City of Alexandria

Legislation Details (With Text)

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Title:	Consideration of a Grant application for Visit Alexandria from Virginia Tourism Corporation to Provide Support for Tourism Recovery.		
Sponsors:			
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Date	Ver.	Action By	Action	Result

City of Alexandria, Virginia

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MEMORANDUM

DATE: MAY 3, 2022

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER

FROM: PATRICIA WASHINGTON, PRESIDENT & CEO VISIT ALEXANDRIA

DOCKET TITLE:
Consideration of a Grant application for Visit Alexandria from Virginia Tourism Corporation to Provide Support for Tourism Recovery.

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ISSUE: Consideration and acceptance of supplementary grant funding for Visit Alexandria from Virginia Tourism Corporation to fund continued support for tourism sector recovery.

RECOMMENDATION: That City Council:

(1)   Authorize the submission of a grant application for grant funds which are part of the Virginia Tourism Corporation ARPA Tourism Recovery Program for $990,000; and

    (2)   Authorize the City Manager to execute the necessary documents that may be required.

BACKGROUND: Visit Alexandria is the designated Destination Marketing Organization (DMO) for the City of Alexandria, as recognized by the Virginia Tourism Corporation (VTC). Its responsibilities include advertising, public relations, digital marketing, web site, social media, meetings and group sales, international marketing, destination event marketing, promotions, marketing research, and visitor center operation. VTC is responsible for these same marketing activities at the state level.

In October 2021 VTC announced that it had received approximately $50 million in federal funds as part of the American Rescue Plan Act (ARPA), of which $30 million was being set aside to regrant to all municipalities in the Commonwealth, based on a calculation of Covid-related revenue losses and market share. Alexandria's appropriation has been calculated by VTC to be $990,000.

DISCUSSION: Visit Alexandria and the Department of Project Implementation seek to apply for these supplementary grant funds, which have already been set aside by VTC for the City. The funds will then be used in FY 2023 and FY 2024 by Visit Alexandria to continue the incremental tourism recovery investment that the City initiated in FY 2022 with its own ARPA allocation, but which will be exhausted by the end of the current fiscal year.

It is stipulated in the Virginia Tourism Corporation ARPA Tourism Recovery Program grant criteria that the funds must be spent directly on supplementary tourism recovery, and cannot replace regular funding that would have otherwise been spent in the normal course of business by the municipality or destination marketing organization. Application for this funding can only further assist the City's tourism recovery and will not reduce the City's investment in any other municipal priorities. Unlike other VTC grants, which are typically issued directly to the destination marketing organization (i.e.,Visit Alexandria), the structure of this ARPA-funded program requires that the application come from the local municipality.

FISCAL IMPACT: There is no direct impact on the City's budget. Funds ($990,000) from this grant would be received by the City and used by Visit Alexandria for supplementary tourism marketing in FY 2023 and FY 2024. It is expected that there would be an important indirect impact, as the ultimate purpose of the program is to hasten the full recovery of the hospitality sector. This will provide critical support to our small business sector and will help support increases to the City's consumption tax revenues (lodging, meals and sales) by way of tourism marketing. There is no City match requirement.

STAFF:
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