



VIRGINIA TOURISM AUTHORITY
D/B/A Virginia Tourism Corporation

OPERATING PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

VIRGINIA IS FOR LOVERS

**VIRGINIA TOURISM AUTHORITY
FY 2015 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

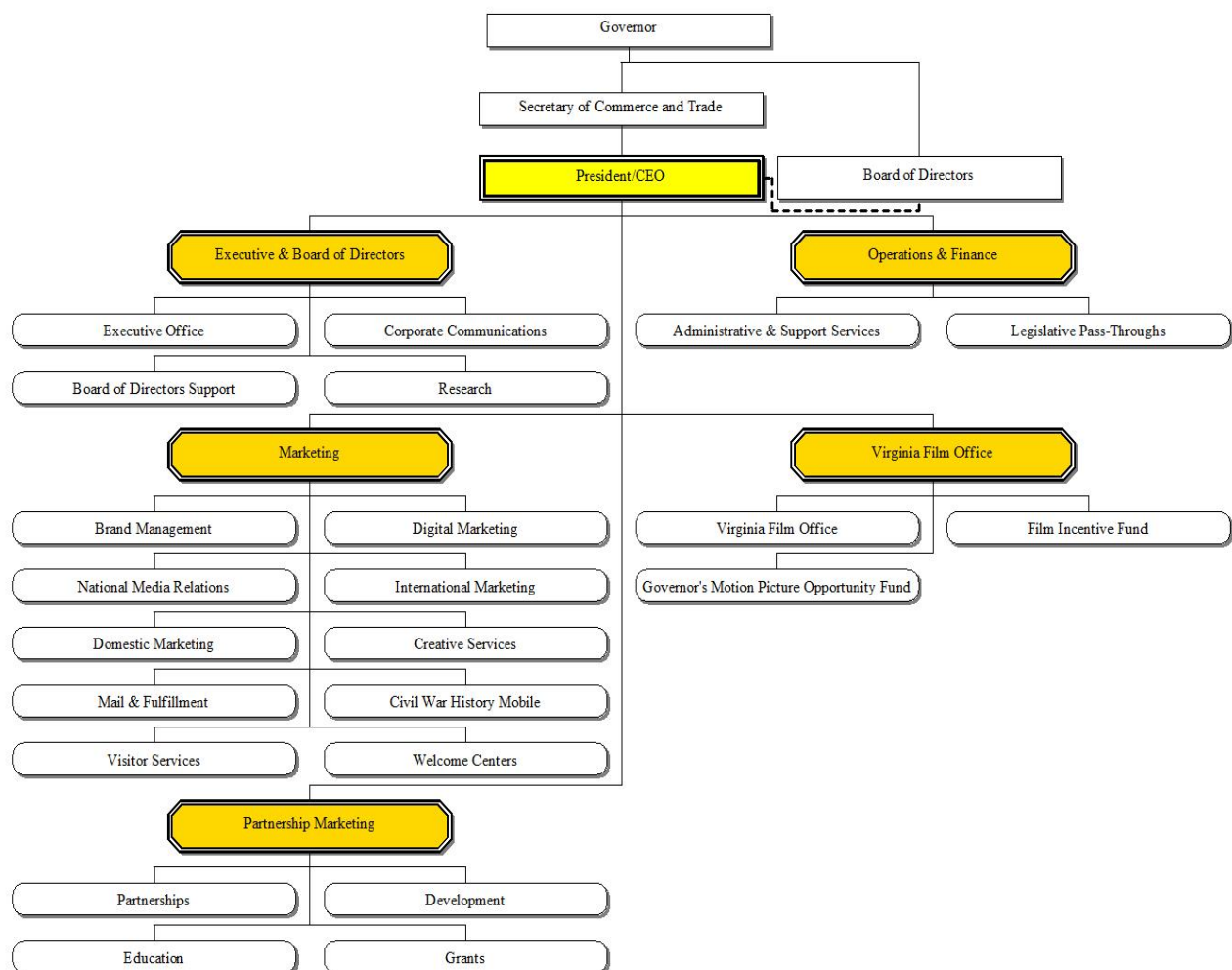


III. ORGANIZATIONAL STRUCTURE

The VTC's activities are divided into five programmatic areas. The responsibilities for management of these areas are vested with the President/CEO and four Vice-Presidents.

- 1) Executive & Board of Directors
- 2) Operations & Finance
- 3) Marketing
- 4) Virginia Film Office
- 5) Partnership Marketing

Virginia Tourism Corporation
Organization Chart
July 1, 2014





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) or on the Commonwealth's "Virginia Performs" website (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

Note: The VTC will be completing an update of its strategic plan in July 2014.



V. FY 2015 OPERATING FINANCIAL PLAN SUMMARY

**Operating Financial Plan Summary
For The Fiscal Year Ending June 30, 2015**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$20,225,218	56
VDOT Transfers	1,627,380	22
Interest on Deposits	6,500	
Federal Grants	71,500	
Other Revenues	371,516	2
Carryover Funds	2,304,233	
Total Fund Sources	\$24,606,347	80
Expenditures		
Executive, Operations, and Finance	\$1,421,584	8
Marketing	11,901,304	24
Visitor Services	3,528,532	29
Virginia Film Office	1,555,218	6
Partnership Marketing	5,649,709	13
Pass-Through Payments	550,000	
Total Expenditures	\$24,606,347	80

Note: The VTC employs 42 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, corporate communications, budget development and monitoring, financial reporting, accounting, and procurement.

EXECUTIVE, OPERATIONS, AND FINANCE Operating Financial Plan

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$1,343,584	8
VDOT Transfers	--	
Interest on Deposits	6,500	
Federal Grants	71,500	
Other Revenues	--	
Carryover Funds	--	
Total Fund Sources	\$1,421,584	8
Expenditures		
Salaries, Benefits, and Taxes	\$756,533	8
Wages and Taxes	--	
Advertising and Promotion	37,700	
Missions, Shows, and Events	25,450	
Electronic Marketing	7,500	
Travel	70,650	
Services	275,206	
Supplies and Materials	22,734	
Grants and Pass-Through Payments	--	
Fixed Asset Payments	40,966	
Other Expenditures	184,845	
Total Expenditures	\$1,421,584	8



VII. MARKETING

The VTC Marketing division plans and implements domestic and international marketing programs that include: brand management, national media relations, promotions, domestic sales, merchandising, creative services, and digital marketing. 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, site inspection tours, and hosting visiting foreign press, 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.

Brand Management: The advertising program develops and promotes the Virginia brand through print, broadcast, and digital. The media plan targets frequent travelers within markets that provide the highest potential number of visitors to Virginia. The media plan includes buy-downs and cooperative support for Virginia's tourism industry.

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 graphics files is managed by creative services.

National Media Relations: National media relations efforts stimulate Virginia's economy by generating editorial coverage designed to motivate travelers to visit, stay longer, and see more of Virginia's travel attractions. National media relations also provides VTC with visibility in niche publications to promote special and unique attractions in Virginia.

Digital Marketing: The digital marketing program manages VTC's two primary websites: virginia.org and vatc.org. Virginia.org is a trip planning and travel inspiration site for consumers, while vatc.org is a business-to-business website for Virginia's tourism industry. Digital marketing manages VTC's Internet communications technologies and develops web-based business initiatives and partnerships. Digital marketing regularly educates the industry on the use of Internet technology and the benefits of full participation in VTC's consumer website. Digital marketing also manages VTC's robust social media program.

Research: The research program provides a wide range of tourism-related data gathering and data analysis, 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**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$11,497,834	22
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues a/	263,470	2
Carryover Funds	140,000	
Total Fund Sources	\$11,901,304	24
Expenditures		
Salaries, Benefits, and Taxes	\$2,006,137	24
Wages and Taxes	--	
Advertising and Promotion	5,635,904	
Missions, Shows, and Events	232,146	
Electronic Marketing	691,168	
Travel	210,689	
Services	1,613,462	
Supplies and Materials	181,827	
Grants and Pass-Through Payments	802,556	
Fixed Assets Payments	30,400	
Other Expenditures	497,015	
Total Expenditures	\$11,901,304	24

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
Fund Sources		
COV General Fund Revenue	\$1,821,234	7
VDOT Transfers	1,627,380	22
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	79,918	
Carryover Funds	--	
Total Fund Sources	\$3,528,532	29
Expenditures		
Salaries, Benefits, and Taxes	\$1,808,782	29
Wages and Taxes	450,691	
Advertising and Promotion	--	
Missions, Shows, and Events	15,100	
Electronic Marketing	--	
Travel	67,975	
Services	859,527	
Supplies and Materials	158,486	
Grants and Pass-Through Payments	100,000	
Fixed Asset Payments	53,646	
Other Expenditures	14,325	
Total Expenditures	\$3,528,532	29

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 the 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

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$1,149,445	6
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	--	
Carryover Funds	405,773	
Total Fund Sources	\$1,555,218	6
Expenditures		
Salaries, Benefits, and Taxes	\$495,451	6
Wages and Taxes	--	
Advertising and Promotion	223,000	
Missions, Shows, and Events	41,500	
Electronic Marketing	--	
Travel	40,044	
Services	113,000	
Supplies and Materials	23,650	
Grants and Pass-Through Payments	605,773	
Fixed Assets Payments	2,800	
Other Expenditures	10,000	
Total Expenditures	\$1,555,218	6



X. PARTNERSHIP MARKETING

The Partnership Marketing division works closely with communities throughout Virginia through tourism development and grant 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.

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

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$3,863,121	13
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	28,128	
Carryover Funds	1,758,460	
Total Fund Sources	\$5,649,709	13
Expenditures		
Salaries, Benefits, and Taxes	\$1,268,779	13
Wages and Taxes	--	
Advertising and Promotion	443,058	
Missions, Shows, and Events	4,000	
Electronic Marketing	5,000	
Travel	44,050	
Services	376,607	
Supplies and Materials	44,155	
Grants and Pass-Through Payments	3,438,460	
Fixed Assets Payments	10,500	
Other Expenditures	15,100	
Total Expenditures	\$5,649,709	13



XI. PASS-THROUGH PAYMENTS

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

	Funds
Fund Sources	
COV General Fund Revenue	\$550,000
Total Fund Sources	\$550,000
Expenditures	
Virginia Sports Hall of Fame & Museum	\$500,000
Special Olympics Virginia Polar Plunge	50,000
Total Expenditures	\$550,000