

# TID STEERING COMMITTEE MINUTES

## JULY 30, 2019

In attendance: Annaliese Lafayette, Gerard Kiladjian, Kevin Pagnano, Alen Saric, John Schultzel, Lucas Laidlaw,

Absent: Peter Twachtman, Michael Towle, Scott McKenney, Ed Palmer, Michael Strejcek, David Tamulevich, Ken Lafayette

On the phone: Tiffany Gallagher, Rachael Bliss

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### POLICY CONSIDERATIONS

Conversations began regarding the guidelines needed to be decided on in order to move forward with the establishment of the district.

### BREAKDOWN OF REVENUE SPEND

Services - 75%

Contingency/Reserve - 12%

Administration - 10%

Collection Fee - 3%

### ASSESSMENT FEE

2%

### BOUNDARIES OF THE DISTRICT

We will concentrate on 5 municipalities; Portland, South Portland, Scarborough, Westbrook, and Cape Elizabeth. Once the hoteliers from these 5 communities are on board then we will present it to the Freeport lodging establishments to provide them with the option of being included in the district or not.

### ROOM COUNT THRESHOLD

All hotels with 21 rooms and over will be included in the district. Properties with 20 rooms and under are exempt.

## EXEMPTIONS

Exemptions of the nightly assessment will mirror the lodging tax exemptions

## TERM

7 years. This allows for 1 year to collect funds, 5 years of programming & tracking before renewal needs to start the renewal process 1 year prior to expiring.

## GOVERNANCE

The TID will be managed by Visit Portland and the TID advisory committee will be a sub-set of the Visit Portland Board of Directors. Note: This is a much larger conversation and will probably take up the most part of a Steering Committee Meeting.

## ESTABLISHMENT

51% of total room count, per town needs to sign the TID petition.

Portland: 2833 Rooms - 1445 is 51% (approx. 8 of the 23 properties)

Scarborough: 647 Rooms - 330 is 51% (approx. 4 of the 10 properties)

South Portland: 1689 Rooms - 862 is 51% (approx. 5 of the 14 properties)

Cape Elizabeth: 61 Rooms (only 1 property - would need this property to sign)

Westbrook: 104 Rooms (only 1 property - would need this property to sign)

Freeport: 704 Rooms - 360 is 51% (approx. 5 of the 10 properties)

## DISESTABLISHMENT

In order to the district to be disestablished prior to the end of the term 2/3 of the hotels need to agree.

## PASSTHROUGH FOR ADMINISTRATION

Collection fee for the municipalities or GPCOG to handle the collection, reporting, and pass-through to Visit Portland would be 3%. Roughly \$120,000 on the estimated \$4 million assessment revenue.

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## MARKETING PLAN

A question was brought up at the July 30th meeting regarding "What could we spend the funds on?" A rough marketing plan has been put together to show the variety of marketing opportunities available to enhance the exposure of Visit Portland. This document (see attached) is only a list and an actual plan will be determined alongside the TID Advisory Committee.

Please also note a copy of an e-mail from a friend who works in a marketing agency about what it would look like to work with an agency.

## WORKING WITH AN AGENCY (Response to an e-mail Lynn had about the cost of agency work)

Hi there -

Great question - and while I normally shy away from providing a number without a thorough understanding of all the different parameters, I totally get why you're asking, why you need it, and why it would be useful. Maybe some context would help...

As you well know, the shifts in the consumer behavior and technology landscape have fundamentally disrupted how marketers bring their product to market, and what used to be "easy-ish," as in, "Thanks for the budget, we'll allocate \$1mm for TV, spend another \$1m on print, split another \$1m between radio and outdoor and then keep \$500k for the agency fee" are simply no longer.

But for example, if you think you might spend up to \$3m for marketing once you spin off all the non-marketing things you mentioned (administrative expenses, staffing expenses, overhead, research, reserve allocation), that gives you a really good chunk that would likely accomplish several things:

- Development of marketing strategy/plan, based on client input and including (as necessary) marketing/audience research as well as meetings with and presentations to key members, industry stakeholders, Board of Directors, etc.
- Content/Creative Development, which assumes both the development and production of actual "ads" to fill paid media space across multiple platforms as well as "content" for social/web usage and other channels
- PR, a critically-important component to gain third party support and awareness for your efforts and for Portland and surrounding area
- Channel Strategy/Media Planning, to comprise both paid and owned/earned/shared channels
- Evaluation/Metrics/Measurement, an essential tool to both optimize your efforts amongst visitors and also articulate/justify them to stakeholders

Those will be the basics that any agency should be able to bring irrespective of budget - the variance and priorities in what, where, how much and how often you're able to do anything will all be derived as a result of the budget and your goals. I wish I could tell you that \$2mm will get you X and \$3mm will get you Y, but that would take a lot more work/time to do - suffice it to say, in general and with the right agency and the right plan the more you spend the greater the return.

The other thing you may want to consider, depending on your current staff - managing an agency is a different skill set than doing the work yourself, and \$4mm isn't an insignificant sum to be left in the hands of people who don't have the capacity to do so. As such, it may be worth hiring a senior and experienced marketing director to handle that, if you're not certain you currently have that person on staff (know that I'm not saying you don't, I just don't have a sense for the current team's capacity or experience).

If you give an agency \$1mm, they'll certainly make something work. Same with \$2mm. If it would be helpful to sit and chat through some of your goals and some of the initiatives you're considering next year, (e.g., geo-targeted shoulder season/winter campaign, or an effort to specifically target millennials,

which might include some "product development"), I'd be happy to brainstorm that with you, and then we could give some ballpark costs for that.

Hope that's helpful and not too vague!?!

#### NEXT MEETING

Tuesday, July 30 - 8:00am - 10:00am at the Visit Portland office