

# TID STEERING COMMITTEE MINUTES

## DECEMBER 16, 2019

In attendance: Annaliese Lafayette, Gerard Kiladjian, Alen Saric, Lucas Laidlaw, Kevin Pagnano, John Schultzel, Ed Palmer, and Michael Strejcek

Absent: Michael Towle, Peter Twachtman, Ken Lafayette

On the phone: Tiffany Gallagher

**NOTE:** Scott McKenney is no longer with the Embassy Suites therefore no longer on the TID Steering Committee

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### **FREEPORT**

It was agreed upon\*\* that Lynn would move conversation forward with Freeport to assist them in establishing their own TID. The establishment of the district would happen simultaneously with the formation of the district in Portland / South Portland / Scarborough therefore incur less costs than if they did it on their own. Should Freeport be interested in moving forward solo, an agreement would be drafted to have them pay back a portion of the Civitas invoice to Visit Portland. In addition, Freeport would be responsible for an agreed amount due back to Visit Portland should the formation be halted for any reason or additional time was needed by Civitas to complete formation.

Freeport is estimated to earn approximately \$500,000 with Portland / South Portland / Scarborough estimated to earn approximately \$4 million. This would enable Visit Freeport (Freeport's Official DMO) to market their community but also have the resources to partner with the neighboring district when opportunity arises.

*(\*\* Agreed by All: with the exception of Michael Towle who was absent for two consecutive meetings - Peter Twachtman, although absent, had already agreed at the prior meeting)*

### **SUGGESTED GOVERNANCE STRUCTURE**

Tiffany Gallagher with Civitas spent time reviewing our community and hotel make-up and put together a suggested governance structure for the committee to use as a starting point. The following are the essential guidelines:

- Committee should always have an odd number of seats
- By law of the formation, each community must have a min. of 1 seat represented (Portland, So Po, Scarborough)
- Within each community an additional seat will be granted for each 500 rooms
- (2) additional hoteliers at large to allow for rotating seats
- (2) of the TID Committee Members would also hold a seat on the VP Board
- When more than 1 seat the remaining seats will be split (1/2 representing hotels 21-149, and 1/2 representing hotel 150+)

**PLEASE SEE DRAFT "SUGGESTED" STRUCTURE ATTACHED TO MINUTES**

## GOVERNANCE STRUCTURE CONVERSATION

### # OF SEATS & REPRESENTATION FROM EACH COMMUNITY

The structure suggested above allows for equality based on the amount of contribution to the TID. Therefore, based on the suggested structure above the committee would look like this:

Portland 2921 rooms / 500 = 5 seats

South Portland 1718 rooms / 500 = 3 seats

Scarborough 647 rooms / 500 = 1 seat

(2) hoteliers at large

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Total 11 seats\*

\* Agreed by All: that 11 is a good number to stay within for the committee size

### THRESHOLD

Spoke about the threshold of 500 rooms - does that number make sense? If communities continue to add room inventory to the market does that make the committee too large and ineffective? If Portland adds the planned additional 695 rooms it would bring Portland to 3,616 and 7 seats and bring the committee to 13 people.

Suggestion: Start with the above allotments then change the threshold of rooms to add additional seats. (Ex: 800 versus 500)

Comment: Should there be a larger representation of hoteliers who pay into the TID at a higher level due to Occupancy & ADR. (Ex: Peninsula Hotels)

### BREAKDOWN OF HOTEL REPRESENTATION BY SIZE

The initial suggestion was 1/2 of the seats will represent hotels with room counts between 21-149 and other 1/2 will represent hotels with room counts 150 and above. This was reviewed and the committee wanted to change the breaking point to 21-124 / 125 +

Note: You can't split odd numbers evenly. So, if there is a community that has an odd number of seats then the extra seat would go to a property that has 125+ rooms.

Therefore the suggested structure would look like this:

	21-124 rooms	125 + rooms
Portland = 5	12 hotels (2 seats)	10 hotels (3 seats)
South Portland = 3	9 hotels (1 seat)	6 hotels (2 seats)
Scarborough = 1	10 hotels (1 seat)	N/A

## AT-LARGE SEATS

Conversation started with “why are the at-large seats needed”? The idea was to allow for a rotation of seats yearly to have an extra member from a community at any given time.

Suggestion: Due to the Portland Peninsula creating more revenue (1) could go to a Peninsula hotel & (1) rotate between So Po & Scarborough. (Comment: Then why not just add an extra seat for Portland?)

Suggestion: Not include any at-large seats at the beginning but add them should the committee increase to an even number with hotel growth.

Comment: Having an at large process allows for flexibility to diversify and change as the environment changes.

Agreed by All: The at-large seat does not need to be a hotelier (Ex: marketing person or someone who can bring a lot to the table) — in this instance the at large would not be designated by town. Agreed to include the wording (2) at-large seats and remove the word “hotelier”.

Voting: At-large seat would be voted on by the committee yearly...at three year mark revaluation could take place to see if the at-large seats remain or get designated to a community

## VISIT PORTLAND BOARD PERMANENT SEATS

Discussion was had regarding the current Visit Portland Board Structure. Currently the board has 6 permanent seats. Those seats are designated according to the By-Laws...

### 3.3 Directors from Major Hotels

Each major hotel that is a Member in good standing and maintaining meeting and convention membership as well as visitor membership, and meets attendance criteria as defined in 3.12 will have an automatic, permanent position on the Board of Directors. The Membership will be in the name of the property with no Board approval or membership vote needed for the property's representative.

The hotel must appoint a permanent representative to the board. That person will remain the sole representative of the property for the term of one (1) year barring any employment status changes.

### 3.4 Major Hotels - Defined

Major hotels will be defined as properties having at least one hundred forty (140) sleeping rooms, cocktail lounge, restaurant and more than one banquet/meeting room, located within Greater Portland. Greater Portland is defined as within a 15-mile radius of downtown Portland and includes Portland, South Portland, Scarborough, Westbrook, Falmouth, Yarmouth, Freeport, Cumberland, Gorham, and N. Yarmouth.

The key words here are “**Members** in good standing and maintaining meeting & convention **membership** as well as visitor **membership**”. Technically the hoteliers in the TID district will no longer be “paying members through membership dues”.

Visit Portland By-Law Revision Request: Visit Portland By-Laws would need to be edited to remove the word “Member” and include verbiage about hotels within the TID district. Therefore, any full-service hotel with 140+ rooms within the formed districts would hold a permanent seat. It would allow for appropriate hotel representation to remain strong on the Visit Portland board.

Comment: These hotels would have to abide by the attendance criteria to keep their seat. Currently the rule is a little loose.

## PERMANENT SEATS

Full-service hotels that currently hold permanent seats due to their membership status:

Clarion Hotel - 149 rooms  
Holiday Inn by the Bay - 239 rooms  
Westin Portland Harborview - 289 rooms  
Best Western Merry Manor - 153 rooms  
DoubleTree by Hilton - 220 rooms  
Portland Sheraton at Sable Oaks - 227 rooms

Additional properties currently not members or new properties that would be added as permanent seats:

Fireside Inn & Suites - 196 rooms (not members)  
Marriott Tribute - 148 rooms (to be built)  
West Elm - 150 rooms (to be built)  
Aloft Hotels - 157 rooms (to be built - may be limited service)

Lynn has also spoken with 2 developers planning 2 more full-service 150 rooms on the peninsula and future hotel development within Rock Row may result in full-service properties.

**WORTH NOTING:** This could bring the permanent seats on the Visit Portland Board to 7 immediately and upwards to 10-15 in the future.

## COMMITTEE REPRESENTATION ON THE VISIT PORTLAND BOARD

Agreed by All: (2) of the (11) selected TID Governing Committee Members will also have a seat on the Visit Portland board to allow for consistency and transparency.

## NOMINATION & TERM LIMITS

First committee selected:

STEP 1: Nominations go out to all hotels with meeting commitment information, expectations, and requirements

STEP 2: Hotels would submit self-nominations in writing with an explanation of why they would be a good nominee

STEP 3: Nominations reviewed by a nominating committee comprised of (2) Visit Portland Board Members and (3) TID Committee Members who are not running

Note: After first set up then any additional nominees will be reviewed by a nominating committee comprised of (3) TID Governing Committee Members and (2) Visit Portland Board Members

Agreed by All: Move forward with putting the Governance Structure as listed and re-evaluate the the structure of the Governing Committee every 3 years

**NOTE:** Still need to determine how the first committee term limits are put into place to allow for rotation at different years

## APPROVAL OF MARKETING PLAN

Clarification & Reminder: There was a comment about needing to hire an Executive Director for the TID to manage the marketing plan. There was a reminder that Lynn Tillotson is the Executive Director of Visit Portland and the TID marketing plan will be overseen and implemented by the Visit Portland staff. Once the TID district has been established, the Visit Portland Executive Director and the TID Committee will then begin the process of hiring a Chief Marketing Officer that will work under Lynn and alongside the committee and assist with oversight of the plan.

Agreed by All: A marketing plan will be constructed by Visit Portland and presented to the TID Committee for discussion, edits, and approval. Once the TID Committee has approved the plan then it will be presented to the Visit Portland Board of Directors for final approval.

Note: There was a lot of discussion around if the Visit Portland Board of Directors should have the “power” to make the final decision or not. The following are worth noting:

- Having the Visit Portland Board put a final approval on the marketing plan protects the 11 Governance Committee Members. Remember, that 11 hoteliers are making all the decisions for 60 hotels.
- With the hotel permanent seats remaining on the board that will bring the hotel count to a minimum of 8 (possibly more) out of 25 voting seats - allowing for additional hotel representation.
- There would have to be several board members voice a concern about a marketing initiative to not approve the plan. The comment was “if there are that many board members who have a problem with something then maybe there is indeed a problem and should be looked at once again by the TID Committee”
- The Visit Portland board is made up of a diverse group, they may bring something to the table that the TID Committee had not thought of.

Note: Visit Portland By-Laws should include verbiage about TID budget approval — *“all approved marketing from TID funds must be approved to benefit hoteliers paying - projects which don’t benefit the hotels must be from VP funds unless otherwise agreed upon by TID committee.”*