

VIRGINIA TOURISM AUTHORITY
d/b/a Virginia Tourism Corporation

OPERATING PLAN

FOR THE FISCAL YEAR ENDING JUNE 30, 2023

VIRGINIA IS FOR LO**ERS**

**VIRGINIA TOURISM AUTHORITY
FY 2023 OPERATING PLAN**

TABLE OF CONTENTS

I. INTRODUCTION.....1

II. MISSION, VISION, AND VALUES2

III. ORGANIZATIONAL STRUCTURE3

IV. STRATEGIC PLAN AND PERFORMANCE MEASURES4

V. FY 2023 OPERATING FINANCIAL PLAN SUMMARY.....5

VI. EXECUTIVE, OPERATIONS, AND FINANCE.....8

VII. MARKETING9

VIII. VISITOR SERVICES.....11

IX. FILM.....12

X. PARTNERSHIP MARKETING.....13

XI. PARTNERSHIP MARKETING GRANTS.....14

XII. PASS-THROUGH PAYMENTS15

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 12 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 2022 Appropriation Act, which states in part the following:

Prior to July 1 of each fiscal year, the Virginia Tourism Authority shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations 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:

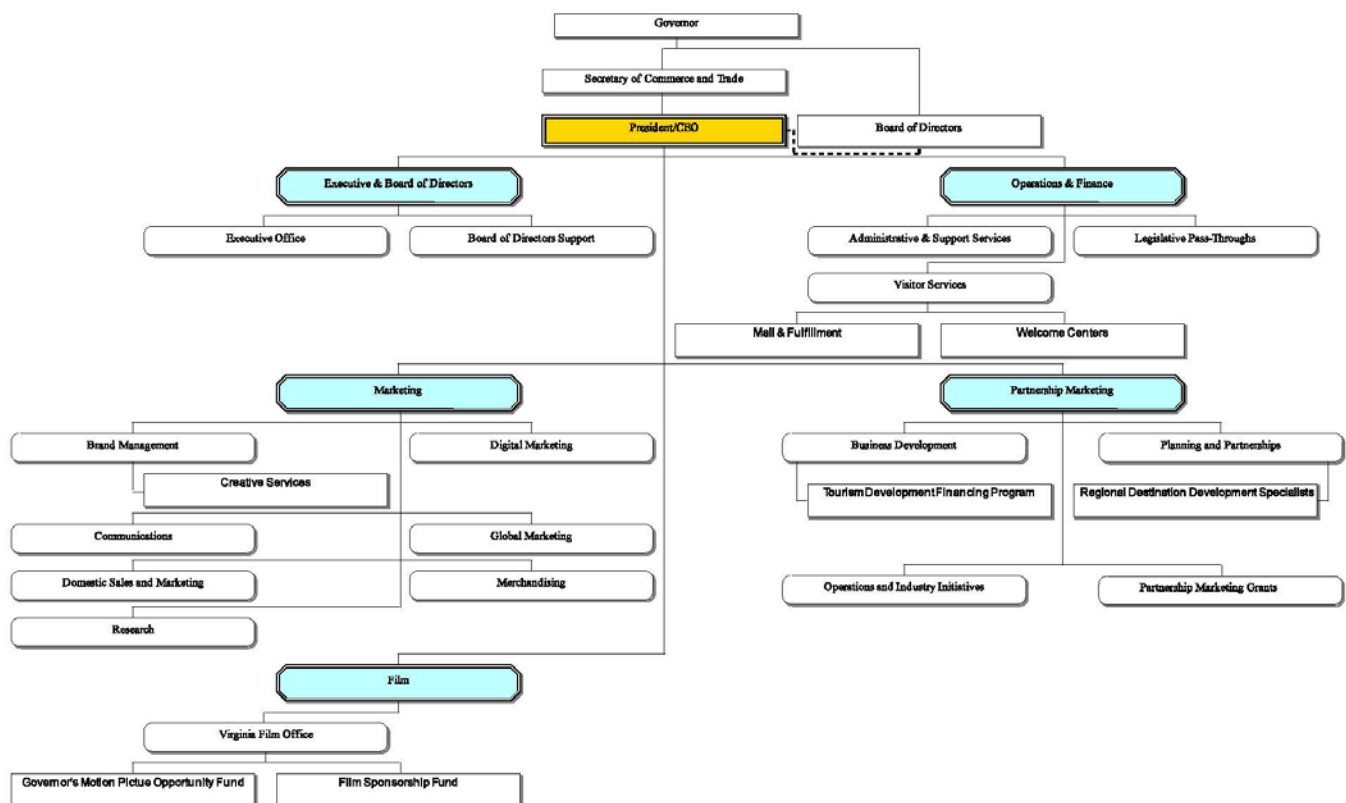
- Solutions-oriented operations and organization
- Measure success
- Continuously evaluate, adapt, and improve

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 Authority
 Organization Chart
 July 1, 2022



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 2023 OPERATING FINANCIAL PLAN SUMMARY

**Operating Financial Plan Summary
 For The Fiscal Year Ending June 30, 2023**

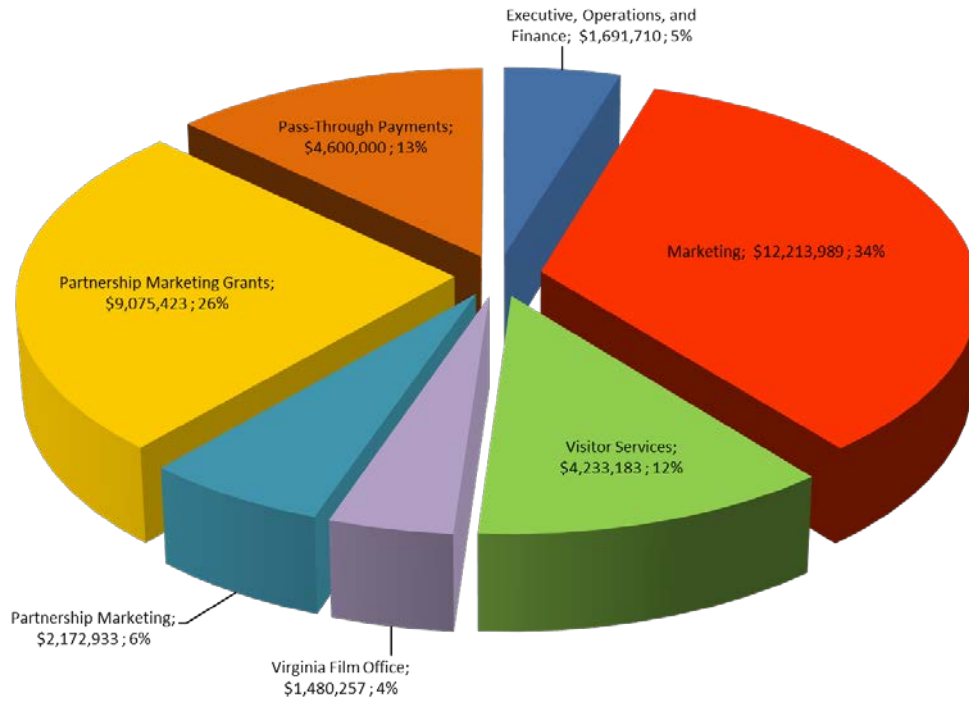
	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$27,471,472	
VDOT Transfers	1,325,000	
Welcome Center/Safety Rest Area Revenue	735,000	
Interest on Deposits	25,000	
Other Revenues	324,500	
Carryover Funds	5,586,523	
Total Fund Sources	\$35,467,495	
Expenditures		
Executive, Operations, and Finance	\$1,603,137	7
Marketing	12,092,841	26
Visitor Services	4,115,594	33
Film	1,460,257	4
Partnership Marketing	2,103,927	12
Partnership Marketing Grants	9,060,139	3
Pass-Through Payments	4,600,000	
Total Expenditures	\$35,467,495	85

Note: VTC employs 43 part-time workers not reflected in the above employment levels.

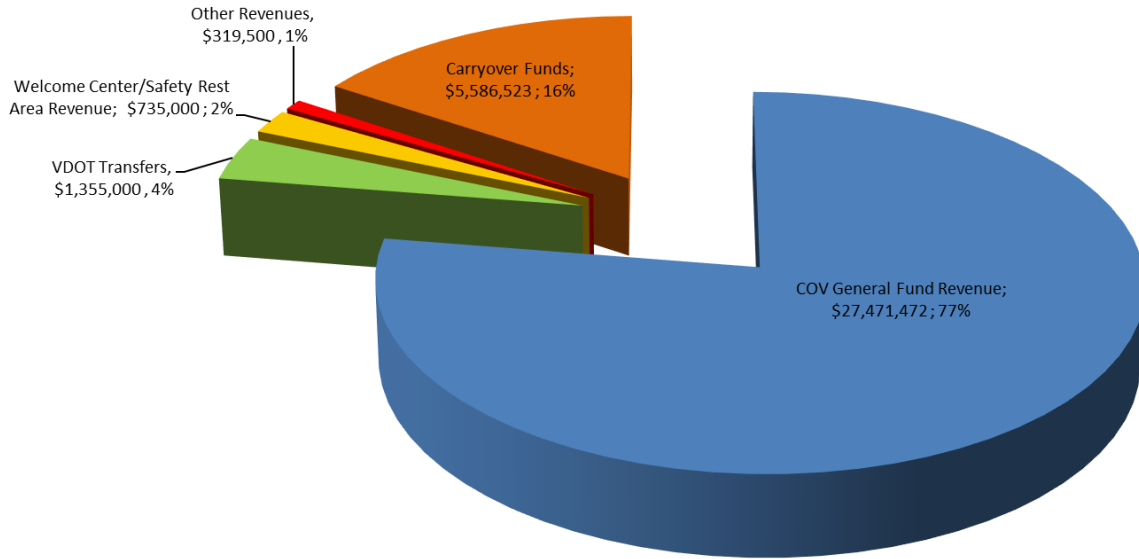
FY 2022 General Fund Budget Summary

	Amount
Base Budget	\$23,914,872
Increase funding for City of Norfolk to support Sail250 Virginia	\$1,000,000
Introduced Budget Bill (2022 Session & 2022 Special Session I)	\$24,914,872
Increase funding for Virginia Sports Hall of Fame	\$125,000
Increase funding for City of Norfolk to support Sail250 Virginia	\$2,000,000
Chapter 2 (2022 Appropriation Act)	\$27,039,872
FY 2023 Central Appropriations distributions (estimated)	\$431,600
TOTAL FY 2023 GENERAL FUND BUDGET	\$27,471,472

FY 2023 VTC Budget Summary



FY 2023 VTC Funding Sources



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	\$1,648,710	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	\$25,000	
Other Revenues	\$18,000	
Carryover Funds	--	
Total Fund Sources	\$1,691,710	
Expenditures		
Salaries, Benefits, and Taxes	\$994,191	7
Wages and Taxes	--	
Advertising and Promotion	--	
Missions, Shows, and Events	18,775	
Digital Marketing	--	
Travel	103,540	
Services	256,650	
Supplies and Materials	23,500	
Grants and Pass-Through Payments	--	
Fixed Asset Payments	47,000	
Other Expenditures	248,054	
Total Expenditures	\$1,691,710	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	\$11,880,606	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	170,000	
Carryover Funds	163,383	
Total Fund Sources	\$12,213,989	
Expenditures		
Salaries, Benefits, and Taxes	\$2,968,669	26
Wages and Taxes	--	
Advertising and Promotion	5,215,304	
Missions, Shows, and Events	109,650	
Digital Marketing	1,142,065	
Travel	231,170	
Services	1,009,266	
Supplies and Materials	100,961	
Grants and Pass-Through Payments	1,040,939	
Fixed Assets Payments	162,615	
Other Expenditures	233,350	
Total Expenditures	\$12,213,989	26

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 12 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	\$2,036,683	
VDOT Transfers	1,355,000	
Welcome Center/Safety Rest Area Revenue	735,000	
Interest on Deposits	--	
Other Revenues	106,500	
Carryover Funds	--	
Total Fund Sources	\$4,233,183	
Expenditures		
Salaries, Benefits, and Taxes	\$2,614,021	33
Wages and Taxes	471,087	
Advertising and Promotion	--	
Missions, Shows, and Events	--	
Digital Marketing	--	
Travel	65,736	
Services	719,302	
Supplies and Materials	198,687	
Grants and Pass-Through Payments	125,000	
Fixed Asset Payments	18,700	
Other Expenditures	20,650	
Total Expenditures	\$4,233,183	33

Note: Visitor Services also includes 41 part-time travel counselors at the state’s 12 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	\$1,194,914	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	--	
Carryover Funds	285,343	
Total Fund Sources	\$1,480,257	
Expenditures		
Salaries, Benefits, and Taxes	\$585,870	4
Wages and Taxes	19,725	
Advertising and Promotion	199,000	
Missions, Shows, and Events	11,000	
Digital Marketing	--	
Travel	27,500	
Services	90,500	
Supplies and Materials	29,000	
Grants and Pass-Through Payments	485,343	
Fixed Assets Payments	19,319	
Other Expenditures	13,000	
Total Expenditures	\$1,480,257	4

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. Partnership Marketing maintains the ongoing State Tourism and Development 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 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	\$2,172,933	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	--	
Carryover Funds	--	
Total Fund Sources	\$2,172,933	
Expenditures		
Salaries, Benefits, and Taxes	\$1,533,467	12
Wages and Taxes	--	
Advertising and Promotion	183,500	
Missions, Shows, and Events	62,000	
Digital Marketing	--	
Travel	84,399	
Services	162,400	
Supplies and Materials	37,650	
Grants and Pass-Through Payments	--	
Fixed Assets Payments	13,500	
Other Expenditures	96,017	
Total Expenditures	\$2,172,933	12

XI. PARTNERSHIP MARKETING GRANTS

Partnership Marketing administers VTC’s competitive grant programs. These grants range from strategic community development grants with the Drive Tourism Initiative to Cooperative Marketing Grants with the private sector to help businesses and communities thrive.

The Marketing Leverage Program partners with localities and the private sector to stimulate new tourism marketing initiatives and to extend the “Virginia is for Lovers” marketing efforts. The DMO Marketing Program awards matching grants to official Virginia Destination Marketing organizations to attract new travelers. The Special Events and Festivals Program provides matching funds for marketing and operations expenses that help bring tourists to communities throughout Virginia.

**PARTNERSHIP MARKETING GRANTS
 Operating Financial Plan**

	Funds	Employment
Fund Sources		
COV General Fund Revenue	\$3,937,626	
VDOT Transfers	--	
Welcome Center/Safety Rest Area Revenue	--	
Interest on Deposits	--	
Other Revenues	--	
Carryover Funds	\$5,137,797	
Total Fund Sources	\$9,075,423	
Expenditures		
Salaries, Benefits, and Taxes	\$339,659	3
Wages and Taxes	--	
Advertising and Promotion	--	
Missions, Shows, and Events	--	
Digital Marketing	--	
Travel	--	
Services	250,000	
Supplies and Materials	--	
Grants and Pass-Through Payments	8,485,764	
Fixed Assets Payments	--	
Other Expenditures	--	
Total Expenditures	\$9,075,423	3

XII. 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	\$4,600,000
Total Fund Sources	\$4,600,000
Expenditures	
City of Norfolk (Sail250 Virginia)	\$3,000,000
Southwest Regional Recreation Authority (Spearhead Trails)	1,100,000
Heart of Appalachia Tourism Authority	300,000
Virginia Sports Hall of Fame	125,000
Special Olympics Virginia	50,000
Carver-Price Legacy Museum	25,000
Total Expenditures	\$4,600,000