

Our Mission: The Arlington Convention and Visitors Service (ACVS) promotes Arlington as a dynamic destination to stimulate economic growth.

CONVENTION AND VISITORS SERVICE

ACVS's success is reflected in continually growing shares of the Washington area's meeting, group, business 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 at local businesses and additional visits. 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. ACVS activities primarily support AED's Strategic Plan Goal 5: All in on Global Arts, Culture and Tourism.

Important Strategic Objectives for ACVS include:

1. **Visitor Attraction:** Aggressively promote 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, destination 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 visitor information and services to Arlington guests, inspiring them to dine, shop, and be entertained in Arlington's lively, walkable neighborhoods. Strategically inform local guest services 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 group 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.

ARLINGTON CONVENTION & VISITORS SERVICE

SIGNIFICANT BUDGET CHANGES

The FY 2026 proposed expenditure budget for the Travel and Tourism Promotion Fund is \$1,450,000, a six percent decrease from the FY 2025 adopted budget. The FY 2026 proposed budget reflects:

- ↓ Personnel decreases due to the reduction itemized below and lower retirement contributions based on current actuarial projections, partially offset by employee salary increases and an increase in the County's cost for employee health insurance.
- ↓ Non-personnel decreases primarily due to the removal of the ongoing transfer from the General Fund to the Travel and Tourism Promotion Fund (\$246,700), partially offset by reallocation of personnel funding for the position reduction itemized below to non-personnel (\$88,526).
- ↓ Revenue decreases due to reduction itemized below (\$246,700), offset by increased projections of hotel occupancy and rates (\$150,000).

FY 2026 Proposed Budget Reductions

Arlington Convention and Visitors Services (ACVS)

- ↓ Eliminate a AED Specialist I Position (\$88,526 1.0 FTE). The AED Specialist I (Visitor Services & Film Office Coordinator) position has supported in-person visitor services through the former Mobile Visitors Center (MVC), on-site services at meetings and events, administrative coordination for requests to film in Arlington, and mailing/fulfillment of tourism-related marketing materials.

IMPACT: The evolution of ACVS's operations and services have made most duties within this position obsolete. The Mobile Visitors Center (MVC) was discontinued at the end of FY 2024 due to dramatically decreased use by visitors during and after the pandemic as well as increased reliance by visitors on information gathering via mobile phones. Additionally, there has been virtually no demand by hotels and meeting planners for on-site, in-person services at meetings and events. Lastly, with the expiration and re-competition of ACVS's Mailing and Fulfillment Services contract, an external vendor now provides a comprehensive combination of fulfillment, warehousing and inventory management for all marketing materials. This centralized fulfillment approach is more efficient and cost-effective than handling these tasks internally. With the major responsibilities of the AED Specialist I no longer needed, remaining duties (specifically the administrative coordination of filming requests) can be absorbed into the Visitor & Convention Services Manager (AED Specialist II) position. Therefore, shifting these ACVS resources from personnel to non-personnel will help mitigate proposed trade and promotion cuts to preserve revenue-generating sales and marketing activities.

- ↓ Eliminate Ongoing Transfer from General Fund to the Travel & Tourism Fund (\$246,700). Attracting meeting, group, leisure and business travelers to Arlington for overnight hotel stays is a core function of the Arlington Convention and Visitors Service (ACVS). Through targeted sales, marketing and visitor services initiatives, ACVS competes with national and regional destinations, elevating Arlington's brand recognition and increasing visitation and local spending.

IMPACT: Growth in travel and tourism tax receipts coupled with the reallocation of the AED Specialist I noted above have resulted in an increased ongoing budget for tourism promotion for FY 2026; thus, this reduction in support from the General Fund will not have an impact on ACVS's current promotion efforts.

ARLINGTON CONVENTION & VISITORS SERVICE

PROGRAM FINANCIAL SUMMARY

	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	% Change '25 to '26
Personnel	\$909,191	\$935,342	\$904,306	-3%
Non-Personnel	2,852,766	611,358	545,694	-11%
Total Expenditures	3,761,958	1,546,700	1,450,000	-6%
Transient Occupancy Tax	1,236,392	1,300,000	1,450,000	12%
Transfer from the General Fund	68,834	246,700	-	-100%
Grants	2,456,731	-	-	-
Total Revenues	\$3,761,958	\$1,546,700	\$1,450,000	-6%
Change in Fund Balance	\$16,202	-	-	-
Permanent FTEs (Funded)	7.00	7.00	6.00	
Total Authorized FTEs	7.00	7.00	6.00	

TRAVEL AND TOURISM PROMOTION FUND
FUND STATEMENT

	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 RE-ESTIMATE*	FY 2026 PROPOSED
Beginning Balance, July 1	16,202	-	-	-
Transient Occupancy Tax Revenue	\$1,236,392	\$1,300,000	\$1,300,000	\$1,450,000
General Fund Transfer In	68,834	246,700	246,700	-
Grants	2,456,731	-	-	-
Other	-	-	-	-
Total Revenues	\$3,761,958	\$1,546,700	\$1,546,700	\$1,450,000
Total Balance, Revenues and Transfers In	\$3,778,160	\$1,546,700	\$1,546,700	\$1,450,000
Personnel	909,191	935,342	935,342	904,306
Operating	2,852,766	611,358	611,358	545,694
Total Expenditures	\$3,761,958	\$1,546,700	\$1,546,700	\$1,450,000
Closing Balance, June 30	\$16,202	-	-	-

ARLINGTON CONVENTION & VISITORS SERVICE

PERFORMANCE MEASURES

Critical Measures	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Visitor services in-person	21	2,390	4,796	10,648	1,000	1,000
Visitors guides and other distributions	3,512	65,708	60,130	74,818	50,000	50,000
Visitor maps distributed	2,469	135,410	119,395	130,902	140,000	140,000

Supporting Measures	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Conversion rate of leads to actual bookings for group room nights	42%	54%	75%	78%	55%	55%

- Based on a nearly 42 percent budget reduction from FY 2024 (primarily due to the end of the \$3.25 million Virginia Tourism Corporation American Rescue Plan Act Tourism Recovery Grant), expectations for marketing and sales metrics in FY 2025 and FY 2026 are generally conservative.
- Near the end of FY 2024, ACSV discontinued deployment of its Mobile Visitor Center due to significantly decreased engagement. As such, expectations for in-person visitor services are greatly reduced.

Output Measures	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Internet visits to ACSV	216,169	361,347	463,726	794,630	500,000	500,000
Leads for the booking of group room nights	11,526	22,090	40,488	37,239	50,000	53,000
Average daily rate of hotel rooms in Arlington	\$110.28	\$145.05	\$178.03	\$191.94	\$195.00	\$197.00

Outcome Measures	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Group room nights booked	4,874	11,855	30,554	29,179	27,500	29,000
Estimated value of group room nights booked	\$537,505	\$1,719,568	\$5,439,529	\$5,600,617	\$5,362,500	\$5,713,000
Hotel occupancy	29.0%	56.0%	69.9%	72.6%	73.5%	75.0%

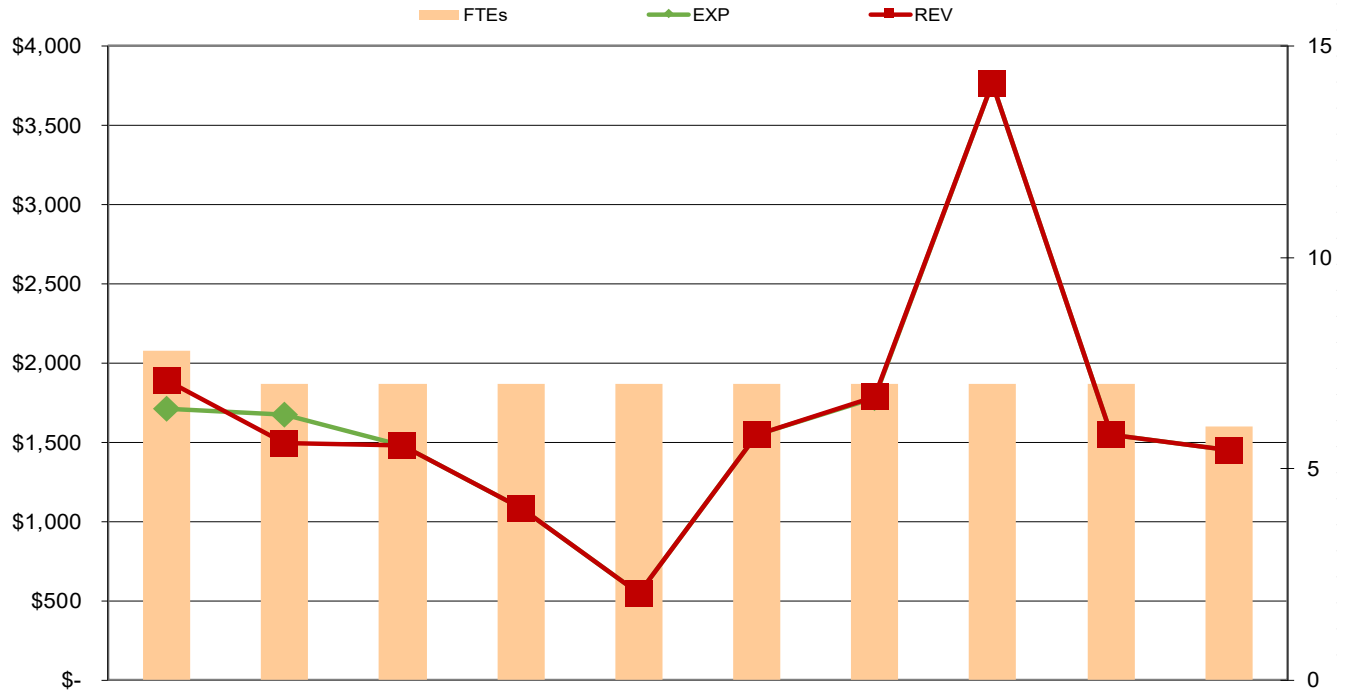
- Leads for the booking of group room nights:** This measure tracks room nights that a planner or client is considering booking in Arlington that are a direct result of ACSV sales and marketing efforts; that ACSV has distributed to Arlington hotels via Requests for Proposal; and/or with which ACSV is actively assisting a planner, client, or hotel. Leads are expected to increase slightly from FY 2025 to 2026 based on significant sales and marketing investments made through June 2024.
- Group room nights booked:** This measure reflects definite bookings resulting from the leads described above. These leads are worked by the ACSV sales team in partnership with meeting planners, hotels, and other clients/partners.

ARLINGTON CONVENTION & VISITORS SERVICE

- **Hotel occupancy:** Arlington's hotel Occupancy and Average Daily Rate (ADR) have nearly reached pre-pandemic levels as of Q3 FY 2025. It is unclear how federal policy decisions may impact Arlington hotel occupancy moving forward.
- **Outlook:** A six percent budget reduction compared to FY 2025 will result in reduced ACVS sales and marketing activities and potentially reduced overnight hotel stays, visitor spending and related tax revenues. Additionally, new federal policy changes may reduce government- and military-related travel, including by contractors, associations and non-profits connected to those markets.

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS



	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget
\$ in 000s										
EXP	\$1,711	\$1,673	\$1,478	\$1,085	\$549	\$1,550	\$1,776	\$3,762	\$1,547	\$1,450
REV	\$1,889	\$1,498	\$1,478	\$1,085	\$549	\$1,550	\$1,788	\$3,762	\$1,547	\$1,450
FTEs	7.80	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2017	Arlington's enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25 percent) 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.	2.00
	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).	5.80
FY 2018	A 0.80 temporary FTE was transferred to the AED Director's Office line of business in the General Fund.	(0.80)
FY 2019	- 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 percent) was re-established by the General Assembly for the FY 2019 budget year with a sunset effective July 1, 2021.	
FY 2020	Arlington's enabling legislation to levy the additional Transient Occupancy Tax add-on (0.25 percent) was made permanent by the General Assembly in the 2020 legislative session.	
FY 2021	- Decreased trade and promotion funding (\$288,940) as a result of lower revenue projections. - Revenue decreased due to lower revenue projections in Transient Occupancy Taxes (\$337,118) as a result of the COVID-19 outbreak.	
FY 2022	- 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).	

TRAVEL AND TOURISM PROMOTION FUND
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
	▪ 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>	
FY 2023	▪ The County Board approved an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, and increased the pay range movement to five percent. Additional compensation changes approved by the County Board include an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more, a one-time increase in shift differential pay from \$0.75 to \$1.00 per hour for the B shift and from \$1.00 to \$1.30 per hour for the C shift, and a one-time increase in language premium from \$0.69 to \$0.92 per hour. ▪ Restored funding for the Destination Sales Manager position that was previously frozen in the FY 2022 adopted budget (\$120,290). ▪ Revenue increased due to increased projections of hotel occupancy and rates (\$325,000) and the Virginia Tourism Corporation grant (\$1,300,000).	
FY 2024	▪ Added one-time \$2,000 (gross) employee bonuses (\$17,506). ▪ Increased trade and promotion funding (\$24,136). ▪ Revenue increased due to increased projections of hotel occupancy and rates (\$275,000). ▪ <i>In FY 2023 closeout, carryover funding allocations of \$1,164,257 Virginia Tourism Corporation American Rescue Plan Act (ARPA) grant and \$16,203 fund balance were appropriated by the County Board in November 2023.</i>	
FY 2025	▪ Added funding for adjustments to the annual expense for maintenance and replacement of County vehicles (\$7,939). ▪ Increased contracted services funding (\$180,529). ▪ Transient occupancy tax revenue increased due to higher projections of hotel occupancy and rates (\$200,000). ▪ Grant revenue and non-personnel decreased due to removal of the Virginia Tourism Corporation grant (\$1,300,000).	