



VIRGINIA TOURISM AUTHORITY
D/B/A Virginia Tourism Corporation

OPERATING PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

VIRGINIA IS FOR LO♥ERS

**VIRGINIA TOURISM AUTHORITY
FY 2019 OPERATING PLAN**

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	MISSION, VISION, AND VALUES	2
III.	ORGANIZATIONAL STRUCTURE	3
IV.	STRATEGIC PLAN AND PERFORMANCE MEASURES.....	4
V.	FY 2019 OPERATING FINANCIAL PLAN SUMMARY	5
VI.	EXECUTIVE, OPERATIONS, AND FINANCE.....	7
VII.	MARKETING	8
VIII.	VISITOR SERVICES.....	10
IX.	FILM.....	11
X.	PARTNERSHIP MARKETING	12
XI.	PASS-THROUGH PAYMENTS	13



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, 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 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 13 state welcome centers located strategically around the state to provide information to people traveling in Virginia.

OPERATING PLAN

This operating plan has been prepared in accordance with Chapter 2, the 2018 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, employment, and tax revenues. 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

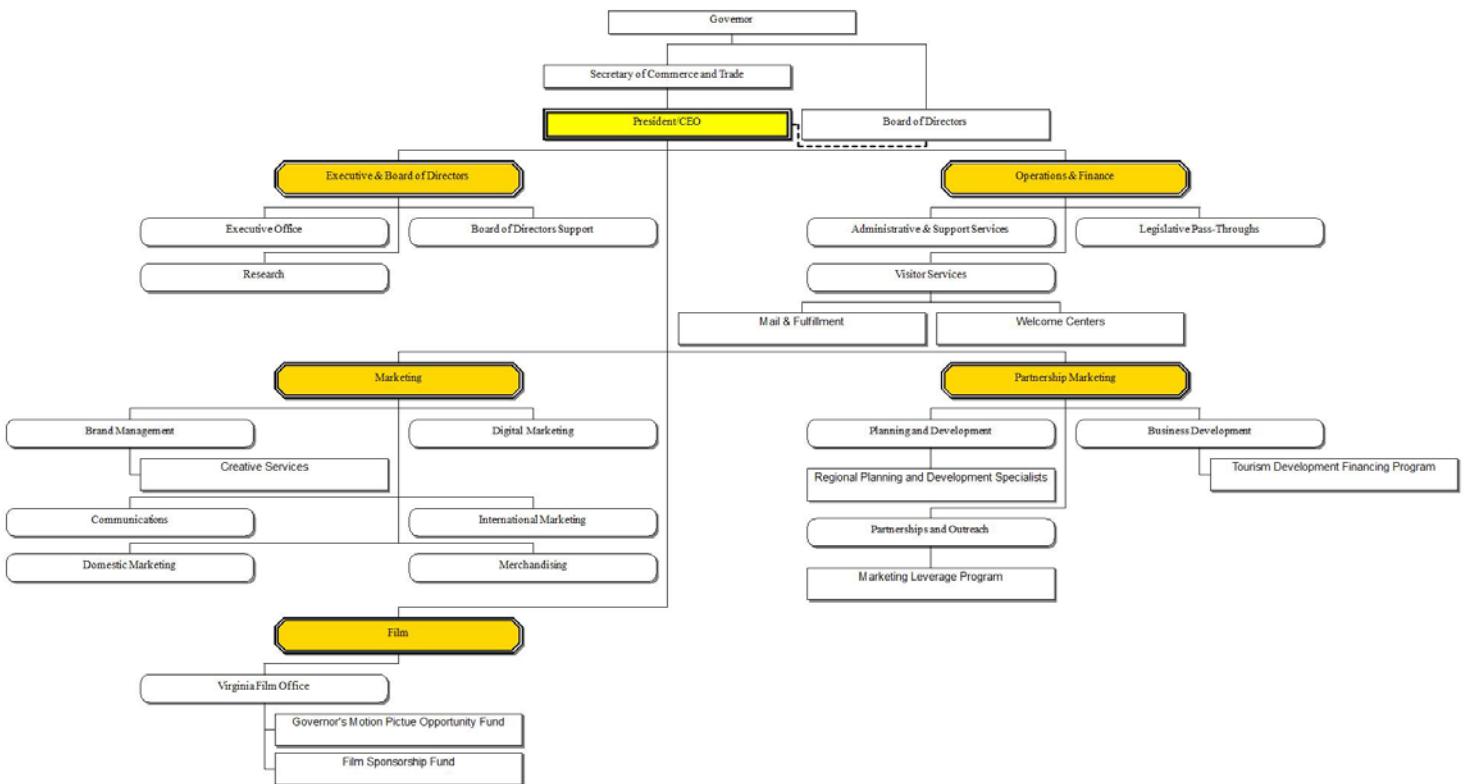


III. ORGANIZATIONAL STRUCTURE

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) Film
- 5) Partnership Marketing

Virginia Tourism Corporation
Organization Chart
July 1, 2018





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
2. Number of annual website user sessions
3. Amount leveraged for every grant dollar invested
4. Dollar amount of economic impact generated by the motion picture industry
5. Cost per one thousand media impressions
6. Number of Welcome Center visitors



V. FY 2019 OPERATING FINANCIAL PLAN SUMMARY

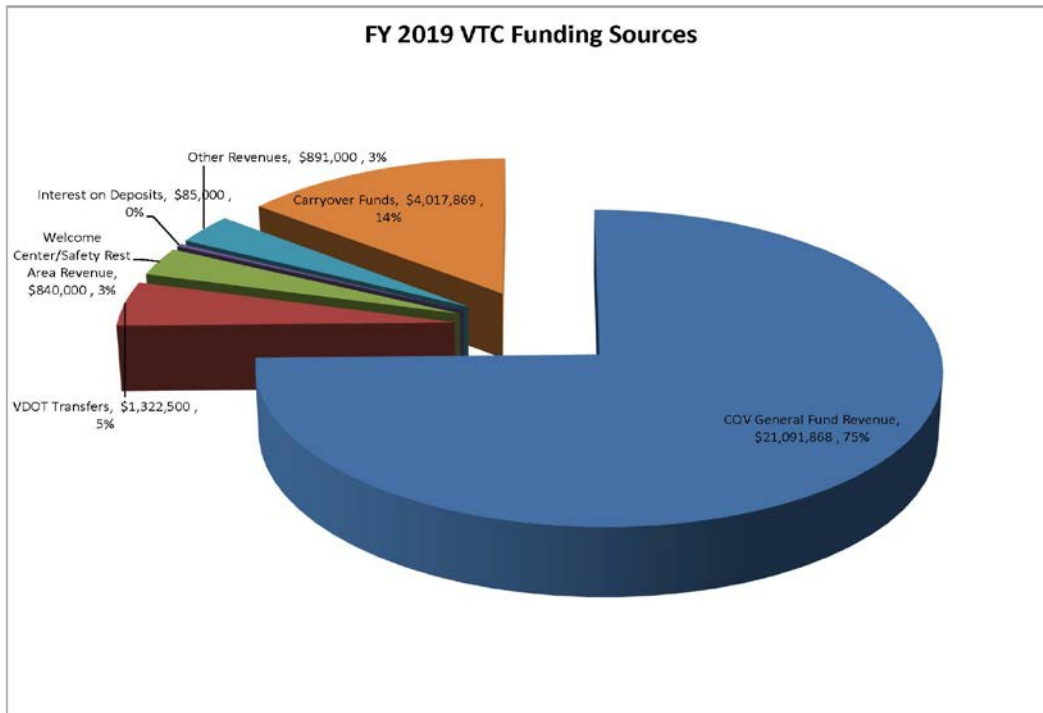
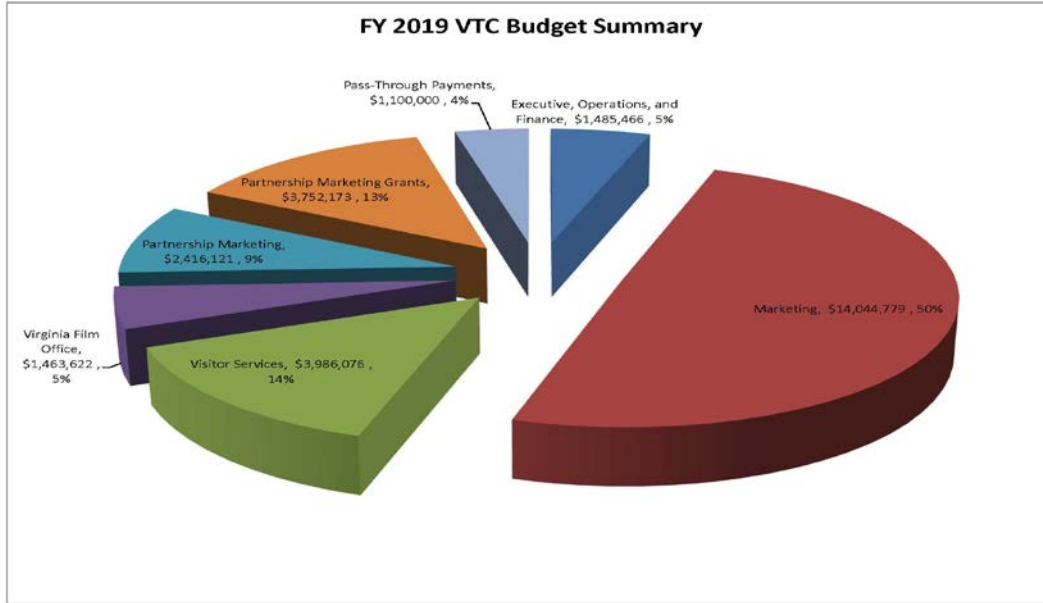
**Operating Financial Plan Summary
 For The Fiscal Year Ending June 30, 2019**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$21,091,868	
VDOT Transfers	1,322,500	
Welcome Center/Safety Rest Area Revenue	840,000	
Interest on Deposits	85,000	
Other Revenues	891,000	
Carryover Funds	4,017,869	
Total Fund Sources	\$28,248,237	
Expenditures		
Executive, Operations, and Finance	\$1,485,466	7
Marketing	14,044,779	28
Visitor Services	3,986,076	31
Film	1,463,622	5
Partnership Marketing	6,168,294	14
Pass-Through Payments	1,100,000	
Total Expenditures	\$28,248,237	85

Note: VTC employs 61 part-time workers not reflected in the above employment levels.

FY 2019 General Fund Budget Summary

	Amount
Base Budget	\$19,784,112
Distribute Central Appropriations amounts to agency budgets	\$276,312
Provide additional funding for tourism marketing	\$200,000
Provide funding for Richmond Raceway commitment	\$150,000
Introduced Budget Bill (2018 Session)	\$20,410,424
Provide additional funding for the Spearhead Trails	\$250,000
Provide funding for the Coalfield Regional Tourism Authority	\$100,000
Provide funding for the Carver Price Legacy Museum	\$25,000
Provide funding to support infrastructure improvements at Great Meadow	\$250,000
Chapter 2 (2018 Appropriation Act)	\$21,035,424
FY 2019 Central Appropriations distributions (estimated)	\$56,444
TOTAL FY 2019 GENERAL FUND BUDGET	\$21,091,868





VI. EXECUTIVE, OPERATIONS, AND FINANCE

This function provides oversight through the President/CEO and the Board of Directors. It also includes administrative and support services such as Board of Directors support, budget development and monitoring, financial reporting, accounting, procurement, and strategic planning coordination. In addition, this function oversees the management of the Virginia is for Lovers trademarks.

EXECUTIVE, OPERATIONS, AND FINANCE Operating Financial Plan

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$1,382,466	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	\$85,000	
Other Revenues	\$18,000	
Carryover Funds	--	
Total Fund Sources	\$1,485,466	
Expenditures		
Salaries, Benefits, and Taxes	\$851,278	7
Wages and Taxes	6,460	
Advertising and Promotion	--	
Missions, Shows, and Events	9,575	
Digital Marketing	--	
Travel	101,785	
Services	224,390	
Supplies and Materials	29,711	
Grants and Pass-Through Payments	--	
Fixed Asset Payments	36,656	
Other Expenditures	225,611	
Total Expenditures	\$1,485,466	7



VII. MARKETING

VTC's marketing activities include a number of domestic and international programs aimed at promoting Virginia as a premier travel destination, including brand management, creative services, national and international media relations, domestic sales, international trade and sales, promotions, digital marketing, merchandising, and research. Each of the following primary functional areas has 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 and sports events rights holders.

Brand Management: The advertising program develops and promotes the Virginia brand through social media, 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 in-house graphic development and production services for VTC. VTC's library of photography, film, videography, and digital graphics files is managed by creative services.

Communications: The communications program is responsible for generating editorial coverage in targeted national, regional, and in-state publications for promotion of Virginia as a premier travel destination. Communications also provides VTC with visibility in niche publications to promote special and unique attractions in Virginia. The program also is responsible for developing talking points for press conferences and interviews with the Governor and First Lady. In addition, it disseminates tourism-related news to the Virginia tourism industry and works with the industry on generating media coverage.

Digital Marketing: The digital marketing program manages VTC's three primary websites: virginia.org, blog.virginia.org, and vatc.org. Virginia.org and blog.virginia.org are trip planning and travel inspiration websites 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 also regularly educates the industry on the use of online technologies, marketing strategies, and the benefits of full participation in VTC's consumer website. In addition, digital marketing manages VTC's robust social media program.

Merchandising: This program oversees the production of official Virginia is for Lovers merchandise. It works with Virginia's tourism industry to encourage participation in the sale of such merchandise, which generates royalties that support VTC's programs as well as strengthening brand recognition.



MARKETING (CONT'D)

Research: The research program utilizes a wide range of tourism industry data, metrics, and insights in order to quantify Virginia’s tourism industry and measure organizational goals that are aligned with VTC’s overall strategy. The aims of VTC’s research program are to measure tourism industry performance, conduct consumer studies, and perform competitive industry analysis. The research program works with internal and external partners in primary survey data and segmentation analysis, developing domestic and international visitor profiles, calculating domestic and international market shares, and determining the economic and fiscal impact of tourism on the state and localities. The program also provides detailed and timely information for VTC to measure the benefit-cost ratio of its integrated marketing, digital media, and incentive programs.

**MARKETING
 Operating Financial Plan**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$11,915,260	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	763,000	
Carryover Funds	1,366,519	
Total Fund Sources	\$14,044,779	
Expenditures		
Salaries, Benefits, and Taxes	\$2,682,598	28
Wages and Taxes	46,730	
Advertising and Promotion	6,126,919	
Missions, Shows, and Events	324,107	
Digital Marketing	1,128,103	
Travel	336,879	
Services	1,204,594	
Supplies and Materials	281,470	
Grants and Pass-Through Payments	1,391,420	
Fixed Assets Payments	29,700	
Other Expenditures	492,259	
Total Expenditures	\$14,044,779	28

Note: The WW I & WW II Profiles of Honor Tour is funded through the Virginia World War I and World War II Commemoration Commission and is included in “Other Revenues.” The program includes one full-time employee and five part-time employees.



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	\$1,681,576	
VDOT Transfers	1,322,500	
Welcome Center/Safety Rest Area Revenue	840,000	
Interest on Deposits	--	
Other Revenues	107,000	
Carryover Funds	35,000	
Total Fund Sources	\$3,986,076	
Expenditures		
Salaries, Benefits, and Taxes	\$2,174,590	31
Wages and Taxes	561,407	
Advertising and Promotion	500	
Missions, Shows, and Events	5,850	
Digital Marketing	--	
Travel	76,371	
Services	819,457	
Supplies and Materials	171,243	
Grants and Pass-Through Payments	100,000	
Fixed Asset Payments	63,414	
Other Expenditures	13,244	
Total Expenditures	\$3,986,076	31

Note: Visitor Services also includes 52 part-time travel counselors at the state's Welcome Centers.



IX. Film

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 the potential economic benefits to the state have increased significantly. The Virginia Film Office pursues its goals through the creation and implementation of innovative marketing and development programs, and by delivering exceptional customer service to inspire repeat business.

FILM Operating Financial Plan

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$1,149,445	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	--	
Carryover Funds	314,177	
Total Fund Sources	\$1,463,622	
Expenditures		
Salaries, Benefits, and Taxes	\$480,351	5
Wages and Taxes	44,150	
Advertising and Promotion	229,000	
Missions, Shows, and Events	26,500	
Digital Marketing	--	
Travel	44,500	
Services	227,000	
Supplies and Materials	40,444	
Grants and Pass-Through Payments	354,177	
Fixed Assets Payments	6,500	
Other Expenditures	11,000	
Total Expenditures	\$1,463,622	5



X. PARTNERSHIP MARKETING

Partnership Marketing maximizes the tourism potential of Virginia communities through tourism planning, development, and marketing. Together, these efforts help build vibrant communities for travelers, as well as residents.

Planning and Partnerships: Planning and Partnerships 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. It also administers VTC’s Marketing Leverage Program (MLP). The MLP is designed to simulate new tourism marketing programs through the creation of tourism partnerships and to extend the “Virginia is for Lovers” marketing efforts. The program provides grants to supplement marketing programs for small tourism-related businesses, 70 percent of which have marketing budgets of less than \$10,000. In addition, Planning and Partnerships works closely with Virginia’s localities and attractions to identify other grant opportunities and options for stretching limited resources to develop and market the Commonwealth’s tourism product.

Business Development: Business Development is responsible for administering the Tourism Development Financing Program (TDFP). The TDFP provides gap financing to compensate for a shortfall in project funding in partnership with developers, localities, and financial institutions.

**PARTNERSHIP MARKETING
 Operating Financial Plan**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$3,863,121	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	3,000	
Carryover Funds	2,302,173	
Total Fund Sources	\$6,168,294	
Expenditures		
Salaries, Benefits, and Taxes	\$1,415,097	14
Wages and Taxes	--	
Advertising and Promotion	249,900	
Missions, Shows, and Events	2,000	
Digital Marketing	1,500	
Travel	91,850	
Services	499,100	
Supplies and Materials	22,500	
Grants and Pass-Through Payments	3,752,173	
Fixed Assets Payments	10,766	
Other Expenditures	123,408	
Total Expenditures	\$6,168,294	14



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	\$1,100,000
Total Fund Sources	\$1,100,000
Expenditures	
Southwest Regional Recreation Authority (Spearhead Trails)	\$550,000
Great Meadow	250,000
Virginia Sports Hall of Fame	125,000
Coalfield Regional Tourism Authority	100,000
Special Olympics Virginia	50,000
Carver Price Legacy Museum	25,000
Total Expenditures	\$1,100,000