



VIRGINIA TOURISM AUTHORITY  
D/B/A Virginia Tourism Corporation

# **OPERATING PLAN**

**FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

*Virginia is for Lovers* 

**VIRGINIA TOURISM AUTHORITY  
FY 2014 OPERATING PLAN**

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## **I. INTRODUCTION**

The Virginia Tourism Authority d/b/a the Virginia Tourism Corporation (VTC) was established by the General Assembly in 1999 (§ 2.2-2315 et seq., Code of Virginia) as "...a public body corporate and as a political subdivision of the Commonwealth." The Authority was given broad powers to "...stimulate the tourism segment of the economy by promoting, advertising, and marketing the Commonwealth's many tourist attractions and by coordinating other private and public efforts to do the same..." The General Assembly also recognized that the "...film industry is a legitimate and important part of economic development in the Commonwealth."

The VTC has a Board of Directors composed of 16 members, including the Lieutenant Governor, the Secretary of Commerce and Trade, the Secretary of Finance, the Secretary of Natural Resources, and 12 members appointed by the Governor, subject to confirmation by the General Assembly. The Governor designates the Chairman of the Board and the Board may elect one member as the Vice-Chairman. The President/CEO of the VTC is appointed by the Governor and reports to the Board of Directors, and also serves as the Board's ex-officio secretary.

The VTC is headquartered in Richmond. In addition, the VTC operates 11 state welcome centers located strategically around the state and the Capitol Bell Tower in Richmond to provide information to persons traveling in Virginia.

### **OPERATING PLAN**

This operating plan has been prepared in accordance with Chapter 806, the 2013 Appropriation Act, which states in part the following:

Prior to July 1 of each fiscal year, the Virginia Tourism Authority shall provide to the Chairmen of the House Appropriations and Senate Finance Committees and the Director, Department of Planning and Budget a report of its operating plan.

This document provides basic information regarding the VTC's priorities, how it will accomplish its objectives, and the resources committed to those efforts.



## II. MISSION, VISION, AND VALUES

The VTC serves the broader interests of the Virginia economy by supporting, maintaining, and expanding the Commonwealth's domestic and international travel markets and motion picture production, thereby generating increased visitor expenditures, tax revenues, and employment. The VTC develops and implements programs beneficial to Virginia travel-related and motion picture production-related businesses and consumers.

**MISSION STATEMENT:** The VTC is a creative and dynamic organization blazing new paths in marketing for the tourism and film industries in Virginia to bring more visitors and film producers to the Commonwealth; to get them staying longer; and spending more money.

*More People, Staying Longer, Spending More Money*

**VISION STATEMENT:** To foster a spirit of partnership within Virginia's tourism and motion picture industries to develop and implement innovative and effective programs and initiatives that will grow the industries and increase economic activity and jobs, resulting in a greater tax base for localities and the state.

**VALUES STATEMENT:** The VTC is a high-performing, independent entity composed of dedicated professionals committed to the following ideals:

- Accountability
- Exceptional Service
- Innovative Ideas

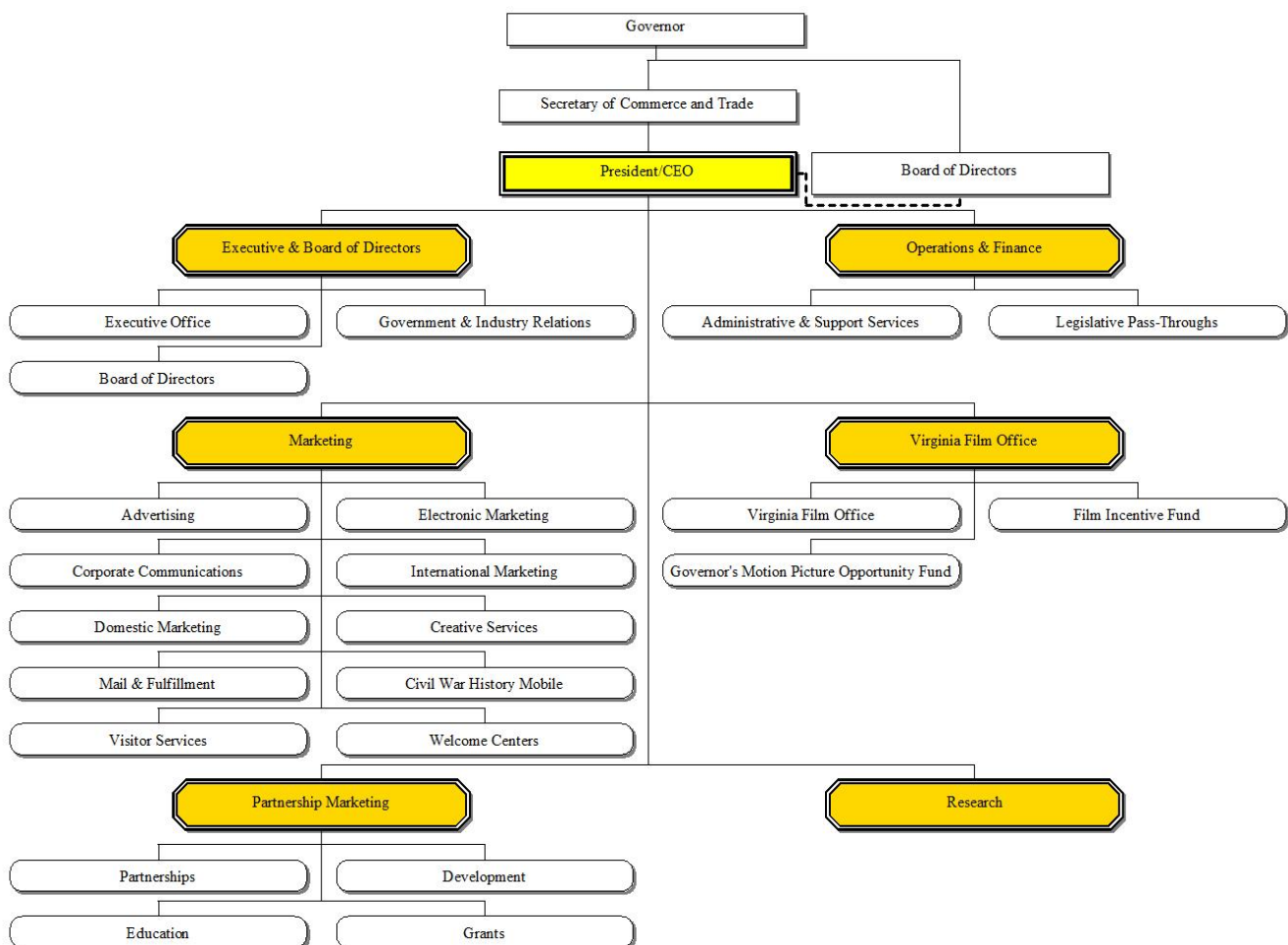


### III. ORGANIZATIONAL STRUCTURE

The VTC's activities are divided into five programmatic areas. The responsibilities for management of these areas are vested with five Vice-Presidents.

- 1) Operations & Finance
- 2) Marketing
- 3) Virginia Film Office
- 4) Partnership Marketing
- 5) Research

Virginia Tourism Corporation  
Organization Chart  
July 1, 2013





#### IV. STRATEGIC PLAN AND PERFORMANCE MEASURES

The VTC strategic plan identifies the means by which VTC will achieve its stated mission and goals. The strategic plan also identifies the objectives and strategies associated with the goals. The strategic plan may be found on VTC's website ([www.vatc.org](http://www.vatc.org)) or on the Commonwealth's "Virginia Performs" website ([www.vaperforms.virginia.gov](http://www.vaperforms.virginia.gov)). The goals included in the strategic plan are as follows:

- Strengthen awareness of the Virginia brand.
- Increase the economic impact of the tourism industry in Virginia.
- Increase the economic impact of the film and video industry throughout the Commonwealth.
- Increase the tax revenue generated from the tourism industry in Virginia.
- Increase the number of jobs supported by the tourism industry in Virginia.
- Support existing tourism products of all sizes and the development of new tourism products.
- Develop and execute collaborative statewide marketing programs.
- Advance the use of technology in tourism marketing.
- Improve infrastructure that supports tourism.
- Provide leadership, management and direction for the Virginia Tourism Authority.
- Educate elected officials and key opinion leaders on the economic importance of tourism and encourage investment in the industry.
- Expand hospitality workforce training.
- Strengthen the culture of preparedness across state agencies, their employees and customers.

The VTC also has the following quantifiable performance measures to assess the effectiveness of its programs in achieving its goals and objectives.

- Dollar amount of state and local tax revenue generated by tourism marketing
- Dollar amount of economic impact generated by tourism marketing
- Number of consumer inquiries
- Number of visitors to Virginia as a result of website marketing
- Number of annual unique website users
- Number of film industry contacts
- Number of tourism businesses and localities assisted
- Amount leveraged for every dollar invested
- Number of assisted reservation bookings
- Cost per unique user of Virginia Tourism Authority (VTA) websites
- Agency Preparedness Assessment Score



**V. FY 2014 OPERATING FINANCIAL PLAN SUMMARY**

**Operating Financial Plan Summary  
For The Fiscal Year Ending June 30, 2014**

	<b>Funds</b>	<b>Employment</b>
<b>Fund Sources</b>		
COV General Fund Revenue	\$19,863,612	49
VDOT Transfers	1,637,620	22
Interest on Deposits	10,000	
Federal Grants	474,203	
Other Revenues	302,507	2
Carryover Funds	2,277,362	
<b>Total Fund Sources</b>	<b>\$24,565,304</b>	<b>73</b>
<b>Expenditures</b>		
Executive, Operations, and Finance	\$1,413,731	7
Marketing	12,072,804	23
Visitor Services	3,496,714	29
Virginia Film Office	1,687,204	4
Partnership Marketing	5,394,851	10
Pass-Through Payments	500,000	
<b>Total Expenditures</b>	<b>\$24,565,304</b>	<b>73</b>

Note: The VTC employs 44 part-time workers not reflected in the above employment levels.



## VI. EXECUTIVE, OPERATIONS, AND FINANCE

This function provides oversight through the President/CEO and the Board of Directors. It includes administrative support services such as Board of Directors relations, government and industry relations, budget development and monitoring, financial reporting, accounting, procurement, and human resources.

### EXECUTIVE, OPERATIONS, AND FINANCE Operating Financial Plan

	<b>Funds</b>	<b>Employment</b>
<b>Fund Sources</b>		
COV General Fund Revenue	\$1,255,734	7
VDOT Transfers	--	
Interest on Deposits	10,000	
Federal Grants	147,997	
Other Revenues	--	
Carryover Funds	--	
<b>Total Fund Sources</b>	<b>\$1,413,731</b>	<b>7</b>
<b>Expenditures</b>		
Salaries, Benefits, and Taxes	\$660,502	7
Wages and Taxes	--	
Advertising and Promotion	1,240	
Missions, Shows, and Events	--	
Electronic Marketing	200	
Travel	55,065	
Services	360,944	
Supplies and Materials	23,676	
Grants and Pass-Through Payments	--	
Fixed Asset Payments	123,169	
Other Expenditures	188,935	
<b>Total Expenditures</b>	<b>\$1,413,731</b>	<b>7</b>





## VII. MARKETING

The marketing program plans and implements domestic and international marketing, advertising, corporate communications, and electronic marketing activities. It accomplishes this through the following primary functional areas, with each having targeted purposes and objectives to promote Virginia as a travel destination.

*Domestic and International Marketing:* VTC's direct sales efforts, including trade shows, sales missions, and site inspection tours, are designed to increase visitation and its economic impact from domestic and selected international markets. Key buyer segments targeted through the sales efforts include tour operators, travel agents, and meeting planners.

*Advertising:* The advertising program develops and promotes the Virginia brand through print, broadcast, outdoor, and web-based media. The media plan targets frequent travelers within markets that provide the highest potential number of visitors to Virginia.

*Corporate Communications:* Corporate communications efforts stimulate Virginia's economy by creating promotional communications tools and editorial coverage designed to motivate travelers to visit, stay longer, and see more of Virginia's travel attractions. Corporate communications also provides VTC with visibility in niche publications to promote special and unique attractions in Virginia.

*Creative Services:* The creative services program provides graphic development and production services for VTC and the Virginia Economic Development Partnership. The VTC's library of photography, film, videography, and electronic graphic files is managed by creative services.

*Electronic Marketing:* The electronic marketing program manages VTC's two primary websites, targeting consumers and Virginia's travel industry. It manages VTC's internet communications technologies and develops web-based business initiatives and partnerships. Electronic marketing regularly educates the industry on the use of internet technology and the benefits of full participation within VTC's consumer website.

*Research:* The research program provides a wide range of tourism-related data analysis and data gathering, including domestic and international visitor profiles, domestic and international market shares, the economic impact of tourism on the state and localities, and VTC's advertising and marketing campaign results. The program provides detailed and timely information for those in the Commonwealth who are interested in the area of tourism development and for the VTC to assess the return on investment of its programs.



**MARKETING (CONT'D)**

**MARKETING  
Operating Financial Plan**

	<b>Funds</b>	<b>Employment</b>
<b>Fund Sources</b>		
COV General Fund Revenue	\$11,357,415	21
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	326,206	
Other Revenues a/	268,107	2
Carryover Funds	121,076	
<b>Total Fund Sources</b>	<b>\$12,072,804</b>	<b>23</b>
<b>Expenditures</b>		
Salaries, Benefits, and Taxes	\$1,927,210	23
Wages and Taxes	41,736	
Advertising and Promotion	5,842,571	
Missions, Shows, and Events	195,800	
Electronic Marketing	983,138	
Travel	226,794	
Services	1,310,922	
Supplies and Materials	195,306	
Grants and Pass-Through Payments	823,632	
Fixed Assets Payments	45,705	
Other Expenditures	479,990	
<b>Total Expenditures</b>	<b>\$12,072,804</b>	<b>23</b>

a/ The Civil War History Mobile program is funded through the Virginia Sesquicentennial of the American Civil War Commission and is included in "Other Revenues." The program includes two full-time tour managers.



## VIII. VISITOR SERVICES

This program establishes overall strategies for sound customer and visitor relations and information distribution systems. It manages activities aimed at providing superior customer service, evaluating and improving customer fulfillment functions, and increasing community outreach. VTC works cooperatively with the Virginia Department of Transportation in the operations of the state's Welcome Centers to promote and encourage traveler visitation to Virginia.

### VISITOR SERVICES Operating Financial Plan

	Funds	Employment
<b>Fund Sources</b>		
COV General Fund Revenue	\$1,839,694	7
VDOT Transfers	1,637,620	22
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	19,400	
Carryover Funds	--	
<b>Total Fund Sources</b>	<b>\$3,496,714</b>	<b>29</b>
<b>Expenditures</b>		
Salaries, Benefits, and Taxes	\$1,747,213	29
Wages and Taxes	430,625	
Advertising and Promotion	--	
Missions, Shows, and Events	25,200	
Electronic Marketing	--	
Travel	54,750	
Services	919,314	
Supplies and Materials	147,250	
Grants and Pass-Through Payments	100,000	
Fixed Asset Payments	60,655	
Other Expenditures	11,707	
<b>Total Expenditures</b>	<b>\$3,496,714</b>	<b>29</b>

Note: Visitor Services also includes 42 part-time travel counselors at the 11 state Welcome Centers and the Capitol Bell Tower.



## IX. Virginia Film Office

The Virginia Film Office is committed to attracting film and video production to Virginia and supporting the indigenous production industry, with an ultimate goal of bringing economic and employment benefits to the Commonwealth. Film, video, and multi-media production is a growth industry worldwide and in Virginia, and the economic benefits to the state have grown significantly. The Virginia Film Office pursues its goals through the creation and implementation of aggressive marketing and development programs.

### VIRGINIA FILM OFFICE Operating Financial Plan

	<b>Funds</b>	<b>Employment</b>
<b>Fund Sources</b>		
COV General Fund Revenue	\$1,149,445	4
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	15,000	
Carryover Funds	522,759	
<b>Total Fund Sources</b>	<b>\$1,687,204</b>	<b>4</b>
<b>Expenditures</b>		
Salaries, Benefits, and Taxes	\$369,620	4
Wages and Taxes	--	
Advertising and Promotion	234,000	
Missions, Shows, and Events	50,500	
Electronic Marketing	--	
Travel	37,550	
Services	221,500	
Supplies and Materials	21,475	
Grants and Pass-Through Payments	737,759	
Fixed Assets Payments	3,800	
Other Expenditures	11,000	
<b>Total Expenditures</b>	<b>\$1,687,204</b>	<b>4</b>



**X. PARTNERSHIP MARKETING**

The Partnership Marketing division works closely with communities throughout Virginia through tourism development, education, and grants programs.

Development: This program provides communities and tourism entrepreneurs with tourism planning expertise and assistance. It assists with strategic planning, product planning, and identifying funding resources to achieve the planning goals and grow the Commonwealth's tourism product.

Education: This program seeks to identify tourism workforce training and educational opportunities through the Virginia education system and provides customer service training for the tourism industry sector.

Grants: VTC is a resource for the industry to seek and secure grants to supplement marketing and product development programs. VTC works closely with Virginia's localities and attractions to identify grant opportunities and options for stretching limited resources to market the Commonwealth's tourism product.

**PARTNERSHIP MARKETING  
 Operating Financial Plan**

	<b>Funds</b>	<b>Employment</b>
<b>Fund Sources</b>		
COV General Fund Revenue	\$3,761,324	10
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	--	
Carryover Funds	1,633,527	
<b>Total Fund Sources</b>	<b>\$5,394,851</b>	<b>10</b>
<b>Expenditures</b>		
Salaries, Benefits, and Taxes	\$986,108	10
Wages and Taxes	--	
Advertising and Promotion	649,000	
Missions, Shows, and Events	--	
Electronic Marketing	--	
Travel	36,750	
Services	355,809	
Supplies and Materials	11,098	
Grants and Pass-Through Payments	3,333,527	
Fixed Assets Payments	4,000	
Other Expenditures	18,559	
<b>Total Expenditures</b>	<b>\$5,394,851</b>	<b>10</b>



**XI. PASS-THROUGH PAYMENTS**

The following is a list of pass-through funding included in the appropriation for the Virginia Tourism Authority.

	<b>Funds</b>
<b>Fund Sources</b>	
COV General Fund Revenue	\$500,000
<b>Total Fund Sources</b>	<b>\$500,000</b>
<b>Expenditures</b>	
Virginia Sports Hall of Fame & Museum	\$500,000
<b>Total Expenditures</b>	<b>\$500,000</b>