

## City of Alexandria, Virginia

MEMORANDUM12  
10-23-01

DATE: OCTOBER 18, 2001

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: PROPOSED AMENDMENTS TO THE CITY'S MARKETING FUND APPLICATION GUIDELINES

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**ISSUE:** Proposed amendments to the City's Marketing Fund Application Guidelines.

**RECOMMENDATION:** That City Council adopt the proposed amendments to the Marketing Fund Application Guidelines (attached) as proposed by the Marketing Committee.

**DISCUSSION:** In 1993, as an economic development initiative, City Council established a permanent Alexandria Marketing Committee (Committee) to oversee the administration of the City's new Marketing Fund, adopted Alexandria Marketing Fund Application Guidelines (Guidelines), and amended the City Code to set out the Committee's purpose and function (City Code Section 2-4-63). In order to fund marketing efforts, every fiscal year since FY 1994 City Council has appropriated \$100,000 to the Marketing Fund (except in FY 2000 when City Council divided the Marketing Fund into \$50,000 for the 250<sup>th</sup> Anniversary activities and \$50,000 for regular Marketing Fund activities).

The goals of the Marketing Fund as stated in the Guidelines have been, and are recommended to continue to be:

- To develop the marketing projects that enhance the long-range marketing plans adopted by the Alexandria Convention and Visitors Association (ACVA) and the Alexandria Economic Development Partnership (AEDP).
- To foster cooperation among City, civic, and business organizations in the promotion and the marketing of Alexandria.
- To increase the awareness and expand the quality of Alexandria's diverse retail, dining, hospitality, and other businesses.
- To promote Alexandria as a destination for the leisure and business traveler.
- To generate additional business sales and tax revenues in Alexandria.

Alexandria-based organizations or groups of businesses interested in promoting visiting, shopping, dining or doing business in Alexandria may apply to the Committee for monies in the Marketing Fund on at least a one-to-one matching basis. Funds must be used for direct marketing expenses, and the match to the Marketing Fund must also represent direct marketing expenditures. The application for marketing funds includes a project description and budget and the expected return on investment. The Committee reviews the applications (which may be submitted at any time during the fiscal year) and then determines whether to provide funds, as well as establish how much of these funds would be used.

Under the current Guidelines, applicants may apply only for funds for new or increased marketing efforts rather than the continuation of previous marketing efforts. Over the last year, it has become evident that this one-time limitation on accessing the Marketing Fund has resulted in events and activities that have already tapped the Marketing Fund being unable to raise sufficient funds to continue their marketing efforts without separate City assistance. The New Year's Eve *First Night* event is an example of an event that promotes the City, and meets the Marketing Fund goals, but is unable to access the Marketing Fund because of this limitation in the Guidelines.

During the FY 2002 budget deliberations, *First Night* had requested \$25,000 from the City Council. Council's budget action was to indicate its support of the project and to refer the *First Night* request to the Marketing Committee. In order for the Marketing Committee to consider the application of *First Night*, the Guidelines need to be amended to permit funds to go to projects which are a continuation of previously-funded marketing efforts. It should be noted however, that even with the new amended Guidelines, *First Night* would be eligible for only partial funding because direct marketing expenses only comprise a portion of their budget. Under the one-to-one matching requirement, it appears that only approximately \$12,000 would be able to be granted from the Marketing Fund.

In this case, staff's intent is to bring to City Council at a later date a recommended one-time allocation from FY 2002 Contingent Reserves that would represent the difference between the \$25,000 *First Night* request and the funding level eventually recommended by the Marketing Committee.

The Marketing Committee has proposed that the Guidelines be revised so that organizations are able to reapply for funds for the continuation of marketing efforts, with priority given to new or increased marketing efforts. Other recommended changes in the Guidelines are aimed at clarifying prior practices and policies of the Marketing Committee. Changes to the Guidelines are noted in the attachment with text deletions showing an overstrike and new text additions shaded.

**FISCAL IMPACT:** While the amount in the annual Marketing Fund appropriation is not contemplated to be increased from the \$100,000 per year currently budgeted, it is likely that approval of the amended Guidelines would allow a re-application for the same event and, as a

result, more of the Marketing Funds would be expended, with less money being returned unused to the General Fund at the end of each fiscal year. For example in FY 2001, only \$66,408 of the \$100,000 appropriation to the Marketing Committee was obligated (\$45,000 to ACVA to promote the DASH ABOUT free bus shuttle service, \$10,438 to the Potomac West Business Association to promote First Thursday activities, and \$10,970 to the Second Thursday's Art Night Group to promote their activities).

**ATTACHMENT:**

Proposed Amendments to the Alexandria Marketing Fund Application Guidelines

**STAFF:** Mark Jinks, Assistant City Manager

## **Alexandria Marketing Fund FY 2000 Application Guidelines**

### **Background**

First introduced in Alexandria's FY 1994 budget as part of the then-Councilman Kerry Donley's Business Development Plan, the Alexandria Marketing Fund is designed to increase revenues within the City by fostering public/private partnerships that promote Alexandria as a destination for visiting, shopping, dining, and doing business. City Council has appropriated \$100,000 to the Marketing Fund each fiscal year since that time. ~~In FY 2000, the \$100,000 is divided as follows: \$50,000 to market the City's 250<sup>th</sup> Anniversary and \$50,000 for the Marketing Fund.~~

To administer the Fund, the City Council created the **Alexandria Marketing Committee**, a public/private group with representatives of:

- City Council
- City Manager
- Alexandria Chamber of Commerce
- Alexandria Convention and Visitors Association (ACVA)
- Alexandria Economic Development Partnership (AEDP)
- Alexandria Hotel Association (AHA)
- Alexandria restaurants
- Eisenhower Partnership
- King Street Metro Enterprise Team (KSMET)
- Landmark Mall
- Old Town Business Association (OTBA)
- Potomac West Business Association (PWBA)
- Torpedo Factory Artists Association

In 1994, the Committee conducted a survey of Alexandria businesses and developed an initial marketing plan to identify the goals of the Marketing Fund. Since that time, these goals have been adapted to enhance the long-range marketing plans of ACVA and AEDP as approved by their respective boards of directors and the Alexandria City Council.

### **FY 2000 Marketing Fund Goals**

- To develop the marketing projects that enhance the long-range marketing plans adopted by the Alexandria Convention and Visitors Association (ACVA) and the Alexandria Economic Development Partnership (AEDP).

- To foster cooperation among City, civic, and business organizations in the promotion and marketing of Alexandria.
- To increase the awareness and expand the quality of Alexandria's diverse retail, dining, hospitality and other businesses.
- To promote Alexandria as a destination for the leisure and business traveler.
- To generate additional business sales and tax revenues in Alexandria.

## Eligible Applicants

Applications may be submitted by organizations or groups of businesses interested in promoting visiting, shopping, dining or doing business in Alexandria. Only Alexandria-based groups may apply.

Applications from parties who will provide goods or services in connection with the proposed project for which they will earn fees, commissions, or other compensation must state the amount of such payments (specifying the estimated profits to be earned on the project). Grant funds, defined as the funding made available from the Alexandria Marketing Fund, may not be used to support operations of any organization or contribute to profits earned.

A recognized coalition of businesses that will benefit from the joint marketing effort must endorse the project or, preferably, contribute to funding the project.

City agencies (defined as any agency under the direct control of an elected City official; or which reports directly to the City Manager; or any board or commission where all its members are appointed by the Alexandria City Council) may not apply directly to the Marketing Fund; however, they may be a partner (but not a principal partner) in a project proposed by a private group.

## Eligible Projects

Proposed projects must meet the goals of the Fund by:

- Noting how the proposal enhances the long-range marketing plans of either ACVA or AEDP, or both.
- Fostering cooperation and coordination among multiple businesses and organizations to promote Alexandria as a destination for visiting, shopping, dining, and doing business.
- Leveraging public dollars with private investment by at least one-to-one.

- Increasing visitors and/or business in Alexandria.

In general, Marketing Fund grants will be made available **only for new or increased marketing efforts rather than as well as** the continuation of previous marketing efforts at the same level. **However, priority will be given to the new or increased marketing effort applications.**

Proposals must demonstrate measurable ways in which funding will generate increased business sales and tax revenues in the City. Proposals that do not **clearly define measures of success** will not be reviewed by the Committee for consideration.

Applications may be submitted for promotional activities related to special events, but not for operational costs. The Committee will review **direct marketing or advertising expenses only**, not labor, office, or other logistical costs of the event. The dollar for dollar match will be based upon direct marketing or advertising expenses only. (See section below on "Marketing Funds".)

If advertising is being proposed, reference **must** be made to at least one of the following organizations and include logo identification (if available), phone number and, if possible, web site address:

- Alexandria Convention and Visitors Association (ACVA)
- Alexandria Economic Development Partnership (AEDP)
- Alexandria Chamber of Commerce
- Alexandria Hotel Association (or its 1-800 accommodations number)
- *Park Alexandria* (required for projects impacting the special parking district in historic Old Town Alexandria)

Copies of the logos and related information may be obtained from the respective organizations.

## **Marketing Funds**

Grants from the Marketing Fund must be matched **at least 1:1** by private sector or other organizational dollars. **Other organizational dollars include, but are not limited to, City, state or federal grants or funding.** As noted earlier, the Committee will review only **direct marketing or advertising expenses** when considering matching funds. Labor, office, and other logistical costs should be included in the budget provided, but will not be counted towards the dollar for dollar match. The dollar for dollar match will be based upon direct marketing or advertising expenses only.

If the dollar for dollar match is not finalized by the date of application, groups must note on the application cover sheet and in the written proposal a listing of **at least 50% financial commitments** in order for an application to be considered. Such groups will be given an additional 30 days (or date established by the Committee) to obtain remaining

financial commitments or forfeit their grant award. Commitments must be presented to the Committee Chairman. In-kind funding will be permitted for up to 20 percent of project costs (**direct marketing or advertising expenses**). The remaining 80 percent must be dollars.

## Review Criteria

The Alexandria Marketing Committee will review and rank applications to the Marketing Fund according to the following criteria. The Marketing Fund Committee will review applications for eligibility, completeness, and relevance to the Fund's goals and objectives.

- Specific relevance to the long range marketing plans of either ACVA or AEDP, or both. *Executive summaries of these plans are attached to these guidelines.*
- Appropriateness of target market(s). Such target markets might include, for example, attracting meetings and conferences, attracting tour bus groups, increasing overnight weekend visitation, promoting the City during holiday seasons or promoting business development or redevelopment in the City.
- Clear description of how proposed project generates **new or increased** marketing for the City, ~~as opposed to or the~~ continuation of previous efforts at same level. Cooperative advertising is strongly encouraged if the advertising meets the other criteria listed and promotes the City as a good place to visit, shop, dine and do business. Ads that simply list participating businesses without promoting the City will not be considered.
- Demonstration of public/private partnership or cooperation and the involvement of many businesses. Reference must be made in all printed materials and advertising to at least one of the following organizations with its logo, phone number and, if available, web site address: ACVA, AEDP, Alexandria Chamber of Commerce, Alexandria Hotel Association or its 1-800 accommodations number, or *Park Alexandria* if project is in the historic Old Town special parking district.
- Commitments of participation by at least 50% of the required number of businesses to meet the dollar for dollar match. (e.g. If 20 businesses must participate in order to meet the matching requirement, the names, addresses and phone numbers of at least 10 businesses must be presented to the Marketing Fund Committee for consideration.)
- **Mock up dummies of all printed advertising, including newspaper, magazine, brochures, direct mail pieces, web sites, dioramas, etc., are required on the application review date for the Marketing Fund Committee.**

- Specific techniques to be used to measure the success of the project in terms of increasing business sales and tax revenues in Alexandria. (e.g. How will return on investment be determined?)
- Detailed income and expense budget. Specific line items for all income and expenses for the project must be included as part of the proposal.

## **Application Review Process**

For an application to be reviewed, the Marketing Committee Chairman must receive an original and 14 photocopies of a complete application, including cover sheet and accompanying materials requested on the application by the advertised due date (~~July 9, 1999 at 4 p.m.~~). The Marketing Committee will review applications for eligibility, completeness, and relevance to the Fund's goals and objectives.

Because of the nature of this public/private partnership effort, the Committee reserves the right to request additional information. The Committee may request a five-minute presentation by the applicant(s) to ensure that the Committee has adequate information for a funding determination. Following presentations, the Alexandria Marketing Committee will review applications and evaluate them according to the criteria stated above. Committee recommendations will be determined by majority vote of those in attendance. The Committee reserves the right to fund a project fully, partially or not at all.

If a profit is made on an event/project, grantees may be required to make a contribution to the Marketing Fund from the proceeds of a project supported by the Marketing Fund. All such contributions will be used for additional Marketing Fund projects.

## **Final Reports**

Applicants receiving grants from the Marketing Fund must provide the Committee Chairman with a final report within **30** days of the completion of the project. Final reports should describe the project and identify how well it met the goals and objectives of the Marketing Fund's contributions, including what measurements and evaluation process were used. Be as specific as possible.

**Note: Final report extensions may be granted at the sole discretion of the Marketing Committee Chairman.**

## Application Submission

In ~~FY 2000~~ ~~each fiscal year~~, there will only be ~~\$50,000~~ ~~\$100,000~~ available to the Marketing Fund. ~~Because of this, only one application deadline is set for the fiscal year.~~ Send one original and 14 photocopies of the completed application, including cover sheet and accompanying materials ~~by 4 p.m. July 9~~ to:

Mr. Roger Parks, Chairman  
Alexandria Marketing Committee  
c/o American Advertising Distributors of NOVA  
708 Pendleton Street  
Alexandria, VA 22314  
(703) 549-5126

### Attachments

- Cover sheet for application
- ~~— ACVA three-year marketing plan Executive Summary<sup>1</sup>~~
- ~~— AEDP three-year marketing plan Executive Summary<sup>2</sup>~~
- ~~ACVA/AEDP Three-Year Marketing Plans~~

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<sup>1</sup> For a copy of the full ACVA marketing plan, contact Jo Anne Mitchell at (703) 838-4200.  
<sup>2</sup> For a copy of the full AEDP marketing plan, contact Paula Riley at (703) 739-3820.

**ALEXANDRIA CONVENTION & VISITORS ASSOCIATION**

**FISCAL YEARS 2002 and 2003 MARKETING PLAN**

**Ramsay House Visitors Center  
221 King Street  
Alexandria, Virginia 22314**

**Phone: 703.838.4200  
Fax: 703.838.4683  
E-Mail: [acva@FunSide.com](mailto:acva@FunSide.com)  
<http://www.FunSide.com>**

## **Fiscal Year 2002 Marketing Plan Synopsis**

**Purpose:** to develop long term corporate partnerships and short term sponsorship opportunities

- Target local, regional, national and international corporations with specific relevance to ACVA's marketing strategies
- Establish joint sales meetings with Alexandria and regional association meeting planners
- Develop innovative business meeting opportunities
- Partner with transportation companies to market fly/drive and rail itineraries
- Create ideas for major annual events (in non-peak seasons) with corporate sponsors
- Create and promote web site opportunities with corporate leaders
- Attend trade shows and sales missions with selected partners
- Develop and market group and leisure packages with corporate sponsors

## **Fiscal Year 2003 Marketing Plan Synopsis**

**Purpose:** to position Alexandria as the must see City for the over 40 leisure domestic and international traveler

- Educate businesses to the needs and desires of the over 40 population
- Develop "mature friendly" collateral materials and facilities
- Translate collateral materials into top five International markets
- Strengthen the Northern Virginia Visitors Consortium efforts to develop sophisticated marketing strategies
- Design itineraries and packages which appeal to the over 40 market
- Encourage the development of innovative events and experiences for the over 40 market

# ALEXANDRIA CONVENTION & VISITORS ASSOCIATION FY 2002-2003 MARKETING PLAN

## INTRODUCTION

**Mission:** To generate tourism and conventions (meetings) that increase revenues and promote the City of Alexandria and its assets.

The Alexandria Convention & Visitors Association (ACVA) has recently completed three years of operation. In that time, the ACVA Board of Governors has adopted a Three – Year Marketing Plan and Performance Measurements to determine the effectiveness of that plan. The Plan serves as the foundation for developing more sophisticated and aggressive marketing strategies. These measurements will reflect the progress that Alexandria's tourism efforts have made in comparison with other Northern Virginia regions, the District of Columbia and the nation.

The first of these report cards will be presented to the City Council at the end of Fiscal Year 2000, the first year that ACVA's marketing plan has been fully funded.

In keeping with its commitment for long term planning and development, the Board of Governors will submit to City Council a new third-year plan as it completes the first year. In this way, ACVA will always have a Three – Year Marketing Plan in place. The marketing plan will be the road map that keeps the ACVA on focus while allowing for flexibility to accommodate travel and economic trends.

ACVA, through its aggressive corporate branding, marketing and communications programs, has begun to establish its reputation as a preferred destination for business and leisure travelers in the Mid-Atlantic region. ACVA has taken an integrated approach to its marketing and communications programs, maximizing the effectiveness of both. As a result, ACVA has laid the groundwork for the development of a corporate partnership program.

ACVA will continue its active leadership role with state and regional tourism organizations, including the Virginia Tourism Corporation, the Northern Virginia Visitors Consortium, the Washington Convention and Visitors Association and Capital Region USA. Partnering on joint marketing, communications and sales opportunities results in a multiplier effect, affording ACVA a greater voice in the tourism marketplace.

Cooperative advertising, joint strategizing and participation on regional, national and international sales missions and trade shows, joint sponsorship of marketing, sales, and media FAM trips have allowed Alexandria to display her unique charm, value, culture, shopping, dining and outdoor activities to a broader audience.

## TRAVEL INDUSTRY TRENDS AND ECONOMIC IMPACT

### Overview

According to the economists attending the Travel Industry Association of America's 1999 Conference, the U. S. economy will remain strong for the next several years. Although the economy is continuing to gain strength, the rate of increase is slowing. Growth in personal consumption spending is expected to peak in 1999 and slow in 2000. Low unemployment and low inflation will continue. Real disposable income will grow in 2000, but slow in 2001. The Asian economies are experiencing a rebound from the last year's economic downturn.

This economic overview presents a reasonably positive picture for most of the travel industry through the year 2001. Overall, hotels will continue making higher profits but will experience static occupancy rates due to oversupply. Upper upscale hotel properties and extended stays have experienced increased occupancy due to meetings and conventions. Midscale and independent properties have experienced declines in occupancy. 45% of all new hotel rooms are extended stays. For 2000, projections are that supply/demand will remain about even, occupancy stable, ADR and RevPar slightly up. (This data mirrors the Alexandria data.) Weekend business will become stronger. Corporations are looking at ways of reducing travel costs and will be looking for value.

### Modes of Travel

Air travel, which is made up 50/50 of leisure and business travelers, has been experiencing a decline that is expected to continue through 2000. This is due, in part, to crowded airports and the complications of getting to airports. AAA projects a continuing increase in automobile travel through the next several years. Motorcoach travel is decreasing and this decrease is expected to continue, but group travel, in general, looks strong.

### Domestic Travel

Domestic travel has risen 43% from 1990 through 1998. Travel expenditures are forecasted to be up 5% for 2000. Packaged travelers prefer event/theatre tours, followed by historical/heritage tours. There is an increased demand for independent/individual package tours. Shopping is still #1 reason for travel, followed by outdoor, historical, arts/music and ethnic/heritage festivals. ACVA efforts to develop packages to meet these trends will continue.

### Leisure Travel

Leisure travel will be strong for the next decade. People place a high importance on leisure travel and believe that vacations have a lasting value. They are looking for experience and relations with people rather than materials.

However, there are negative aspects of leisure travel that could cause a reduction rather than the projected increase. Travel isn't as much fun anymore. Getting there and back is a hassle. Service is declining but is more expensive. Vacation spots are crowded, noisy and too commercial. If destinations want to increase tourism, they must increase quality

of the product. New and better hotels, restaurants and shops, and more training for local people to be friendly and accommodating to tourists are required.

48% of travelers decide where to eat, 45% where to shop, 25% where to visit a museum and 24% where to tour after arriving at their destination. 62% of travelers get information from friends and relatives, 32% from guidebooks in hotel and 28% from brochures. This data supports the continuing increase in circulation for the Official Visitors Guide. It also demonstrates that ACVA is on the right track of developing the Fun Siders, an educational program for front-line employees.

12% of all Americans are in the 55+ age group (Matures). This percentage will increase to 27% by the 2015. This age group is the fastest growing segment of the travel industry. Next is the Baby Boomers, 35-54 age group. Aging will have a significant impact on travel for the next ten years. By the year 2010, the 45-64 year age group will increase by 42%. 65 and older will increase by 16%.

#### **Affluent Market**

These two markets make up the majority of the Affluent Market, a market that tends to stay in hotels more often than other groups. 71% of these travelers obtain information from the Internet. Affluents are willing to pay for luxuries, but demand more for their dollar. They are looking for value, not necessarily discounts.

Affluent travelers are better educated and have more disposable income. They prefer walking or biking as part of their recreation. 65% of BB visitors are week-end travelers and 55% are Matures. These groups are more likely to travel for pleasure and stay away from home for longer periods of time. They like to travel with children or grandchildren and enjoy shopping, historic sites, gambling and cultural events. When they travel, they are looking for relaxation, spiritualism, a unique experience and community. They want a productive use of their leisure time. They are looking for entertainment, excitement and education. They are self-reliant and reject the "mainstream." (19% are disabled but do not want this disability highlighted.)

#### **Business Travel**

Business travel, which is less sensitive to demographic changes, will continue to grow only 2-3% a year.

#### **Use of Internet**

Currently 25% of all travelers book travel arrangements on the Internet. 50% of travelers want an Internet access in their hotel rooms. 12% remember banner ads while only 10% remember TV ads. By the year 2003, 50% of the Internet will be non-English. On-line travelers are up from 11% in 1996 to 20% in 1999. 53% of all travelers use the Internet to get travel information. Of those who have booked on the Internet, 20% are extremely satisfied and 69% are satisfied.

### **International Travel**

International travel to the U.S. was down 1.4% from 1997 to 1998 due in large part to the downturn in the Asian economy. International travel is expected to increase over the next several years and achieve an 18% increase by 2003. The top five international markets for U.S. are Japan, UK, Germany, France and Brazil.

The European business travel market for 2005 will be composed of more women and require more information and more video conferencing. The European leisure traveler (holiday traveler) tends to visit cities and related places of interest. Travel trends indicate the European traveler is looking for value for money, high touch, authentic, fun and multi-options for his trip. The City Breaks travelers enjoy atmosphere, shopping, wining and dining.

### **PARTNERSHIP/SPONSORSHIP OPPORTUNITY PROGRAM** (established by end of Fiscal Year 2002)

As Alexandria moves into the new millennium, the City will continue to compete for the tourism dollar with millions of cities around the world. In order to successfully participate in the world market, ACVA must begin to build on the strong foundation that has already been established. In order to extend its reach and improve its programs, ACVA is focusing on developing long-term partnerships with national corporations, regional visitors bureaus, local non-profit organizations and others interested in tourism development.

ACVA has been successful in its initial efforts due in large part to increased funding which has allowed for more quality marketing efforts through corporate branding and outreach. This marketing strategy has brought positive attention to the City as well as demonstrated a commitment to long range marketing planning.

Over the next three years, ACVA will continue its existing marketing program, reviewing and refining its strategies based on quantifiable data. At the same time, an aggressive and extensive formalized program to bring on board prestigious and nationally known corporations will be developed. The recent partnerships with Jaguar Cars and American Express show that Alexandria will be able to stretch its dollars into more effective programs, reaching a broader audience. Joint sales meetings with US Airways and Southwest Airlines will be continued and expanded.

By coordinating a strong partnership program with existing strategies, ACVA will develop innovative uses for these partnerships. As the partnerships develop and mature, new ideas and strategies will be created with focus on the Baby Boomers and Mature markets.

By the end of Fiscal Year 2002, ACVA will have in place partnerships with three national corporate sponsors, collaborative marketing plans with regional marketing organizations, and on-going sales programs with national, local and state private and

public organizations. ACVA staff will participate in planning and implementing marketing strategies with national, regional, and state professional tourism associations.

### **DEVELOP BABY BOOMER AND MATURE LEISURE MARKETS DOMESTICALLY AND INTERNATIONALLY**

(established by end of Fiscal Year 2003)

In order to accommodate the aging population, ACVA will develop incentives, itineraries and advertising directed toward the Baby Boomers and Mature markets. While continuing efforts to reach out to all age groups, the ACVA will focus on developing unique opportunities for the over-45 age group.

ACVA will focus on implementing marketing strategies that highlight Alexandria's wonderful shopping opportunities, its cultural heritage and the opportunities for unique experiences. ACVA will work with businesses to improve accessibility for the aging population and to develop more "mature friendly" collateral materials.

To take advantage of the potential growth in the International market, ACVA will continue to define regional partnership opportunities to attract more International travelers. Foreign language brochures and other fulfillment pieces will be developed through the NVVC to meet the needs of our foreign visitors.

### **MARKETING AND COMMUNICATIONS ACTIVITIES**

#### **Corporate Partnership Strategy**

The ACVA will target corporations with specific relevance to the association's marketing strategies. The recently established relationship with Jaguar Cars serves as an example of such an alliance. Both ACVA and Jaguar target audiences of upper income brackets with an interest in tradition and excellence. By positioning Alexandria with Jaguar, ACVA establishes a joint branding of Jaguar as the upscale car of choice in one of America's most sophisticated cities. The marketing program integrates a retail and dining component with direct mail, advertising in print media both locally and in several of Alexandria's primary feeder cities, a radio advertising and promotional campaign, weekend giveaway packages, Metro dioramas, and a public relations campaign. The success of this program will serve as a baseline for partnerships with other corporations whose strategies and target markets mirror those of Alexandria. ACVA will target corporate sponsorships on regional, national and international levels for each of its markets.

#### **Corporate Meetings Market –**

- Continue to align ACVA hotels and meeting spaces in partnership in order to attract meetings that ordinarily could not be accommodated in Alexandria

- Establish relationships with transportation companies (airlines, rails) and jointly market to corporations and meeting planners to offer value-added packages for the corporate meetings market
- Develop innovative business meeting concepts such as "Team Building through Boat Building," hosted by the Seaport Foundation in partnership with ACVA hotel and meeting facility organizations
- Share booth space with Corporate Partners (American Express, US Air, Southwest Airlines, etc) at domestic and international trade shows targeting the meetings market
- Increase quality and number of direct mail programs
- Continue joint meetings with local, regional and national association meeting planners

#### Group Travel Market –

- Develop group travel packages with corporate hotel sponsors for overnight stays along selected tour routes, such as the Virginia Civil War Trails program
- Develop thematic tours targeted for specific special interest groups and their hosting transportation (bus and rail) companies
- Develop rail group packages with AMTRAK and VRE
- Partner with bus companies for joint events in Alexandria
- Participate aggressively in trade shows and industry associations targeting the corporate meetings market
- Partner with regional, state and national organizations to develop mutually beneficial group itineraries
- Increase quality and number of direct mail activities
- Develop specific group itineraries targeting the over-45 age group
- Develop group itineraries for Matures traveling with grandchildren
- Work with ACVA members and the City to develop first class facilities for the mature traveler
- Incorporate cultural and historic events and programs into suggested itineraries
- Translate existing and future collateral materials into appropriate languages

#### Leisure Travel Market

- Develop fly/drive programs with selected airlines and car rental companies
- Expand seasonal promotional shopping/dining programs and drawings for non-peak seasons
- Partner with corporations for large special events, such as an "Alexandria Seaport Music Festival"
- Expand partnerships with regional media outlets for seasonal promotional giveaways
- Expand joint marketing efforts with regional tourism organizations to reach both domestic and international markets
- Revise and update existing corporate branding advertising
- Design ads targeting Baby Boomers and Matures
- Develop incentives for over-45 age travelers
- Educate local businesses to needs of the changing markets

- Provide first rate facilities and publications for maturing population
- Develop "mature friendly" and foreign language collateral materials
- Develop Fun Siders educational program for front line employees
- Expand Fun Siders program to residents

### **Travel Media Market**

ACVA's ability to broaden its reach with the travel media will be greatly enhanced through the growth of existing partnerships with regional travel organizations and the establishment of partnerships with transportation businesses. These relationships will mean that ACVA will be able to offer a complete FAM opportunity (transportation, accommodation, meals, attractions) to visiting media.

As ACVA develops its focus on the Baby Boomers and Mature markets, story lines and activities will be presented to travel writers to incorporate the interests and needs of the aging traveler.

- Partner with car rental corporations for regional media FAM trips
- Partner with AMTRAK, VRE for niche media FAM trips to the region
- Establish relationships with domestic airlines for joint media FAM trips to the region
- Take active role in professional travel writers organizations, such as Society of American Travel Writers, to foster relationships with regional, national and international travel writers
- Participate in national and international travel media forums
- Highlight "new" elements to existing local events
- Work with groups to develop "new" events of interest to travelers and travel writers
- Partner with regional CVB's to develop theme events for the region
- Develop regional opportunities for International travel writers.
- Work with regional CVB's to develop "mature friendly" materials

### **WWW.FunSide.com**

FunSide.com will take on an increasingly important role in marketing, sales and communications in the upcoming years. Links and partnerships with selected other travel-related sites, and an interactive capability offering increased services online will expand the effectiveness of the web site as a marketing tool.

### **ACVA's website strategy**

- Link with major corporate sponsors such as airlines, rail, travel-related businesses
- Package with corporate sponsors available for purchase through links with related sites
- Link with ACVA members working together on joint promotions
- Develop data-based web site to enable e-commerce and a more interactive site
- Periodically redesign site to maintain its appeal and direction

- Develop simple, but easily readable itineraries and points of interests for over-forty travelers
- Develop foreign language pages directed at top five International markets
- Link with member hotels for direct accommodation bookings

**ALEXANDRIA ECONOMIC DEVELOPMENT PARTNERSHIP, INC.**  
**THREE-YEAR MARKETING PLAN**  
**JULY 2001 - JUNE 2004**

**MISSION:**

To market the City of Alexandria, Virginia as the premier business location to expand economic activity and enhance the quality of life.

*Principle Goals:*

- To attract new high quality employers.
- Enhance the City's pro active business expansion and retention programs to assist existing employers.
- Promote the City's image as a "business friendly" community.

**BACKGROUND AND HISTORY**

The City of Alexandria's economic strength is built on its historical and cultural resources, its ambience, public safety, transportation access, and its proximity to Washington, D.C. The concentration and diversity of restaurants, shops, hotels, parks, marinas and historic attractions in the City create a sense of community and an international appeal that are unparalleled in the metropolitan area.

Like most jurisdictions competing for limited property and sales tax revenues in a large metropolitan region, the City of Alexandria possesses an active and sophisticated economic development program. Various activities are conducted by the Alexandria Economic Development Partnership, Inc. (AEDP) for attracting new investments and jobs to the community, as well as retaining existing business and industry.

The AEDP is a public/private partnership between the City and the business community. It is designed to foster growth for the City of Alexandria, increase its tax base, and enhance the quality of life the City's businesses and residents enjoy. The efforts of the AEDP are focused on the attraction and retention of businesses by marketing the City as a great business location. Outreach is extended in many different ways to real estate developers and brokers, small and minority businesses, technology companies, associations, headquarters operations and international firms. In addition, AEDP participates in a wide range of City, regional, state, national and international groups to further the understanding and sharing of knowledge on economic development.

The efforts of the AEDP provide a full range of economic development policy options.

Efforts include programs to help small and minority-owned businesses, promotional pieces for targeted industries, demographic profiles for potential users, business outreach efforts with lead city officials, advertising and editorial contributions to newspapers and trade journals and prospect assistance. These efforts are comprehensive and successful because of the many partnerships formed in the community and the region.

Over the past twenty years, economic development efforts have been focused toward building a stable, expanding and diversified business base that generated job growth, commercial development, retail trade, and industrial use. This diversified approach to business attraction was brought about with the realization that the multitude of business categories and geographic regions represented in the local economy would reduce the effects of any downturns in a single industry. Companies the AEDP has assisted through attraction and retention efforts are:

- |                                 |                                      |
|---------------------------------|--------------------------------------|
| ★ Carney & Associates           | ★ Center for Naval Analyses          |
| ★ Lord & Taylor                 | ★ Circe Day Spa & Wellness Center    |
| ★ Gymboree Play & Music Program | ★ St. Colletta School                |
| ★ Marriott Residence Inn        | ★ American Soc. of Clinical Oncology |
| ★ Gold Crust Bread              | ★ worldweb.net                       |

Since mid 1996, AEDP has diligently work to attract the U.S. Patent and Trademark Office (PTO) to Alexandria. This long process came to fruition when in March 2000, City Council approved changes to the Carlyle Master Plan and special use permit to allow the PTO to relocate from Arlington to the Carlyle site. PTO will include 2.5 million square feet of office and related space, housed in five buildings, with two parking garages. The first building will be completed in 2003, and the complex will be completed in 2004. When fully built, PTO is projected to bring 7,100 new jobs and \$6.4 million in annual net new tax revenues to the City.

These efforts have also helped the City of Alexandria emerge as a major business center in the greater Washington region.

Today, the City of Alexandria is in a better position than anytime in recent history. However, the City's continued vitality will depend on the strengthening of its capacity to generate local revenue. In order for Alexandria to remain competitive with other local jurisdictions, it must position itself to capture a greater share of the region's markets. However, currently, commercial real estate generates less real estate tax revenue than residential. A commonly accepted goal of economic development is a broad tax base, and therefore it is imperative that the balance of residential and commercial be maintained to keep Alexandria's economy strong.

The City of Alexandria has evolved into an exciting community by combining historic charm,

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**History of residential construction in Alexandria**

	New Construction
FY 2000	1,500
FY 1999	746
FY 1998	1,840
FY 1997	388
FY 1996	657

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urban conveniences, and, an unparalleled location with a wide range of commercial real estate products. Alexandria has become a dynamic business center that is the foundation of a diversified economy — an economy composed of a wide range of office, retail, and industrial users spanning the spectrum of industries and services. The City has carved out a solid and comfortable niche in the regional market. However, Alexandria must capture a greater share of the Region's market to remain competitive.

## TYPES OF USES

A diversity of industry sectors is essential to maintain strong economic base. By marketing to a range of industry sectors such as technology companies, unique retailers, associations and light manufacturers, the AEDP can make strides in keeping the economic base diverse and insulate the City from economic downturns. A diversified economy is essential to the balanced growth of Alexandria as a business destination.

- ▶ **Technology Companies** continue to be a primary focus of AEDP efforts. These new economy companies are becoming more sophisticated and established. They seek urban locations with amenities and bring in an educated workforce seeking the quality of life Alexandria offers. The recruitment, creation and retention of technology companies are all-around positive strategies which benefit both the companies and the City.
- ▶ **Retail** in Alexandria needs additional focus in order to establish the City as a retail destination offering a full range of products, quality and selection. Both the main street retail of Old Town and Mt. Vernon Avenue and the larger retail at the shopping centers needs strengthening in order to maintain a competitive edge and to serve and attract a larger clientele from the Northern Virginia area as well as the needs of the residents of Alexandria.
- ▶ **Associations** have been an incredible success for Alexandria and continues today. The success of the City in attracting these financially solid organizations with an educated and well compensated staff has been a boom to the City. The natural tendency of industry sectors to agglomerate means that Alexandria will continue to be a top choice destination. Associations bring value, prestige and high levels of tenant-ownership into the City of Alexandria.
- ▶ **Light manufacturing** is at a critical point in the City and its fundamental survival is at stake. The manufacturing sector not only provides excellent job opportunities for segments of the population but also serves the needs of the other industries. Machine shops, catering companies, printers and limited manufacturers provide service to the City and the retention of these industries is critical to a continued balanced economy. Limited space makes it difficult to recruit new manufacturers and such efforts should focus on retention.
- ▶ **Professional service firms** are attracted to Alexandria mainly because of its geographic proximity to Washington, D.C. and the Federal Government, which is the world's largest purchaser of professional services. Our strategy involves working with these businesses to identify opportunities and concerns, and to offer diverse assistance in addressing them. AEDP will expand its cooperative alliance with strategic state and regional partners to better serve the needs of these firms.

## **BUSINESS CLUSTERS**

Business clusters are geographically bounded groups of similar or complementary companies that share specialized needs, have active channels of communication and have common opportunities or threats. Due to the geographical nature of the City, Alexandria has an opportunity to work with local businesses to establish these clusters and create business-to-business linkages and networks. Communities that form and encourage networks will build a competitive infrastructure and win in both expansion and recruitment. All business sectors can benefit from these linkages, especially Alexandria's technology, associations, retail and industrial companies. The Alexandria Technology Council is the result and example of creating a business cluster. By taking a more pro-active role, the AEDP can work with these businesses to ensure that they are getting benefits from being more active.

- ▶ **Technology companies** are clustering in the Old Town area and creating a new hip and urban consumer base. Drawn to the area by the variety of office products, an extensive array of restaurants and other services, technology companies are finding this to be an incredible asset in recruiting new staff. As more attention is turned toward Old Town as a technology cluster, more companies will be seeking to become part of the game. AEDP will be marketing to these companies and ready to assist them in relocation issues.
- ▶ **Associations** continue to identify Alexandria as a premier destination. Affording unique office space, small-sized buildings and access to quality residential products, Alexandria can attract associations looking to establish long term roots in an affordable and viable business community that is accessible to downtown Washington, D.C. The associations rely on each other for industry issues (the agglomeration of education-related associations is not by accident) and they also provide a market for the professional and corporate services — thus increasing the growth of other businesses.
- ▶ **Retail clustering** in Old Town, Mount Vernon Avenue and the Landmark area continue to be priorities. The attraction of businesses which are good for tourism, good for citizens and meet the everyday retail needs of residents and business is difficult to balance. In order for the market to appeal to all consumers, it is critical to increase all sources of retail.
- ▶ **Light manufacturing** firms in Alexandria occupy comparatively more space in terms of square feet to area than in any other local jurisdiction in Northern Virginia. The long-term nature of investment in manufacturing plants and facilities creates an important stake for these companies in the economy of Alexandria. More than most other industries, manufacturing companies can benefit from improving cross-industry interaction, and developing networks for services, supply sources and workforce training. AEDP's role will be to serve as a resource to assist these companies meet the changing needs of manufacturing, develop contacts to address their unique circumstances, and to help them maintain a competitive edge in technology and the marketplace.

## **TARGETED INITIATIVES**

## GOALS AND OBJECTIVES

*To attract new high quality employers.*

- Promote the City's expeditious plan/permit review process.
- Actively promote the local, state and federal financing opportunities.
- Continue real estate broker network to facilitate information distribution.
- Continue to promote the regularly updated commercial space inventory data base.

*Enhance the City's pro active business expansion and retention programs to assist existing employers.*

- Identify companies with expansion requirements or those at risk of relocating outside the City.
- Conduct a business & industry survey of small businesses in the City
- Continue the existing business expansion and retention contact program by staff which is focused on companies employing 100 or more persons.
- Continue partnering with strategic alliances and other appropriate organizations to keep informed of issues affecting the business climate and overall economic health of the community
- Conduct business assistance seminars
- Continue the successful Mayor's Local Business Outreach Program.

*Promote the City's image as a "business friendly" community.*

- Serve as an "Ombudsman" for the business community to provide assistance in resolving problems with local government.
- Maintain strong business liaisons with existing City departments.

## CONCLUSION

The City of Alexandria has several separate, identifiable commercial areas, each with its own history, characteristics, zoning, and access. These commercial areas are quite diverse, and their diversity lends itself to various opportunities for economic investment. AEDP has carefully studied each of these areas and has tailored its marketing strategies to match the needs, resources and goals in each commercial area in the City. Future development in the City will concentrate on these commercial areas. By this, the City will remain financially strong and be able to provide a sound environment and quality services to its businesses and residents.

Economic development involves every sector of the community from all City departments to tourism to the school system to the residential community. Every sector of the Alexandria community affects the successfulness of economic development efforts. The results of a coalition of the public and private sector can establish the dynamics for Alexandria. This partnership pools talent, energy and resources to reach an ultimate goal - - making Alexandria a premier location to live, work and do business.