

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 26, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *ps*

SUBJECT: BUDGET MEMO #47: LETTER FROM ALEXANDRIA'S CONVENTION AND VISITORS ASSOCIATION ON ALEXANDRIA'S DASH ABOUT PROGRAM

The attached letter has been received from the Alexandria Convention and Visitors Association (ACVA) in regards to comments on Alexandria's DASH About program funding.

Attachment: April 26, 2002 letter from Alexandria Convention and Visitors Association

TO: David Speck
FROM: Jo Anne Mitchell
RE: Dash About Shuttle
DATE: April 25, 2002

In response to your request for a tourism perspective on the value of the Dash About Shuttle, I have reviewed the City Manager's Budget Memo #26 and have listed a number of issues that I think should be considered when making the final decision on funding this program.

General Position:

The Dash About has proven to be enormously successful, especially during the period immediately after 9/11. The program provided ACVA numerous marketing opportunities to express the City's strong support of tourism. Since that time, it has continued to attract visitors to Old Town, increase weekend use of DASH (this data can be obtained through the Alexandria Transit System), and improve access between the King Street Metro Station and Old Town.

While providing a data-based return on investment will be difficult, I think by looking at the entire tourism program with the Dash About as a component, its value becomes apparent.

Ridership:

As with our tourism initiatives, the spring through fall months will provide the most "visitor" riders. In the off months, one can assume that most of the riders are residents or workers within the City. To date, 78,000 rides have been taken on the Dash About. During Alexandria's busiest tourist months (Mar, Apr, May) last year, the Dash About was not in service. Promotions did not begin until June, due to the uncertainty of when, where, and at what intervals the shuttle would run. We all understand that marketing a program such as this needs time. Results are not always immediate.

Riders use the Dash About in many different ways. Some take it one way to either get down to the waterfront or to get back to Metro. Others use it to jump on and off along the way. Although the surveys do not indicate the number of individual riders to date, if we conservatively assume that only 1/3 would have driven, this is a significant number of automobiles taken off the street.

Evaluation:

The two surveys that were taken, the first in October 2001 and the second in February 2002, were in-house surveys to give us a "sense" of how well our marketing techniques were working. The number of riders to date (78,000) seems to be the best example of the need for the Dash About itself.

The second survey, on which much of the City Manager's memo is based, was administered during one of the slowest tourism months (February). Most of the survey respondents were local and there were fewer riders. We do not believe that this survey represents an accurate cross section of the types of riders we would see during tourism months.

However, examining the information that we received from that survey is helpful. 56% used the Dash About for recreational/shopping purposes and 31% for traveling to their jobs/homes. Most of these riders were local. One can assume that the 31% who traveled for their jobs may have been hotel, restaurant, or other hospitality workers - that saves parking spaces for others who are driving and decreases the number of cars on our crowded streets.

61% said they would have walked if the Dash About were not there. It is reasonable to assume

that many of these people may have used it to get to work rather than walk and many were local people. Again, 31% would have taken their cars - meaning that there were 268 fewer cars on the street.

29% indicated they spent or would spend \$50 or more. That could mean they would spend \$50.01 or \$5,000. We cannot develop a ROI based on this information. Assuming that most riders were local or going to their jobs, we do not expect them to spend a significant amount of money.

While the information gleaned from the February survey is valid in determining the profile of riders during this period, the information is not valuable for concluding the success of the program because this is one of the lowest tourism months in Alexandria and it was also one of the lowest ridership months for the Dash About.

Investment:

There is a cost associated with operating the Dash About and there is no easy way to quantify the return on that investment. However, when taken as one element of an entire marketing strategy-- making Alexandria a welcoming, warm, inviting place for visitors-- then one can begin to see the benefits.

We can view the Free Parking program implemented last year as similar in providing an intangible but very real benefit to the City. The program cost the City money, but that was more than offset with the goodwill and the 4% increase in sales tax for Alexandria. (Other neighboring jurisdictions had decreases in their sales tax at this time.) While we cannot prove that the Free Parking increased retail sales, we do believe it was one element in a successful program.

There are very few components of a marketing program that can be individually quantified in a way to show that a particular element by itself will bring in X number of dollars. We do know, however, that by developing marketing strategies based on research, we can successfully increase tax dollars for the City. We have proven this with our marketing programs for the last six years.

One can also compare the Dash About to our historic preservation efforts. Although we cannot prove that they bring in more tax dollars than they cost, they are fundamental to what we are. We all agree that our historic ambiance is a major reason for people to visit and live here. The same can be said in evaluating the preservation of our beautiful and historic waterfront. No doubt, the initial costs for these efforts were examined, as they should be, and they were determined to bring an immeasurable but valuable return to the City.

In conclusion, we agree that new programs should be evaluated in terms of their dollar value to the City. We maintain that the entire program, in this case the ACVA's marketing program, should be assessed rather than its individual segments. Return can be both tangible and intangible. The Dash About is such a program.

The Dash About welcomes visitors, encourages regional visitors to leave cars at home and take Metro, makes shopping and dining easier for residents and visitors, and the wrapped buses continue to be excellent "ads" for the City. The program makes sense and it's the right thing to do.

Over a period of time, the Dash About will prove its economic value to the City.