

WS  
1-25-11

**CITY COUNCIL WORK SESSION**  
**with the**  
**ALEXANDRIA CONVENTION & VISITORS ASSOCIATION (ACVA) AND**  
**THE ALEXANDRIA ECONOMIC DEVELOPMENT PARTNERSHIP (AEDP)**  
**TUESDAY, JANUARY 25, 2011**  
**5:30 P.M.**  
**CITY COUNCIL WORKROOM**

**AGENDA**

- I. Welcome and Introductions by the Mayor Mayor William D. Euille
  
- II. Alexandria Convention & Visitors Association (ACVA)
  - A. ACVA Strategic Plan Charlotte Hall, Immediate Past Chair- ACVA
  
  - B. Destination and Regional Advertising Campaigns  
and Return on Investment Stephanie Brown,  
President- ACVA
  
  - C. ACVA Strategic Plan and FY 2012 Budget Preview Stephanie Brown
  
  - D. Discussion City Council
  
- III. Alexandria Economic Development Partnership (AEDP)/Small Business Development Corporation (SBDC)
  - A. Opening Remarks Allison Cryor Dinardo,  
Chair- AEDP
  
  - B. State of the Office and Retail Markets Val Hawkins, President and CEO-AEDP
  
  - C. City Strategic Plan Focus Areas for AEDP Val Hawkins
  
  - D. Current and Future AEDP Efforts and Initiatives Val Hawkins
  
  - E. SBDC Update Val Hawkins
  
  - F. FY 2012 Budget Preview Val Hawkins
  
  - G. Discussion City Council
  
- IV. Conclusion Mayor Euille

Individuals with disabilities who require assistance or special arrangements to participate in the City Council Work Session may call the City Clerk and Clerk of Council's Office at 746-4500 (TTY/TDD 838-5056). We request that you provide a 48-hour notice so that the proper arrangements may be made.

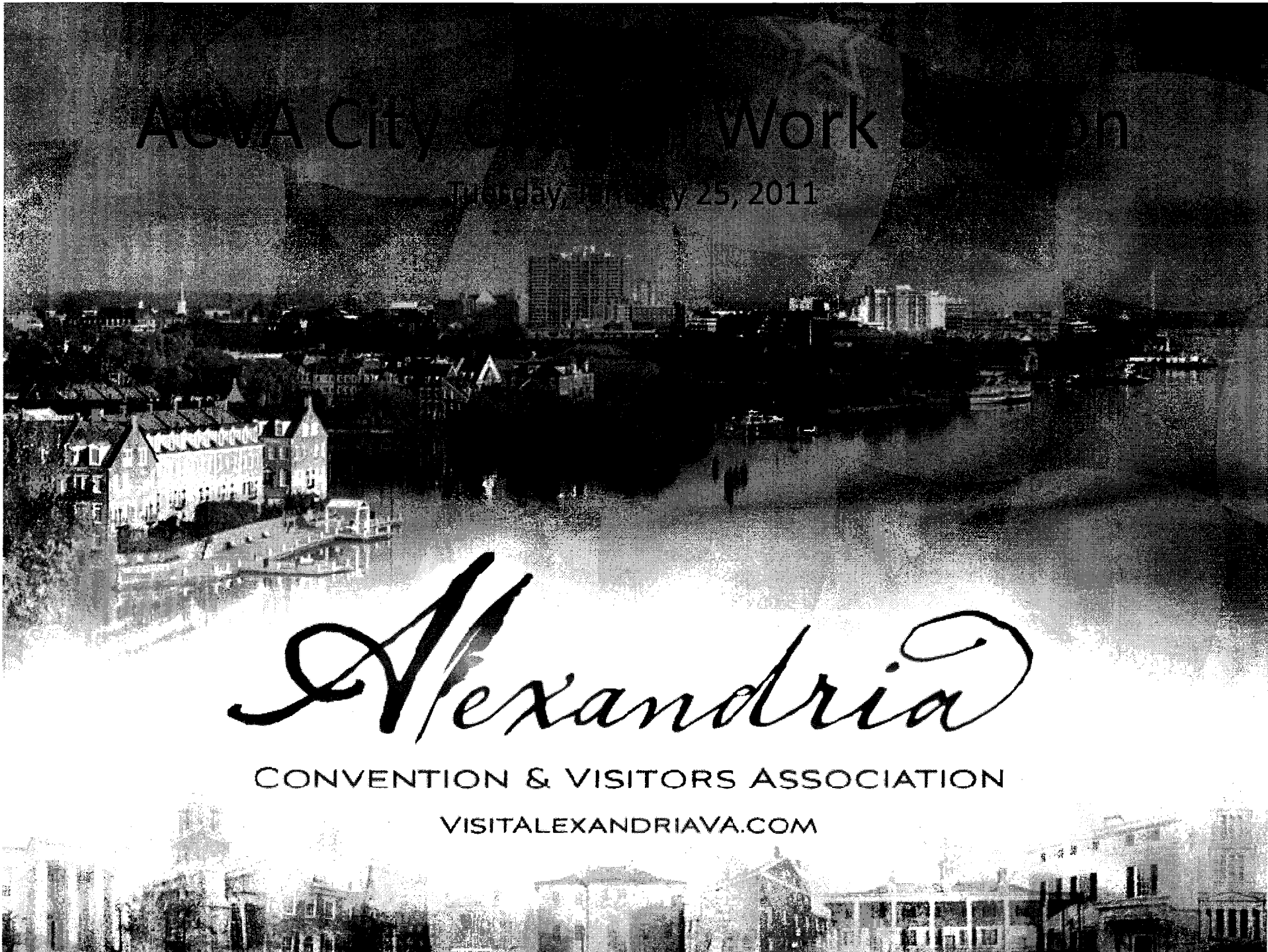
# AQVA City Council Work Session

Tuesday, February 25, 2011

# Alexandria

CONVENTION & VISITORS ASSOCIATION

[VISITALEXANDRIAVA.COM](http://VISITALEXANDRIAVA.COM)





# Economic Impact of Tourism in Alexandria

Alexandria attracts 3.3 million visitors annually

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Alexandria visitors:

***Spend*** \$616 million

***Supporting*** 6,000 Alexandria Jobs

***Generating*** \$22 million in Alexandria City Tax Revenue

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***City revenue from visitors equals 7-cents of real  
property tax***



# ACVA Mission and Work Plan

*The mission of the ACVA is to generate tourism and conventions **that increase revenues** and promote the City of Alexandria and its assets*

**Marketing** – Paid advertising, direct mail, eNews, promotions (Restaurant Week, etc)

**Sales** – Tradeshows, events, direct mail, eblast, FAM tours, personal outreach

**Public Affairs** – Media relations, membership, industry education and networking

**Visitor Services** – Visitors Center, brochure distribution, parking passes, event ticket center



# Agenda

## 1. Marketing ROI

- Destination Advertising Campaign: *Attracts overnight visitors*
- Regional Advertising Campaign: *Targets residents and neighbors for shopping and dining*

## 2. Sales Department ROI

## 3. ACVA Strategic Objectives

## 4. FY 2012 Budget Preview



# Destination Advertising



## SHOP, DINE & CELEBRATE ON AMERICA'S HISTORIC MAIN STREETS

Nationally recognized for its early American architecture, variety of hotels, unique boutiques, award-winning restaurants and inexpensive historic attractions, as well as quick and easy access to Washington, DC and Virginia Beach, Alexandria is the perfect gateway to shopping and recreation. Plan your visit at [VisitAlexandriaVA.com](http://VisitAlexandriaVA.com)

PLEASE VISIT US FOR MORE ALEXANDRIA BRISOLAS LIVE BE... AND MANY IDEAS ON GREAT LOCAL ENTERTAINMENT!  
© 2011 Alexandria Convention & Visitors Bureau. All rights reserved. 014 018 011

### A LOCATION TO CELEBRATE:

- Next to Washington, D.C.
- 9 Miles to Mount Vernon
- Easy Metro Access
- Famous Street Trolley
- Water Taxi to D.C. & National Harbor



GET YOUR FREE VISITORS GUIDE ONLINE!



Generates overnight stays by targeting a key demographic within 5-hour drive radius

Appears in culinary and lifestyle publications including regional editions of *Food & Wine*, *Town & Country*, *Travel & Leisure*, *Cooking Light*, *Real Simple*, *Southern Living* and *AAA World*

Reaches 7.5 million households

Supplemented by direct mail and online display advertising and pay-per-click

# Measuring the Effectiveness of Destination Magazine Advertising

Independent research firm Strategic Marketing and Research, Inc. of Indianapolis

- Methodology used by more than 25 destinations to test hundreds of ads; provides benchmark results

Online survey of 1300, screened for target demographic in target markets; represents 14.6 million households

- Raleigh/Durham, New Jersey Metro, Philadelphia, Norfolk/Richmond, Harrisburg/Lancaster/York, Fairfield/Westchester)

Evaluated Fall 2009 magazine advertising for travel through April 2010

Calculated the resulting visitation – *over and above the number of visitors who would have come without the advertising – by subtracting the households who visited Alexandria, but did not see the advertising*



# Economic Impact of Destination Magazine Advertising

Within 6 months, the advertising generated 88,000 trips and \$40 million of visitor spending with a ROI in visitor spending of \$133 for each \$1 invested, and \$4 of city tax return for each \$1 invested.

<b>Economic Impact and ROI of ACVA Destination Advertising</b>	
Incremental Trips	88,232
Expenditures per Trip	\$454
Economic Impact/Total Spending	\$40,057,308
Cost of Advertising	\$301,306
Total ROI (visitor spending : cost of advertising)	\$133 : \$1
City Tax ROI (tax revenue : cost of advertising)	\$4 : \$1



# City Tax Calculation

## Destination Magazine Advertising

The campaign generated 60,350 room nights – 5% of annual room sales. Room taxes based on 6.5% tax rate and \$1 per room per night. Each \$1 of marketing investment generated \$1.67 of city room tax.

City Tax Rate Worksheet					
	Avg/Trip	# Trips	Total (in thousands)	Tax Rate	Total City Tax
Lodging*	\$139	88,232	\$12,264	Specific	\$500,000
Meals	\$141	88,232	\$12,441	.052	\$646,917
Shopping	\$80	88,232	\$7,059	.01	\$70,585
Other: Attractions, Museums, Transportation, etc	\$94	88,232	\$8,293	Varied	
<b>Total</b>	<b>\$454</b>		<b>\$40,057</b>		<b>\$1,217,502</b>

\* Among overnight visitors, 59% used paid accommodations and 41% stayed with family or friends. Tax revenue calculated in report based on mixed tax rate of 6.5% plus \$1 per room per night.

# Regional Advertising

Targets Alexandria's residents and neighbors to shop and dine in the city

- Focuses on events to showcase brand attributes and create urgency
- Print, radio and online
- Reaches 14.5 million households
- Expands ACVA's mission through supplemental funding



**SHOP, DINE & CELEBRATE**  
On Alexandria's Historic Main Streets

Historically recognized for its early American architecture, Alexandria is a uniquely enjoyable place to shop and dine. Go to [VisitAlexandriaVA.com](http://VisitAlexandriaVA.com) to plan your visit and see events such as:

- March 2-31: 48<sup>th</sup> Annual Needlework Exhibition
- March 5: St. Patrick's Day Celebration & Parade
- March 12&13: Symphony Concert 4 by the Alexandria Symphony Orchestra
- March 26: Gunston Hall Kite Festival
- March 29: Annual Ram Punch Challenge
- April 6: "Alexandria, Virginia, Southern Yankee Citadel" Lecture
- April 10: AIA's Annual Walking Tour
- April 14: Second Thursday Art Night
- April 16: 78<sup>th</sup> Annual Historic Garden Tour

*Virginia*  
**Alexandria**  
VISITALEXANDRIA.COM  
703.746.2101



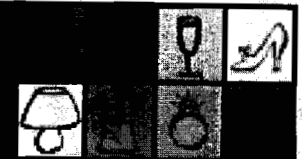
Visit us to learn more about Alexandria and its historic architecture. Call us at 703.746.2101 or visit us online at [VisitAlexandriaVA.com](http://VisitAlexandriaVA.com).

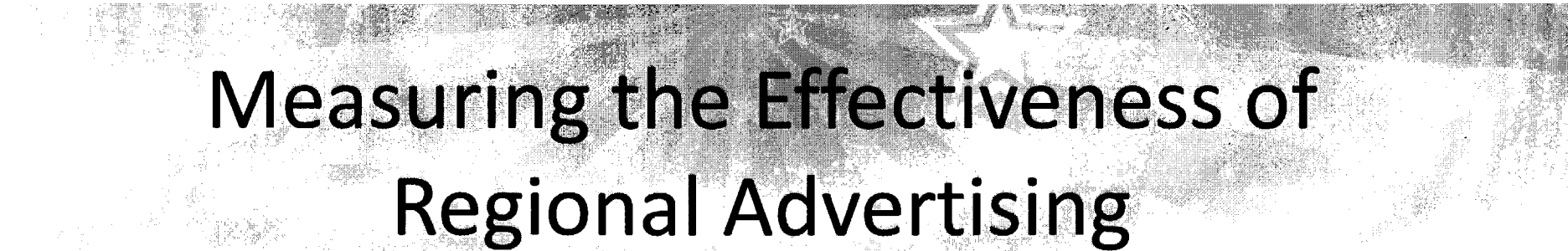
OpenTable



ALEXANDRIA

OCTOBER 9-17





# Measuring the Effectiveness of Regional Advertising

Conducted by Strategic Marketing and Research, Inc. of Indianapolis

641 completed online surveys of households in Washington DC metro area. Respondents screened for dining out at least once per month.

Evaluated regional advertising that ran between August and December 2010 for visitation during the same period.

Calculated the resulting visitation – *over and above the number of visitors who would have come without the advertising – by subtracting the households who visited Alexandria, but did not see the advertising*



# Competitive Situation

Alexandria is a primary destination for \*dining households in the DC-metro. Overall 37% have visited Alexandria for a day or evening trip in the past year.

\* Based on households who dine out once per month, or 84% of households in the Washington DC MSA, totaling 1.5 million.

Visited in Past Year	
McLean/Tyson's Corner	49%
Silver Springs, MD	36%
Bethesda, MD	35%
<b>Old Town Alexandria</b>	<b>33%</b>
National Harbor, MD	30%
Georgetown	29%
Crystal City	29%
Capitol Hill	25%
Dupont Circle	22%
Clarendon	21%
Adams Morgan	19%
U Street	18%
<b>Del Ray Alexandria</b>	<b>10%</b>
<b>West End Alexandria</b>	<b>8%</b>

# Economic Impact of Regional Advertising

The Regional Advertising Campaign generated 30,968 new visits and 109,909 repeat visits that would not have occurred without the advertising.

The advertising generated a return of \$129 of visitor spending for each \$1 invested, and \$3 of city tax revenue for each \$1 invested.

<b>Economic Impact and ROI of ACVA Destination Advertising</b>	
Incremental Trips	140,877
Expenditures per Trip	\$216
Economic Impact/Total Spending	\$30,368,263
Cost of Advertising	\$235,210
Total ROI (visitor spending : cost of advertising)	\$129 : \$1
City Tax ROI (tax revenue : cost of advertising)	\$3 : \$1

# City Tax Calculation Regional Advertising

City Tax Rate Worksheet					
	Avg/Trip	# Trips	Total (in thousands)	Tax Rate	Total City Tax
Lodging*	n/a	n/a	n/a	n/a	n/a
Meals	\$84	140,877	\$11,834	.052	\$615,350
Shopping	\$82	140,877	\$11,552	.01	\$115,520
Other: Attractions, Tickets, Museums, Transportation, etc	\$50	140,877	\$7,044	Varied	
<b>Total</b>	<b>\$216</b>		<b>\$30,430</b>		<b>\$730,870</b>

\* The study also estimated 43,000 resulting overnight visits that have been excluded due to insufficient sample size

# ACVA Sales Department FY 2010

- Daily sales activities included 892 face-to-face contacts
- 34,000 email, eblast and phone contacts
- Generated 743 leads
- Estimated revenue of \$25 million
- Actualized revenue of \$3.8 million



# Sales Department Return on Investment

The sales team booked 153 meetings/groups with total spending of \$20 million. The department's budget totals \$336,854 for a return on investment of \$1.79 in city taxes for every \$1 invested.

<b>Economic Impact and ROI of ACVA Sales Department</b>	
Total Meetings/Groups	153
Service Provider Revenue	\$3,885,457
Number of Delegates	19,683
Average Non-Hotel Delegate Spending (source: TNS Profile of Alexandria Visitor, average business traveler spending)	\$824
Total Delegate Spending	\$16,218,792
Total Economic Impact	\$20,104,249
Average Visitor Spending Tax Rate	3%
Total City Tax Generated	\$603,127
Sales Department Budget	\$336,854
City Tax ROI (tax revenue : program expense)	\$1.79 : \$1

# Sales Department

- The ACVA sales team books the first meeting, then the hotels generate repeat business (that is not included in ACVA revenue).
- Group business builds hotel occupancy
  - Higher occupancy raises hotel room rates
  - Higher hotel room rates increase leisure visitor spending



# ACVA Strategic Plan

## Objectives and Strategies



# Strategic Objectives

1. Generate visitation from individuals
2. Increase visitor spending from individuals
3. Generate group and meeting revenue
4. Establish brand for consumers
5. Secure resources to achieve the mission and objectives
6. Foster community support for tourism and the ACVA
7. Develop and implement board development plan



# FY 2012 ACVA Budget Preview



# Funding Strategies to Support City Council Strategic Plan: Goal #1 Economic Development

*Initiative 1.1.2: Support a vital hotel sector by attracting more overnight guests*

Strategy 1: Invest \$300,000 in Destination Advertising

FY 2012 Return: 60,000 more hotel rooms sold; \$40 million in visitor spending; \$1.2 million in city taxes generated

Strategy 2: Invest \$75,000 to add one person to Sales Team (includes salary, benefits, and program)

FY 2012-13 Return: Pays for itself with \$134,000 in city tax generation, and creates business for hotels that repeats

# Initiatives to Increase Visitor Spending Not Attainable in Current Budget

1. Website: 700,000 visits in past 12 months. Launched in November 2008 with state-of-the-art content management system (CMS) and integrated databases. 70,000 mobile site visits in first year.
  - Update design to compete with new destination sites
  - TripAdvisor Integration
  - Re-skin of Mobile Site
  - Smartphone Multi-Device Platform

*Total Cost: \$76,700*

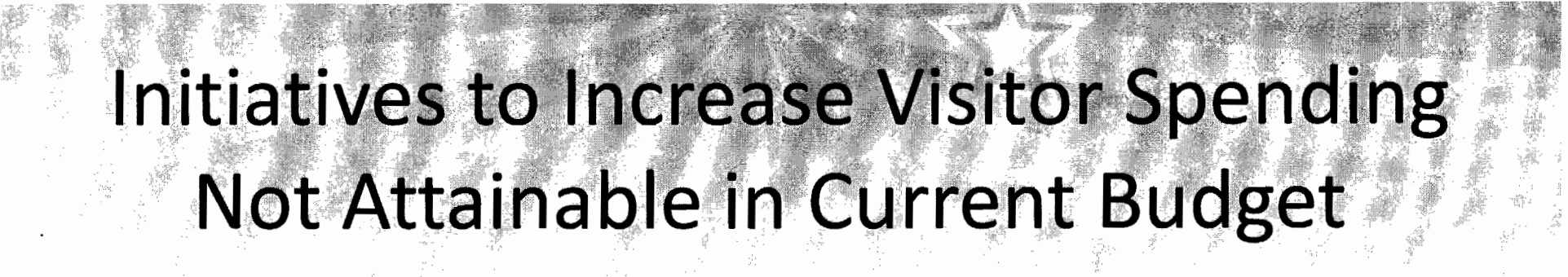


# Initiatives to Increase Visitor Spending Not Attainable in Current Budget

2. Media Relations Consultant: Media department understaffed since 2008. One full-time person generates regional, event and corporate coverage.

- Consultant with low-overhead and strong national media contacts
- Generates destination feature coverage

*Total Cost: \$30,000*



# Initiatives to Increase Visitor Spending Not Attainable in Current Budget

## 3. National Harbor Collaborative initiatives that need to be updated:

- Re-print three-year supply of rack brochures
- Update video that plays on water-taxis, website visitors center and sales kits
- Update trolley audio tour

*Total Cost: \$28,000*



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**Mission:** To promote the City of Alexandria as a premier location for businesses by capitalizing on its assets including multiple Metro stations, historical character and riverfront location, in order to enhance the City's tax revenue and increase employment opportunities.

**City Council Work Session**  
January 25, 2011

# Board of Directors – January 2011

**Allison Cryor DiNardo**, *Chair*  
Carroll PCS, Inc

**Lauren Garcia**, *Vice Chair*  
G3 Capital, LLC

**Chris Hartman**, *Treasurer*  
SunTrust Bank & Investment Services

**Marcy Anderson**  
Chair, Alexandria Small Business Development Center

**Mike Anderson**  
Chair, Alexandria Chamber of Commerce  
Mango Mike's & Pork Barrel BBQ

**Charlie Banta**  
Alexandria Hilton Mark Center

**Chuck Collins**  
BriarTek

**Jim Devlin**  
RJ Investments, LLC

**Duane Gautier**, Citizen Representative  
ARCH Corporations

**Bill Hard**  
LCOR, Inc.

**Mark Jinks**  
City of Alexandria, Office of the City Manager

**Horace Jones**  
Advanced Resource Technologies, Inc.

**Greg Leisch**  
Delta Associates

**Dave Millard**  
Cushman & Wakefield

**Scott Price**  
Office of Senator Mark Warner

**Scott Shaw**  
Fishbowl, Inc.

**David Speck**  
Speck-Caudron Investment Group of Wells Fargo Advisors,  
LLC



# Today's Agenda

- **Signs of Economic Recovery in Alexandria**
- **Highlights of 2010**
- **City Strategic Plan- AEDP Focus Areas**
- **SBDC Update**
- **FY2012 Budget Preview**
- **A Hub for Economic Development**



# What a Difference a Year Makes

## *Residential projects breaking ground*

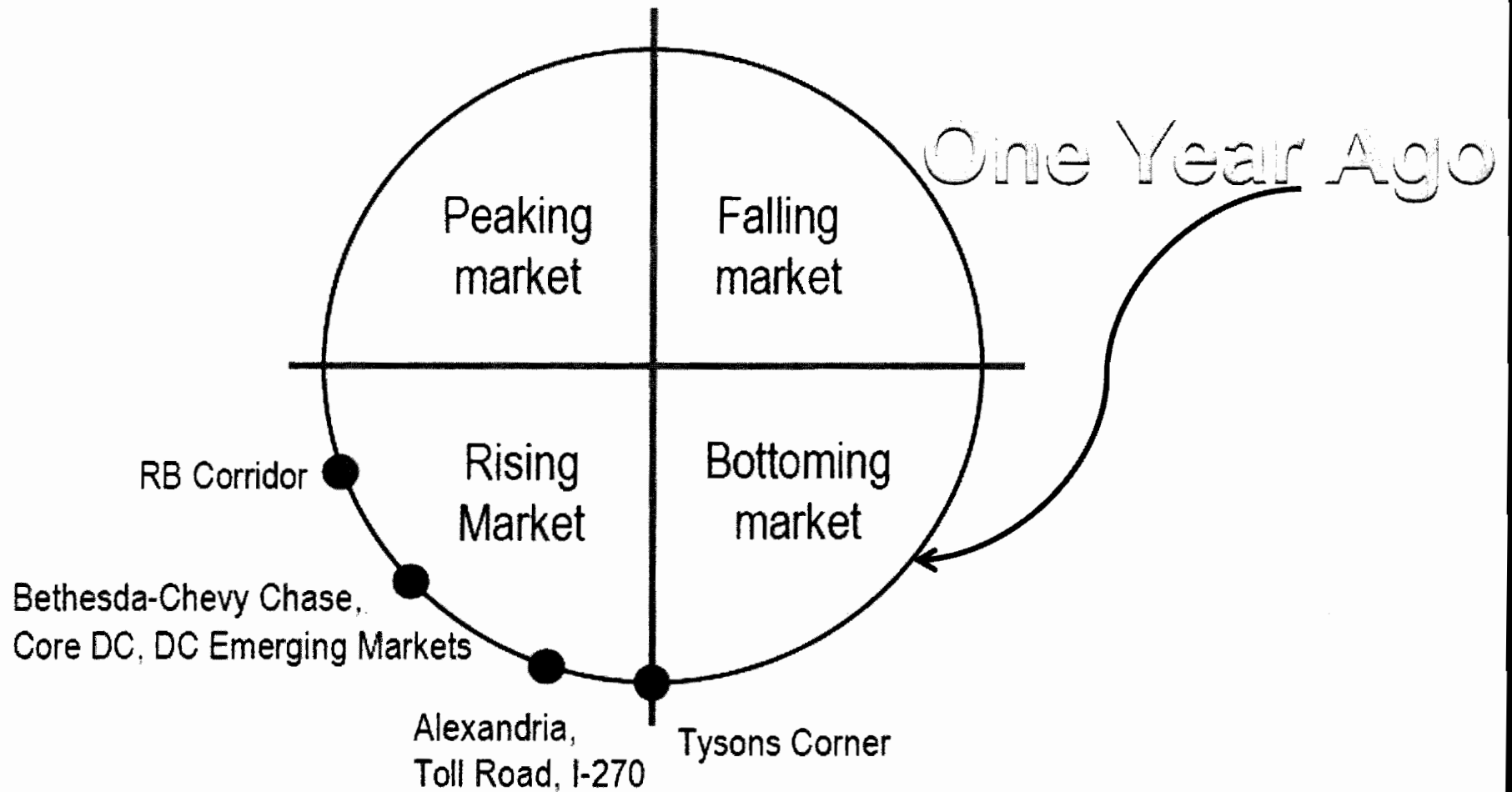
- 3 underway
- 2 more planned to begin



## *Job market is recovering*

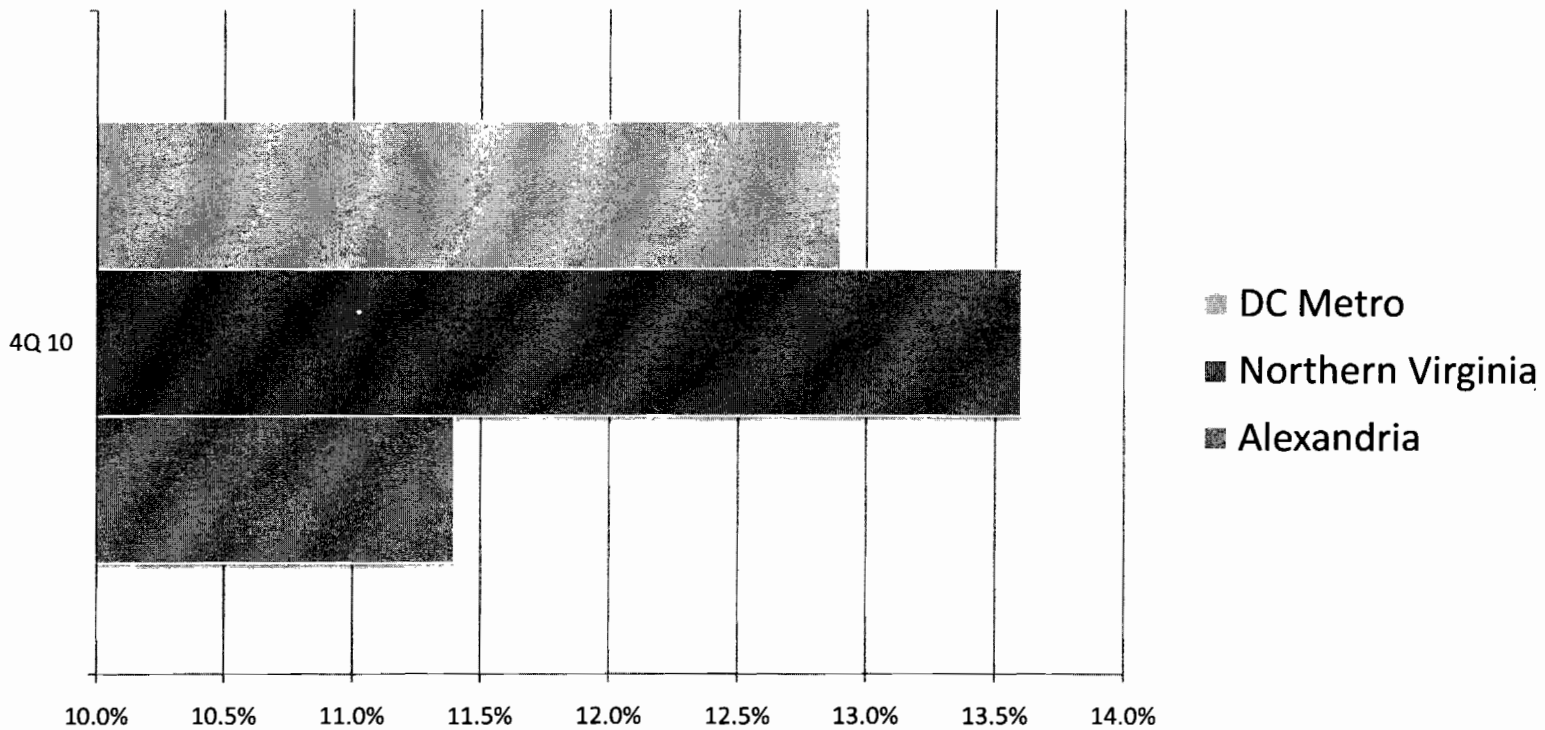
- *Retail*
  - led recovery in March 2010
  - all lost jobs have been regained
- *Leisure & Hospitality*
  - almost fully caught up on jobs

# Washington Region Property Clock





# Alexandria Office Highlights



## 4<sup>th</sup> Quarter 2010 Vacancy Rates

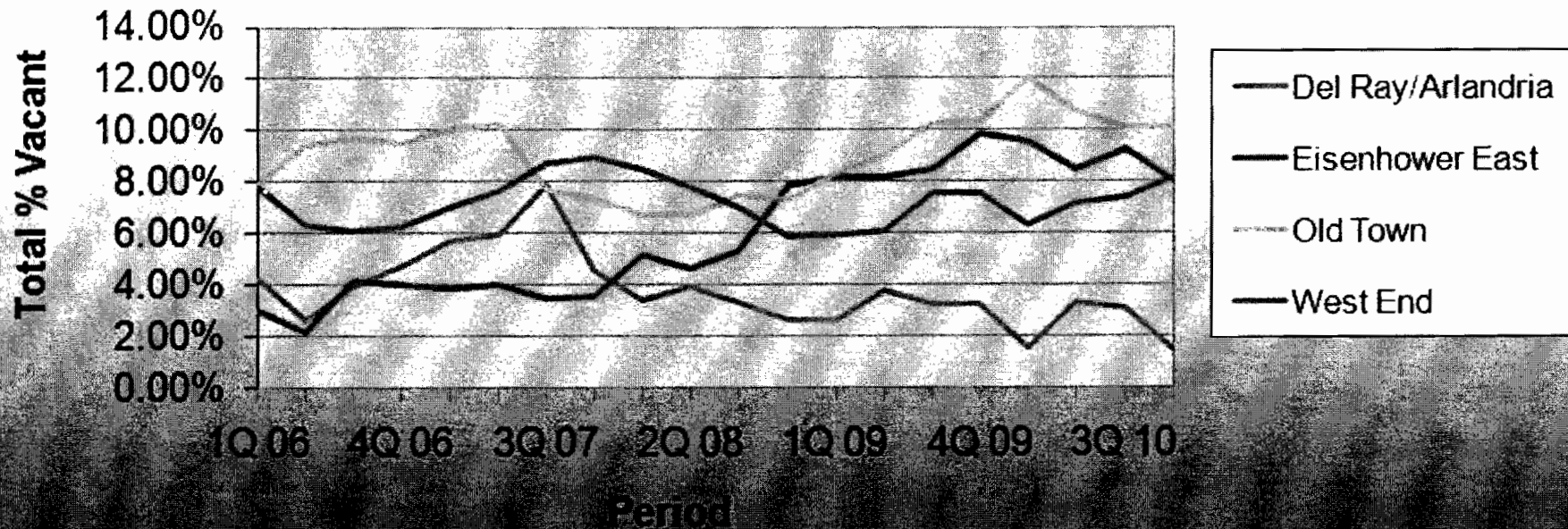
DC Metro: 12.9%  
Northern Virginia: 13.6%  
Alexandria: 11.4%



Source: CoStar Database

# Alexandria Office Highlights

## Alexandria Submarket Office Vacancy Rates



### 4<sup>th</sup> Quarter Vacancy Rates

Del Ray/Arlandria: 1.5%

Old Town: 10.1%

Eisenhower East: 8.0%

West End: 8.2%



Source: CoStar Database

# 2010 Highlights

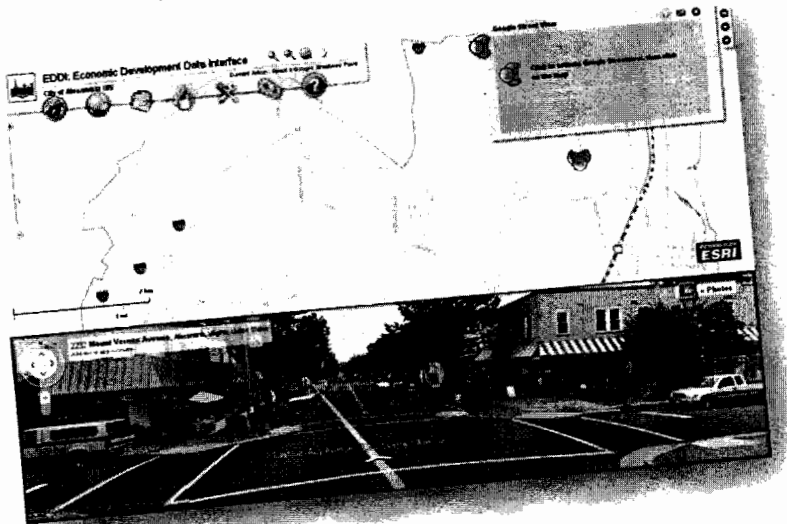
*Implemented the Alexandria Ideal brand*

- Collateral and website redesign

ALEXANDRIA  
*ideal*

*Focus on Retail*

- Built a retail database
- 15 Retailers closed, and 45 new Retailers opened
- Working with 30 more retailers looking for space



*Created new Research Capacity*

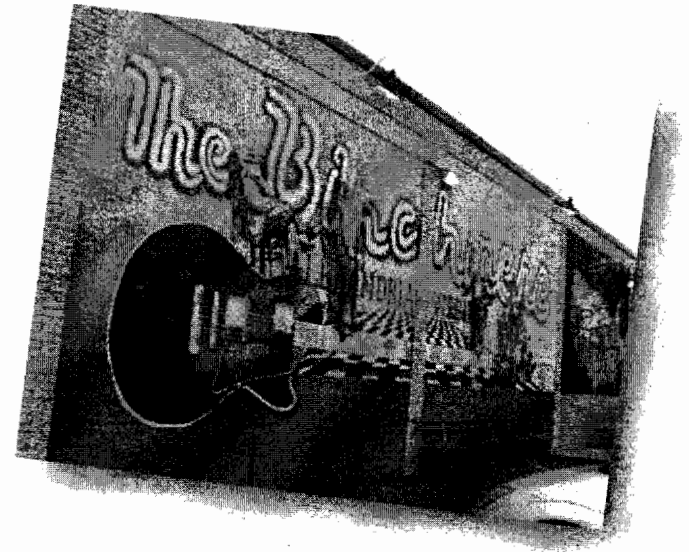
- Development of EDDI with GIS department
- GMU economic indicators database

## 2010 Highlights

*Strengthened relationships with brokers and real estate community*

*Northrop Grumman Final Four*

*Targeted business outreach in Arlandria*



*Launched efforts to educate resident groups*

- Old Town Civic
- Upper King Street Civic
- Agenda Alexandria

# City Strategic Plan: AEDP Focus

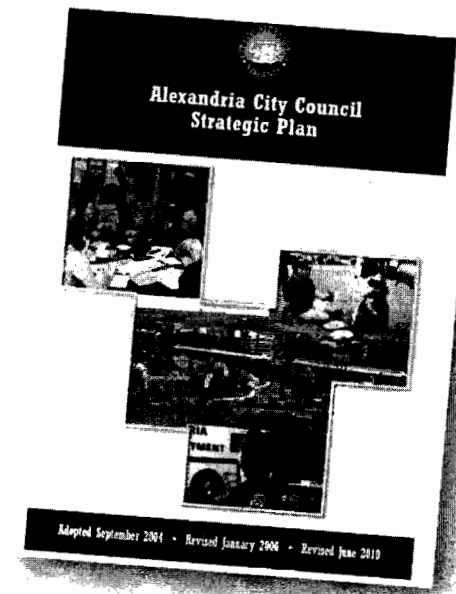
## King Street and Beyond

*Increase training for King Street retailers and beyond*  
(AEDP/ SBDC)

*Continue efforts to co-market space to desired retailers*  
(AEDP)

*Annual awards program for exterior store appearance* (AEDP/Chamber)

*Foster coordination of retail merchants*  
(AEDP/SBDC/ACVA)



## City Strategic Plan: AEDP Focus

**Increase office/retail occupancy rates through recruitment, retention, expansion**



*Target federal users and associated contractors (leased vs. owned)*

*Seek higher GSA prospectus cap rate for Alexandria and Arlington*

*Encourage the change of DoD lease specs to weigh access to transit as an important decision criteria*

*Create tool kit of possible incentives to assist with business retention/ recruitment*

# City Strategic Plan: AEDP Focus

## Enhancing the City's competitiveness

*Provide all types of training for small businesses*  
(SBDC)

*Market existing competitive advantage*  
(AEDP)

*Conduct post-mortems on economic  
wins/losses* (AEDP)

*Increase outreach meetings with existing businesses*  
(AEDP/SBDC)





## City Strategic Plan: AEDP Focus

**Recruit businesses/developers to complement and strengthen vision to balance the tax base**

*Alexandria focused forum/regional broker event (AEDP)*

*Upcoming conferences-  
showcasing Alexandria*



*Establish public-private development fund for signature projects (AEDP/P&Z)*

*Establish development guidelines for redevelopment of existing buildings that encourages use by desirable national and regional brands (AEDP/P&Z)*

# City Strategic Plan: AEDP Focus

**Implement business retention & expansion strategy:  
high priority firms with best potential for growth**

*Create internal list of high priority firms City can't lose  
(AEDP)*

*Develop specific retention plan for  
each business on list (AEDP)*

*Increase association/nonprofit  
outreach (AEDP/ACVA/Chamber)*



# SBDC Update

## **June 2010 move from Chamber to AEDP quarters**

- Benefits of interaction and working together in same physical environment quickly evident
- AEDP staff and resources augmenting SBDC efforts
- Misperceptions of VSBDC relationship cleared
- Program focus and initiatives
- Small business Roundtables, Workshops and Brown Bags

# New Training & Informational Events

## Workshop Series

- Launched in November 2010
- Once a month at the Lyceum
  - ✓ Pro-Business Alexandria
  - ✓ Small Business Jobs Act of 2010
  - ✓ Marketing Matters
- Upcoming Topics include:
  - Mental Illness First Aid for the Workplace
  - Common HR Issues in the Workplace
  - Doing Business with: USPTO, DoD, Ft Belvoir

**WORKSHOP #2**

**START, MANAGE, GROW**  
your business series

The second in a series targeted at existing and future business owners in the City of Alexandria.

Thursday, December 2, 2010  
7:30 am - 9:30 am  
The Lyceum  
201 S. Washington St • Alexandria, VA

Did you know that the Small Business Jobs Act of 2010 has 8 tax cuts that will help small businesses invest in their firms and create jobs?

Join us for the second workshop presented by the Alexandria Small Business Development Center, where you'll learn how the Small Business Jobs Act of 2010 affects your business. Speakers will provide practical tips that will benefit your business this year and next!

Join us for coffee and pastries at this 90 minute forum as we gather small businesses together to hear about important changes designed to help your business grow and thrive. You'll learn how the provisions of this Act affect every small business for many years to come.

Featured Speakers include:

Bridget Bean, District Director Washington Metropolitan District Office Small Business Administration	Chris Davidson, CPA Senior Tax Manager The Adams & Co.
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presented by the

**ALEXANDRIA**  
Small Business Development Center

**SBA**  
U.S. Small Business Administration

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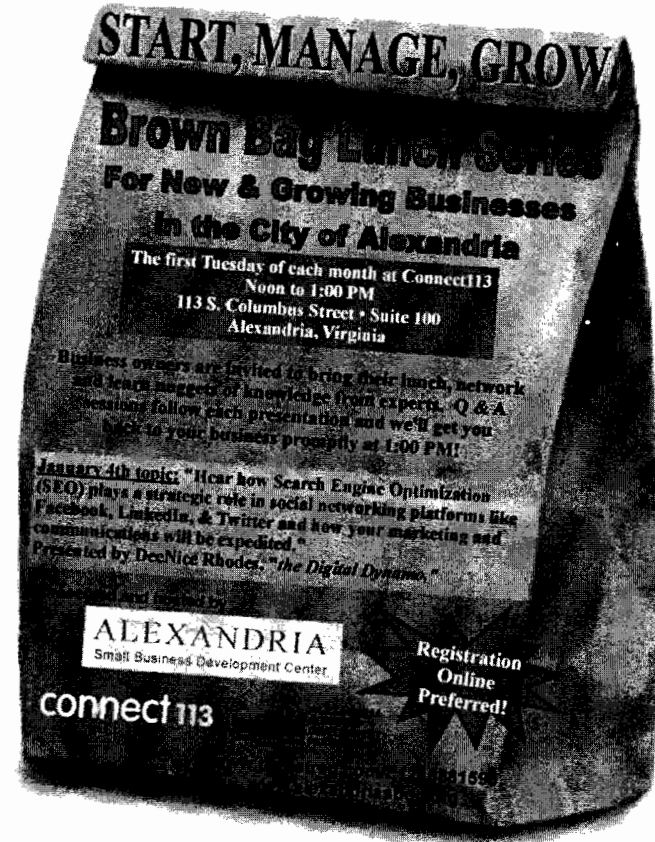


**Attendance: 170 total for first three**

# New Training & Informational Events

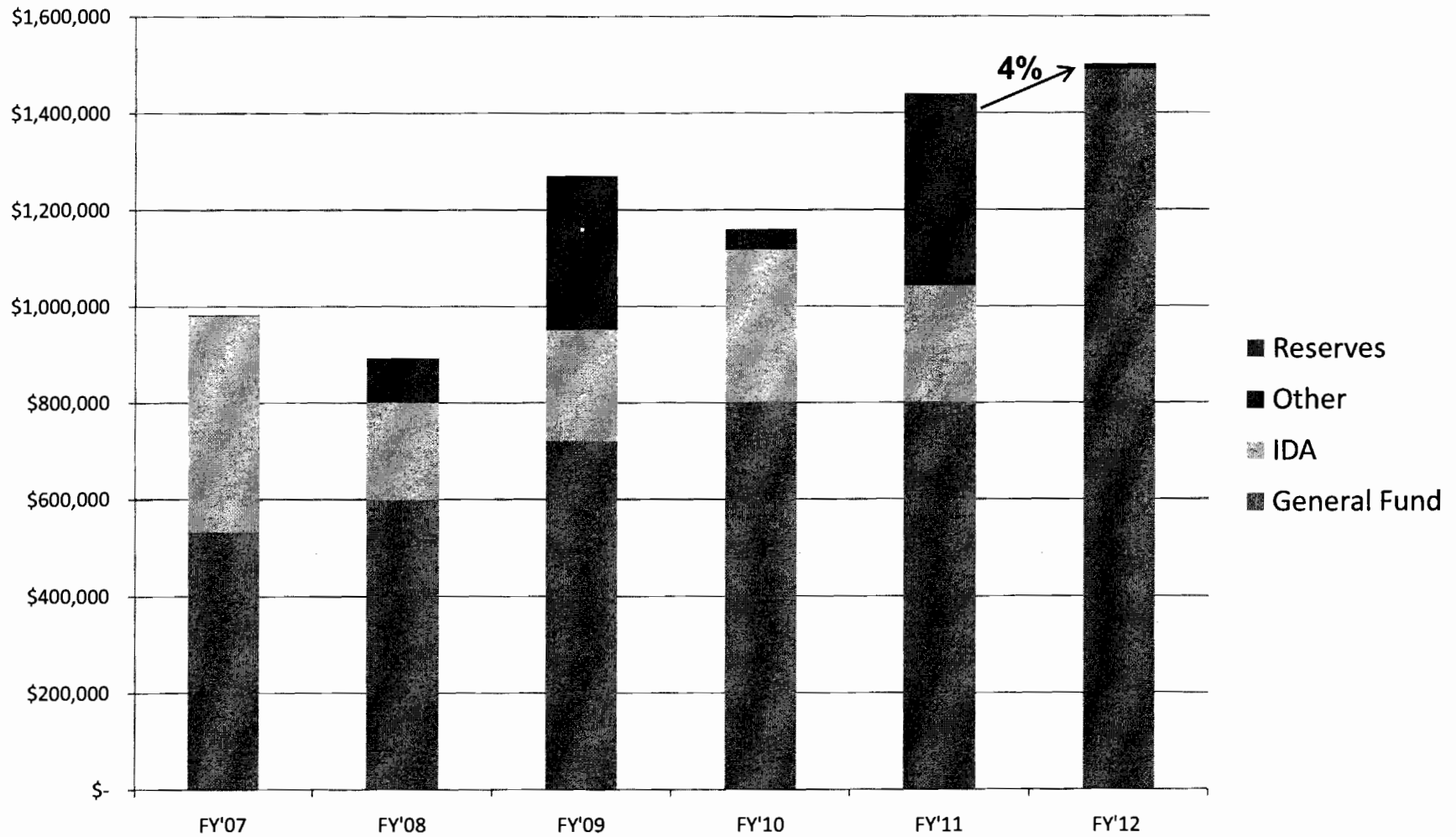
## Brown Bag Lunch Series

- Launched in January 2011
- Targeted at start-up businesses
- Held once a month at Connect113
  - ✓ Search Engine Optimization
- Upcoming Topics include:
  - How to Effectively Network
  - Work-Life Balance & Productivity



**Attendance: 40 at first event**

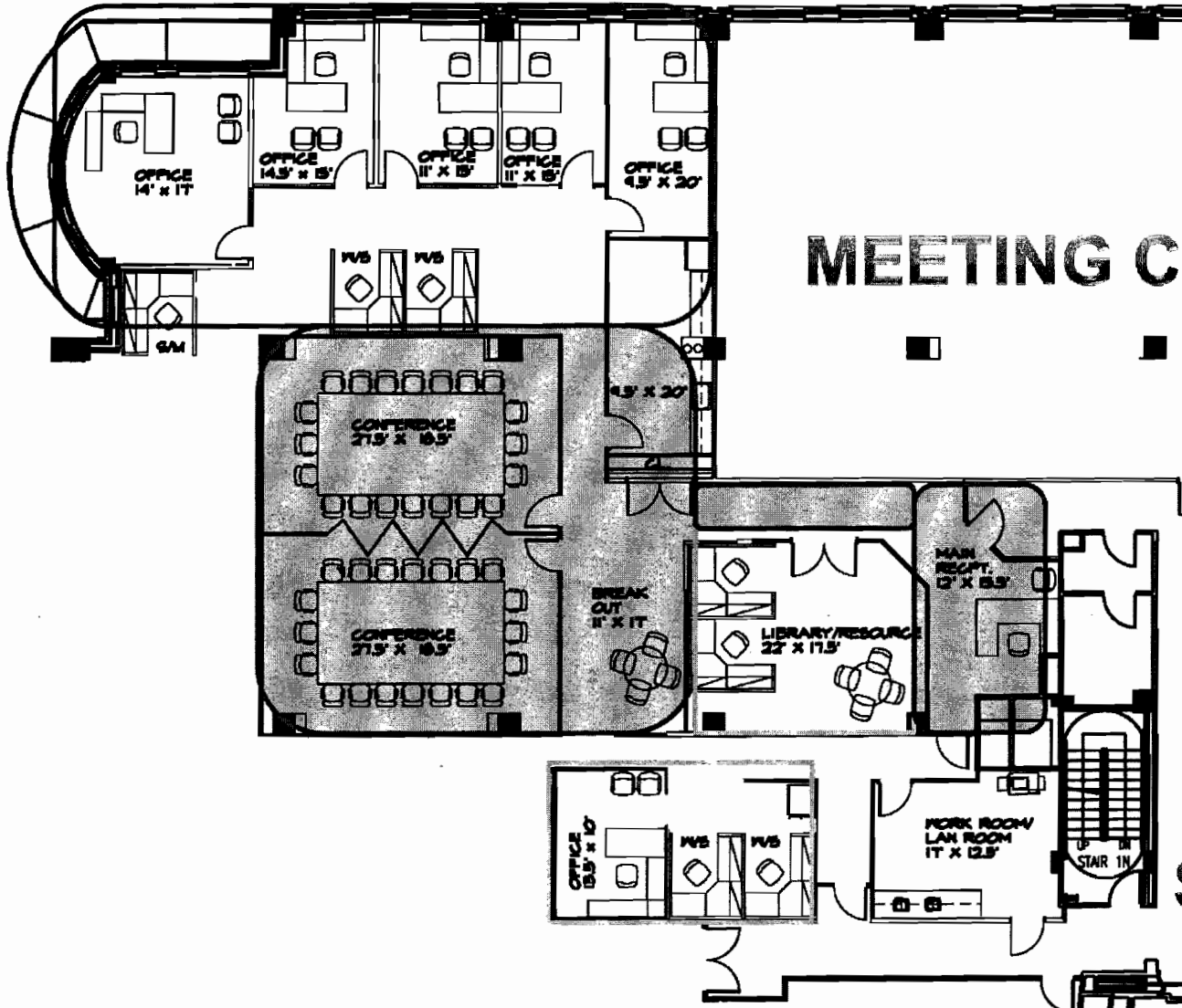
# FY2012 Budget Preview



AEDP Budget, by Funding Source

# A Hub for Economic Development

**AEDP**

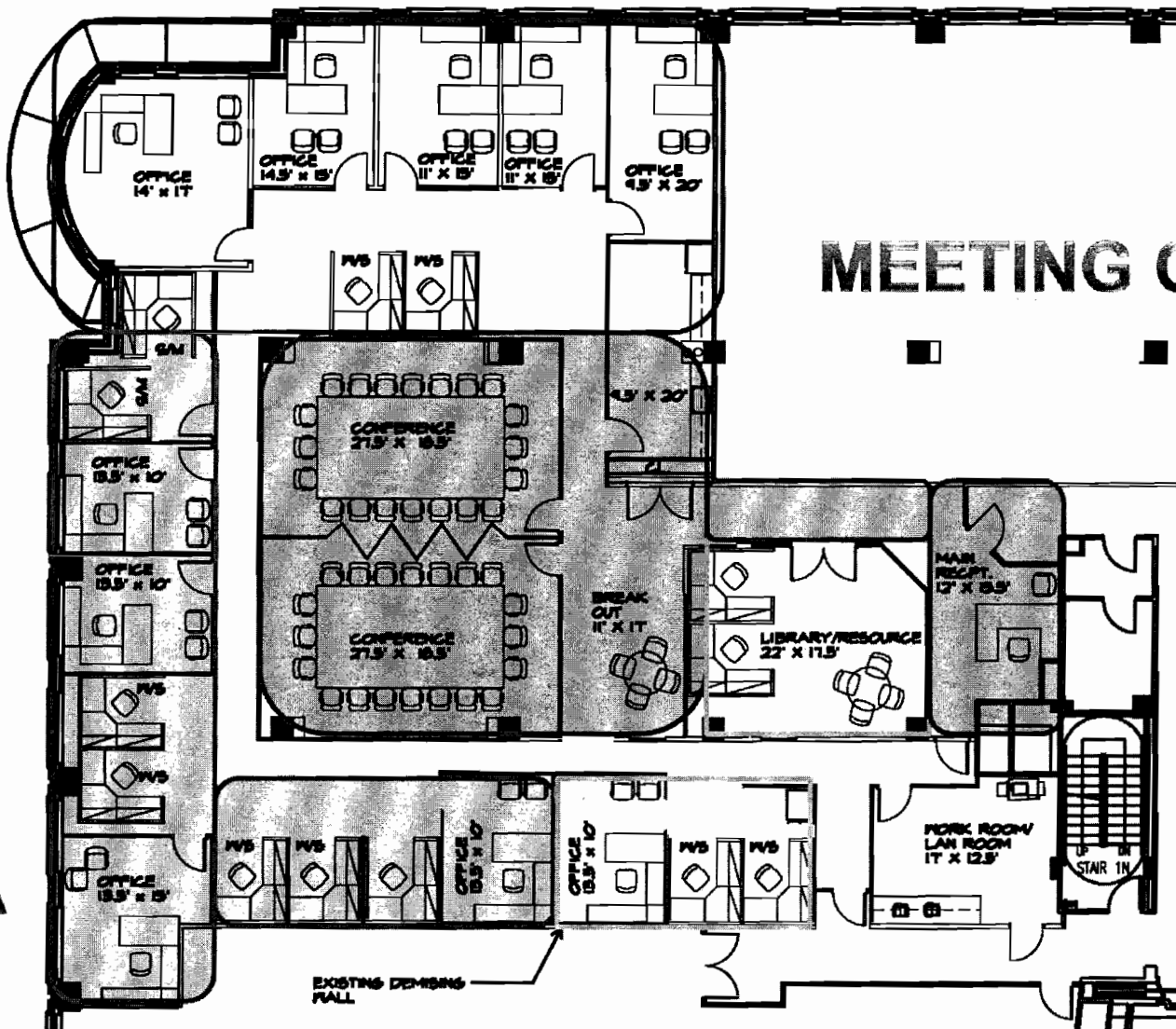


**MEETING CENTER**

**SBDC**

# A Hub for Economic Development

AEDP



MEETING CENTER

ACVA

SBDC





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