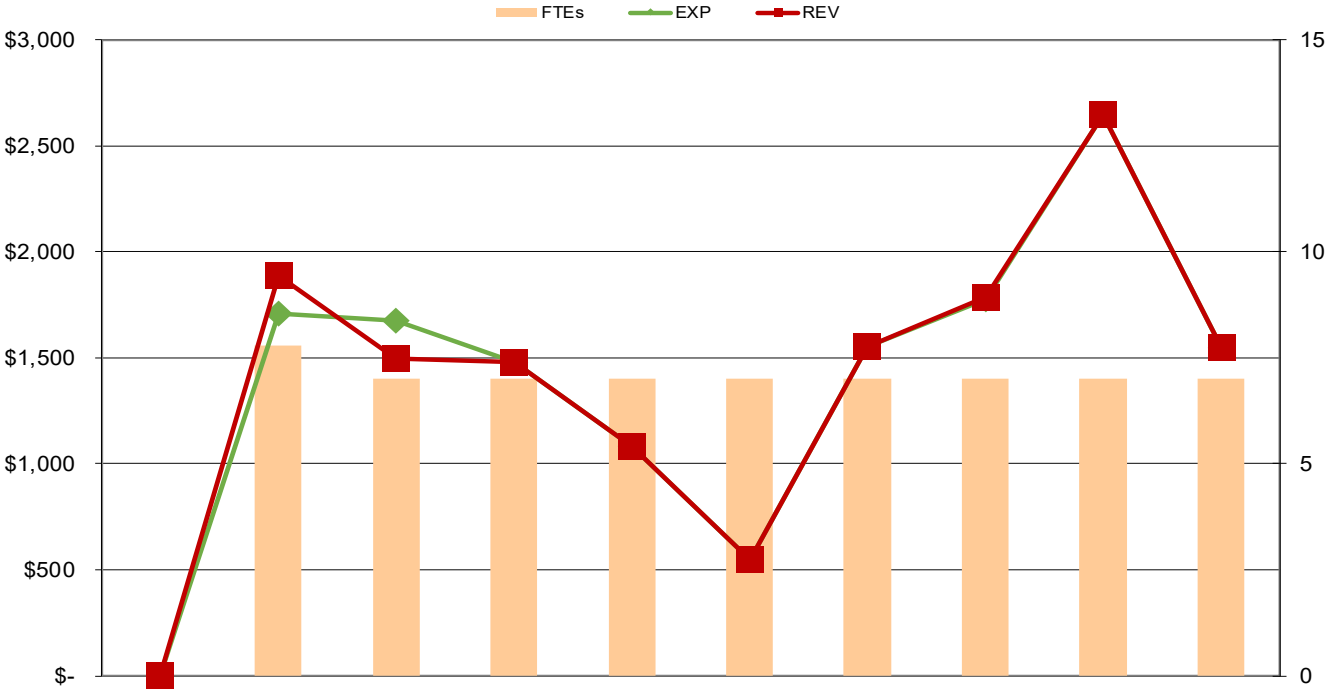
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the Virginia Tourism Corporation (VTC) American Rescue Plan Act (ARPA) Tourism Recovery Program grant awarded in late 2021 and implemented March 2022 through June 2024.

- FY 2023-2025 group room night leads, bookings, and resulting conversion rates reflect steady improvement in interest plus hotel bookings from meeting and group planners as well as transient (non-group) business travel slowly returning. The FY 2023 75% conversion rate is not typical, and the estimates for FY 2024 and FY 2025 are adjusted downwards to a more “normal” percentage.
- Demand for in-person visitor services began rebounding in spring 2022 and is expected to continue growing as meeting, group and leisure travelers return to Arlington and the capital region. New Arlington Visitors Guides, Meeting Planners Guides, and Maps reflecting the new “All in Arlington” tourism branding are planned for spring 2024. They will be distributed via the StayArlington website, Arlington hotels, Reagan National and Dulles International Airports, Virginia Welcome and Visitor Centers, and several other distribution channels.

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Adopted Budget	FY 2025 Proposed Budget
EXP	-	\$1,711	\$1,673	\$1,478	\$1,085	\$549	\$1,550	\$1,776	\$2,647	\$1,547
REV	-	\$1,889	\$1,498	\$1,478	\$1,085	\$549	\$1,550	\$1,788	\$2,647	\$1,547
FTEs	-	7.80	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2016	<ul style="list-style-type: none"> ▪ No significant budget change since FY 2015. 	
FY 2017	<ul style="list-style-type: none"> ▪ <i>Arlington’s enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25 percent) was re-established by the General Assembly for the FY 2017 budget year. The County Board adopted an ordinance after budget adoption to amend Chapter 40 (Transient Occupancy Tax) of the Code of Arlington County to add an additional 0.25 percent transient occupancy tax levy for the purpose of promoting tourism and business travel in Arlington County. The County Board appropriated \$1.25 million in revenue and expense to the Travel and Tourism Promotion Fund along with 2.0 limited term positions.</i> ▪ <i>After budget adoption, the County Board transferred Arlington Convention and Visitor Services from the General Fund to the Travel and Tourism Fund (\$626,148, 5.0 FTEs, 0.80 Temporary FTEs).</i> 	<p>2.00</p> <p>5.80</p>
FY 2018	<ul style="list-style-type: none"> ▪ A 0.80 temporary FTE was transferred to the AED Director’s Office line of business in the General Fund. 	(0.80)
FY 2019	<ul style="list-style-type: none"> ▪ Decreased trade and promotion funding (\$159,163) and reallocated a portion of this funding for contracted services related to website maintenance (\$110,000). ▪ Revenue increased due to projections of hotel occupancy and rates hotel (\$27,500). ▪ Arlington’s enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25 percent) was re-established by the General Assembly for the FY 2019 budget year with a sunset effective July 1, 2021. 	
FY 2020	<ul style="list-style-type: none"> ▪ <i>Arlington’s enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25 percent) was made permanent by the General Assembly in the 2020 legislative session.</i> 	
FY 2021	<ul style="list-style-type: none"> ▪ Decreased trade and promotion funding (\$288,940) as a result of lower revenue projections. ▪ Revenue decreased due to lower revenue projections in Transient Occupancy Taxes (\$337,118) as a result of the COVID-19 outbreak. 	
FY 2022	<ul style="list-style-type: none"> ▪ The County Board added funding for a one percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from \$500 to approximately \$900. ▪ The County Board restored funding for marketing, outreach, training, and office supplies with the American Rescue Plan (\$131,333). 	

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ The County Board also added funding for the General Fund transfer (\$351,184). ▪ Froze a vacant Destination Sales Manager (\$115,413). ▪ Revenue decreased due to lowered projections of hotel occupancy and rates (\$462,882). ▪ <i>In FY 2021 closeout, reclassified two limited-term positions to permanent full-time.</i> 	
FY 2023	<ul style="list-style-type: none"> ▪ The County Board approved an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, and increased the pay range movement to five percent. Additional compensation changes approved by the County Board include an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more, a one-time increase in shift differential pay from \$0.75 to \$1.00 per hour for the B shift and from \$1.00 to \$1.30 per hour for the C shift, and a one-time increase in language premium from \$0.69 to \$0.92 per hour. ▪ Restored funding for the Destination Sales Manager position that was previously frozen in the FY 2022 adopted budget (\$120,290). ▪ Revenue increased due to increased projections of hotel occupancy and rates (\$325,000) and the Virginia Tourism Corporation grant (\$1,300,000). 	
FY 2024	<ul style="list-style-type: none"> ▪ Added one-time \$2,000 (gross) employee bonuses (\$17,506). ▪ Increased trade and promotion funding (\$24,136). ▪ Revenue increased due to increased projections of hotel occupancy and rates (\$275,000). ▪ <i>In FY 2023 closeout, carryover funding allocations of \$1,164,257 Virginia Tourism Corporation American Rescue Plan Act (ARPA) grant and \$16,203 fund balance were appropriated by the County Board in November 2023.</i> 	