

# TID STEERING COMMITTEE MINUTES

## ZOOM: FEBRUARY 22, 2021

**In attendance:** Lucas Laidlaw, Gerard Kiladjian, Kevin Pagnano, John Schultzel, Tiffany Gallagher, Annaliese Lafayette, Ed Palmer

**Absent** Alen Saric, Ken Lafayette

**Note:** Michael Strejeck is no longer with the Press Hotel therefore no longer part of the Steering Committee

---

### CITY MANAGER MEETING:

Met with each community to review the process of the Tourism Improvement District:

#### **Portland**

Jon Jennings, City Manager  
Greg Mitchell, Economic Development Director

#### **South Portland**

Scott Morelli, City Manager  
Bill Mann, Econ

#### **Scarborough**

Tom Hall, City Manager  
Karen Martin, Executive Director, Scarborough Economic Development Corporation

Each of the community leaders are supportive and were informative of city councils needs as we move forward.

There was hope that each community could move forward together however, we will need to go through committees for each of the municipalities. In addition, the municipalities are entering their budget cycle so timelines are going to be different for each of them. Tiffany mentioned that it's fine to form in one community before the other, in fact, she mentioned that it's rare in a multi-city formation that they all go together.

Portland is open to getting this started off first – possibly March.

South Portland – June maybe May

Scarborough – possibly July

Tom Hall suggested that we present to Metro Coalition through GPCOG, it will provide an opportunity to inform a group of them at one time.

*The Metro Regional Coalition meets monthly to work on issues of regional significance.  
The committee is made up of the Council Chair and Manager from Cape Elizabeth, Falmouth, Gorham, Portland, Scarborough, South Portland and Westbrook.*

<https://www.gpcog.org/300/Metro-Regional-Coalition>

## TIMELINE AS OF FEBRUARY 20, 2021

Action	Responsible Party	Date
Finalize Service Plan	VP, Civitas	December 2020-February 2021
Hotel, Community, and Municipal meetings	VP, Civitas	January 2021
Legal and Municipal; Draft Development Plans and District ordinances Municipal approval	Civitas	March 2021
<b>Municipalities</b> Introduction to legislative bodies and Committee Meetings	VP, Civitas	March-June 2021
<b>Mail</b> Notice of Public Hearing on proposed GPTID	Municipalities, Civitas	May-June 2021
<b>Municipalities</b> Public Hearing to Form the GPTID and Resolution of Formation	VP, Civitas	June-July 2021
GPTID begins collecting assessments	Lodging	August/September 2021

## SERVICE PLAN

### Municipalities

The updated service plan now reflects the formation of only 3 municipalities.

Based on the effects of covid and the years moving forward post-formation as we begin to recover, Tiffany will made adjustments to the expected collections within the document by using STR year-end figures 2020 versus 2019.

### Portland\*(3, 315 Rooms) Pre-covid: \$152 ADR, 69.5% OCC --- Post-covid 2021: \$135, 63% OCC

Services	%	*Pre-COVID Total	Post-COVID Total
Sales, Marketing, Promotions, & Special Events	81%	\$2,070,712.50	\$1,664,211.65
Operational Oversight	12%	\$306,772.22	\$246,549.87
Contingency & Reserve	7%	\$178,959.46	\$143,820.76
<b>TOTAL</b>	<b>100%</b>	<b>\$2,556,435.18</b>	<b>\$2,054,582</b>

### Scarborough\*(647 Rooms) Pre-covid: \$126 ADR, 62% OCC --- Post-covid 2021: \$112, 56% OCC

Services	%	*Pre-COVID Total	Post-COVID Total
Sales, Marketing, Promotions, & Special Events	81%	\$298,864.54	\$240,194.55
Operational Oversight	12%	\$44,276.23	\$35,584.38
Contingency & Reserve	7%	\$25,827.80	\$20,757.55
<b>TOTAL</b>	<b>100%</b>	<b>\$368,968.57</b>	<b>\$296,536.48</b>

### + South Portland\*(1,718 Rooms) Pre-covid: \$152 ADR, 69.5% OCC --- Post-covid 2021: \$135, 63% OCC

Services	%	*Pre-COVID Total	Post-COVID Total
Sales, Marketing, Promotions, & Special Events	81%	\$1,073,147.53	\$862,478.31
Operational Oversight	12%	\$158,984.82	\$127,774.56
Contingency & Reserve	7%	\$92,741.14	\$74,535.16
<b>TOTAL</b>	<b>100%</b>	<b>\$1,324,873.50</b>	<b>\$1,064,788.04</b>

## **District Square Footage Allocation**

*Development districts must adhere to statutory limits relating to size of any single district and for all districts within a municipality. Specifically, no single district may be greater than 2% of the acreage of the entire municipality and all districts within a municipality may not be greater than 5% of the acreage of the entire municipality.*

Update about mapping error: Initially Civitas calculated the total percentage of properties compared to the total municipal acreage. It looked like on the initial round that South Portland would be above the allowable amount. However, the GIS Specialist with Civitas caught an error in the calculations. The new calculations put us well within the allowable amount for each municipality and will allow us to include all hotels with 21+ rooms.

Portland = .13%  
South Portland = .60%  
Scarborough = .06%

## **Room Count Threshold**

There was a discussion around the room cut off threshold number for each community – we were discussing 21+ for Portland, 50+ for Scarborough, and the Maine Mall area due to the Development District square footage limitations (which have now been resolved). Tiffany suggested that ideally we should keep it the same in each district.

John Schultzel advocated for 21 + rooms since Higgins Beach, Black Point Inn, and Inn at Diamond Cove are all properties that would benefit from the marketing efforts of the district.

It's worth noting that as we gather signatures this might force us to change the allocation depending on the support of the smaller properties or not.

## **Potential Capital Improvements**

*The capital improvements and destination product development program will provide funding to assist in the building or financing of well-vetted capital improvement projects which improve the visitor experience in the cities of Portland, South Portland, and Scarborough and will attract overnight visitors to assessed businesses. Funds would be made available for projects, including downtown improvements, enhancements to support tourism including signage, amenities, etc., within the TID boundaries.*

*Funds may be deployed to support destination development services that enhance the overall visitor experience, including safety and security, but with an emphasis on overnight visitors at the assessed businesses. The District will develop specific criteria for funding these services, including an understanding that any such services would be in addition to and not in the place of core City services.*

Tiffany proposed an addition to the district formation – other destinations have included the ability to put funds toward capital improvements to support new construction and renovations to existing conference centers, sporting facilities, transportation systems, etc.

The advisory committee could establish policies on what would qualify and only the advisory committee could approve spending on a project.

Gerard Kiladjian was concerned that it might cause some division between the municipality and the advisory committee if they say no to a requested plan.

Tiffany reinforced that the advisory committee can create policies surrounding financial support requests from the TID for any additional spending ideas over and above marketing – capital improvements, festival grants, etc.

### **Administration Fee**

Gerard asked about the concern around the 12% administrative fee as it relates to supporting Visit Portland due to the expected losses. Annaliese Lafayette mentioned that the Visit Portland Executive Committee reviewed the Visit Portland budget and currently it looks like the organization will lose approximately \$400,000+ in lost membership and advertising revenue due to taking on the oversight of the TID.

As we move out of covid-19 the occupancy levels and ADR will result in lower than expected collections than what we projected pre-covid. The 12% administrative fee from estimated collections moving forward won't reach the needed \$400,000. More conversation will be needed to determine how the TID supports Visit Portland to ensure it doesn't lose money. It's imperative that Visit Portland remain whole – it's beneficial to the TID to have a strong established organization rather than building a new organization from scratch (rent, operating expenses, staff, insurances, etc.) to manage the funds.

### **Reserve Account**

Gerard also asked about the reserve amount set at 7% - is that too much? Lynn reminded the committee that the reserves are designed to be available when the need arises. (Crisis Management funds) The destinations that fared the best during Covid were the destinations that had a strong reserve account to fall back on. Reserve funds can be used during economic downturns, significant need times, PR management in a crisis, etc.

It was also noted that the use of the reserve account is based on the discretion of the board and the TID Committee agreed that the Advisory Board would create a policy and guidelines surrounding the use of the reserve account.

## **BOARD OF DIRECTORS' & ADVISORY COMMITTEE**

Need to look at By-laws for Visit Portland and the TID – do we completely change the existing board structure of Visit Portland so that all advisory members are members of the board? Or, do we keep them separate?

## **LETTERS OF SUPPORT**

A combined letter of support was put together with the TID Committee and Lynn is currently working on getting ownership support.