



VIRGINIA TOURISM AUTHORITY
d/b/a Virginia Tourism Corporation

OPERATING PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2020

VIRGINIA IS FOR LO♥ERS

**VIRGINIA TOURISM AUTHORITY
FY 2020 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, 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 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 854, the 2019 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:

Expand domestic and international in-bound travel and motion picture production to generate revenue and employment in Virginia.

VISION STATEMENT:

Foster a spirit of partnership within Virginia's tourism and motion picture industries.

VALUES STATEMENT:

Love is Integrity, Passion, and Results

Integrity: Be the Best You

- Respect, value, and appreciate others with kindness
- Work through differences
- Be transparent
- Take personal responsibility

Passion: Thirst for Knowledge

- Seek new ideas and fresh thinking
- Stay curious and encourage questions
- Be purpose-driven
- Value the people, the brand, and the industry

Results: Move Mountains

- Define, measure, and communicate collective goals
- Continuously evaluate and innovate
- Contribute to the success of others
- Celebrate shared accomplishments

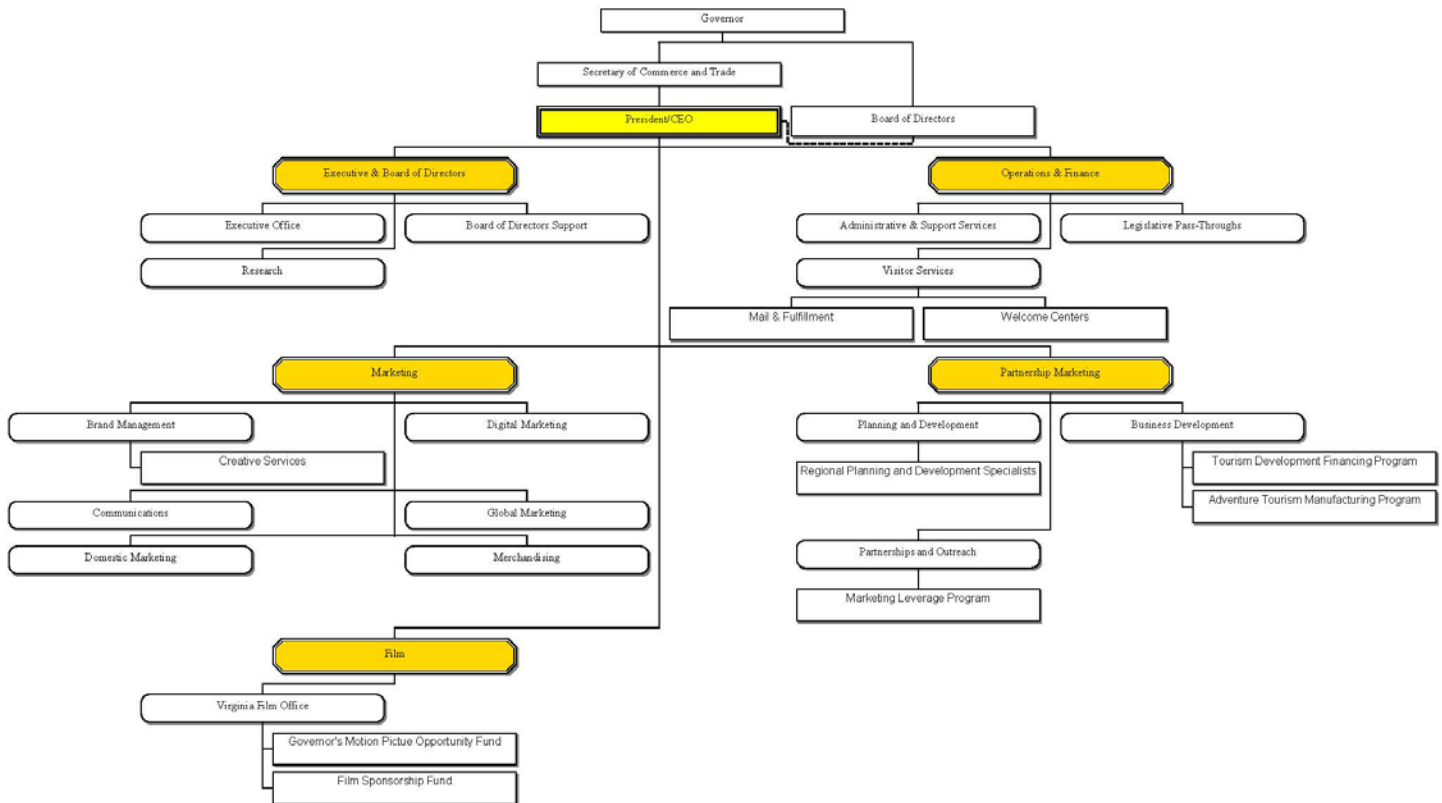


III. ORGANIZATIONAL STRUCTURE

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, 2019





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 Department of Planning and Budget's website (www.dpb.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 2020 OPERATING FINANCIAL PLAN SUMMARY

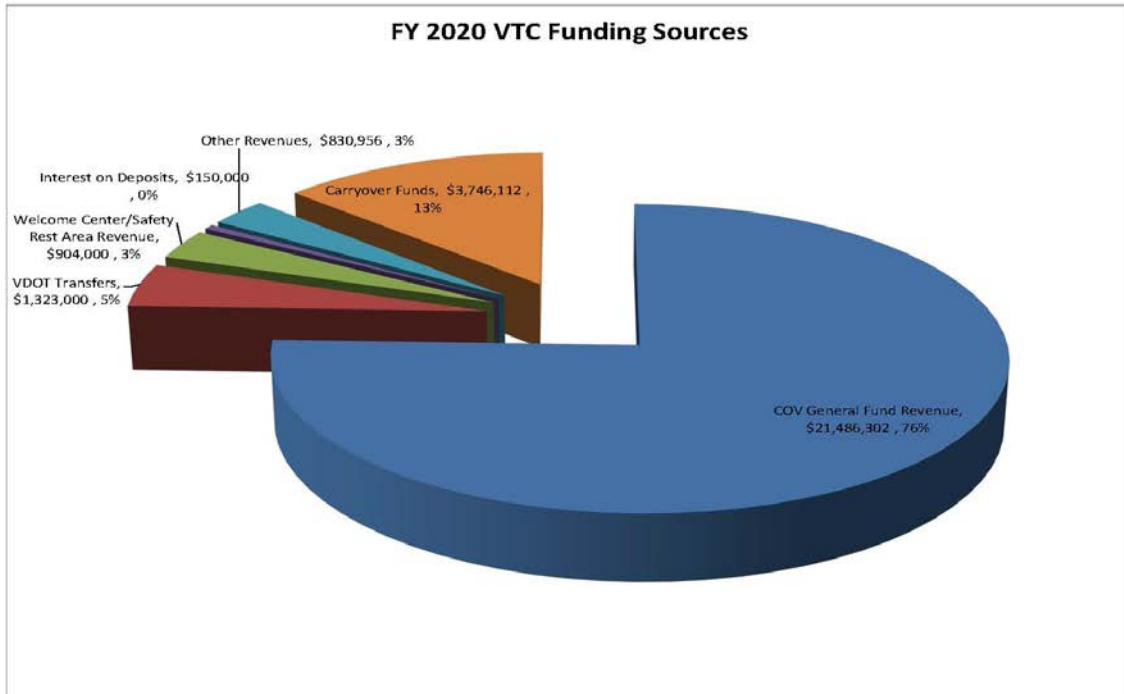
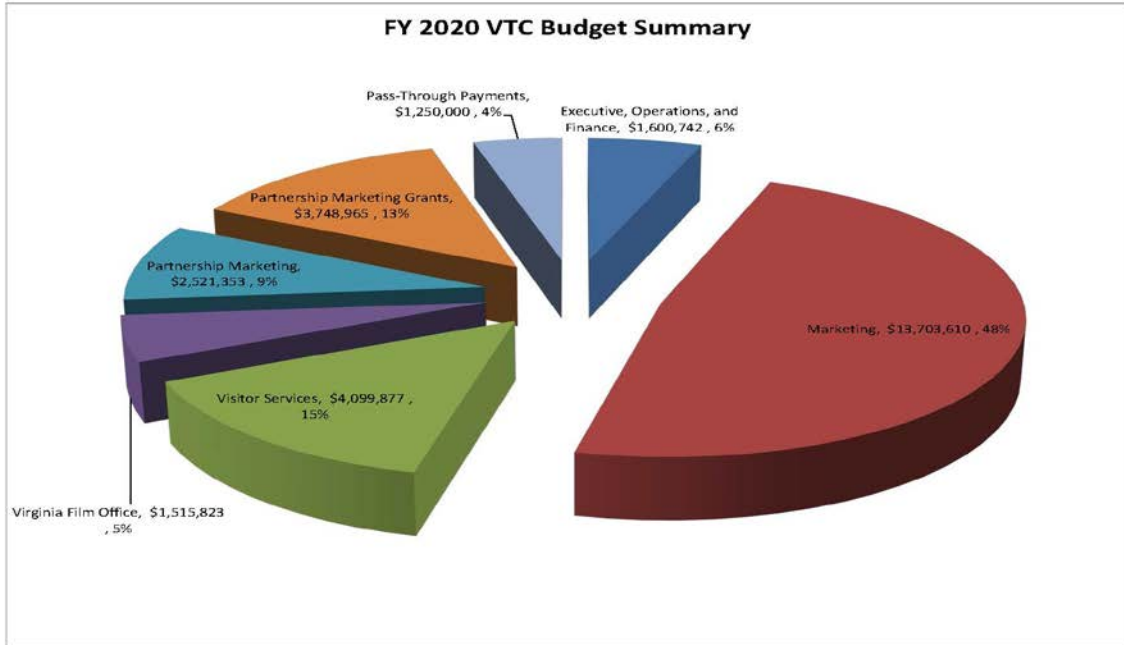
**Operating Financial Plan Summary
 For The Fiscal Year Ending June 30, 2020**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$21,486,302	
VDOT Transfers	1,323,000	
Welcome Center/Safety Rest Area Revenue	904,000	
Interest on Deposits	150,000	
Other Revenues	830,956	
Carryover Funds	3,746,112	
Total Fund Sources	\$28,440,370	
Expenditures		
Executive, Operations, and Finance	\$1,600,742	7
Marketing	13,703,610	26
Visitor Services	4,099,877	35
Film	1,515,823	5
Partnership Marketing	6,270,318	14
Pass-Through Payments	1,250,000	
Total Expenditures	\$28,440,370	87

Note: VTC employs 55 part-time workers not reflected in the above employment levels.

FY 2020 General Fund Budget Summary

	Amount
Base Budget	\$19,784,112
Central Appropriations distributions	\$276,312
Provide additional funding for tourism marketing	\$200,000
Provide funding for Richmond Raceway's redevelopment initiatives	\$150,000
Provide additional funding for Asian market tourism promotion	\$50,000
Introduced Budget Bill (2018 Session)	\$20,460,424
Provide additional funding for the Spearhead Trails	\$250,000
Provide funding for the Coalfield Regional Tourism Authority	\$100,000
Chapter 2 (2018 Appropriation Act)	\$20,810,424
Introduced Budget Bill (2019 Session)	\$20,810,424
Provide additional funding for the Spearhead Trails	\$300,000
Provide additional funding for the Coalfield Regional Tourism Authority	\$100,000
Provide funding for the Carver Price Legacy Museum	\$25,000
Chapter 854 (2019 Appropriation Act)	\$21,235,424
FY 2020 Central Appropriations distributions (estimated)	\$250,878
TOTAL FY 2020 GENERAL FUND BUDGET	\$21,486,302





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	\$1,429,742	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	\$150,000	
Other Revenues	\$21,000	
Carryover Funds	--	
Total Fund Sources	\$1,600,742	
Expenditures		
Salaries, Benefits, and Taxes	\$876,350	7
Wages and Taxes	--	
Advertising and Promotion	--	
Missions, Shows, and Events	3,700	
Digital Marketing	--	
Travel	121,290	
Services	251,800	
Supplies and Materials	30,156	
Grants and Pass-Through Payments	--	
Fixed Asset Payments	87,171	
Other Expenditures	230,275	
Total Expenditures	\$1,600,742	7



VII. MARKETING

VTC's marketing activities include a number of programs aimed at promoting Virginia as a premier travel destination, including brand management, creative services, digital marketing, communications, global marketing, domestic sales, merchandising, and research. Each program has targeted purposes and objectives.

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 graphics development and production services for VTC. VTC's library of photography, film, videography, and digital graphics files is managed by creative services.

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.

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. Communications also manages VTC's robust social media program.

Global Marketing: The global marketing program develops and implements integrated and innovative direct sales, marketing, promotions, and public relations strategies in order to bring more foreign visitors and vendors to Virginia. The geographic targets are coordinated with air service to gateway airports and are supported by research.

Domestic Sales: VTC markets the Commonwealth as a premier travel destination to tour operators, select travel agents, meeting planners, and sports events rights holders. VTC represents the Commonwealth and provides the Virginia tourism industry with partnership opportunities to collaborate at professional trade shows, sales missions, site inspection tours, and marketing initiatives strategically targeting national, regional, and in-state domestic trade markets.

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 the 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. The goals 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 collecting primary survey data, developing domestic and international visitor profiles, calculating domestic and international market shares, guiding digital media analytics, and determining the state and local economic impact of tourism. 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	\$11,944,608	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	699,956	
Carryover Funds	1,059,046	
Total Fund Sources	\$13,703,610	
Expenditures		
Salaries, Benefits, and Taxes	\$2,622,547	26
Wages and Taxes	42,913	
Advertising and Promotion	6,010,368	
Missions, Shows, and Events	224,034	
Digital Marketing	1,321,329	
Travel	281,265	
Services	935,252	
Supplies and Materials	133,825	
Grants and Pass-Through Payments	1,618,616	
Fixed Assets Payments	40,836	
Other Expenditures	472,625	
Total Expenditures	\$13,703,610	26

Note: The WW I & WW II Profiles of Honor Tour is funded by 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 four 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 13 Welcome Centers to promote and encourage traveler visitation to and within Virginia.

VISITOR SERVICES Operating Financial Plan

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$1,766,377	
VDOT Transfers	1,323,000	
Welcome Center/Safety Rest Area Revenue	904,000	
Interest on Deposits	--	
Other Revenues	106,500	
Carryover Funds	--	
Total Fund Sources	\$4,099,877	
Expenditures		
Salaries, Benefits, and Taxes	\$2,328,509	35
Wages and Taxes	497,777	
Advertising and Promotion	500	
Missions, Shows, and Events	6,200	
Digital Marketing	--	
Travel	83,707	
Services	879,551	
Supplies and Materials	174,905	
Grants and Pass-Through Payments	100,000	
Fixed Asset Payments	17,893	
Other Expenditures	10,835	
Total Expenditures	\$4,099,877	35

Note: Visitor Services also includes 49 part-time travel counselors at the state's 13 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	\$1,171,722	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	--	
Carryover Funds	344,101	
Total Fund Sources	\$1,515,823	
Expenditures		
Salaries, Benefits, and Taxes	\$532,397	5
Wages and Taxes	28,564	
Advertising and Promotion	221,500	
Missions, Shows, and Events	12,500	
Digital Marketing	--	
Travel	41,500	
Services	67,261	
Supplies and Materials	38,900	
Grants and Pass-Through Payments	544,101	
Fixed Assets Payments	11,100	
Other Expenditures	18,000	
Total Expenditures	\$1,515,823	5



X. PARTNERSHIP MARKETING

Partnership Marketing maximizes the tourism potential of Virginia’s communities through tourism planning, development, and marketing. Together, these efforts help build vibrant communities for travelers as well as residents. In FY 2020 Partnership Marketing will also be updating the long-term State Tourism Plan.

Planning and Partnerships: Planning and Partnerships provides communities and tourism entrepreneurs with tourism planning expertise and support. It assists with community planning, building partnerships, product planning, and identifying funding resources to help grow the Commonwealth’s tourism industry. It also administers VTC’s Marketing Leverage Program, which partners with localities and the private sector to stimulate new tourism marketing initiatives and to extend the “Virginia is for Lovers” marketing efforts. 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) and the Adventure Tourism Manufacturing (ATM) program. The TDFP provides gap financing to compensate for a shortfall in project funding in partnership with developers, localities, and financial institutions, while the ATM program works with the Virginia Economic Development Partnership to recruit manufacturers of outdoor adventure products.

PARTNERSHIP MARKETING Operating Financial Plan

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$3,923,853	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	3,500	
Carryover Funds	2,342,965	
Total Fund Sources	\$6,270,318	
Expenditures		
Salaries, Benefits, and Taxes	\$1,514,241	14
Wages and Taxes	--	
Advertising and Promotion	317,600	
Missions, Shows, and Events	15,250	
Digital Marketing	35,000	
Travel	75,250	
Services	454,711	
Supplies and Materials	53,451	
Grants and Pass-Through Payments	3,748,965	
Fixed Assets Payments	4,000	
Other Expenditures	51,850	
Total Expenditures	\$6,270,318	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	\$1,250,000
Total Fund Sources	\$1,250,000
Expenditures	
Southwest Regional Recreation Authority (Spearhead Trails)	\$850,000
Coalfield Regional Tourism Authority	200,000
Virginia Sports Hall of Fame	125,000
Special Olympics Virginia	50,000
Carver-Price Legacy Museum	25,000
Total Expenditures	\$1,250,000