

ARLINGTON CONVENTION & VISITORS SERVICE

PROGRAM MISSION

The Arlington Convention and Visitors Service (ACVS) is a destination marketing organization that works to attract, inform, and serve Arlington visitors and hospitality partners while supporting an exceptional visitor experience. ACVS's success is reflected in continually growing shares of the Washington area's meeting, convention, 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 and repeat visitation. 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 market 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, meetings and conventions 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 information to Arlington guests, influencing them to dine, shop, and be entertained in our lively, walkable urban villages. Strategically inform local hospitality employees about Arlington stores, restaurants, arts organizations, transportation options, etc. to drive spending and repeat visitation.

Programs and primary activities of ACVS include:

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

SIGNIFICANT BUDGET CHANGES

Arlington County's enabling legislation to levy a Transient Occupancy Tax add-on (0.25%) to support this fund was reinstated by the Virginia General Assembly for the FY 2017 budget year. The FY 2017 budget is revised to reflect this budgetary adjustment and the transfer of Arlington Convention and Visitor Service (ACVS) expenses to the Travel and Tourism Promotion Fund (202) after budget adoption.

FY 2018 proposed expenditure budget for the Travel and Tourism Promotion Fund is \$1,579,200, a 19 percent decrease from the FY 2017 revised budget. The FY 2018 budget reflects:

- ↑ Personnel increases due to employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections.

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- ↓ Non-personnel decreases due the removal of FY 2017 one-time funding to support tourism promotion (\$379,277) and the decrease of the sales and promotion budget line to properly balance the fund (\$32,216).
- ↑ Revenue increases due to projections of hotel occupancy and rates as well as the anticipated opening of a new hotel (\$22,500).
- The FTE count reflects the transfer of 0.8 temporary FTEs to the Director’s Office line of business in the General Fund.

PROGRAM FINANCIAL SUMMARY

	FY 2016 Actual	FY 2017 Revised	FY 2018 Proposed	% Change '17 to '18
Personnel	-	\$729,325	\$783,870	7%
Non-Personnel	-	1,146,823	735,330	-36%
Total Expenditures	-	1,876,148	1,519,200	-19%
Transient Occupancy Tax	-	1,250,000	1,272,500	2%
Total Revenues	-	1,250,000	1,272,500	2%
General Fund Transfer	-	\$626,148	\$246,700	-61%
Permanent FTEs	-	7.00	7.00	
Temporary FTEs	-	0.80	0.00	
Total Authorized FTEs	-	7.80	7.00	

**TRAVEL AND TOURISM PROMOTION FUND
FUND STATEMENT**

	FY 2016 ACTUAL	FY 2017 REVISED	FY 2017 RE-ESTIMATE	FY 2018 PROPOSED
Beginning Balance, July 1	-	-	-	-
Transient Occupancy Tax Revenue	-	\$1,250,000	1,250,000	\$1,272,500
General Fund Transfer In	-	626,148	626,148	246,700
Total Balance, Revenues and Transfers In	-	1,876,148	1,876,148	1,519,200
Personnel	-	729,325	729,325	783,870
Operating	-	1,146,823	1,146,823	735,330
Carryover from prior years	-	-	-	-
Total Expenditures	-	\$1,876,148	\$1,876,148	\$1,519,200
Closing Balance, June 30	-	-	-	-

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PERFORMANCE MEASURES

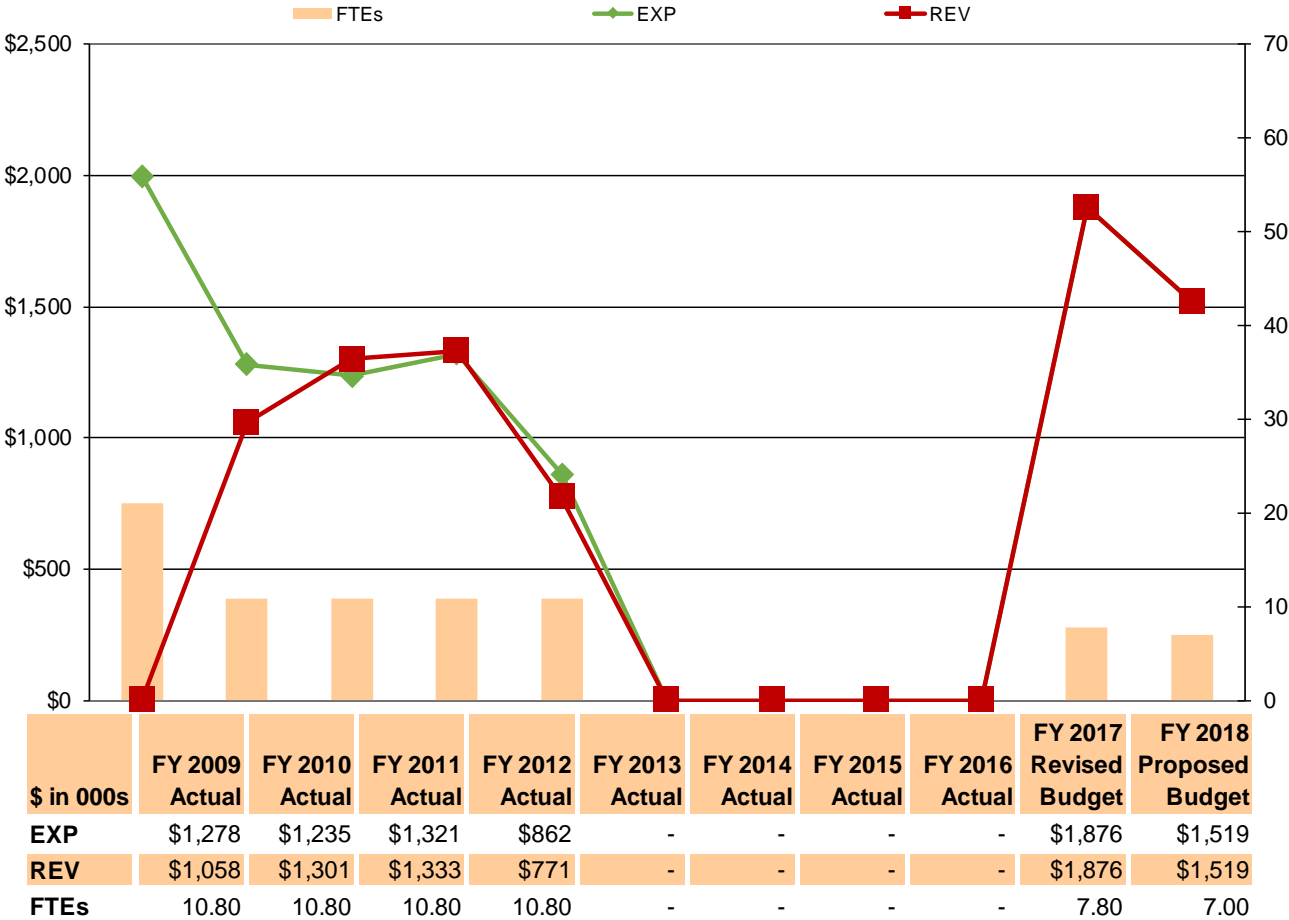
Critical Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average daily rate of hotel rooms in Arlington	\$153.84	\$146.44	\$154.37	\$157.54	\$159.00	\$160.00
Hotel occupancy (percent)	73.2%	72.8%	76.9%	77.2%	77.0%	77.0%
Internet visits to ACVS	76,740	56,582	68,872	57,410	70,000	90,000
Leads for the booking of group room nights	52,299	42,111	46,305	48,257	47,000	62,000

Supporting Measures	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Conversion rate of leads to actual bookings for group room nights	63%	57%	49%	49%	51%	50%
Group room nights booked	33,062	24,077	22,875	23,920	24,000	31,000
Visitor services in-person	11,993	4,604	4,155	18,259	13,000	14,000
Visitors guides and other distributions	84,132	50,753	47,952	9,711	100,800	80,000
Visitor maps distributed	244,891	201,851	75,872	43,627	135,000	80,000

- Significant variations occurred among FY 2015 Actual and FY 2016/FY 2017 Estimates for "Visitors guides and other distributions" and "Visitor maps distributed." These are due to reduced in-person visitor services until the new Mobile Visitors Center was launched in September 2015 and a longer-than-expected process for competitively selecting a new visitor-materials publisher. In order to define new requirements for this important vendor selection, ACVS took additional time to conduct a Request for Information from industry experts. As of mid-year FY 2017, visitor guides are in production for distribution.

**TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY**

EXPENDITURE, REVENUE AND FULL-TIME EQUIVALENT TRENDS



TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2009	<ul style="list-style-type: none"> ▪ Permanent FTEs increase (1.0) and temporary FTEs decrease (1.0) as a result of converting a limited-term position to permanent with no cost impact to the budget. ▪ Revenues decrease \$8,178 due to the end of the federal grant (\$78,000) supporting the Visitor Services Center rent. This decrease is partially offset by an increase in Transient Occupancy Tax (TOT) collections (\$69,822) based on recent hotel trends showing continued, although slower, growth as compared to recent years. 	(1.0)
FY 2010	<ul style="list-style-type: none"> ▪ The County Board approved a one-time lump-sum payment of \$500 for employees (\$5,000). ▪ The Travel and Tourism Promotion Fund (202) was restructured in order to absorb the functions of an eliminated General Fund position. A position was reclassified to focus on providing pre-trip and on-site support information regarding Arlington shopping and dining to increase visitor spending in the County. ▪ Reallocated Arlington Visitors Center rental/operational expenses for March-June 2010 (approximately \$28,000) to neighborhood-focused visitor services initiatives in Crystal City, Rosslyn, Ballston and Pentagon City. The Visitors Center closed in February 2010 in order to facilitate improved visitor services activities in the key hotel neighborhoods stated above. 	
FY 2011	<ul style="list-style-type: none"> ▪ No significant changes. 	
FY 2012	<ul style="list-style-type: none"> ▪ Personnel expenses decrease primarily due to reduction in operations based on lower Transient Occupancy Tax (TOT) which supports this fund. The County Board has directed staff beginning January 1 to focus on other Arlington Economic Development (AED) activities such as promoting and marketing businesses and cultural events within Arlington County, as well as enhancing small business initiatives. ▪ Transient Occupancy Tax (TOT) revenues decrease by 52% due to the loss of the TOT for hotel stays beginning January 1, 2012. The state legislation that authorizes Arlington County to assess this additional 0.25 percent transient occupancy tax was not renewed by the State Assembly and expires on December 31, 2011. ▪ Miscellaneous revenues decrease (\$2,500) due to the closure of the Visitor Center at Pentagon Row which sold County merchandise. The new Mobile Visitor Center is purely informational with no merchandise or retail sales. County merchandise can now be purchased at the Plaza Library branch location. 	

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2013	<ul style="list-style-type: none"> ▪ The additional Transient Occupancy Tax add-on (0.25%) which has supported the fund since January 1, 1991, was not re-established by the State Assembly in the spring of CY 2011. Arlington County's enabling legislation to impose this add-on tax expired on January 1, 2012. ▪ For FY 2013 the Travel and Tourism Promotion Fund will no longer exist as a Special Revenue fund. The County Board has adopted a reduced convention and visitor services program in Arlington Economic Development's General Fund budget. 	
FY 2017	<ul style="list-style-type: none"> ▪ <i>Arlington's enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25%) 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% 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 FTEs, 0.80 Temporary FTEs)</i> 	<p style="text-align: right;"><i>2.0</i></p> <p style="text-align: right;"><i>5.80</i></p>