



VISIT

PORT LAND

MAINE

Authentic By Nature

**A PLAN TO HELP SUSTAIN
OUR TOURISM ECONOMY**

OUR EFFORTS FOR COMMUNITY SUSTAINABILITY

Dear Community Partner,

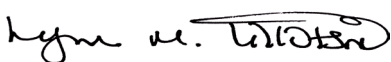
After 40 years as the official Destination Marketing Organization (DMO)—charged with marketing the Greater Portland region for visitation—we find ourselves at a crossroads.

It is the job of every DMO to tell the story of their destination, a compelling story that shares the fabric of the destination’s people and assets with the world. Creating our story allows us to control how people perceive our community. A positive perception of a destination brings visitors, new residents, and new business development. As a result, every global community seeks attention from potential visitors, residents, and businesses.

As we strive to move forward from the economic crisis of 2020, we face our competition at a significant financial disadvantage. Visit Portland is one of only a handful of DMOs nationwide that is not supported by public funding based on lodging tax dollars. Relying solely on membership and advertising revenues from local businesses means we have substantially fewer marketing resources to attract leisure and business travelers. With new investments in tourism marketing and sales efforts, we can see recovery efforts succeed and our ability to retain market share erode.

It has been said that; “the best way to predict the future is to create it.” With that in mind, we offer up for your consideration the following document, which identifies the challenges we face in marketing Portland as a tourism destination and provides a solution that hundreds of other Destination Marketing Organizations around the country have embraced.

Sincerely



Lynn Tillotson
President & CEO
Visit Portland

Let's talk about the importance of tourism to our community...

SMALL BUSINESSES NEED CONSISTENT REVENUE FROM VISITOR SPENDING

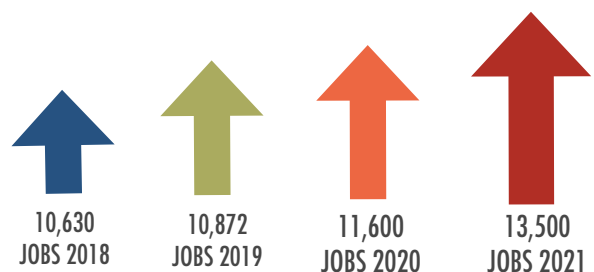
The pandemic has spotlighted that the City of Portland’s population of 66,800 can not sustain the vast number of small businesses that make up this fantastic community that has grown around us. We all enjoy the amenities as residents, and these small businesses would not be sustainable without support from a strong tourism economy.

"It's known that tourism causes significant economic activity within a community. In a state with small cities and rural communities, such as Maine, we depend heavily on the influx of people and revenue that the tourism industry brings."

Krista Cole
Owner
Sur Lie

THE IMPACT ON OUR WORKFORCE

With the constant growth of tourism-related businesses (hotels, restaurants, attractions, art & cultural facilities, and more), there is no doubt that tourism provides job opportunities for our residents. However, we must level out visitation to keep those jobs year-round and have our city operate less seasonally.



"There is an incredible need to not only market the traditional tourism season but to expand that reach into the shoulder season—leveling out visitation throughout the year. This would allow us to maintain staff on a year-round basis rather than be forced to lay off and gear up again each Spring."

Lucas Laidlaw
General Manager
Westin, Portland

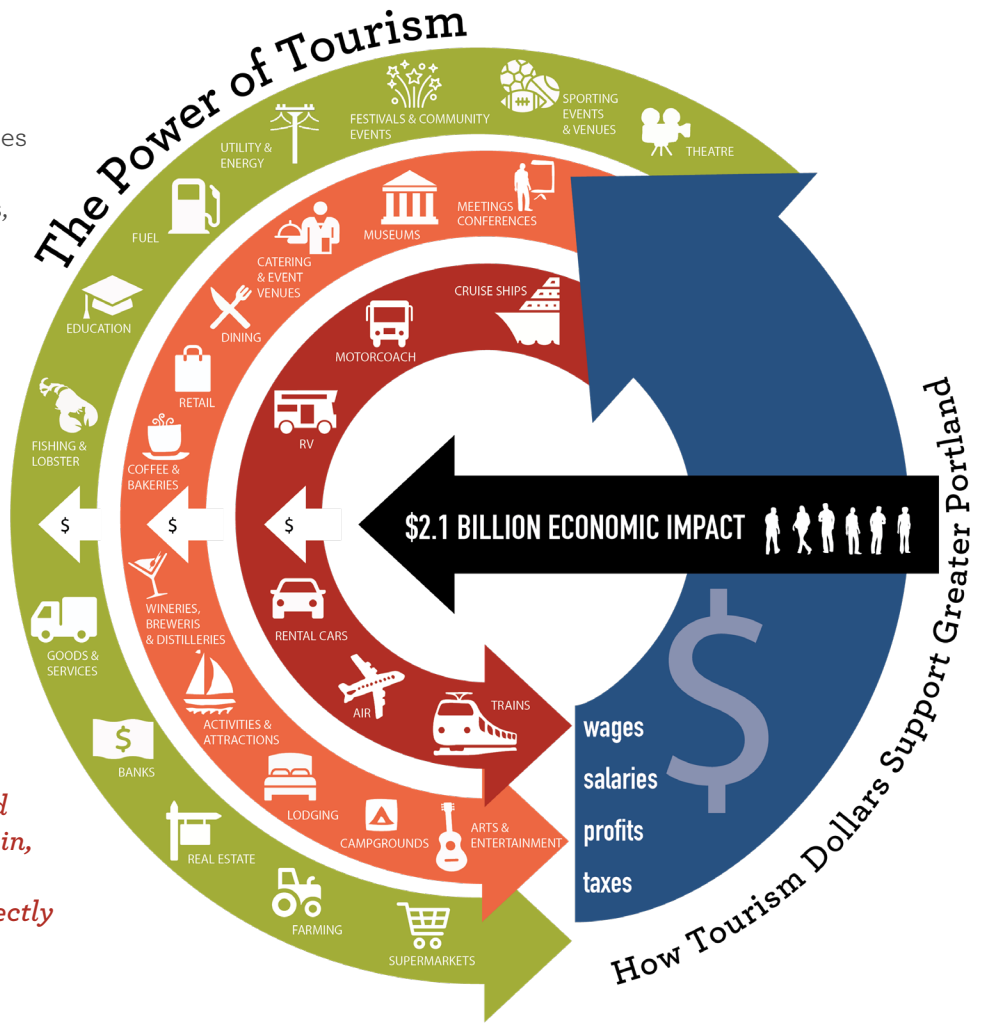
TOURISM'S RIPPLE EFFECT

In 2021, spending in various industries directly linked to travel—including transportation, lodging, food services, amusement parks and recreation, travel management, and retail—generated **\$765 million** in direct economic input for Greater Portland.

Including indirect effects from the travel industry’s spillover to other sectors—ranging from fishing, grocery, utility, and energy companies to manufacturing and local farms—travel’s total impact on the Greater Portland economy reaches **\$2.1 billion**.

Travel generates additional demand throughout the economic supply chain, boosting employment and spurring investment in other industries indirectly related to travel.

Also see page 10



TOURISM SUPPORTS BUSINESS DEVELOPMENT

Greater Portland has seen significant overall growth over the last three decades, not only in tourism-related businesses but through arts/culture, education, small businesses, industry, corporate businesses, and mixed-use developments. Companies select our region because of the vitality of the destination and the constant influx of visitor revenues that help support the community and their investment.

Employers in our community rely on the strength of our brand to attract and retain the best employees. So when they go out recruiting, they talk about what a great place our community is.

"We made the decision to move WEX's global headquarters, along with our new building shared with the Roux Institute, to downtown Portland to be near the working waterfront that has a lively and vibrant cultural, retail, and restaurant scene. This plays an important role in helping us to attract and retain the talented employees from around the world who are key to the success of our business. Tourism plays a critical role in allowing these "scenes" to thrive, and has fueled the size and scale of our offerings. It should go without saying that tourism is an enormously important part of the Greater Portland economy."

Melissa Smith
CEO & Chair
Wex

Understanding the challenges we face...

YOUR "DESTINATION MARKETING ORGANIZATION" (DMO) IS UNDERFUNDED

DMO

As Destination Marketing Organization (DMO), Visit Portland's responsibility is to ensure that Greater Portland experiences strong visitation year-round, making this a viable destination for business investments for years to come and an excellent place for residents to live and work.

To effectively meet these needs, we must expand our marketing budget. Over the years, Visit Portland creatively raised marketing dollars

to promote Greater Portland as a vibrant tourism destination. Still, it's no longer enough to meet the demands of the growth happening within our community.

DMOs across the country are funded through a portion of the Transient Occupancy Tax (TOT); unlike other DMOs, Visit Portland is **NOT** funded through lodging tax dollars. Instead, Visit Portland's primary sources of revenue are **membership dues**, advertising revenues, and ancillary pay-to-play opportunities.

With an average, **self-funded**, yearly budget of \$996,000*, Visit Portland spends significant time raising operating and marketing funds. Unfortunately, this budget method places us at a disadvantage; the membership model is not sustainable in a competitive tourism market.

We must better position ourselves to compete.

HOW WE COMPARE

Below is a sample of destinations with a similar amount of hotel inventory as the City of Portland and Greater Portland.

(* New budget POST-COVID is under \$800,000)

DESTINATION	DMO BUDGET	HOTEL ROOM COUNT	\$\$ PER AVAIL. ROOM	TID
COMPARABLE TO CITY OF PORTLAND ROOM COUNT (3,574)				
Visit Portland	\$996,000	3,574	N/A	
Bradenton, FL	\$14.2 million	4,000	\$3,550	
Napa Valley, CA	\$13.9 million	4,900	\$2,837	<input checked="" type="checkbox"/>
Sioux Falls, SD	\$4.4 million	4,000	\$1,100	
Newport, RI	\$4.1 million	4,100	\$1,000	<input checked="" type="checkbox"/>
Billings, MT	\$3.1 million	4,500	\$689	<input checked="" type="checkbox"/>
Newark, NJ	\$2.3 million	4,000	\$575	<input checked="" type="checkbox"/>
COMPARABLE TO GREATER PORTLAND REGION ROOM COUNT (6,978)				
Visit Portland	\$996,000	6,978	\$164	
Asheville, NC	\$20 million	7,965	\$2,511	
Charleston, SC	\$17.4 million	6,408	\$2,715	
Mammoth Lakes, CA	\$13 million	5,000	\$2,600	<input checked="" type="checkbox"/>
Santa Barbara, CA	\$9.1 million	5,340	\$1,704	<input checked="" type="checkbox"/>
Galveston, TX	\$7 million	5,100	\$1,373	
Spokane, WA	\$6.5 million	6,607	\$984	<input checked="" type="checkbox"/>
Providence, RI	\$7 million	5,500	\$764	<input checked="" type="checkbox"/>
Boise, ID	\$2.2 million	6,000	\$367	

"Portland needs tourism to sustain its awesome, unique small business + restaurant scene. It helps to ensure that we are here year-round for the local, friendly faces we see daily. We have something very special here in Maine, and the millions that continue to visit allow so many of us the opportunity to grow, flourish, and create."

Tom Largay
 Owner
 Old Port Candy Co.
 Old Port Card Works

An effective & proven solution to tourism marketing funding...

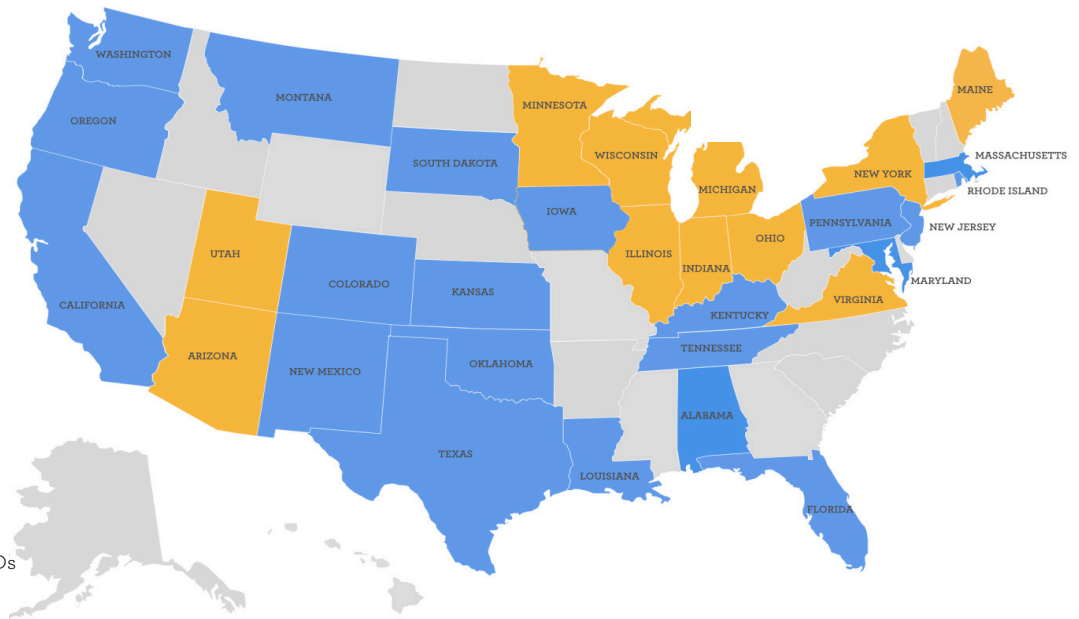
A TOURISM IMPROVEMENT DISTRICT (TID)

DMOs across the United States are moving towards a funding model that is innovative and dependable and does not solely rely on the uncertainty of a membership model or a government-led solution (i.e., tax revenues).

A Tourism Improvement District (TID) is a *hotelier-proposed and city-approved assessment* (not a tax) that provides a stable funding source to support group sales, marketing, and promotional efforts. The ultimate goal of a Tourism Improvement District is to increase hotel occupancy for lodging businesses and generate overall visitor spending in the market. As a result, impacting all small businesses in a community that rely on tourism.

TID

201 TIDs have been established in 20 states with an additional 11 states implementing or considering a TID, increasing budgets by \$463 million



Recent TID formations in the East:

Baltimore MD, Berks County PA, Boston MA, Louisville KY, Mobile AL, Newport RI, Philadelphia PA, and Providence, RI

Destinations currently in the process of formation in the East:

Albany NY, Block Island RI, Cape Cod MA, Lexington KY, Long Island NY, Montgomery AL, New York City NY, Pittsburgh PA, and Richmond VA.

States in the process of passing or passed state legislation:

Alabama, Arkansas, Illinois, Iowa, Louisiana, Massachusetts, Michigan, Minnesota, New York, Pennsylvania, and Virginia

"The value that a TID provides to Visit Oakland's tourism economy is multi-faceted. It has created a synergistic community amongst our hotels and the community. In many ways the TID has changed the tourism industry's lexicon on how we work together to raise the bar in our community."

Mark Everton, CEO
Visit Oakland, CA

Why we must establish a TID...

RISKS OF STAYING THE COURSE

- ▶ Tourism is a *very competitive business*. Our competition is not just our neighboring city or state but destinations across the U.S. and worldwide. Having a DMO responsible for marketing our region *with only limited funding is not a sustainable way to keep us competitive* for the future.
 - ▶ Without an additional investment into tourism marketing, sales, and destination development, our economy—including hotels, restaurants, shops, attractions, small businesses, and outlying industries supported by tourism (i.e, lobster/fishing, etc.)—*is at risk of losing market share from this crucial sector*.
 - ▶ With more hotel rooms and mixed-use developments coming into the market, *we won't have the necessary means to continue to market our destination* effectively. As a result, hotel occupancies will not sustain at a current level or reach a year-round potential.
 - ▶ *Relying on a membership model is not sustainable*—marketing programs will be diminished, harming our reach to visitors, limiting our brand awareness, and ultimately minimizing our destination's recognition as a beautiful place to visit and live.
 - ▶ Without a strategic investment, there is *no guarantee of future growth* for Greater Portlands' overnight visitor economy. To bring back previous business and grow year-round, it will take financial resources that are unavailable due to budget cuts and the current funding model.
- A TID would allow the industry to steer recovery in our local tourism economy through a sustainable and proven investment model paid for by the visitor and not through increased taxes.*

DESTINATION MANAGEMENT CYCLE - CREATES A STRONG COMMUNITY

Studies show that strategic investments in destination marketing will help tourism flourish while supporting other industries in our region, resulting in enhanced economic and social benefits for the community.

It all starts with a visit...



How this initiative is moving forward...

HOW IS THE TID FUNDED?

A vehicle for establishing a Tourism Improvement District exists within the *Municipal Development District statute* whereby municipalities are authorized to designate development districts. *Very much like a BID* (Business Improvement District); TIDs are funded through an assessment on certain lodging stays, *paid for by guests*. Assessed lodging establishments pass the *assessment (not a tax)* onto customers. The fee will show up as a line item on their check-out folio. Hotels will collect the assessment via the room folio and remit to the city as a pass-through to the DMO. The collected revenues will then be used for destination marketing and overseen by an advisory board.

ARE THE HOTELS SUPPORTIVE?

General Managers, owners, and management companies of the hotels within the City of Portland understand the importance of continuing to market for a strong tourism economy. The harsh realities of an unstable tourism market cause significant daily interruptions in workforce and their ability to offer quality service.

Visit Portland has received support from the hoteliers and they are anxious and honored to help with assisting our community in this endeavor.

WHY START IN PORTLAND?

Visit Portland is a regional organization, which promotes Greater Portland (officially designated as Scarborough to Freeport and includes Gorham and Westbrook). With growth happening throughout the region, it's important to work collaboratively to market the region as a whole.

However, support from Portland hotels has come to fruition faster than the other communities. Work will continue with the other communities after Portland's formation is complete.

STEPS TO FORMATION

As part of the Development District Statute a development plan will be prepared and approved by hoteliers collecting the assessment. The plan will then be presented and approved by the City Council by a majority vote and the district will then be a city order.

ANTICIPATED FUNDS

The funds are anticipated to reach \$2 million dollars in the first year. This initiative allows us to get closer to our competitors and puts us in a much better position than remaining with a membership model alone. Eighty-five percent of these revenues will be used for marketing the destination and community initiatives, the remaining funds will be administrative costs and funds set aside to build a solid reserve account.

"My confidence in applying a TID to a city/region stems from the ability to use the funds to extend the reach for marketing and promoting, whether it is for meeting business opportunities or raising awareness of the destination to encourage leisure travel. The effect of this exposure is to the benefit, not only to hoteliers, but certainly retail, restaurants, arts, and many others."

Robbie Tawil, General Manager
Worthington Renaissance Hotel
Current TID Chair for Visit Fort Worth, TX

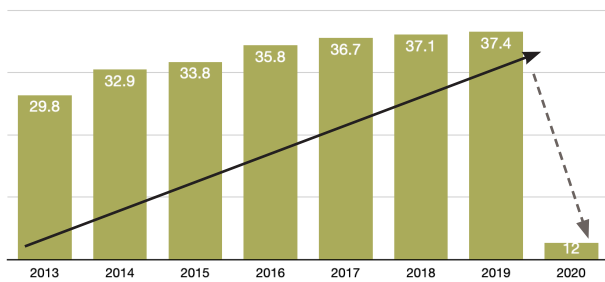
"Billings was the first in Montana to create a TID in 2007; throughout the years we have been able to secure several large sporting events, most recently a travel blog exchange with 500 influencers, and provide small service air subsidies, which increases visitation to Billings—all economic drivers that we never would have been able to do otherwise. Today, there are 22 TID districts across Montana."

Alex Tyson
Executive Director
Visit Billings, MT

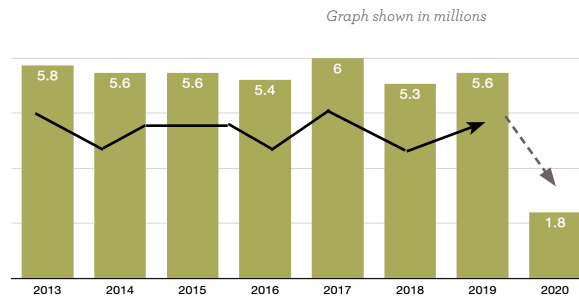
A few compelling reasons to support a TID...

#1 MAINE OFFICE OF TOURISM CANNOT ADEQUATELY MARKET GREATER PORTLAND'S ASSETS

Due to our limited budget, greater Portland relies heavily on the marketing efforts of the Maine Office of Tourism (MOT). However, tasked with marketing the largest State in New England on a minimal budget and improving economies statewide, MOT's marketing focus has been geared more towards promoting rural Maine than Greater Portland. Resulting in less overall marketing dollars for Greater Portland, and the effects reflect inconsistent yearly visitation to our region. We must supplement the State's efforts to ensure that Greater Portland is properly represented to potential visitors to Maine. We must control our destiny.



Yearly Visitation to Maine Steadily Increasing



Yearly Visitation to Greater Portland is Inconsistent

Data provided by DPA | www.DigitalResearch.com
All research reports can be found on MOTPartners.com
2020 reflects decrease in visitation due to COVID
Note: New research agency in 2020 also reflects variance due to different statistical strategies and benchmarks implemented

#2 EXPANDING OUR MARKETING FOCUS ON FILLING THE SHOULDER AND OFF-SEASON EQUALS RETAINING OUR WORKFORCE

We certainly know that we don't need additional visitors in the summer or fall. However, we have a great destination during the winter, and visitors need to know! Additional funding would allow us to promote the winter and spring seasons adequately. Without a drastic drop between "in-season" and "shoulder-season," it would enable hospitality businesses that rely on visitors to retain their workforce throughout the year and provide a more balanced income stream.

"The TID has been well received by our hotel community and city. Visit Denver focuses on need periods and weekends for groups and leisure, generating incremental business, increasing short-term and single-hotel meeting business, and leveraging events that drive overnight visitors."

Richard Scharf
President & CEO
Visit Denver, CO

#3 HIGHLIGHT THE DIVERSITY OF OUR COMMUNITY

Creating a more inclusive and equitable travel experience for our black travelers, accessible travelers, LGBTQ+ travelers, Indigenous American travelers, etc., is not something we have to do—it's something we want to do! Many destinations have begun this work and doing it well, but it takes resources we don't have. The ability to create quality content surrounding our diverse and inclusive community through videos and storytelling is essential for the world to know that Portland is diverse and welcoming.

"As a new commissioner and liaison to the Travel Portland board, my support of the TID Recovery funds (over and above our current TID) was grounded in the economic impact that tourism brings. And knowing that Travel Portland is focused on Diversity, Equity and Inclusion, I know all communities will benefit from the return of visitors to Portland."

Commissioner Mingus Mapps
Portland, OR

#4 INDUSTRY WORKFORCE DEVELOPMENT

Hospitality jobs are abundant and needed, and the experience transcends all avenues of future job performance. As a result, destinations have begun to focus on workforce development designed to create interest and programming surrounding the hospitality job market.

In Portland, we have an opportunity to work with the local universities to engage students, encourage them to experience hospitality jobs, and provide them with steps to attain a successful career.

In addition, working with organizations such as New Mainer Staffing or the Greater Portland Immigrant Welcome Center would allow us to create partnerships to establish lucrative jobs for our immigrant community.

Example: <https://community.neworleans.com/>

"Our Community website has provided not only a location for hospitality businesses to post their job openings, but it allows us to showcase this fantastic industry and the path to creating a successful career in this industry. Working together with our local businesses, educational institutions, and residents, we've kept people working!"

We are currently creating the ability to enhance local procurement practices and relationships between business entrepreneurs and the hospitality and tourism community. These connections will ensure that businesses owned by people of color, women, veterans, and other diverse citizens are the beneficiaries of the billions of dollars of economic impact that the industry brings to New Orleans."

Arielle Desse
Senior Public Affairs Manager
New Orleans & Company

#5 THE REGION NEEDS A STABLE SOURCE OF FUNDING TO WITHSTAND ECONOMIC CHALLENGES

The global pandemic has highlighted the importance of destinations establishing Crisis Management Plans.

Crisis management planning isn't only about effectively responding to specific incidents (i.e., natural disasters, protests, terrorist attacks, fatal accidents, and pandemics); it also helps identify potential threats to develop information guidelines and responses. In addition, effective planning can help retain our positive reputation as a tourism destination.

These plans and the need to establish a healthy crisis management reserve account allow the DMO to promptly respond to disaster events to minimize the negative impact on our tourism industry and community.

#6 ENSURE THAT TOURISM AND ECONOMIC DEVELOPMENT ARE ENHANCING AND PROTECTING RESIDENTS' QUALITY OF LIFE

Working together, we can ensure that no one location becomes over-visited. By developing a sustainable tourism plan, we can strategically promote all assets of the city and the region and improve the spatial distribution of visitors, ensuring our success for the future while protecting the interests of our residents and the integrity of our city and its residents.

"The addition of the Tourism Improvement District funding has allowed our organization to be transformational in our work. We completed a Tourism Master Plan that focused on residents first and how we can shape tourism to enhance our experience as residents and attract visitors that appreciate Portland as a progressive city. A win for businesses and Portlanders."

Jeff Miller
President & CEO
Travel Portland, OR

#7 ENSURE THAT TOURISM POSITIVELY AFFECTS ALL ASPECTS OF OUR COMMUNITY

A robust visitor economy can impact a community beyond just people there to sightsee. Visitors can become new residents, bringing new cultures and businesses to our community. Therefore, it's imperative that we use visitation as a way to impact our community positively.

EXPAND OUR POSITIVE PERCEPTION

A positive perception of a destination attracts university students, growth in local businesses, and future residents.

RETAIN WORKFORCE

Driving shoulder season demand allows businesses to retain their workforce year-round rather than reduce hours in November and be forced to hire non-locals (J1 & H2B) in the Spring.

INTRODUCE NEW MARKETS

Expanding awareness of Portland to states outside of the Northeast allows for additional visibility across the U.S. that Portland is welcoming and open for business.

INDUSTRY SPECIFIC CONFERENCES

Attracting industry-specific conferences to Portland assists us in highlighting our existing specialized industries. (i.e., BioTech, Marine/Fisheries, Health Services, Manufacturing, etc.

DIVERSE \ GLOBAL OUTREACH

Marketing Portland specifically to international visitors and members of the LGBTQIA+ community tells everyone that Portland is welcoming to all!

INCREASED MEDIA COVERAGE

Be more proactive in working with travel media to increase destination-focused stories about Portland. Editorial content has a significant influence on travelers booking their vacations.

WRITING OUR OWN NARRATIVE

Controlling our story is critical. What do we want the world to know about Portland? What are the misconceptions? Developing social, video, and narrative content allows us to show the diversity of the City of Portland, our residents, and our small businesses.

EFFECTS ON OUR COMMUNITY

Utilize tools that provide data that shows the impact on our community. For example, traffic patterns, visitation numbers, short-term rental usage, and visitor spending are a few data points that are track-able to ensure that visitation does not negatively impact our community.

#8 SUPPORTING BEYOND THE TYPICAL

When we think of tourism, we think of attractions, restaurants, hotels, etc. However, do you think of these businesses? The following is a list of companies on the expense reports of hotels and restaurants - all local businesses they contract with to keep their business running efficiently. When tourism is strong, these businesses also benefit.

MAINTENANCE	MISCELLANEOUS	OPERATIONS	MARKETING + CLIENT SUPPORT	STAFFING / HR
<ul style="list-style-type: none"> Lawn Care Companies Snow Plowing Elevator Maintenance Pest Control HVAC Suppliers Pool Supply Companies Auto Mechanics Hardware Stores Plumbing / Refrigeration Electricians 	<ul style="list-style-type: none"> Architects Construction Companies Lawyers Accountants IT Companies Security Parking Operations First Aid & Safety Suppliers Local Artists Local Furniture Makers Local Crafters 	<ul style="list-style-type: none"> Food Purveyors Beverage Suppliers Paper Good Supply Companies Local Fisherman Local Lobstermen Chocolate Makers Laundry Service Dry Cleaners Uniform Companies Electricity / Oil Companies Ice Vendors 	<ul style="list-style-type: none"> Audio Visual Companies Florists Photographers Graphic Designers Website Companies Public Relations Printers Local Fitness Gyms 	<ul style="list-style-type: none"> Temp Staffing Agencies MEMIC Insurance Companies Payroll Companies



COMMUNITY CALL TO ACTION

Does your business/organization benefit directly or indirectly from tourism? Do you see the value in developing / keeping a strong community through tourism?

If so, we need your help!
Support comments from the community will be very influential.
Please e-mail them to Lynn Tillotson

ABOUT VISIT PORTLAND

Visit Portland, formerly the Greater Portland Convention & Visitors Bureau (CVB), is a 501(c)6, not-for-profit Destination Marketing Organization (DMO) responsible for promoting the Greater Portland region since 1982.

A destination organization is a community asset responsible for programs promoting a community as an attractive travel destination and enhancing its public image as a dynamic place to live and work.

Through their knowledge of the destination, brand management, promotional programs, and resulting impacts of visitation, DMOs strengthen a community's economic position and vitality, which increases the opportunity for all the residents in the destination.



FOR ADDITIONAL QUESTIONS CONTACT:

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