

Our Mission: The Arlington Convention and Visitors Service (ACVS) is a destination marketing organization that works to attract, inform, and serve Arlington visitors and hospitality partners while supporting an exceptional visitor experience.

CONVENTION AND VISITORS SERVICE

ACVS's success is reflected in continually growing shares of the Washington area's meeting, convention, and leisure markets as well as in increased visitor spending and repeat visitation. ACVS strategically targets meeting/group professionals and domestic/international leisure travelers to build awareness of and drive bookings to Arlington hotels – particularly during the off-peak periods of late summer, mid-winter, and weekends year-round. ACVS also partners closely with local hotels, restaurants, stores, attractions, and arts organizations to bring visitors the best and latest information, ensuring they have an excellent local experience that inspires increased spending and repeat visitation. ACVS marketing and client/partner engagement is directly tied to increased Transient Occupancy Tax revenue and Sales and Meals Tax revenues that support County initiatives through the General Fund.

Important Strategic Objectives for ACVS include:

1. **Visitor Attraction:** Aggressively market Arlington as a premier destination for domestic and international leisure travel, meetings, and conventions, and as the best place to stay, shop, dine, and be entertained when visiting the nation's capital. Apply best practices in destination marketing, meetings and conventions sales, and small business/arts promotion to attract business travelers, vacationers, meetings, and groups to Arlington resulting in increased hotel occupancy.
2. **Increased Visitor Spending:** Creatively and proactively provide compelling, high-quality information to Arlington guests, influencing them to dine, shop, and be entertained in our lively, walkable urban villages. Strategically inform local hospitality employees about Arlington stores, restaurants, arts organizations, and transportation options to drive spending and repeat visitation.

Programs and primary activities of ACVS include:

- Destination marketing and promotion
- Meetings and conventions sales
- Visitor and convention services
- Small business and arts promotion
- Tourism infrastructure
- Hospitality community engagement

Arlington County's enabling legislation to levy a Transient Occupancy Tax add-on (0.25 percent) to support this fund was reinstated by the Virginia General Assembly in the FY 2019 budget year with a sunset effective July 1, 2021. In the 2020 legislative session, a bill was passed and signed by the Governor to remove that sunset date.

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SIGNIFICANT BUDGET CHANGES

The FY 2023 proposed expenditure budget for the Travel and Tourism Promotion Fund is \$2,503,033, a 128% increase from the FY 2022 adopted budget. The FY 2023 proposed budget reflects:

- ↑ Personnel increases due to employee salary increases, slightly higher retirement contributions based on current actuarial projections, and the restoration of the Destination Sales Manager position that was previously frozen in the FY 2022 adopted budget (\$120,290).
- ↑ Non-personnel increases due to the Virginia Tourism Corporation grant (\$1,300,000), partially offset by adjustments to the annual expense for maintenance and replacement of County vehicles (\$148).
- ↑ Revenue increases due to increased projections of hotel occupancy and rates (\$325,000) and the Virginia Tourism Corporation grant (\$1,300,000), partially offset by a reduction in the General Fund Transfer (\$219,851).

PROGRAM FINANCIAL SUMMARY

	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	% Change '22 to '23
Personnel	\$236,642	\$680,071	\$785,368	15%
Non-Personnel	312,598	417,813	1,717,665	311%
Total Expenditures	549,240	1,097,884	2,503,033	128%
Transient Occupancy Tax	282,656	500,000	825,000	65%
Transfer from the General Fund	246,700	597,884	378,033	-37%
Grants	20,000	-	1,300,000	-
Total Revenues	549,356	\$1,097,884	\$2,503,033	128%
Change in Fund Balance	\$116	-	-	-
Permanent FTEs (Funded)	7.00	6.00	7.00	
Permanent FTEs (Frozen, Unfunded)	-	1.00	-	
Temporary FTEs	-	-	-	
Total Authorized FTEs	7.00	7.00	7.00	

ARLINGTON CONVENTION & VISITORS SERVICE

TRAVEL AND TOURISM PROMOTION FUND
FUND STATEMENT

	FY 2021 ACTUAL	FY 2022 ADOPTED	FY 2022 RE-ESTIMATE*	FY 2023 PROPOSED
Beginning Balance, July 1	-	-	-	-
Transient Occupancy Tax Revenue	\$282,656	\$500,000	\$500,000	\$825,000
General Fund Transfer In	246,700	597,884	597,884	378,033
Grants	20,000	-	650,000	1,300,000
Total Revenues	549,356	1,097,884	1,747,884	2,503,033
Total Balance, Revenues and Transfers In	549,356	1,097,884	1,747,884	2,503,033
Personnel	236,642	680,071	680,071	785,368
Operating	312,598	417,813	1,067,813	1,717,665
Total Expenditures	549,240	\$1,097,884	\$1,747,884	\$2,503,033
Closing Balance, June 30	\$116	-	-	-

* The FY 2022 re-estimate includes \$650,000 in grant funds from the Virginia Tourism Corporation appropriated by the County Board in January 2022.

PERFORMANCE MEASURES

Critical Measures	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Average daily rate of hotel rooms in Arlington	\$165.17	\$161.97	\$148.78	\$110.28	\$112.86	\$151.00
Hotel occupancy	76.7%	74.0%	54.4%	29.0%	41.7%	59.0%
Internet visits to ACVS	171,460	278,517	235,296	216,169	275,000	330,000
Leads for the booking of group room nights	67,136	67,615	116,018	11,526	20,000	51,000

Supporting Measures	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Conversion rate of leads to actual bookings for group room nights	44%	53%	20%	42%	35%	37%
Group room nights booked	29,261	36,065	23,719	4,874	7,000	19,000
Visitor services in-person	17,210	19,822	12,602	21	6,000	12,000
Visitors guides and other distributions	114,569	107,675	51,342	3,512	30,000	42,500
Visitor maps distributed	175,124	183,421	99,070	2,469	60,000	100,000

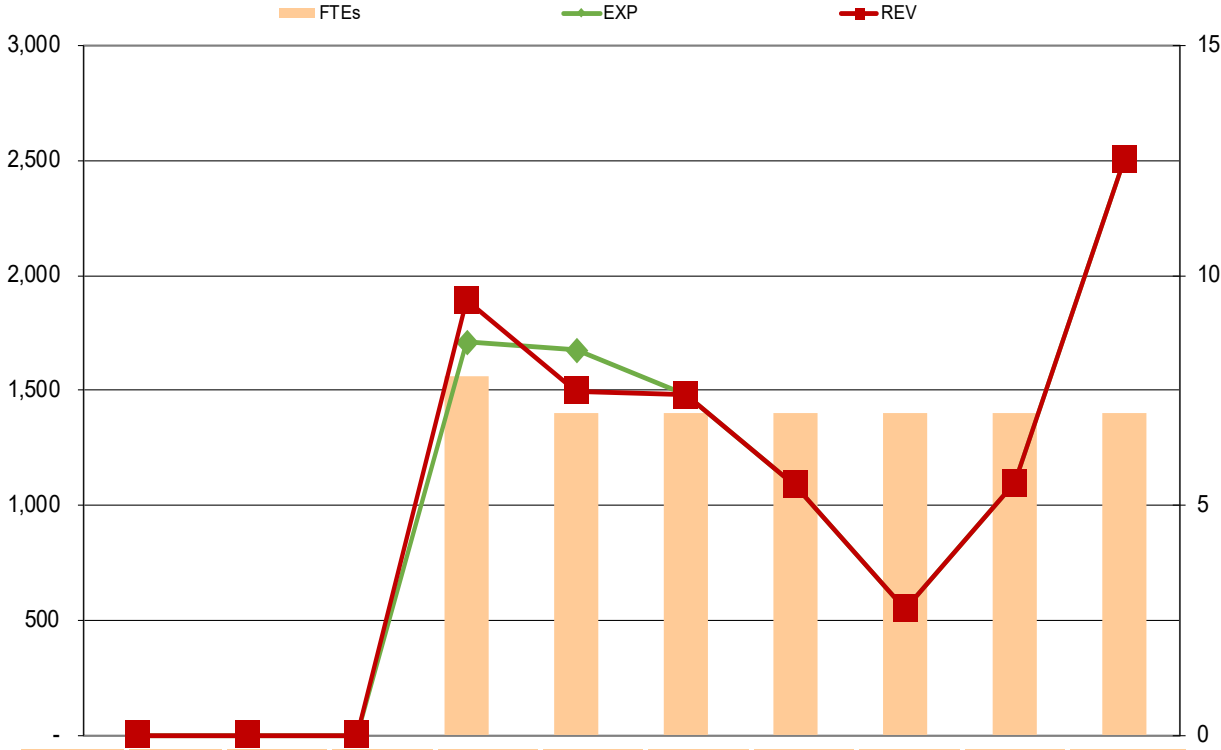
- FY 2021 actuals, FY 2022 estimates, and FY 2023 estimates continue to reflect the short and longer-term negative impacts of the COVID-19 crisis on Arlington’s hospitality industry. FY 2022 and FY 2023 estimates also incorporate the early positive impacts of marketing and sales investments enabled by the Virginia Tourism Corporation ARPA Tourism Recovery Program grant awarded in late 2021 and implemented beginning spring 2022.

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- FY 2023 Hotel Average Daily Rates (\$) and Hotel Occupancy (%) estimates assume growth in business and leisure travel starting in Spring 2022 due to higher COVID-19 vaccination rates and lower community spread.
- FY 2022 and FY 2023 estimates incorporate the early positive impacts of marketing and sales investments enabled by the Virginia Tourism Corporation ARPA Tourism Recovery Program grant awarded in late 2021 and implemented beginning spring 2022.
- Estimates for group room night leads, bookings and the resulting conversion rate continue to remain conservative due to the projected slow return of groups, meetings and events due to COVID-19. National industry data forecasts that recovery will extend through at least 2024. FY 2022 and FY 2023 estimates also incorporate the early positive impacts of marketing and sales investments enabled by the Virginia Tourism Corporation ARPA Tourism Recovery Program grant awarded in late 2021 and implemented beginning spring 2022.
- A minimal demand for in-person visitor services is expected through at least FY 2022. The 2021-2022 Arlington visitor guides, meeting planner guides, and maps were printed in Spring 2021 and will be fulfilled as broadly as possible through online orders as well as at Arlington hotels, Reagan and Dulles Airports, Virginia Welcome Centers, and through other distribution channels.

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$ in 000s	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adopted Budget	Proposed Budget
EXP	-	-	-	\$1,711	\$1,673	\$1,478	\$1,085	\$549	\$1,098	\$2,503
REV	-	-	-	\$1,889	\$1,498	\$1,478	\$1,085	\$549	\$1,098	\$2,503
FTEs	-	-	-	7.80	7.00	7.00	7.00	7.00	7.00	7.00

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2014	<ul style="list-style-type: none"> ▪ The additional Transient Occupancy Tax add-on (0.25 percent) which has supported the fund since January 1, 1991, was not re-established by the State Assembly in the spring of CY 2011. Arlington County’s enabling legislation to impose this add-on tax expired on January 1, 2012. ▪ For FY 2014, the Travel and Tourism Promotion Fund did not exist as a Special Revenue fund. The County Board adopted a reduced convention and visitor services program in Arlington Economic Development’s General Fund budget. 	
FY 2017	<ul style="list-style-type: none"> ▪ <i>Arlington’s enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25%) was re-established by the General Assembly for the FY 2017 budget year. The County Board adopted an ordinance after budget adoption to amend Chapter 40 (Transient Occupancy Tax) of the Code of Arlington County to add an additional 0.25 percent transient occupancy tax levy for the purpose of promoting tourism and business travel in Arlington County. The County Board appropriated \$1.25 million in revenue and expense to the Travel and Tourism Promotion Fund along with 2.0 limited term positions.</i> 	2.00
	<ul style="list-style-type: none"> ▪ <i>After budget adoption, the County Board transferred Arlington Convention and Visitor Services from the General Fund to the Travel and Tourism Fund (\$626,148, 5.0 FTEs, 0.80 Temporary FTEs).</i> 	5.80
FY 2018	<ul style="list-style-type: none"> ▪ A 0.80 temporary FTE was transferred to the AED Director’s Office line of business in the General Fund. 	(0.80)
FY 2019	<ul style="list-style-type: none"> ▪ Decreased trade and promotion funding (\$159,163) and reallocated a portion of this funding for contracted services related to website maintenance (\$110,000). ▪ Revenue increased due to projections of hotel occupancy and rates hotel (\$27,500). ▪ Arlington’s enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25%) was re-established by the General Assembly for the FY 2019 budget year with a sunset effective July 1, 2021. 	
FY 2020	<ul style="list-style-type: none"> ▪ <i>Arlington’s enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25%) was made permanent by the General Assembly in the 2020 legislative session.</i> 	
FY 2021	<ul style="list-style-type: none"> ▪ Decreased trade and promotion funding (\$288,940) as a result of lower revenue projections. 	

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Revenue decreased due to lower revenue projections in Transient Occupancy Taxes (\$337,118) as a result of the COVID-19 outbreak. 	
FY 2022	<ul style="list-style-type: none"> ▪ The County Board added funding for a one percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from \$500 to approximately \$900. ▪ The County Board restored funding for marketing, outreach, training, and office supplies with the American Rescue Plan (\$131,333). ▪ The County Board also added funding for the General Fund transfer (\$351,184). ▪ Froze a vacant Destination Sales Manager (\$115,413). ▪ Revenue decreased due to lowered projections of hotel occupancy and rates (\$462,882). ▪ <i>In FY 2021 closeout, reclassified two limited-term positions to permanent full-time.</i> 	