



VIRGINIA TOURISM AUTHORITY
D/B/A Virginia Tourism Corporation

OPERATING PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

VIRGINIA IS FOR LO♥ERS

**VIRGINIA TOURISM AUTHORITY
FY 2016 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 17 members, including the Lieutenant Governor, the Secretary of Commerce and Trade, the Secretary of Finance, the Secretary of Natural Resources, the Secretary of Agriculture and Forestry (as of July 1, 2015), 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 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 Bell Tower Visitor Center in Richmond to provide information to persons traveling in Virginia.

OPERATING PLAN

This operating plan has been prepared in accordance with Chapter 665, the 2015 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 summary information regarding VTC's priorities, how it will accomplish its objectives, and the resources committed to those efforts.



II. MISSION, VISION, AND VALUES

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 industry, thereby generating increased spending, tax revenues, and employment. VTC develops and implements programs beneficial to Virginia travel-related and motion picture-related businesses and consumers.

MISSION STATEMENT:

The Virginia Tourism Authority promotes and develops the tourism and motion picture industries to stimulate Virginia's economy and enhance the quality of life of all Virginians.

VISION STATEMENT:

Leading the nation in tourism and motion picture production.

VALUES STATEMENT:

Integrity and Ethics:

- Always act ethically and with integrity
- Assume positive intent
- Be transparent and responsible
- People are respected, valued, and appreciated

Accountability:

- Be good stewards of taxpayer money
- Take personal responsibility
- Seek solutions and achieve results
- Commit to agency goals
- Live our values through our work and in our culture

Humility:

- Never underestimate the competition
- Be open to new ideas and trends
- Be open to change and continuous improvement

Passion:

- Be passionate about business, brand, and the Commonwealth
- Value, promote, and fiercely protect our reputation
- Be proud
- Exceed expectations
- Promote creativity

Results:

- Solutions-oriented operations and organization
- Measure success
- Continuously evaluate, adapt, and improve

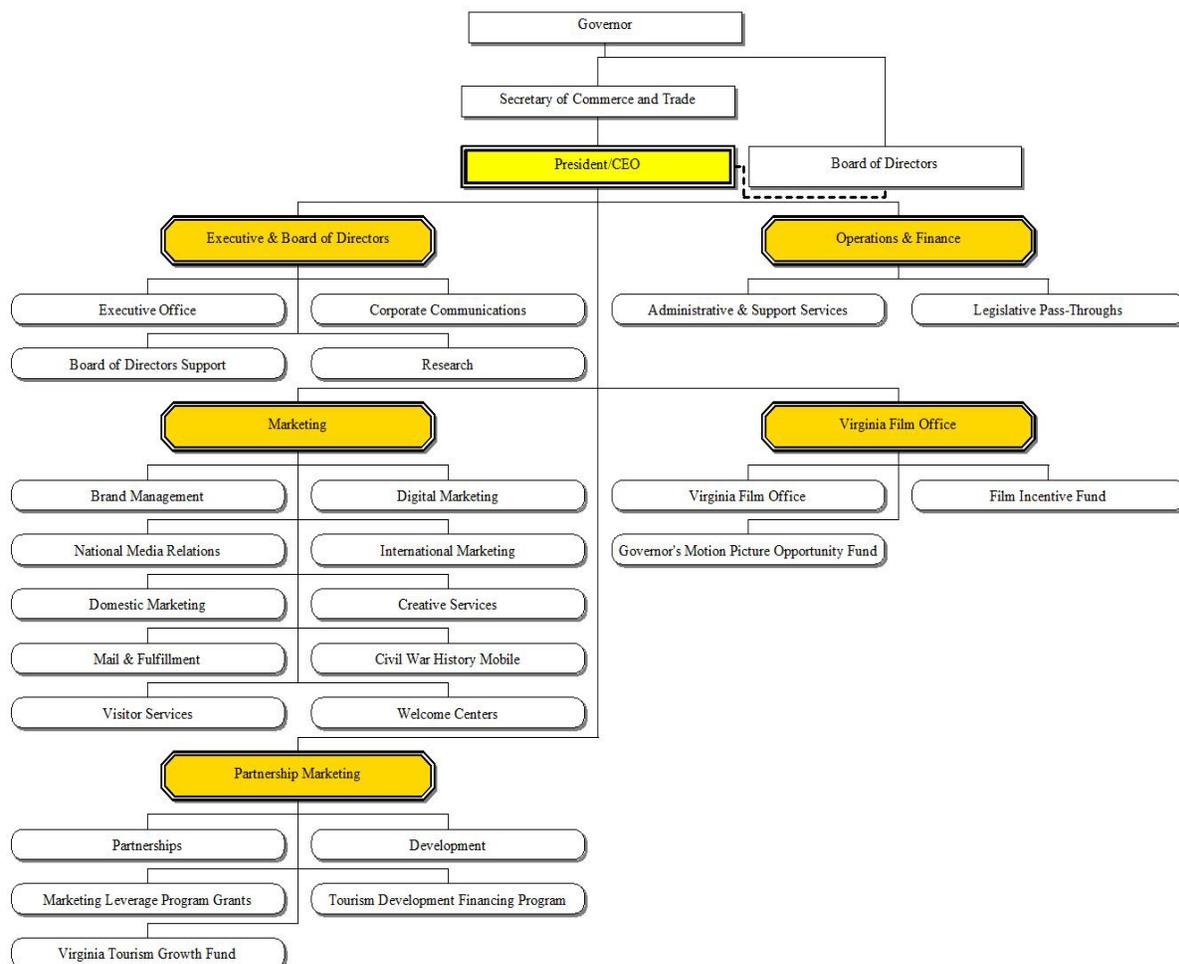


III. ORGANIZATIONAL STRUCTURE

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, 2015





IV. STRATEGIC PLAN AND PERFORMANCE MEASURES

VTC's 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:

1. Inspire travel to Virginia by strengthening awareness of the Virginia brand and product.
 - Increase and strengthen the awareness of Virginia as a travel destination.
 - Make the visitor or potential visitor aware of the many opportunities that the Commonwealth offers in the way of destinations, family fun, history, and business travel.
2. Increase the economic impact of the tourism and motion picture industries in Virginia.
 - Attract visitors and motion picture production to the Commonwealth, resulting in greater economic impact generated by the tourism and motion picture industries.
3. Increase the number of jobs supported by the tourism and motion picture industries in Virginia.
 - Attract visitors and motion picture production to the Commonwealth, resulting in more jobs supported by the tourism and motion picture production industries.
4. Increase the tax revenues generated by the tourism and motion picture industries in Virginia.
 - Attract visitors and motion picture production to the Commonwealth, resulting in greater tax revenues generated by the tourism and motion picture industries.
5. Provide resources to communities to maximize their tourism potential.
 - Support the enhancement, expansion, and development of new and existing tourism products, events, and services.
 - Strengthen and increase partnerships each year that benefit the tourism industry.
 - Access new funding and leverage advertising, marketing, and public relations resources by partnering with tourism organizations, other nonprofit entities, private industry, and government.
6. Strengthen awareness of the value of tourism as an economic engine for Virginia.
 - Foster strong working relationships with elected officials and key opinion leaders to gain support and growth for Virginia's tourism industry.

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

1. Number of digital referrals to industry partners (in millions)
2. Number of annual unique website users (in millions)
3. Amount leveraged for every grant dollar invested
4. Dollar amount of economic impact generated by the motion picture industry (in millions)
5. Cost per one thousand media impressions
6. Number of Welcome Center visitors (in millions)



V. FY 2016 OPERATING FINANCIAL PLAN SUMMARY

**Operating Financial Plan Summary
For The Fiscal Year Ending June 30, 2016**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$20,802,965	
VDOT Transfers	1,227,380	
Interest on Deposits	6,500	
Federal Grants	--	
Other Revenues	737,136	
Carryover Funds	2,991,635	
Total Fund Sources	\$25,765,616	
Expenditures		
Executive, Operations, and Finance	\$1,500,084	8
Marketing	12,090,622	23
Visitor Services	3,489,999	29
Virginia Film Office	1,658,442	5
Partnership Marketing	6,526,469	12
Pass-Through Payments	500,000	
Total Expenditures	\$25,765,616	77

Note: VTC employs 51 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 also includes administrative support services such as Board of Directors support, 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	\$1,493,584	
VDOT Transfers	--	
Interest on Deposits	6,500	
Federal Grants	--	
Other Revenues	--	
Carryover Funds	--	
Total Fund Sources	\$1,500,084	
Expenditures		
Salaries, Benefits, and Taxes	\$836,115	8
Wages and Taxes	--	
Advertising and Promotion	33,149	
Missions, Shows, and Events	27,825	
Digital Marketing	2,500	
Travel	105,650	
Services	219,490	
Supplies and Materials	27,060	
Grants and Pass-Through Payments	--	
Fixed Asset Payments	48,495	
Other Expenditures	199,800	
Total Expenditures	\$1,500,084	8



VII. MARKETING

VTC's Marketing division plans and implements a number of domestic and international programs in order to promote Virginia as a travel destination, including brand management, creative services, national and international media relations, domestic sales, international trade and sales, promotions, merchandising, and digital marketing. It accomplishes this through the following primary functional areas, with each having targeted purposes and objectives.

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 resulting 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 media. 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. VTC's library of photography, film, videography, and digital 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, and the economic impact of tourism on the state and localities, as well as VTC's advertising and marketing campaign results. The program provides detailed and timely information for those in the Commonwealth who are interested in tourism development and for 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	\$11,515,239	
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	254,743	
Carryover Funds	320,640	
Total Fund Sources	\$12,090,622	
Expenditures		
Salaries, Benefits, and Taxes	\$2,065,909	23
Wages and Taxes	--	
Advertising and Promotion	5,623,629	
Missions, Shows, and Events	180,300	
Digital Marketing	894,830	
Travel	166,777	
Services	1,727,501	
Supplies and Materials	177,600	
Grants and Pass-Through Payments	727,556	
Fixed Assets Payments	31,405	
Other Expenditures	495,115	
Total Expenditures	\$12,090,622	23

Note: 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 develops 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	\$1,781,576	
VDOT Transfers	1,227,380	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	481,043	
Carryover Funds	--	
Total Fund Sources	\$3,489,999	
Expenditures		
Salaries, Benefits, and Taxes	\$1,924,731	29
Wages and Taxes	471,726	
Advertising and Promotion	1,500	
Missions, Shows, and Events	2,035	
Digital Marketing	--	
Travel	73,527	
Services	703,660	
Supplies and Materials	152,773	
Grants and Pass-Through Payments	100,000	
Fixed Asset Payments	47,110	
Other Expenditures	12,937	
Total Expenditures	\$3,489,999	29

Note: Visitor Services also includes 50 part-time travel counselors at the 11 state Welcome Centers and the Bell Tower Visitor Center.



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	
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	--	
Carryover Funds	508,997	
Total Fund Sources	\$1,658,442	
Expenditures		
Salaries, Benefits, and Taxes	\$445,796	5
Wages and Taxes	36,888	
Advertising and Promotion	243,000	
Missions, Shows, and Events	41,500	
Digital Marketing	--	
Travel	40,044	
Services	105,767	
Supplies and Materials	23,650	
Grants and Pass-Through Payments	708,997	
Fixed Assets Payments	2,800	
Other Expenditures	10,000	
Total Expenditures	\$1,658,442	5



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 support. 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 product development and marketing programs. VTC works closely with Virginia’s localities and attractions to identify grant opportunities and options for stretching limited resources to develop and market the Commonwealth’s tourism product.

**PARTNERSHIP MARKETING
 Operating Financial Plan**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$4,363,121	
VDOT Transfers	--	
Interest on Deposits	--	
Federal Grants	--	
Other Revenues	1,350	
Carryover Funds	2,161,998	
Total Fund Sources	\$6,526,469	
Expenditures		
Salaries, Benefits, and Taxes	\$1,203,377	12
Wages and Taxes	--	
Advertising and Promotion	507,000	
Missions, Shows, and Events	3,545	
Digital Marketing	48,000	
Travel	72,500	
Services	246,050	
Supplies and Materials	32,900	
Grants and Pass-Through Payments	4,391,998	
Fixed Assets Payments	10,250	
Other Expenditures	10,849	
Total Expenditures	\$6,526,469	12

Note: “COV General Fund Revenue” includes \$500,000 for the Virginia Tourism Growth Fund appropriated to Economic Development Incentive Payments in Chapter 665, the 2015 Appropriation Act.



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	\$500,000
Total Fund Sources	\$500,000
Expenditures	
Virginia Sports Hall of Fame & Museum	\$250,000
Special Olympics Virginia	50,000
Southwest Regional Recreation Authority (Spearhead Trails)	200,000
Total Expenditures	\$500,000