

**ALEXANDRIA ECONOMIC DEVELOPMENT PARTNERSHIP, INC.
(AEDP)**

**THREE-YEAR STRATEGIC PLAN
FY 2005 - 2007**

INTRODUCTION

Economic development is critical for the health and vitality of overall community development. It provides the jobs and creates the wealth that supports the infrastructure, parks and open spaces, and cultural amenities of our community.

AEDP's Strategic Plan is intended to serve as a guide for economic activities in the City of Alexandria and a compass for how to get there. It is a comprehensive statement of the City's economic goals, and strategies as they relate to AEDP and seeks to provide a common framework for the business and job creation efforts led by AEDP.

In November 2003, a facilitated meeting of the AEDP board of directors, ex officios and staff began the strategic planning process. The purpose was to identify what drives the Alexandria economy and what future trends might have the greatest impact on the City's economy; to establish a mission for AEDP and Alexandria's economy; and to develop a set of economic goals that identify specific strategies and recommend the types of activity that AEDP could pursue.

The AEDP three-year Strategic Plan is organized by the following sections:

- Part I: Economic Background and Drivers
- Part II: Mission
- Part III: Goals and Strategies
- Part IV: Appendices

HISTORY

Since established in 1749, Alexandria's economy has been changing. The City flourished as a port, and in the 19th century became an important railroad center. By the early 20th century, Alexandria became a manufacturing and commercial center. During the 1930's and 40's the City became a bedroom community for commuters working in Washington, D.C. Following the Second World War, Alexandria continued to grow with a revival of the colonial portion of the City, where offices and housing replaced industrial uses. Today, Alexandria continues to flourish as an international business and technology center in the region. Alexandria is currently home to nearly 400 trade associations employing more than 11,000 and approximately 340 technology companies employ more than 12,000. This combined with the professional service companies, retail stores and hospitality industry makes for a very strong economy. The relocation of the U.S. Patent and Trademark Office (USPTO) to the City of Alexandria commenced when 2,600 employees located to Alexandria in early December 2003. The USPTO will greatly enhance the prestige and marketability of the City. Upon completion of their move in mid 2005, USPTO will be employing more than 7,000 and attracting approximately 400 daily visitors. The USPTO will have a positive impact on the economic conditions of the City of Alexandria. It is with the excitement and anticipation of these major changes and opportunities that the City of Alexandria moves into the 21st century.

Part I Economic Background and Drivers

A Summary of Alexandria's Economy

In March 2003, the City of Alexandria had approximately 8,000 companies employing more than 91,000 workers.

Ninety-eight percent of Alexandria companies employ less than 100 employees in comparison to other categories listed below.

Size of Companies	# of Companies
100-249 employees	85
250-499 employees	26
500-999 employees	8
Over 1000 employees	5

Current Business and Industry Mix

The City's economy comprises a mixture of businesses that provide a wide range of goods and services. The top three employment industries in Alexandria are: 1) service; 2) government; and 3) trade sector industries.

Companies that serve local residents and businesses, recycling wealth within the community, are referred to as service industry – they include retail, food establishments, consumer health care, personal services such as dry cleaners, and business services such as copy centers.

With the recent opening of two of the five USPTO headquarter buildings, the General Services Administration owns/leases more than three million square feet of office space in the City of Alexandria. The largest Federal government employer is the Department of Defense with over 1,000 employed. Total government employment is reaching 19,000.

Trade sector industry often pay above average wages and include technology firms, software and multimedia, film and video production firms.

A balance of primary and secondary jobs are needed for a healthy economy. Alexandria has a strong mix of service, government and trade sector companies. This mix provides a solid base for future economic activities.

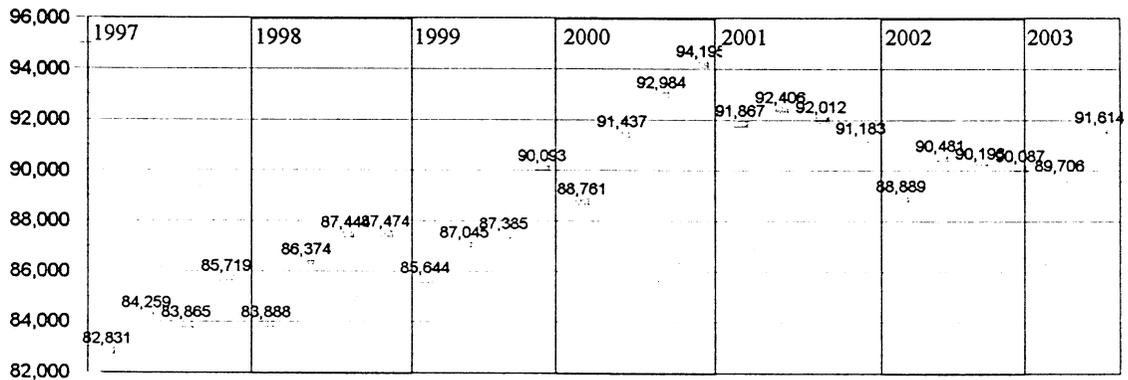
Major Industry Sectors (Represents Approximately 82% of all Alexandria Employment)

Service	51.40%
Government	18.12%
Trade	12.11%

Alexandria's Top Industry Segments by Total Employment

Services	47,089
Government	16,600
Trade	11,098
FIRE*	6,825
Construction	3,839
Transp., Comm., Utilities	1,871
Manufacturing	1,420

Alexandria Employment Base Quarterly Reporting Period



*Finance, Insurance, Real Estate

Alexandria's Economic Strengths and Weaknesses

This strategic plan aims to build on the strengths and overcome weaknesses as it addresses a variety of activities.

Primary Economic Strengths

- Healthy retail base
- Strong employment base (service, government, trade)
- An educated workforce
- Good schools

Primary Economic Weaknesses

- Balance of development (commercial and residential)
- Technology Infrastructure
- Meeting market conditions - new and relet office space
- Strengthening ties to the higher education groups

Critical Drivers of Alexandria's Economy

Many factors drive an economy. Some are influenced by the global economy, other by federal and state policies, and others by regional elements. Some factors are in the control of the community and others are not, yet they are interrelated. The first step in developing a strategic plan is to understand what drives the local economy. The factors identified as those most directly affecting Alexandria's economy include:

Types of Businesses: Emerging businesses: high tech, Internet, e-commerce

Support businesses: retail, suppliers, personal and business services

Business Operations: skilled workers; telecommunications capacity; access to capital

Regional Development Factors: infrastructure and transportation; land availability; affordable housing

Business Climate Factors: public policies; tax structure; strong stable government

Livability and Image: arts and culture; growth management; overall quality of life; education system

How do these strengths, weaknesses and drivers affect economic development planning? Key issues that can influence Alexandria's future economy.

- The ability to redevelop areas to meet density and employment goals while keeping a sense of place
- Developing an image for Alexandria that will retain existing businesses and attract new ones
- The ability to capture the growth in emerging industries such as high tech, software, e-commerce

Economic Plan Assumptions

Developing a strategic plan requires AEDP to look to the past, assess the current situation, and envision the future. It requires assumptions that we cannot always predict or control yet will influence the economy of the City of Alexandria. The following set of assumptions was used in developing our mission, goals and strategies.

- The plan must provide strategies that will increase the opportunities of today's businesses, while expanding the possibilities for the next generation of workers and entrepreneurs - offering opportunities for our children to stay in the city and seize competitive jobs.
- The dynamics of the region will continue to change. Alexandria will continue to experience growth; however, land availability will become increasingly scarce and development patterns will become denser.
- The types of high-demand industries and jobs will continue to change. Jobs of today were not a part of our economy just 10 years ago; the rate of change in technology and the global economy continue this trend of rapid innovation.
- Emerging businesses (those creating the majority of new jobs) will continue to be part of the

current knowledge-based economy. These firms develop or find innovative ways to apply technology—whether an enterprise is a high tech firm, a distribution company, or professional service firm. As they grow, they attract an array of support businesses from material suppliers to retail services, and provide a multiplier effect to the economy.

- Business and job development, quality of life, and community infrastructures are all connected. A plan must consider how these aspects interrelate and find ways to connect various partners and leverage limited resources.
- The plan will seek to develop Alexandria as a destination for business and pleasure with a well-defined image, distinct neighborhoods, and lively arts and culture venues.

A Focus on the Knowledge-based Economy

Today's knowledge-based economy impacts all types of industries and the way business is conducted. E-commerce, Internet communications, on-line marketing and other uses of technology have transformed operations of retail, wholesale, manufacturing, and service firms. Almost every type of business requires new technology, and often new skills for their workforce.

Competing in today's global and information-based economy requires local communities to add another dimension to economic development planning. Recognizing the trends of a knowledge-based economy is key:

- The movement of information in a quick and responsive manner is as critical, if not more so, than the movement of goods and people. The infrastructure for a knowledge-based economy requires a high level of connectivity for businesses and their customers. A telecommunications infrastructure becomes a backbone for many companies.
- A higher percentage of the workforce at all skill levels will require knowledge and experience in the use of computers and other technologies. Communicating these business needs to our education system will strengthen the local workforce.
- The rate of business transactions is rapidly increasing. The speed at which businesses develop and enter new markets has dramatically accelerated in the last decade and is expected to continue its upward trend. To be successful, local governments and business support groups must recognize and work with this pace.

Targeting Businesses and Industries that Meet Alexandria's Vision

Land availability and use, the ability to pay for infrastructure improvements required for ongoing economic development, the connections to city and regional planning goals, and the links to other community development issues all play a role in determining businesses and industries best suited for Alexandria. These may include:

- Industries that do not require large parcels of land
- Industries with job densities that fit comprehensive planning objectives (Small Area Plans)
- Industries that create or bring in additional wealth by exporting their goods and services outside the

region

- Industries that provide quality jobs, and
- Industries that provide health benefits and education incentives for their workers.

Examples of industries that may fulfill many of the listed criteria include software, professional services (attorneys, CPAs, finance, consulting, engineering, etc.), electronics, creative services (multimedia, advertising, public relations, film and video) technology, engineering and environmental technology, and selected manufacturing.

In addition, it is important that we balance our job growth with businesses that serve the local economy, especially those that fill gaps in needed business services and retail, and those that increase Alexandria's image as a destination point for specific services.

PART II: MISSION

MISSION

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

OVERALL GOAL

To retain, expand and attract targeted businesses and industries that create quality jobs and share Alexandria's economic vision.

PART III: GOALS AND STRATEGIES

GOAL ONE: EXPAND Economic Activity

The fundamental mission of economic development is to expand the City's economic activity. This is achieved by retaining businesses, attracting new businesses to the City, creating and preserving jobs, and generating additional tax revenue to support local services. In order to expand the economic activity, AEDP works diligently to implement programs and provide information to businesses of all sizes to enhance their operations and create employment opportunities with the goals of expanding economic activity. Tools which are available to support AEDP's efforts include, working with local businesses and property owners to improve business areas; promoting local, state and federal financing opportunities; expanding cooperative ventures and relationships with strategic alliances; and the Mayor's Local Business Outreach Program. The following strategies will assist in expanding economic activity in the City of Alexandria:

Strategy #1

- ***Formalize Reinvestment Strategy.***

A reinvestment strategy is recommended to address many complex issues involved in spurring investment and development. These issues include identifying sites in need of reinvestment, parcels with multiple owners, small and/or odd shaped parcels, land banking, inadequate infrastructure, project financing, mixed-use tenant requirements and community support. The goal of a reinvestment strategy is to substantially improve the economic conditions to enhance the livable environment by creating an architecturally attractive, aesthetically pleasant, safe and personal area which reflects community values. AEDP's recommended reinvestment guidelines are defined in **Appendix A.**

Strategy #2

- ***Emphasize and Encourage 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 challenges. 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. Alexandria's technology community is an example of a business cluster. By taking a more proactive role, the AEDP can work with these technology businesses to create a business environment and technical infrastructure that would appeal to the industry.

- ▶ **Technology companies** continue to cluster in the Old Town area and create a new hip and urban consumer base. Drawn to the area by the variety of office products, and 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 be ready to assist them in relocation issues.
- ▶ **Retail clustering** in Old Town, and throughout Mt. Vernon Avenue and the West End continue to be priorities. The attraction of businesses which are good for tourism, good for citizens and meet the every day retail need 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.
- ▶ **Professional Service** firms continue to be a major contributor to Alexandria's employment and strong economy. These firms include attorneys, CPAs, finance, consulting, engineering, etc. AEDP will continue its efforts to seek these firms.
- ▶ **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.
- ▶ **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 to meet the changing needs of manufacturing, to develop contacts to address their unique circumstances, and to help them maintain a competitive edge in technology and the marketplace.

Strategy #3

- ***Continue to Enhance Retention Efforts.***

The most important function in economic development is to retain current businesses. Alexandria's best companies are other communities' best prospects and the AEDP must work to preserve and enhance our current business base. By providing information on financing opportunities, maximizing the efforts of the Mayor's Local Business Outreach Program, coordinating business informational seminars and being responsive to all questions and concerns raised by the business community, the AEDP will strengthen its ties to the businesses that the City needs to expand economic activity.

	FY03	FY02	FY01
Retention	42	34	26
Attraction	26	33	46
TOTAL	68	67	72

Strategy #4

- ***Continue Attraction Efforts.***

Efforts to expand economic activity include attracting new business to the community. This is accomplished through AEDP's marketing efforts. These efforts include well-defined marketing materials, attending marketing missions and trade shows with various strategic partners.

Strategy #5

- ***Maintain Diversity of Business Industries***

The City of Alexandria has been able to build on its foundation and has diversified its economic base in order to become insulated from an economic downturn in any given sector. This diversity of the businesses and the philosophy that support such development allows for mixed-uses that coexist and complement each other. The diversity also provides for workforce absorption that takes advantage of the various skill levels. By building a diverse economic base that is populated primarily by small and mid-size

companies we are able to avoid the potential of a major economic impact.

One of the results of retention and attraction efforts is the preservation and creation of employment opportunities.

Promoting *JobLink* to prospects assists

employers in finding reliable, skilled employees. In addition, employers are introduced to tax incentives and other economic perks. These programs can benefit the many existing and new businesses in Alexandria.

	FY03	FY02	FY01
Job Impact	657	1,776	2,162

Strategy #6

- ***Seek to Preserve and Generate Tax Revenue.***

Real estate property taxes support local programs and it is imperative that AEDP strives to preserve and generate tax revenue through business retention and expansion efforts to enhance these local programs. We should continue to build a positive economy that sustains itself over many generations, an economy that is flexible in times of rapid and incredible technological innovation, and an economy that will be the fabric of the community. The following charts show estimated tax revenue generated by the businesses that were assisted by AEDP in location and expansion efforts.

Estimated Tax Revenue to City		
FY03	FY02	FY01
\$1.29M	\$2.42M	\$2.37M

GOAL TWO: PROMOTE Alexandria's Premier Reputation

An essential component of economic development is to set the City of Alexandria apart from other jurisdictions as a business location and to leave a positive impression with prospective businesses and real estate investors that Alexandria is a great place to do business. Setting Alexandria apart from other jurisdictions is achieved through promoting the City on many levels; from forging strategic alliances to disseminating conventional marketing materials. Currently, AEDP promotes the City by working with strategic partners on the local, regional, state, national and international levels, fostering relationships with local real estate brokers, and through conventional and web-based marketing materials. While these promotional efforts have been extremely successful, it is integral to extend and enhance AEDP's current efforts. By targeting industry sectors, enhancing marketing materials, strengthening strategic relationships, developing pilot programs and seeking out national recognition the AEDP will further position the City of Alexandria as the premier business location. The following strategies will enhance and promote AEDP's current efforts to meet this goal and should be seen as an overall strategy - not independent tasks - but rather joint priorities such that targeted industry sectors and targeted areas are correlated so that maximum impact and result are achieved for the City.

Strategy #1

- ***Update AEDP Marketing Plan.***
The three-year updated marketing plan is attached. See Appendix B.

Strategy #2

- ***Seek National Recognition for City and AEDP Efforts.***
Another promotional tool is to seek out recognition and awards AEDP and the City can receive from industry and trade groups.
 - ▶ A premier economic development strategy will have earned recognition from peers through national trade organizations, affiliated groups and industry publications. With this objective in mind, AEDP continues to seek out recognition programs to receive a peer-to-peer evaluation of our efforts and successes. Recognition programs are coordinated by such groups as the International Economic Development Council, Southeast Real Estate Magazine, and the Virginia Chapter of the American Planning Association. For Alexandria and AEDP to receive recognition through these groups would greatly affirm and enhance the City and its economic development strategies.

Strategy #3

- ***Produce an AEDP Annual Report.***
Continue to produce an AEDP annual report presenting the opportunity for AEDP to reflect on its efforts and accomplishments. The Report is distributed at AEDP's annual meeting and mailed to community leaders.

Strategy #4

- ***Target Industry Sectors.***
A diversity of industry sectors is essential to maintain a strong economic base. By targeting 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.

- ▶ **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 is improving but an additional focus is needed to establish the City as a retail destination. A retail destination offers a full range of products, quality and selection. Both the main street retail of Old Town and Mt. Vernon Avenue and the larger retail centers such as Landmark Mall and Potomac Yard and the one dozen Alexandria shopping centers needs strengthening in order to maintain a competitive edge and to serve and attract a larger clientele from the Northern Virginia area. **See Appendix C - Retail Strategy.**
- ▶ **Professional service firms** (attorneys, CPAs, finance, consulting, engineering, etc.) 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 regional and state partners to better serve the needs of these firms.
- ▶ **Associations** have been an incredible success for Alexandria and continue today. The success of the City in attracting these financially solid organizations with an educated and well compensated staff has been a boon 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. Efforts will focus on retaining the existing manufacturing base and uses to ensure a diversified economy.

Strategy #5

- ***Promote Target Areas.***

The following areas will be targeted over the next three years: Braddock Road area; King Street; Eisenhower West; the West End; Potomac Yard; Potomac West; and the Waterfront. AEDP will work closely with the property owners and their teams to ensure that areas are developed and redeveloped within the approved sector plans and to encourage business relocation and expansion in Alexandria.

- **The Braddock Road area** is quickly becoming recognized as an incredible investment. In

2003, significant property transactions occurred encompassing more than five city blocks and untold redevelopment potential. Already several residential and commercial projects are underway. With service from two Metro rail lines (Blue and Yellow), the Braddock Road Station Area needs a clear vision of industry and economic activity. AEDP efforts will focus on recruiting businesses needing new space in an area under transition.

- **King Street** continues to be Alexandria's Old Town Main Street and has matured into a collection of stores, professional services and residences providing a unified street scape from the waterfront, across Washington, Patrick, and Henry Streets extending to the Metro. The area has expanded to attract new businesses, recruited national name-brand retailers and has made major investments in lodging and office space. The continued care and management of King Street as one of Alexandria's prime retail and office location are critical and will be a focus of AEDP, King Street Metro Enterprise Team (KSMET) and the Old Town Business Association.
- With the development taking place at the Carlyle site, the welcome addition of the U.S. Patent and Trademark Office and the Hoffman Town Center, **The Eisenhower West Corridor** will now be a focus of development/redevelopment. It is imperative to continue to promote and encourage the commercial activities on the West End of Eisenhower Avenue.
- The **West End** of Alexandria provides some of the densest office and residential development opportunities in the City. The concentration of companies needing immediate access to the Pentagon and Capitol Hill as well as providing easy access for employees continues to grow. Over 300,000 sq.ft. of office space was on the market in both new construction and re-let space. With the dense mix of office, residential and retail, the West End is a major player and contributor to the City's economic health.
- ▶ The **Potomac Yard Concept Plan** has been approved and this signals the beginning of economic development efforts for one of the largest tracks of urban land on the east coast. Now that the parameters are in place for what can occur, the economic development efforts to attract businesses to that area and invest in the new Potomac Yard can begin in earnest.
- ▶ **Potomac West** is home to one of Alexandria's most successful "Main Streets" - Mt. Vernon Avenue. Economic development efforts will continue to market the area and attract retail businesses through collaboration with the City, businesses and residential communities.
- ▶ The **Waterfront** continues to be a focus for economic development. AEDP will continue to follow the issues relating to private and commercial uses for the waterfront and participate in any planning efforts.

Strategy #6

- ***Strengthen Relationships with Commercial Real Estate Brokers.***
Real estate professionals are strong allies in promoting the City. By reaching out to real estate

brokers through semiannual events, enhancing business relationships, and daily networking the AEDP can work with these professionals to promote the City to their clients.

- ▶ **Broker events** sponsored by AEDP and brokerage firms are held throughout the City. As part of marketing efforts for projects these opportunities allow the City and brokers to jointly present the opportunities available for new and expanding businesses.
- ▶ **Bus tours** of real estate industry professionals are an excellent opportunity to quickly introduce the Alexandria market, its activities and its potential. Providing a visual tour is an excellent way of providing a memorable experience. Tours are held in conjunction with the Northern Virginia Chapter of the National Association of Industrial and Office Properties; the Mid-Atlantic Forum of the International Council of Shopping Centers and customized tours have been arranged for the U.S. Department of Defense and other users.
- ▶ **Presentations and meetings** are held on a regular basis for those interested in learning about the City. These presentations provide a one-on-one opportunity for people to hear about what is going on and get updated on key issues. These meetings are held for industry professionals, trade groups, Alexandria-based companies and others seeking more information on the business climate in the City of Alexandria.
- ▶ AEDP has designed a comprehensive **prospect management system** to track incoming calls, broker inquiries and tenant needs. This system allows AEDP to maintain regular contact with prospects and to identify sites and opportunities as they arise. This management system has significantly increased AEDP's ability to respond to brokers and serve their needs.

Strategy #7

- ***Continue Comprehensive Marketing Materials.***
Maintaining high quality, up-to-date printed and Internet marketing materials are central to any marketing effort, as is ensuring total representation of the City, and regularly updating of these materials.
 - ▶ **Collateral pieces** for marketing Alexandria need to be produced on an annual basis, providing one to two new pieces each year.
 - ▶ The ***Economic Connections*** newsletter has become an excellent tool for spreading the message on Alexandria and presenting key information in a timely manner. The quarterly production of the newsletter will continue and it is expected that distribution will increase at a steady rate as copies are mailed to all Alexandria businesses.
 - ▶ The creation of **www.alexecon.org** has been a valuable asset in managing inquiries and staff resources. Providing a direct duplication of all printed material in the office, the web site reaches people at their convenience and provides them an opportunity to learn more about the City and the economy and quality of life. The web site is linked to the City's web site as well as to the strategic alliance members and other relevant resources. The site also offers businesses the ability to request space needs - another tool in the attraction/retention efforts.

Strategy #8

- ***Forge Partnerships with Strategic Alliances.***

Continuing to build strong relationships with strategic alliances on the local, regional, state, national and international levels are paramount in positioning Alexandria as the premier business location. Our partners in economic development, who share the vision, include:

- ▶ **Local** - Alexandria Chamber of Commerce; Alexandria Convention

and Visitors Association; Alexandria Education Partnership, Alexandria Hotel Association; Alexandria Small Business Development Center; Eisenhower Partnership; King Street Metro Enterprise Team; Old Town Business Association; and Potomac West Business Association.

- ▶ **Regional** - Greater Washington Initiative; Northern Virginia Economic Development Coalition; and the U.S. Small Business Administration.
- ▶ **State** - Department of Business Assistance-State of Virginia; Virginia Downtown Development Association; Virginia Economic Developers Association; and Virginia Economic Development Partnership.
- ▶ **National** - American Economic Development Council; International Council of Shopping Centers; International Economic Development Council; and National Association of Industrial and Office Properties; Urban Land Institute.
- ▶ **International** - Virginia Economic Development Partnership-International Division; various international business groups.

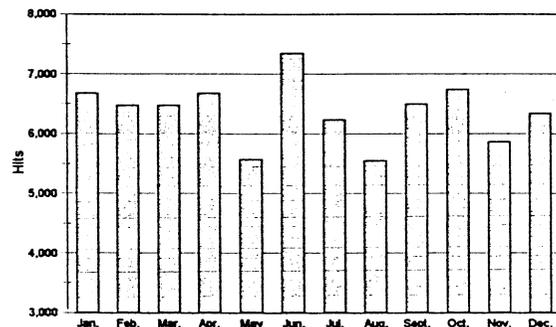
Strategy #9

- ***Participate in Marketing Missions and Trade Shows.***

In order to promote the City effectively, it is important to make contacts in the targeted industry sectors by participating in marketing missions and trade shows. It is also important to be consistent in participating in these missions. AEDP has established partnerships with the Virginia Economic Development Partnership, the Greater Washington Initiative and the International Council of Shopping Centers. These partnerships have enabled AEDP to participate in several marketing missions and trade shows. The partnerships between AEDP and regional and state economic development organizations are especially critical in maximizing efforts to reach companies which are out of the area. Whether it is a marketing mission or a trade show, these are long term investments to ensure that Alexandria is an option when they consider expansion locations.

- ▶ **Marketing missions** with the Virginia Economic Development Partnership and the Greater Washington Initiative have been

Website Traffic 2003
www.alexecon.org



useful in bringing a team approach to marketing the Commonwealth of Virginia and the Northern Virginia region. This level of effort opens doors and raises awareness about the City.

- ▶ **Industry trade shows** are an opportunity to highlight destinations. This is one of the most appropriate venues for site selection and promotion. Such events held by the International Council of Shopping Centers and the Northern Virginia Chapter of the National Association of Industrial and Office Properties are critical to promoting Alexandria and are great venues for doing such.

Strategy #10

- **Promote Newsletter.**
The newsletter promotes AEDP's efforts and highlight projects and programs affecting the City's development. The newsletter will include reports from various City departments that impact economic development (Planning and Zoning, Transportation, Code Enforcement).

Strategy #11

- **Utilize Internet Marketing.**
The Internet is a valuable resource to reach out to targeted businesses all over the world through utilization of the Web page and mass e-mails. It is also imperative to constantly monitor and update the Web page in order for it to be an effective promotional tool.
- **Mass e-mails** to targeted companies in Alexandria are being utilized to promote special events, new incentives or important information on new programs.
- ▶ The **AEDP web site** is being regularly updated and managed to replicate information available from AEDP. The purpose being to allow access at people's convenience and to those not in the area. As new technology is made available, AEDP expects to stay wired and ready for the 21st century.

Strategy #12

- **Promote Alexandria Technology Achievement Week.**
Showcasing the City of Alexandria's technology companies is the objective of its annual Technology Achievement Week. By enhancing the promotional efforts of Alexandria Technology Achievement Week, AEDP promotes the City as a business friendly City which supports and appreciates the economic benefits technology companies bring to Alexandria. As the Technology Week coordinator, AEDP will continue to market the event and to increase participation of Alexandria's technology companies. Aiding in AEDP's efforts to market the event, the budget request will include slight increases with each fiscal year.



GOAL THREE: ENHANCE Quality of Life of the Business Environment
In order for economic development to be successful, the activity must support

and preserve the community's values, goals and strategies. Economic development should benefit the entire community, businesses and residents, and enhance the quality of life of Alexandria. The AEDP strives to support the communities that exist in Alexandria by being responsive to all requests from both businesses and residents as well as outreaching to the entire City. AEDP will continue to enhance the quality of life for the business community through the following strategies:

Strategy #1

- ***Enhance a "ProBusiness Approach."***

An important business retention strategy is to conduct business outreach by making companies aware of the services that AEDP and the City have to offer businesses to support their operations. AEDP assists businesses and targeted industries with information regarding the availability of sites and facilities, office and retail space, and economic and demographic statistics. AEDP serves as a liaison between the City, business, and the community to address regulatory concerns. See Appendix D.

Strategy #2

- ***Continue to Structure Relationships with City Departments.***

It is imperative for AEDP to structure relationships with City Departments so that information is exchanged and current. In order to facilitate the exchange of data, AEDP will host quarterly meetings with directors of designated City Departments. Quarterly meetings will occur in March, June, September and December.

Strategy #3

- ***Enhance Business Improvement Program.***

It is important for economic development and the community to have attractive, clean and safe business districts. Physical improvement programs enhance the unique visual quality of business districts by addressing design elements, such as facade improvement and unique signage, to create a more appealing environment. AEDP recommends that continuing grant programs be developed for facade and signage improvements in the targeted areas.

- ▶ The Alexandria Business Improvement Program will incorporate efforts to strengthen existing businesses by improving the physical facilities in which they operate, thus making them more attractive to increased commerce. A facade improvement program can include cost-sharing on physical improvements, in-kind contribution of design services and/or marketing assistance as part of a graduate business student program. These efforts can be targeted to specific areas such as Arlandria, Mount Vernon Avenue, the Old Town section of King Street and the Duke Street Corridor. Targeted area improvements will increase the visual appearance, which will encourage increased customer base.

Strategy #4

- ***Continue Business Seminars.***

AEDP conducts business seminars to provide businesses with information and assistance addressing important issues. Conducting beneficial seminars connects businesses to the City and AEDP and ensures that business owners are provided with access to available assistance.

- ▶ AEDP's successful series of business seminars and workshops will be continued as new topics are added; new partnerships are created with local, state and federal groups; and

new issues are identified by our small business community. AEDP maintains an updated list of topics and publishes a current calendar of events.

Strategy #5

- ***Continue Mayor's Local Business Outreach Program.***

A successful program for AEDP and the City is the Mayor's Local Business Outreach Program. Since its inception, meetings have occurred with more than 200 business owners and operators. This unique forum provides local businesses with the opportunity to discuss issues and concerns with the Mayor and a member of City Council. These meetings facilitate the informal exchange of ideas and create an open dialogue with businesses and the City. This program has resulted in partnerships between the business community and the government. This partnership has pooled talent, energy and resources to reach an ultimate goal - making Alexandria a premier location to live, work and do business. AEDP will continue to administer this program by setting monthly appointments with businesses.

CONCLUSION

The economic development process is a series of actions that lead to an end. The desired end is the strengthening of the local economy. The Alexandria community must understand and implement a strategy that addresses the impact of all development. This proposed plan speaks to this issue.

AEDP's economic development team must strive to improve the chances of success by following the best practices considering the long term perspective, product development, and its ability to focus on quality and service. The City of Alexandria has a story to tell, it has information supported by research, and has the ability and desire to listen to what the investor needs. The City's inventory of assets is attractive to economic investors. The quality of life, the potential of our education system, the accessibility, and the natural beauty of the community, lend themselves to an investor's decision. The City of Alexandria was then and is now an economic attraction to many and creating a stable and diversified economy is the priority for our City.

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Alexandria Convention & Visitors Association (ACVA)
Strategic Marketing Plan (2005- 2008)
(adopted by Board on June 21, 2004)

Vision: To become the premier destination marketing organization by exceeding expectations through innovation and creativity.

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

Program Objectives

ACVA will increase tourism spending by:

- Positioning Alexandria as a unique, culturally rich destination,
- Establishing Alexandria as a “must see” component of Washington, D.C. experience,
- Increasing brand awareness by improving existing and developing new product,
- Identifying emerging markets through analysis of latest travel trends and forecasts,
- Building consensus within residential and business communities as to the benefits of Alexandria’s tourism economy and ACVA’s important role in that economy.

The ACVA will work in collaboration with public and private partners to maximize opportunities and provide a single message to the leisure traveler while enhancing existing programs and developing new markets. This plan serves as a road map for a more unified approach to attracting tourism dollars and as the foundation for developing more sophisticated and aggressive marketing strategies.

Cooperative advertising, joint strategizing and participation on regional, national and international sales missions and trade shows will allow ACVA to display the unique and diverse attractions of the City. The Greater Washington Region has long been the political capital of the world. It is now emerging as (and should be marketed as) a world-class cultural and heritage destination as well. Alexandria plays a significant role in this cultural emergence.

ACVA continues to believe that our own citizens are our best travel agents. To that end, ACVA will work to build consensus on the value of tourism to our economy and to educate our citizens as to the varied and diverse tourism opportunities in the City.

Travel Industry Trends and Economic Impact

Overview

Calendar year 2000 was a banner year for travel to Alexandria and the nation. However from 2001 through 2003, travel dropped precipitously. Due to a slowing economy, 9/11,

war in Iraq, SARS, bad weather and job loss, travel nationwide suffered a severe downturn.

According to the Travel Industry Association's (TIA) 2004 statistics, domestic travel fell 15% over those three years. Domestic airline travel dropped 14%, international travel fell 21% and hotel room demand was down 1.5%. Although the travel industry has 6% of all US jobs, the industry suffered 26% of all job losses.

During this same period of time, while the US hotel industry experienced a 7% decline in revenue per available room (rev par), the Greater Washington region experienced a 16% decline. Alexandria's rev par was down 11%.

Government business helped to maintain many of the hotels in the City; however, government overnight visitors were exempt from hotel taxes that are so vital to maintain our City services. Alexandria's hotel tax revenue decreased and the hotels' market mix was substantially changed. The individual business traveler who has been a leader of our local market mix declined to the lowest contributor to that mix.

Forecasts (2004 and Beyond)

The outlook for the business traveler segment looks promising. According to the latest TIA surveys (May 2004), 71% of corporations surveyed believe that business travel will rebound in 2004. 48% of those businesses have increase and plan to increase their travel budgets; however, business travelers will still be looking for discount airlines and mid-priced hotels. 23% will likely book on-line.

The events of the last three years have resulted in significant changes to business travel policies. Tighter travel requirements by companies and more reliance on technological meetings will likely remain in place.

The business traveler comprises a significant segment of the Alexandria hotel base. Substantial income was lost due to the tightening of corporate travel budgets; however, easing of some of those restrictions will bode well for our hotel market.

Likewise, for the leisure traveler segment, 2004 will see slow, steady growth. Those travelers will tend to book closer to their departure, and travel via highway (by train, motorcoach, automobile or recreational vehicles). The trend for shorter trips closer to home will remain.

Through 2004, hotel demand nation-wide is expected to increase 4% in 2004, occupancy up 2.7%, ADR up 2% and RevPar up 4.5%. International travel will likely rise 5% with most of that coming from the UK which is expected to be up 8%. 46% of all hotel bookings will take place on-line. These trends are expected to continue through 2005 and beyond.

Target Markets

The Mid-Atlantic states have long been the strongest leisure markets for Alexandria and the region. Secondary markets such as California, Texas, Ohio, North Carolina and Florida are increasingly becoming part of the market mix. All international marketing for

the region is being handled through Capital Region USA (CRUSA); therefore, this plan discusses only domestic travelers.

Travel patterns are being directly affected by the aging population. Travelers tend to be better educated than in the past. Many are single parents or have same sex partners. Women are having more influence on travel plans and are seeking more culturally diverse activities.

Baby Boomers continue to be the most sought-after market because they travel farther away from home, stay longer, have two or more destinations in one trip, spend more per trip, take part in more activities and travel with one household person.

31% of Baby Boomers shop while on their trips. 17% spend time on outdoor activities, 14% visit historical museums, 11% go to the beach and 10% take in a cultural event. 75% of all traveling adults took part in a cultural event on a trip last year.

30% of Junior Matures (55-64) went shopping, 15% visited a historical location and 12% went to a cultural event. Health/life enhancement, ecotourism, legacy travel, virtual travel, combined business/leisure trips, and enrichment tours are emerging markets. There will likely be a significant increase in visits to family and friends.

According to the U. S. Bureau of the Census and Statistics, 55% of the entire U.S. population lives within 500 miles of Virginia. ACVA will continue to focus the majority of its resources on the five hour or less drive market which brings in the highest return on investment. However, through the internet and other innovative marketing tools, ACVA will also reach out to second tier states and our own closer in Greater Washington region.

The importance of the individual business traveler has not been ignored. ACVA's has test marketed several business publications – none of which has brought the desired results. While ACVA will continue to look at ways to directly reach the business traveler, ACVA understands that business travelers are also leisure travelers and are being influenced by the leisure marketing strategies.

The Group Business travelers will continue to be reached by the ACVA sales team through trade shows, sales missions and trade publications.

Regional Assets

The Greater Washington region is rich in cultural and historic assets. 75% of American adult travelers say they included a cultural, arts, heritage or historic activity or event while on a trip in the past year. These travelers tend to be more affluent and tend to extend their visits. By creating linkages among the many historic and patriotic events and entities in the region, ACVA can increase its share of the tourism dollars flowing into the region.

Reaching the Consumer

Communicating with the leisure traveler continues to be an ever increasing challenge. They are being bombarded with slick ads and videos. ACVA must develop unique messages and designs and have those images reach the target audiences in many different ways – through the Internet, email blasts, direct mail, print advertising, travel stories, and much, much more. Past marketing studies have shown that to get a consumer's attention,

he or she must receive the same message at least three different ways over a period of time.

Collaborating on travel information, establishing “one-stop” shopping for the traveler, creating a first-rate communications system with a qualified database system and surveying or “listening” to the visitor to find out what kind of information they want and need when visiting the area will be of paramount importance in developing a more successful approach to providing traveler services. Through active participation in the Greater Washington Tourism Alliance (GWTA) and the Northern Virginia Visitors Consortium (NVVC), ACVA will work toward improving visitor services and information for regional travelers

By refining the FunSide.com web site and linking our site with other regional and state sites and an 800 information line, ACVA can ensure that the visitor will have all needed information at-hand and will be able to plan and implement their trip quickly and hassle-free.

At the same time, ACVA must not ignore the region’s citizens. Travel studies show that the majority of travelers continue to get their travel information from their friends and family. With 7 million people living in the region, ACVA will connect with our own residents and the residents of the region to ensure they are provided the information needed to act as “regional tourism agents.”

The last several years have shown the importance of focusing some resources closer to home. During times of conflict or loss of confidence in travel, the Alexandria tourism economy depends upon those visitors closer to home. These visitors tend to frequent our restaurants, retail shops and attend events. Through cooperative ventures with the neighborhood marketing organizations, ACVA will increase and support those marketing efforts already under way.

Data-Driven Marketing

Marketing is only as good as the data used to develop the strategies. ACVA is committed to developing marketing programs based on certifiable research such as that mentioned previously. TIA, Virginia Tourism Corporation (VTC) and Washington Convention and Tourism Corporation (WCTC) conduct annual surveys and studies which provide the nation and our region with pertinent information.

During calendar year 2003, 16.4 million domestic visitors visited Washington, D.C, an increase of 3.2%. The leisure market increased 3.8% and overnight travel volume increased by 1.6%. Average overnight trip expenditures increased by 2.7%. International visitation was down 16%.

Additionally, 66% of D.C. trips were for leisure, 29% business and 5% combined business and leisure.

43% visited friends and relatives, 12% came for entertainment and 10% for personal reasons.

The profile of the D. C. visitor tracks very closely to the Alexandria visitor. See below.

ACVA also understands the importance of local research. In late 2003, ACVA completed a year-long study of the Alexandria visitor. The study confirmed much of what was already known about our visitors. See below:

- Average age 48
- Median income higher than U.S. average of \$50,000 (\$77,700)
- 14% travel with children
- Most come from the Commonwealth of Virginia
- 62% are return visitors (66% for day visitors)
- 46% hear about Alexandria from family and friends
- Advertising and travel articles appear most effective for day-trip and first-time visitors
- 72% of Alexandria visitors knew of the Official Visitors Guide; 96% rated the guide as good or great
- 7% visited FunSide.com prior to visit
- Day-trip visitors more likely to use web site than overnight visitors
- Visitors come to Alexandria for historic charm and proximity to D.C.
- 59% of all visitors stay an average of two days
- Historic site visitors spend fewer days than Event attendees
- Majority of overnight visitors in Alexandria hotels are business travelers
- 27% stay in Alexandria hotels
- 25% stay with family and friends
- Mount Vernon is strongest historic site draw ;Torpedo Factory is second
- 9 out of 10 visitors are satisfied or somewhat satisfied with their visit
- 73% recommend historic sites, galleries, shopping and restaurants

Next Steps:

The Alexandria Convention & Visitors Association will take advantage of the increase in travel and broaden the awareness of Alexandria as a destination that is a part of the Greater Washington/Northern Virginia region that offers culturally rich experiences to its visitors.

ACVA will develop cooperative programs with our commercial neighborhoods to strengthen their marketing initiatives and broaden their exposure.

ACVA will continue to grow the existing Mid Atlantic and Virginia audience by increasing their familiarity with the diverse products, events and experiences within our City.

ACVA will enhance collateral materials and other marketing tools to accommodate the aging population and to focus on developing products that appeal to their interests.

Through local and regional advertising and marketing strategies, ACVA will reach the millions of residents of and visitors to the Greater Washington region who may become day-trip visitors, long week-end visitors or travel ambassadors for their family and friends.

ACVA will continue to develop marketing strategies and programs based on the latest certifiable data.

ALEXANDRIA CONVENTION & VISITORS ASSOCIATION
FY 2005 Marketing and Business Plan
(adopted by Board June 21, 2004)

Objectives:

- Position Alexandria as a unique and culturally rich destination
- Identify emerging markets through analysis of latest travel trends and forecasts
- Increase brand awareness through improving existing and developing new product
- Establish Alexandria as a “must see” component of the Washington, D. C. individual/group experience
- Build consensus within residential and business communities as to the benefits of Alexandria’s tourism economy and ACVA’s important role in that economy

Goals:

- Lead the region in increases in hotel statistics
- Increase economic impact figures by 10%
- Improve performance measures in all categories
- Increase exposure of existing commercial neighborhood marketing programs

Strategies:

- I. Strengthen Seasonal Programs through collaboration and coordination within ACVA teams and relevant outside organizations

Action Steps:

- Fall for the Arts (Sept-Oct 2004)
 1. Develop design concept and detailed marketing plan using brochures, postcards, posters, web, e-communications, advertising, media coverage
 2. Strengthen brand “Fall for the Arts” through local and regional participation
 3. Partner with Art Festival Executive Committee to develop promotional items
 4. Design new component: Public Art Tour
 5. Collaborate with commercial neighborhoods to highlight arts in their area
 6. Develop story lines and media events around message
 7. Develop targeted mailing to tour operators
 8. Initiate planning for hotel packages combining with retail and restaurants opportunities
- Historic Holiday Planner (Nov 04 – Feb 05)
 1. Coordinate with neighborhood commercial areas for a city-wide holiday program
 2. Expand FY04 Program (shopping/dining discounts, events, free metered parking, etc.) to include more businesses in neighborhood areas
 3. Extend time frame of program (Nov. 1 – GW Weekend - February 2005)
 4. Add new component - \$17.49 dining promotion in January
 5. Add discounts/downloadable coupons to web site
 6. Research card coupons
 7. Develop email blast to New York Times Great Destination (e-communications; Qty: 400,000+) – in conjunction with Alexandria Hotel Association
 8. Coordinate with neighborhoods to increase advertising in regional publications, radio, TV

9. Enhance media (public relations) plan to include local and regional publications
- Spring/Summer Program (Memorial Day – Labor Day 2005)
 1. Develop theme in conjunction with Greater Washington area
 2. Incorporate regional major events including First and Second Thursday concepts into summer program
 3. Design and send out direct mail packet to ACVA database for overnight visitors
 4. Develop ad schedule and design for print, radio, TV in local and regional venues highlighting events throughout the City
 5. Update existing Heritage Passes and historic guides and market to larger data base audience
 6. Develop media plan for highlighting African American Guide and Alexandria's African American sites in National Register
 7. Establish "New" Colonial Pass
 8. Unveil "New" Women's History Tour for local market
 9. Develop media weekend tour around Women's History Tour highlighting Alexandria neighborhoods

Tracking Mechanisms:

- Analyze number and quality of business participation
- Track web site statistics
- Track visitor response cards in travel planner
- Survey visitors and group leaders
- Survey local businesses
- Attendance at events
- Media coverage
- 800 # calls
- Information and guide requests

- II. Develop and implement new marketing tools that increase brand awareness and appeal to mature visitors

Action Steps:

1. Design Web response Promo Piece with tear out card for official guide
2. Research Coupon Book – 2 for 1 Deals – includes 2 for 1 admission at attractions (Alex, DC, regional)
3. Contract for design of City maps highlighting neighborhoods, events and interests for web and print
4. Install Home Page button for commercial neighborhoods
5. Reconfigure Official Guide to include commercial neighborhoods
6. Add Film Office to web site
7. Develop On-line gift shop for FunSide items
8. Enhance web site to include African American Guide and new products
9. Contract with professional photographer for year-long enhanced photo shop
10. Develop message and design for three new corporate ads
11. Redesign and print rack card with perforated reader response card
12. Update research bank and provide monthly reports to Board and others as appropriate
13. Provide analysis of in-house monthly statistics

14. New Flash program for web site

Tracking Mechanisms:

- Analyze number and quality of advertisers in the guide
- Track web site statistics
- Survey visitors
- Survey participating businesses
- Compile reader response cards

III. Coordinate and collaborate with local, regional, and state organizations to enhance Alexandria's exposure to regional and Mid-Atlantic area

Action Steps:

1. Develop advertising matrix and refined tracking system
2. Coordinate messages by linking existing products with other regional cultural groups
3. Target areas for direct mail and/or email marketing opportunities
4. Combine sales missions with other jurisdictions for greater exposure in current target areas
5. Continue working partnerships with regional and state organizations to better promote Alexandria within the region
6. Develop aggressive program to establish collaboration among businesses, citizens and elected officials in support of tourism issues
7. Design, implement and maintain "interest mapping" web site
8. Design "grid" or "pocket" maps for the City of Alexandria highlighting retail, historic, restaurants, etc. and commercial neighborhoods
9. Collaborate and coordinate with local commercial neighborhoods to increase visits from Greater Washington area residents

Tracking Mechanisms:

- Designate 800 numbers for each marketing/advertising initiative
- Track web site statistics
- Analyze advertising costs versus exposure
- Track increase in visitor inquiries
- Survey businesses

IV. Create public relations plan coordinated with other ACVA Teams and when appropriate other regional entities

Action Steps:

1. Develop story lines around marketing messages for leisure and trade press
2. Direct mail to targeted members of the Society of American Travel Writers
3. Contact editorial boards of major travel and industry publications to promote events and activities
4. Plan and implement regional FAM tours for selected media
5. Work with regional media outlets to highlight Alexandria events and products
6. Develop "new" creative approaches to existing products and programs
7. Pitch media story lines to trade publications supporting sales campaigns to meeting planners and tour operators

8. Correlate trade and leisure advertising with editorial content whenever possible
9. Visit travel editors for 4 targeted publications that reach Mid-Atlantic region
10. Partner with CRUSA, VTC, WCTC and others on relevant media programs
11. Utilize City's web site to send tourism message to residents
12. Incorporate neighborhood business organizations
13. Research Alexandria's early history to find story line tied to opening of American Indian Museum
14. Support Fun Agendas sales concept with unique pitches to trade editors

Tracking Mechanisms:

- Number of travel articles initiated
- Regional and national media highlighting ACVA
- Number of individuals or groups working with ACVA
- Number of neighborhoods highlighted in articles

V. Devise new and enhance existing sales promotions and programs for groups

Action Steps:

- Meeting Planners and Tour Operators Incentive Program
 1. Review and refine Preferred Meeting Planner program
 2. Analyze expanding PP to include tour operators
 3. Coordinate message of Fun Agendas through targeted advertising venues for both planners and operators

- Trade Shows/Sales Mission/Sponsored Events
 1. Focus on three Fun Agendas and develop promotional materials including rack card for follow up mailings
 2. Research costs and design for new trade show booth and collateral
 3. Host three meeting planner events including Mount Vernon (Private Evening Tour), new PTO atrium (hotel/ACVA sponsored) and Ghost themed event
 4. Secure grand prize to be utilized for meeting shows to be given away at end of year
 5. Continue partnering with ACVA members and regional cvb's for relevant shows
 6. Implement two organized sales missions with pre-phone solicitation and follow-up customer event (incorporated into pre-scheduled client event)
 7. Co-op with CRUSA, WCTC & VTC on FAM and sales mission opportunities
 8. Sponsor two major industry events (AMPS and/or PMPI/ SGMP) and minor activities
 9. Actively participate in SGMP, GWSAE, and AMPS, PMPI, WCTC
 10. Continue participation with WCTC and tourism committee

- Direct Mail/Email blasts
 1. Direct mail to ACVA group database the findings from Motorcoach Task Force
 2. Develop two major direct mail campaigns to meeting planners using Fun Agendas concept
 3. Design scheduled email blasts to enhance Fun Agenda concept
 4. Send quarterly e-newsletter to in-house meetings and operator database

- **New Product**
 1. Develop three tour itineraries for tour operators
 2. Update and redesign tour collateral incorporating new ideas from Motorcoach Task Force
 3. Enhance database of PTO and related meeting planners for direct sales solicitation and incorporate into Preferred Planner program
 4. Host hotel/ACVA sponsored event for PTO planners

Tracking Mechanisms

- Number of qualified leads generated/booked
- Estimated revenue generated through qualified leads
- Increase in contact database
- Revenue actualized
- City taxes generated from room, restaurant and retail sales
- Inquiries/Rapid RFPs/website hits

- VI. Develop effective communication tools with residents, businesses, city council and city staff

Action Steps:

1. Target key civic and business organizations
2. Track monthly meeting dates/times
3. Maintain updated database
4. Send quarterly mailings to Civic Association presidents on ACVA's role in tourism-related issues
5. Develop communication plan on the results of the motorcoach study and other key tourism issues as identified
6. Showcase ACVA's activities during Annual Meeting
7. Present to civic association
8. Email information to civic associations for their newsletters/membership meetings
9. Distribute ACVA direct mail and E-blast materials to civic associations
10. Utilize Fun Side Forum as platform for programs relevant to residential and business communities
11. Place tourism business stories in local and regional media
12. Invite and encourage active participation in monthly Fun Side Forum
13. Update and increase attendance at Fun Siders educational program

Tracking Mechanisms

- # presentations given to civic and business groups
- # articles in local and regional pubs
- Community support of ACVA initiatives and issues

- VII. Maximize membership opportunities and increase membership rolls

Action Steps:

1. Refine procedures for new member recruitment for committee members
2. Establish "Neighborhood" listings in Guide to appeal to geographically diverse membership
3. Target potential new members who would benefit from ACVA membership

4. Standardize procedures for retention of members
5. Utilize regular mailings to communicate ACVA's accomplishments
6. E-mail blast significant events or activities to members on a regular schedule
7. Maintain current communications through ACVAmembers.com
8. Survey members to determine if needs are being met
9. Personally contact (via ACVA staff/Board) each member at least once a year
10. Continue to vary time & content of ACVA events to broaden their appeal

Tracking Mechanisms

- # of new members
- # of members outside lower King Street
- Retention rate
- # of membership committee contacts

VIII. Increase integration of services at visitors center with marketing programs

Action Steps:

1. Schedule monthly staff meetings at various ACVA member businesses
2. Encourage visitors center staff to participate in local tours and events
3. Install computers and DSL in order that staff and visitors can utilize web
4. Coordinate with design staff to develop merchandise that appeals to consumer and markets the City
5. Analyze existing data and recommend additional statistical tracking
6. Develop training manual for new employees
7. Informally, keep records of comments and ideas of visitors to improve service
8. Formally, design visitor surveys to determine responses to program or suggestions for improvements

Tracking Mechanisms

- # of meetings held off premises
- Participation by staff and volunteers
- Utilization of computer/internet services at Ramsay House
- Gift shop revenues
- Visitor surveys

Performance Measurements (compare with previous period and the nation)

- Increase in hotel occupancy, ADR (average daily room rate) and Rev Par (Revenue per available room)
- Increase in tourism taxes collected per jurisdiction
- Increase in economic impact analysis figures
- Increase in web site statistics
- Increase in visitor inquiries
- Increase in attendance at events (ticket sales only)
- Positive responses to surveys

Seasonal Events *for the Leisure Tourist*

One theme dominates the ACVA's strategy for a healthy Alexandria tourism industry over the past year: Partnerships. Whether the focus was hosting the Alexandria Festival of the Arts or joining the Greater Washington region in a celebration honoring the Greatest Generation, ACVA's relationships with its local businesses and residents helped to make the year successful.



Alexandria Festival of the Arts

Building on the success of the inaugural Alexandria Festival of the Arts in 2003, the recent second annual festival featured an expanded venue; a new, regional artists juried exhibition; performing artists, and outdoor dining. An estimated 60,000 people attended the festival, many who were first-time visitors to Alexandria and others who returned following their first experience in 2003. Estimates of the economic impact to the City may reach over \$1 million. The two-day outdoor art show, held September 11-12, was the result of months of planning by a team of partners that included the ACVA, the City of Alexandria, and the Alexandria Commission for the Arts. In only its second year, the festival has been rated as 48th in the Top 100 Art Events by *Sunshine Artist* magazine. Plans are already underway for an even better 2005 Alexandria Festival of the Arts and Fall for the Arts season.



An estimated 60,000 people attended the second annual Alexandria Festival of the Arts held Sept. 11-12, 2004.

Holiday Promotion

Traditionally a strong draw for tourists, the 2003 holiday season added strolling carolers and a holiday decorating contest for merchants to its full schedule. At ACVA's Fun Side Forums in January and February, representatives from Alexandria's retail communities began planning for a City-wide 2004 holiday promotion with a common theme to link Alexandria's diverse neighborhoods. The 2004 Holiday Program lays the groundwork for increased collaboration among the neighborhood retail communities throughout the year.

continued on page 2 ►

ACVA Letter from the Chairman

We can proudly report that FY 2004 was a stellar year for tourism in Alexandria. With tourism spending exceeding \$485 million, it was the best in four years and surpassed pre-2001 figures. A number of factors contributed to this good fortune, including a stronger economy, a continuing growth in heritage tourism, national events such as the opening of the new World War II Memorial, and yes, strong marketing by the ACVA. Although the economy and national events may draw people to our region, it's our marketing that brings them to Alexandria.

Already well on our way into FY 2005, we are partnering with other business organizations to host a City-wide holiday season. We are working with Alexandria businesses and residents through the Motorcoach Task Force to find the best ways to manage the many visitors who come our way via motorcoach. Our goals are the same: to share our beautiful historic City with others and to preserve the quality of life that makes Alexandria such a great place to live and work.

At the helm of all of this good work is your ACVA Board of Governors. On behalf of the incoming FY 2005 Board, I would like to thank our FY 2004 Chair Hudson Riehle for his leadership and wise insight into the hospitality industry. And to Governors Cathy Callard, Pat Gaffney, Susan Grandgeorge, and Linda Jeffries, who have completed their service on the Board, thank you. We will continue to look for your support.

*Mary Anne Russell
FY 2005 Chair
ACVA Board of
Governors*



Alexandria Convention &
Visitors Association
421 King Street, Suite 300
Alexandria, VA 22314
(703) 838-4200
www.FunSide.com



The Liberty Belles, a nostalgic 1940s troupe, performed at one of the many events held during Alexandria Salutes! – A USO Weekend held July 16-18, 2004.

Saluting the Greatest Generation

Perhaps the peak of the leisure tourism year was the region's tribute to the Greatest Generation. Sparked by the opening of the new National World War II Memorial in the District, the ACVA and its partners in the Northern Virginia Visitors Consortium hosted live simulcasts at three Northern Virginia locations, including George Washington's Mount Vernon, the George Washington Masonic National Memorial, and the Udvar-Hazy Center, to enable more than 2,000 people to view the dedication ceremonies. In July, the ACVA partnered with the USO of Metropolitan Washington for *Alexandria Salutes! – A USO Weekend*. Three days of nostalgic World War II-era entertainment and a moving memorial service in honor of military veterans brought visitors to Alexandria and generated goodwill throughout the community. The weekend generated publicity valued at more than \$130,000.

Summer Discount Passes

ACVA's summer discount passes have matured into a successful, revenue-generating marketing program for ACVA members. In their third year, the program sold a total of 235 Liberty, VIP, and Potomac Passes valued at \$6,614 and provided a strong marketing message for Alexandria.

Ghostly Alexandria

ACVA's communications staff took Alexandria's rich heritage in ghosts and folklore to create a truly unique theme for hosting a media weekend. "Ghostly Alexandria" welcomed its media guests at the haunted home of one of Alexandria's prominent citizens. The weekend included tours by authentic ghost investigators and a late-night firsthand investigation at one of Old Town's favorite businesses. The result? Among the coverage, a *Washington Post* story that ran across the Associated Press wire service and was published in newspapers throughout Virginia and the Mid-Atlantic. ●

Strong Growth *in Business Travel*

A CVVA's sales staff made the most of the nation's trend in increased business travel during FY 2004. The sales staff generated 507 qualified leads, 21 percent over their monthly goal, to achieve \$1.6 million in actualized meetings and group tours revenue. Their Preferred Planner program moved into full swing, with the number of frequently booking planners climbing to over 100. Their participation in national trade shows, such as ABA and NTA, and the newly added Bank Travel Association show, generated 53 requests for proposals with an estimated potential value of \$1.5 million to Alexandria hotels and other meeting venues. Their American Heirloom events package and Scavenger Hunt continue to be a strong draw.



Online Marketing

The ACVA's participation in the *New York Times* Great Getaways email advertising program has brought thousands of new visitors to FunSide.com. Participating in the program in July and November, the ACVA reached 517,000 high-e subscribers each time. New visitors to FunSide.com during these months were 18,440 and 14,096, respectively. The total number of new visitors to the web site in FY 2004 was 135,799, up 73 percent from FY 2003. ●

Board of Governors Actions

The 14-person Board of Governors of the ACVA, which represents all segments of Alexandria's tourism industry and which is actively involved in setting policy and direction for the ACVA staff, unanimously voted to provide increased resources for regional tourism marketing and the promotion of Alexandria's commercial neighborhoods such as Del Ray and the West End commercial districts during FY 2004.

In February, 2004, the Board established a Motorcoach Task Force comprised of representatives of the City's business and residential communities. The Task Force is developing new policies that will better manage the movement of motorcoaches in Alexandria's historic district. Final recommendations will be presented to City Council in December, 2004, for review and public hearing.

Additionally, because of their involvement as professionals in Alexandria's tourism industry, the Board established a marketing advisory committee to enable the board to suggest ideas and offer their perspective on ACVA marketing programs. Chaired by Joe Egerton, the committee is comprised of Laurie Clark, Danwe N'Dikwe, Susan Lindeborg, and Bryant Mitchell.

Membership Recruitment, chaired by Pat Troy, was shared by the entire Board of Governors using their own experience with ACVA as testimonial for membership.

Members of the ACVA Board of Governors were also active leaders in Alexandria's business community, supporting tourism-related issues.

ACVA Milestones

1996

ACVA established as a 501(c)3 membership organization with a budget of \$380,000

First ACVA Board strategic planning session and adoption of Goals & Objectives for new organization

Marketing research and development of visual and thematic logos

1997

Fun Side of the Potomac logo and tagline adopted by ACVA Board

Development of Three-Year Marketing Plan, Performance Measurements and Economic Impact Figures

City Council increases lodging tax from 5.25 percent to 5.65 percent and increases ACVA budget by \$200,000 to \$580,000

1998

Establishment of ACVA Funding Task Force chaired by Councilman David Speck

1999

Alexandria Hotel Association requests City Council to impose \$1 per room-night tax in order to fully fund ACVA marketing plan. Lodging tax is reduced to 5.5 percent.

First year that ACVA is fully funded. Alexandria increases market share for the first time.

Ongoing

Three-year marketing plans based on reliable market data; ACVA Board establishes goals and priorities; ACVA reports to Council at annual work session; Alexandria's tourism industry retains much of its vibrancy even during 9/11 and slowing economy; ACVA expands marketing efforts to include emerging commercial neighborhoods.

Tourism Spending Is Up *Best in Four Years*

Alexandria's tourism industry shot ahead in FY 2004, reporting its best year for tourism spending by overnight visitors in Alexandria hotels in four years. That figure climbed to over \$485 million, continuing its positive trend and reflecting a strengthening nationwide economy, increased consumer confidence and the aggressive marketing efforts of the Alexandria Convention & Visitors Association. This increased spending translated into \$11.7 million in direct taxes for the City of Alexandria. These numbers represent an 11 percent increase in visitors' spending and a 13 percent increase in tax revenue.

Transient lodging taxes increased by approximately 16 percent over last year to \$5.5 million. In fact, FY 2004 lodging taxes steadily surpassed the previous year every month of the year. The hotel industry's \$1 per room-night tax was up 11 percent to nearly \$870,000. These amounts total \$6.3 million in hotel taxes collected for the year. Occupancy was up 5 percent, average daily rate 2 percent, and revenue generated per room 7 percent. Meals and retail sales taxes increased as well. ●

FY 2004 Tourism Statistics

Economic Impact Figures (FY 2004) City of Alexandria

Visitors' Spending	Dollars	Local Taxes	Tax Received
Lodging (20.4%)	\$ 99,510,109	5.5%	\$ 5,473,056
Meals (28.3%)	\$ 138,045,887	3%	\$ 4,141,377
Public Transport (17.4%)	\$ 84,876,270	-	\$ -
Auto Transport (16.1%)	\$ 78,534,939	1%	\$ 785,349
General Retail (9.8%)	\$ 47,803,876	1%	\$ 478,039
Admission/Recreation (8%)	\$ 39,023,572	-	\$ -
Total	\$ 487,794,652		\$ 10,877,821
\$1 per room night tax			\$ 869,564
Total direct taxes collected from overnight visitors			\$ 11,747,385

* These figures are estimates based on the overnight visitors who stayed in Alexandria hotels. Day trippers or those staying with friends and relatives or in other area hotels are not included. Percent spending is based on Virginia Tourism Corporation figures.

ACVA FY 2004 Performance Indicators

	FY 2004	FY 2003	2003 Calendar			
			FY 2004	Greater Washington	National	GDP
			% (+/-)	% (+/-)	% (+/-)	
Revenue Generation						
Room Tax Collected	\$ 5,473,056	\$ 4,707,202	16%			
\$1 Per Room Night	\$ 869,564	\$ 783,782	11%			
Food Tax Collected	\$ 9,035,846	\$ 8,476,297	7%			
Gross Retail Sales	\$ 22,541,886	\$ 21,216,124	6%			
Hard Measures						
Hotel Occupancy	68%	65%	5%	70%	61%	3%
Hotel ADR	\$ 101.92	\$ 99.64	2%	\$ 113.53	\$ 82.52	-1%
Hotel RevPar	\$ 69.54	\$ 64.71	7%	\$ 79.68	\$ 50.42	2%

The FY 2004 ACVA Board of Governors

(as of June 30, 2004)

Chairman of the Board, Association Representative

Hudson Riehle
Senior Vice President, National Restaurant Association

Vice Chairman, AHA President

Mary Anne Russell
General Manager, Embassy Suites Hotel

Treasurer, Retail Representative

Adam Winer
Owner, Artcraft Collection

Governor At-Large

Ann Dorman
Owner, Meetings & Events of Distinction

Secretary

Jo Anne Mitchell
President & CEO, ACVA

City Council

Representative
Joyce Woodson
Member, Alexandria City Council

City Manager

Representative
Mark Jinks
Assistant City Manager

Hotel Representative

Cathy Callard
Owner, Executive Club Suites

Historic Preservation

Representative
Mary Ruth Coleman

Retail

Owner/Manager
Pat Troy
The Irish Walk

Restaurant

Manager/Owner
Patrick Gaffney
McCormick & Schmick

Restaurant

Manager/Owner
Susan Grandgeorge
Joe Theismann's
Restaurant

Attraction

Representative
Linda Jeffries
Senior Manager, Group Marketing, The Newseum

ACVA Mission and Goals

The mission of the Alexandria Convention & Visitors Association is to generate tourism and conventions that increase revenues and promote the City of Alexandria and its assets.

The goals of the Association are:

- To market Alexandria as a destination for regional, domestic and international business, meeting and leisure travel.
- To increase City tourism revenues by encouraging business and leisure travelers to patronize Alexandria facilities, attractions, businesses and events.
- To develop tourism marketing and promotional programs offered in conjunction with Alexandria's hospitality industry and local businesses.
- To target these programs to meeting planners, tour operators and travel writers.
- To work cooperatively with state and regional governmental and travel trade agencies in joint tourism marketing projects.
- To bring City marketing, advertising and promotional efforts on par with competing state and local jurisdictions.
- To promote visitors to Alexandria with tourism services at appropriate locations in the City.
- To maximize the historic uniqueness of Alexandria



V I R G I N I A

Contact Us

Alexandria Convention & Visitors Association
421 King Street, Suite 300
Alexandria, VA 22314

Phone: (703) 838-4200

Fax: (703) 838-4683

Web: www.FunSide.com

